



## 2019 Quarterly Operating Review – March 2019

April 22, 2019



<b>Executive Summary</b>
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**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

## Executive Summary

- 1. Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan for the Quarter due to lower than anticipated demand at Woodbridge, Delmont, Everett and ECS due to softer market conditions at both Canadian and US customers impacted by the above normal winter weather conditions. Extrusion sales impacted by colder temperatures and higher than normal precipitation levels throughout Canada and the US. Sales volumes in line with Plan at Laval and Terrebonne due to pent up demand from the end of 2018 and new business launches
- 2. EBITDA:** In line with Plan despite lower sales revenues and volumes, due to continued focus on lower material cost inputs, optimization of labor costs and lower overhead spending across the business. EBITDA also benefiting from lower OPEX costs and a favorable F/X impact (offsetting a portion of the F/X expense recorded in December). Laval and Terrebonne improvement in EBITDA due to continued focus on production optimization and labor planning for the high season. EBITDA also benefited from an out-of-period workers' compensation premium refund of \$84K at Everett (annually recorded in February when the refund is received)
- 3. Customer Losses:** ENERGI received verbal notice of two Ontario based customers that will transition their business away from ENERGI at the end of 2019 to Vision. Clera Windows & Doors and Wardco/Landmark were both Matthew's customers and purchased extrusions from Woodbridge and patio doors from Terrebonne. Clera is included in the 2019 Plan at approx. \$1.1 million in annual sales. Wardco/Landmark is included in the 2019 Plan at approx. \$900K in annual sales. In January, Laval received official news from two of its customers, Concept MAT and Ouellet P&F that they will no longer be purchasing from Laval. Concept MAT has closed its windows & doors division effective immediately and Ouellet has been sold to Fenplast and will source their extrusions from their current supplier. Both customers are included in the 2019 Plan at approx. \$465K in annual sales
- 4. TTM:** 2019 March TTM Revenue of \$165.0M and EBITDA of \$10.6M vs the 2019 AOP Revenue of \$178.2M and EBITDA of \$14.0M (excluding bonus expense)

## Executive Summary (Continued)

5. **Sales Order Flow:** Overall sales order flow outlook for April just past the mid-month point is currently behind the orders/bookings vs the prior year on a Month to Date basis by 2.6%. Extrusion orders are behind the prior year by 2.7% and Patio Door sales orders are behind the prior year on a Month to Date basis by 2.1%. We are seeing some positive momentum in orders at Woodbridge and Everett during the first two weeks of April, but still seeing a lack of orders at Laval and Delmont. All plants are reviewing their labor production plan for April and will scale back production accordingly based on latest order in-house, while continuing to maintain their stocking program commitments
6. **Operational Stability – Terrebonne:** Turnaround plan is on target with operational improvements, cost reductions and development of commercial activities. Terrebonne is also in the process of ramping up for the new Performer door launch and high season inventory build. Continued strong project quoting volume
7. **Material/Supplier Price Increases:** CDI Resin Index remained unchanged for March vs the February price, which increased by 2cpp. Industry consensus is that resin will remain flat for Q2 with a possibility of a 1cpp reduction. TiO2 price increase announcement of 7cpp has been negotiated to 3cpp effective July 1st. Alternative compounding source RFQ in process and discussions ongoing with alternative suppliers for TiO2, Masterbatch, Acrylic Dark Cap, Stabilizer and Filler materials
8. **Bank Covenants:** Excess Availability covenant for Mar-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target due to TTM EBITDA falling below budget. Continue to monitor Q2 2019 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly
9. **Woodbridge Plant Manager:** Resignation of Yvan Santin effective March 8<sup>th</sup>. Recruitment search commenced
10. **Laval Water Damage:** Laval water damage claim from February 14<sup>th</sup> burst sprinkler pipe finalized with insurance company. Agreement reached on scope of the damages and cost of repairs with total loss of approximately US\$160K, which is higher than the deductible amount of US\$100K. Contractor has been engaged with 50% of the repairs completed; ensuring minimal disruption to operations and workforce

## Executive Summary (Continued)

	Description	Potential Impact	Plan to Address
<b>Risks</b>	▪ Aggressive Competition and related pricing pressures	<ul style="list-style-type: none"> <li>▪ Customer losses</li> <li>▪ Revenue and EBITDA loss</li> <li>▪ Reduction in profitability vs Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Visiting major customers to solidify ENERGI's relationship as a strategic partner</li> <li>▪ Close on and lock in potential new customers – contacting several non-ENERGI customers and presenting our capabilities/innovations</li> </ul>
	▪ Raw Material Costs	<ul style="list-style-type: none"> <li>▪ Resin, TiO2 and other raw material price increases impacting EBITDA</li> <li>▪ Freight and logistics cost increases</li> <li>▪ Reduction in profitability by using virgin material due to lack of supply</li> </ul>	<ul style="list-style-type: none"> <li>▪ VP Supply Chain conducting Global Sourcing search for alternative material suppliers</li> <li>▪ Accelerating alternative material usage through increased regrind purchasing opportunities including customer scrap buy-back</li> <li>▪ VP Supply Chain assisting plants with warehousing and logistics cost and resource optimization, as well as SIOP</li> </ul>
	▪ Terrebonne (Patio Doors)	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA loss</li> <li>▪ Turnaround plan not achieved</li> <li>▪ Employee retention</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain stability of leadership for Terrebonne – internal promotions</li> <li>▪ Executing on labor balancing/planning</li> <li>▪ Obtain new business and take market share – quoting several projects and new business opportunities with new customers</li> <li>▪ Working with Infor to improve reliability of ERP system</li> </ul>
	▪ 2019 Canadian Industry and Market continues to stall beyond April 2019	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA loss</li> <li>▪ Employee retention issue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to stay in touch with all major customers</li> <li>▪ Develop production scheduling discipline to ensure not over or under producing and not creating backorders</li> </ul>
<b>Opportunities</b>	▪ External Compound Sales	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA growth</li> <li>▪ Absorption of ECS overheads</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quoting several non-fenestration compound opportunities</li> <li>▪ Developing natural/green core compound for alt. materials initiative</li> </ul>
	▪ Operations Excellence Initiatives	<ul style="list-style-type: none"> <li>▪ Operational efficiencies</li> <li>▪ Profitability improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on operation optimization and lean strategies to eliminate waste</li> <li>▪ Focus on use of alternative materials in existing and new business</li> <li>▪ Tracking Plant level continuous improvement project savings</li> </ul>
	▪ Supply Chain Initiatives	<ul style="list-style-type: none"> <li>▪ Improvement in profitability</li> <li>▪ Offset raw material increases</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reviewing alternative supply options for all resources</li> <li>▪ Challenging price increases from all suppliers</li> </ul>
	▪ Pipeline Growth	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA growth</li> <li>▪ Plant capacity utilization</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sales prospecting efforts continue to grow the sales pipeline for extrusion, patio door and external compound opportunities</li> <li>▪ Completion and launch of Woodbridge Modular Platform</li> <li>▪ Increased prospecting efforts for Everett plant</li> </ul>

# Key Wins and Losses – Q1 2019



## Key Wins

- **Western Windows – Multi-Slide Door Lineals**
  - Everett Plant
  - Annual Sales \$600K & 450K Lbs
  - Includes Dark Capstock
- **Abritek – PD Lineal**
  - Terrebonne Plant
  - Annual Sales \$269K & 175K Lbs
- **Cascade – Full Program (Dark Cap)**
  - Everett Plant
  - Annual Sales \$4.5M & 3.6M Lbs
- **Quaker – Opera PD**
  - Terrebonne Plant
  - Annual Sales \$500K
- **Atis – Orchestra and Opus PD**
  - Terrebonne Plant
  - Annual Sales \$577K


## Key Losses

- **Wardco/Landmark**
  - Woodbridge & Terrebonne
  - 2019 Plan Sales = \$900K
- **Clara Windows & Doors**
  - Woodbridge & Terrebonne
  - 2019 Plan Sales = \$1.1M
- **Concept MAT Inc. – Bankruptcy**
  - Laval & Terrebonne
  - 2019 Plan Sales = \$250K
- **Ouellet Portes et Fenetres**
  - Laval & Terrebonne
  - 2019 Plan Sales = \$215K
- **Duraco Windows – Bankruptcy**
  - Woodbridge & Terrebonne
  - 2019 Plan Sales = \$200K

# Key Initiatives Update


Initiative	Status	Recent Progress	Next Steps	Risks
1. Develop/Enhance Systems and Processes		<ul style="list-style-type: none"> <li>• Production run cards developed for alternative BOMs at Woodbridge, Everett &amp; Delmont</li> <li>• OBI project at Everett – finalized instruction videos</li> <li>• OBI project at ECS commenced</li> <li>• Created manufacturing tooling status and production release process</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize production run cards for alternative BOMs at Woodbridge &amp; Delmont</li> <li>• OBI project at Everett – need to finalize day by day training and training room</li> <li>• OBI project at ECS – first draft of the processes needs to be completed and schedule created</li> </ul>	<ul style="list-style-type: none"> <li>• Production planning inefficiencies</li> <li>• Labor planning inefficiencies</li> </ul>
2. Develop Safety, Quality, Delivery & Cost culture		<ul style="list-style-type: none"> <li>• All plants have integrated daily Gemba walks and shift hand-off boards into their culture</li> <li>• Continuous education discipline and training on the use of shift hand-off boards</li> </ul>	<ul style="list-style-type: none"> <li>• SQDC and Gemba walk training will continue throughout the next three months</li> <li>• Implement changes to the Gemba process with lessons learned to enhance their value and effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Disorganized plants impairs production efficiencies sends a negative message to customers</li> </ul>

## Key Initiatives Update (Continued)



Initiative	Status	Recent Progress	Next Steps	Risks
3. Develop Alternative Compounds		<ul style="list-style-type: none"> <li>• Discussions ongoing with suppliers regarding alternative material compound and regrind – continuing to obtain quotes and test samples</li> <li>• Developing Natural PVC formula at ECS, reviewing costs to develop and lab testing the material</li> <li>• Continued progress with purchasing regrind material with separate suppliers at Woodbridge, Laval, Everett and Delmont</li> <li>• Several responses received from RFQ package sent out to suppliers</li> <li>• Co-extruder installed in Woodbridge at year-end and currently running Natural Core trials</li> <li>• End-cut Buy-back program – Everett testing material from Simonton and Solar Industries</li> <li>• End-cut Buy-back program – Delmont working with JPI on using PGT end-cuts in their process</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing capabilities of each supplier, pricing quoted, material specifications and obtaining samples for testing</li> <li>• Natural Core test profiles to be sent to AAMA for testing</li> <li>• Decision required on purchase of test equipment, documentation of final test methods and training select individuals at each plant</li> <li>• Working with AAMA Task Group on how to deal with recycled material</li> </ul>	<ul style="list-style-type: none"> <li>• Margin erosion due to rising resin, TiO2 and other additive costs</li> <li>• Loss of market share due to not being able to compete</li> </ul>




## Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
4. Improve Terrebonne profitability		<ul style="list-style-type: none"> <li>• Objective Based Instructions project – conducting job recertification process</li> <li>• KPIs being tracked and integrated into SQDC Boards</li> <li>• Daily labor tracking measurement in place and integrated into SQDC Boards</li> <li>• Price increase has been communicated to customers</li> <li>• Finalized start up plans with Caron &amp; Guay and Kento</li> <li>• Closed on Quaker opportunity with an estimated 2019 volume of \$0.3M – received first order</li> <li>• Ramp Up Ready meetings held to ensure plans are in place to handle peak season demand</li> <li>• New Performer door launch pre-production trials ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• ERP system improvements – project on track and progress being made with planning &amp; scheduling applications and financial systems</li> <li>• Working through Plant &amp; Line Balancing plan</li> <li>• Commenced review of commercial growth opportunities and product line profitability assessments – reviewing several opportunities</li> <li>• New Performer door launch is the primary focus at this time</li> <li>• Cross training areas targeted to create flexibility</li> <li>• Finalizing agreement with Atis on a \$2.5M opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Customer retention may also impact extrusion side of the business</li> <li>• EBITDA losses</li> </ul>

## Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
5. Planning Disciplines and overall Communication Practices		<ul style="list-style-type: none"> <li>• Determined applicable KPIs to track and develop realistic targets to track</li> <li>• Weekly updates on status of “Big 3” initiatives and identify next initiatives once completed</li> <li>• Communications between plants and sharing of best practices conducted on a weekly basis</li> <li>• Visual Control Boards implemented to track progress on certain lines and improve change over times &amp; yields</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly Quality Assurance calls continue to evolve yielding improved team problem solving and systemic solution to issues</li> <li>• Weekly Tooling Status meetings being conducted</li> <li>• Schedule Quarterly meetings with extended management team to communicate overall financial results, metrics and strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of Accountability and Ownership from employees</li> </ul>
6. Safety		<ul style="list-style-type: none"> <li>• 4 recordable incidents YTD with 2 occurring at Laval and 2 at Delmont</li> <li>• Weekly management safety meetings being held</li> <li>• Accelerating more aggressive safety program at Laval</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance plant safety programs and accelerate the safety awareness culture at all plants</li> <li>• Incorporating safety reviews during Gemba walks; additional communication</li> </ul>	

## Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
7. Information Technology & Systems Security		<ul style="list-style-type: none"> <li>Account Management &amp; Security (R1) initiative completed – utilizing Azure Active Directory to centrally manage and enforce security settings</li> <li>Business Continuity &amp; DR (R2) – implemented local and remote back-up strategy &amp; protocol for local site servers</li> <li>Full DR test successfully completed for JDE ERP</li> <li>Two-Factor Authentication (R5) – completed successfully</li> <li>Implemented Mimecast to scan incoming emails and block suspicious addresses</li> <li>Added “Warning” message to all incoming emails originating from outside ENERGI system</li> </ul>	<ul style="list-style-type: none"> <li>DR test on Syteline ERP (Terrebonne) to be scheduled once current Vanilla Project work is completed</li> <li>DR test on ConcepMATICs ERP (Laval) to be scheduled</li> <li>Cybersecurity Training &amp; Awareness (R3) – procured vendor; early May kick-off</li> <li>Vulnerability Mgmt (R4) – postponed to 2020</li> <li>Hard Drive Encryption (R6) – postponed to 2020</li> <li>Patch Mgmt (R7) – in process; dependent on Change Mgmt policies and procedures</li> <li>Email Encryption (R8) – postponed to 2020</li> <li>Mobile Device Mgmt (R9) – evaluating MS solution or SOTI</li> <li>Removable Media (R10) &amp; Cloud-Based Apps (R11) – postponed to 2020</li> </ul>	<ul style="list-style-type: none"> <li>Email Phishing Attacks:               <ul style="list-style-type: none"> <li>a) Ransomware email from external email account; shutdown Terrebonne for 3 days; able to restore from back-up</li> <li>b) Email impersonating CEO asking employee for gift cards - \$4K loss incurred</li> </ul> </li> </ul>

# Key Performance Indicators - Summary

## **Safety:**

- Four (4) recordable incidents in Q1 2019. Two (2) in Laval, One worker cut hand and one worker fractured rib (no lost time in both cases), and Two (2) in Delmont, both Hand lacerations in separate incidents (no lost time)
- Q1-2019 TRIR of 2.00 vs 2018 TRIR of 1.97; Total Recordable Cases – 4 for 2019 vs 14 for 2018 & 16 for 2017
- 28 months incident free record at ECS; 21 months at Everett; 8 months at Woodbridge

## **Quality:**

- Laval - customer complaints from Solaris, Abritek and Isothermic due to brittleness issues; ECS reviewing material formulation
- Delmont – small quantity escapes and complaints from PGT, Polaris and Sierra Pacific; checking quality on line every hour
- Terrebonne returns higher than target due to winter season; Trend of increased complaints following severity of weather

## **Delivery:**

- Delivery performance ahead of targets across all plants for March and YTD
- Woodbridge - All Weather Tooling delay and capacity issues with Eclipse Shutter Systems products in February

## **Efficiencies:**

- Woodbridge yields impacted by plant start-up scrap due to weekend closures
- Delmont yields impacted by PGT dark Capstock production runs; recut tools to correct original tuning issues

## **Inventory:**

- Strategic build up of inventory in response to anticipated demand in Q2
- Higher Inventory Days on Hand due to build up of raw material and purchasing ahead of expected resin and TiO2 price increases

## **Customer Retention:**

- Loss of Clera Windows & Doors and Wardco/Landmark to competitor, expected annual sales of \$2M combined

## **Employees:**

- Employee retention stable at 99.2%; satisfaction survey completed at HO with a score of 78%; no major issues

# Key Performance Indicators – Plant Summary

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
Health & Safety						
# Recordables (affects TRIR)	# in Month	0	1	1	2	4
Woodbridge		0	0	0	0	0
Laval		0	1	1	0	2
Terrebonne		0	0	0	0	0
Delmont		0	0	0	2	2
Everett		0	0	0	0	0
ECS		0	0	0	0	0
Quality Performance						
Returns as % of sales	# of Plants Green	6	4	4	5	4
Woodbridge		0.30%	1.49%	0.53%	0.25%	0.77%
Laval		0.78%	0.24%	0.38%	0.54%	0.40%
Terrebonne		1.25%	1.57%	1.76%	0.58%	1.28%
Delmont		0.30%	0.15%	0.27%	0.40%	0.01%
Everett		0.60%	0.43%	0.32%	0.06%	0.27%
ECS		0.20%	0.00%	0.02%	0.00%	0.00%
Delivery Performance						
% by line items	# of Plants Green	6	6	5	6	6
Woodbridge		99.0%	99.6%	98.8%	99.4%	99.3%
Laval		99.0%	99.7%	99.8%	99.6%	99.7%
Terrebonne ****		95.0%	95.4%	95.7%	95.6%	95.5%
Delmont		99.0%	99.5%	99.4%	99.4%	99.4%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%
% on time in full	# of Plants Green	6	6	6	6	6
Woodbridge		95.0%	99.6%	98.8%	99.4%	99.3%
Laval		95.0%	99.7%	99.8%	99.6%	99.7%
Terrebonne		95.0%	95.4%	95.7%	95.6%	95.5%
Delmont		95.0%	99.7%	99.8%	99.7%	99.7%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%
Costs						
Yield*	# of Plants Green	5	3	3	3	3
Woodbridge		85.7%	84.7%	85.5%	85.2%	85.1%
Laval		84.0%	85.5%	85.2%	86.9%	85.9%
Delmont		85.7%	81.4%	82.7%	83.3%	82.5%
Everett		85.7%	90.9%	91.2%	90.9%	91.1%
ECS		99.2%	99.5%	99.6%	99.8%	99.6%
Alt. Compound Consumption Ratio*		5	3	2	4	3
Woodbridge		19.9%	17.4%	20.1%	20.0%	19.1%
Laval		20.9%	20.2%	19.4%	18.4%	19.3%
Delmont		17.1%	25.4%	19.8%	19.5%	21.6%
Everett		20.0%	32.0%	18.4%	21.4%	24.4%
ECS		0.0%	0.4%	0.1%	0.4%	0.2%

Notes: \* Not measured at TB; \*\* Excluding TB; \*\*\*TB is # Concerns/100k Sales \*\*\*\* Change in calculation method for TB retroactively restated to Jan 18

# Key Performance Indicators – Plant Summary (Cont'd)

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
<b>Inventory</b>						
Days - TTM*	# of Plants Green	5	2	1	3	
Woodbridge		54.1	57.3	59.1	61.8	
Laval		69.3	66.7	66.4	67.7	
Terrebonne		71.0	74.8	71.4	70.2	
Delmont		58.7	62.0	62.1	64.6	
Everett		84.5	84.4	85.6	87.2	
ECS		46.0	50.0	49.0	42.0	
<b>Customer Service</b>						
Customer Experience - NPS Improvement		20%	NA	NA	NA	NA
Customer Complaints - per MLBS ***	# of Plants Green	6	5	4	2	3
Woodbridge		3.2	2.6	2.3	3.0	2.6
Laval		22.5	16.0	23.0	33.0	24.0
Terrebonne		3.2	4.0	3.9	3.6	3.8
Delmont		3.2	2.8	3.2	3.7	3.2
Everett		3.2	1.4	2.7	3.5	2.5
ECS		0.3	0.3	0.1	0.0	0.1
Customer Retention		100%	100.0%	100.0%	98.9%	99.6%
<b>Employees</b>						
Employee Engagement		80%	76.0%	75.0%	75.0%	75.0%
Employee Retention		90%	99.2%	98.1%	99.2%	97.8%

Notes: \* Not measured at TB; \*\* Excluding TB; \*\*\*TB is # Concerns/100k Sales \*\*\*\*\* Change in calculation method for TB retroactively restated to Jan 18

# Consolidated Summary P&L – Q1 2019

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	23,546	24,736	(1,190)	(4.8%)	23,546	24,736	(1,190)	(4.8%)
Units Shipped ('000)	20,761	23,091	(2,330)	(10.1%)	20,761	23,091	(2,330)	(10.1%)
Bookings (\$'000)	\$ 33,792	\$ 37,372	\$ (3,580)	(9.6%)	\$ 33,792	\$ 37,372	\$ (3,580)	(9.6%)
Backlog (\$'000)	\$ 8,460	\$ 13,321	\$ (4,861)	(36.5%)	\$ 8,460	\$ 13,321	\$ (4,861)	(36.5%)
Gross Revenue	\$ 34,773	\$ 38,445	\$ (3,672)	(9.6%)	\$ 34,773	\$ 38,445	\$ (3,672)	(9.6%)
Adj. to Gross Revenue	(1,643)	(1,855)	212	(11.5%)	(1,643)	(1,855)	212	(11.5%)
Net Revenue	33,131	36,590	(3,459)	(9.5%)	33,131	36,590	(3,459)	(9.5%)
Material	15,969	18,133	(2,164)	(11.9%)	15,969	18,133	(2,164)	(11.9%)
Labor	8,554	9,041	(486)	(5.4%)	8,554	9,041	(486)	(5.4%)
Other COGS	3,441	3,840	(400)	(10.4%)	3,441	3,840	(400)	(10.4%)
Total COGS	27,964	31,014	(3,050)	(9.8%)	27,964	31,014	(3,050)	(9.8%)
Gross Margin	5,167	5,576	(409)	(7.3%)	5,167	5,576	(409)	(7.3%)
Gross Margin %	15.6%	15.2%			15.6%	15.2%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	1,631	1,751	(120)	(6.9%)	1,631	1,751	(120)	(6.9%)
Administrative	2,884	3,113	(229)	(7.4%)	2,884	3,113	(229)	(7.4%)
Other Opex	(117)	(53)	(63)	118.3%	(117)	(53)	(63)	118.3%
Total Opex	4,399	4,811	(413)	(8.6%)	4,399	4,811	(413)	(8.6%)
EBITDA	768	765	3	0.4%	768	765	3	0.4%
EBITDA %	2.3%	2.1%			2.3%	2.1%		
Net Income (Loss)	\$ (2,437)	\$ (2,800)	\$ 363	(13.0%)	\$ (2,437)	\$ (2,800)	\$ 363	(13.0%)
Capex	\$ (1,580)	\$ (2,502)	\$ 922	(36.9%)	\$ (1,580)	\$ (2,502)	\$ 922	(36.9%)
<b>Opex Overview:</b>								
Payroll	\$ 2,476	\$ 2,585	\$ (109)	(4.2%)	\$ 2,476	\$ 2,585	\$ (109)	(4.2%)
Bonus	336	340	(4)	(1.1%)	336	340	(4)	(1.1%)
Commissions	53	89	(35)	(40.0%)	53	89	(35)	(40.0%)
Marketing	346	435	(90)	(20.6%)	346	435	(90)	(20.6%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	270	394	(123)	(31.3%)	270	394	(123)	(31.3%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	80	80	(0)	(0.5%)	80	80	(0)	(0.5%)
Professional fees	153	163	(9)	(5.7%)	153	163	(9)	(5.7%)
Office Expenses	67	72	(6)	(7.9%)	67	72	(6)	(7.9%)
IT	464	490	(26)	(5.4%)	464	490	(26)	(5.4%)
Bad Debts	32	(1)	33	(2882.1%)	32	(1)	33	(2882.1%)
FX	(83)	–	(83)	N/A	(83)	–	(83)	N/A
JV Loss (Income)	(34)	(53)	20	(37.2%)	(34)	(53)	20	(37.2%)
Other Expenses	238	217	21	9.6%	238	217	21	9.6%
Total Opex	\$ 4,399	\$ 4,811	\$ (413)	(8.6%)	\$ 4,399	\$ 4,811	\$ (413)	(8.6%)

## Management Discussion

### Net Revenue – Q1 2019 -\$3,459K:

- Extrusion external sales volume unfavorable by 10.1% or \$2,804K due mainly to softer market conditions across North America as a result of the winter weather; with lower sales out of Woodbridge by \$2,062K, lower sales out of Delmont by \$384K and lower Everett sales by \$400K
- Patio Door gross sales were slightly below Budget by \$40K. External compound sales were behind Budget by \$182K due to reduced orders from Vinyl Profiles as a result of lost business
- Unfavorable product/customer mix of \$161k primarily from Everett
- Favorable Returns impact of \$8K; and Favorable rebates & discounts variance of \$204K coinciding with the lower volume during Q1 2019
- Unfavorable F/X impact of \$484K (actual rate of 1.3292 [or \$USD 0.7523] vs. Budget rate of 1.30 [or \$USD 0.7692])

### EBITDA – Q1 2019 +\$3K:

- Material COGS:** Decrease of \$2,164K primarily due to the mix and volume impact from lower sales of \$2,289K and variances related to: unfavorable impact from unfavorable yields and higher scrap at Woodbridge, Delmont and Everett (net of increased regrind/Alt material usage) of \$151K; unfavorable E&O reserve at Everett and Terrebonne of \$86K; partially offset by improved scrap and favorable PPV at ECS of \$112K
- Labor COGS:** Decrease of \$486K due to a volume impact of \$263K, an out-of-period workers' compensation refund received at Everett of \$84K, a favorable F/X impact of \$107K and headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$32K
- Other COGS:** Decrease of \$400K as a result of lower freight costs due to sales volume and customer mix of \$202K, favorable absorption impact of \$103K as a result of lower sales than Plan, a favorable F/X impact of \$66K and favorable overhead spending (ie. Utilities, maintenance and factory supplies) of \$29K
- Sales and Marketing:** Lower costs as a result of lower commissions accrued, lower T&E costs, lower marketing costs as a result of timing and a favorable FX impact of \$27K
- Administrative:** Lower costs due to lower payroll and benefits as well lower T&E and a favorable F/X impact of \$63K
- Other Opex:** Favorable impact due a favorable realized F/X re-valuation impact of \$83K due to net USD working capital held by the Canadian entity (change in F/X from 1.3640 on December 31<sup>st</sup>, 2018 to 1.3531 on March 31<sup>st</sup>, 2019) and a lower JV equity income of \$20K related to lower volumes vs Budget

# Q1 2019 Net Sales Bridge

(In Thousands of US Dollars)

	Woodbridge	Laval	Delmont	Everett	ECS	Terrebonne	Group Office	Adj.	Total
Net Sales Budget, as reported <b>(A)</b>	\$ 10,310	\$ 6,240	\$ 9,353	\$ 5,946	\$ 16,905	\$ 3,623	\$ 16	\$ (15,802)	\$ 36,590
Volume impact (external sales)	(2,062)	40	(382)	(400)	(373)	(40)	-	-	<b>(3,217)</b>
Volume impact (intercompany sales)	345	(98)	25	-	71	-	-	(343)	-
Rebates & discounts	73	32	41	127	18	(70)	-	(17)	<b>204</b>
Price / Mix impact	210	(144)	106	(279)	191	(5)	-	(49)	<b>30</b>
Returns & allowances	(40)	6	12	28	2	-	-	-	<b>8</b>
Other - F/X	(173)	(122)	0	0	(111)	(63)	(16)	(0)	<b>(484)</b>
<b>Actual Net Sales (B)</b>	<b>\$ 8,663</b>	<b>\$ 5,954</b>	<b>\$ 9,155</b>	<b>\$ 5,422</b>	<b>\$ 16,703</b>	<b>\$ 3,445</b>	<b>\$ -</b>	<b>\$ (16,211)</b>	<b>\$ 33,131</b>
Actual vs Budget, as reported Variance <b>(B) - (A)</b>	\$ (1,647)	\$ (286)	\$ (198)	\$ (524)	\$ (202)	\$ (179)	\$ (16)	\$ (409)	<b>\$ (3,459)</b>
Actual vs Prior Year, as reported Variance	\$ (3,163)	\$ (1,152)	\$ (258)	\$ (1,101)	\$ (4,314)	\$ (593)	\$ (72)	\$ 5,118	<b>\$ (5,535)</b>



# Q1 2019 EBITDA Bridge

(In Thousands of US Dollars)

	<u>Woodbridge</u>	<u>Laval</u>	<u>Delmont</u>	<u>Everett</u>	<u>ECS</u>	<u>Terrebonne</u>	<u>Group Office</u>	<u>Adj.</u>	<u>Total</u>
EBITDA Budget, as reported <b>(A)</b>	\$ 174	\$ 546	\$ 1,289	\$ 375	\$ 73	\$ (640)	\$ (1,052)	\$ 0	\$ 765
Volume & Mix impact	(488)	(36)	73	(287)	45	(260)	-	(24)	<b>(977)</b>
Labor - DL/IDL FAV/(UNF)	30	20	161	5	44	210	-	-	<b>469</b>
Alt. Materials FAV/(UNF)	(55)	60	(74)	(81)	-	-	-	-	<b>(151)</b>
Other Materials - FAV/(UNF)	-	-	(59)	(53)	(48)	(60)	73	160	<b>13</b>
Absorption impact FAV/(UNF)	141	61	(87)	(99)	(6)	93	-	-	<b>103</b>
Overhead Spending FAV/(UNF)	108	(24)	(23)	40	(2)	(12)	-	-	<b>87</b>
Other	18	68	24	21	107	11	210	0	<b>459</b>
<b>Actual EBITDA (B)</b>	<b>\$ (73)</b>	<b>\$ 694</b>	<b>\$ 1,303</b>	<b>\$ (79)</b>	<b>\$ 212</b>	<b>\$ (658)</b>	<b>\$ (768)</b>	<b>\$ 136</b>	<b>\$ 768</b>
Actual vs Budget, as reported Variance <b>(B) - (A)</b>	\$ (246)	\$ 148	\$ 14	\$ (454)	\$ 140	\$ (18)	\$ 283	\$ 136	<b>\$ 3</b>
Actual vs Prior Year, as reported Variance	\$ 873	\$ 386	\$ 475	\$ (80)	\$ (795)	\$ (73)	\$ (814)	\$ 136	<b>\$ 109</b>

# Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Mar-19			Mar-19 YTD			Comments
	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance <sup>(1)</sup>	\$ (18)	\$ 19.42	\$ (38)	\$ (46)	\$ 120	\$ (166)	Higher production scrap and lower yields
Woodbridge - Alt Materials Usage <sup>(2)</sup>	\$ 114	\$ 104	\$ 10	\$ 399	\$ 288	\$ 111	Higher regrind and off-spec material usage
<b>Woodbridge - Total</b>	<b>\$ 96</b>	<b>\$ 124</b>	<b>\$ (28)</b>	<b>\$ 352</b>	<b>\$ 408</b>	<b>\$ (55)</b>	
Laval - Scrap Variance <sup>(1)</sup>	\$ 24	\$ 5	\$ 19	\$ 38	\$ 5	\$ 33	Favorable yields due to longer runs and product mix
Laval - Alt Materials Usage <sup>(2)</sup>	\$ 39	\$ 14	\$ 26	\$ 68	\$ 41	\$ 27	Increased regrind usage content on specific dies
<b>Laval - Total</b>	<b>\$ 63</b>	<b>\$ 19</b>	<b>\$ 45</b>	<b>\$ 105</b>	<b>\$ 46</b>	<b>\$ 60</b>	
Delmont - Scrap Variance <sup>(1)</sup>	\$ 109	\$ 112	\$ (3)	\$ 213	\$ 277	\$ (64)	Unfavorable yields due to increased dark capstock runs
Delmont - Alt Materials Usage <sup>(2)</sup>	\$ 30	\$ 64	\$ (34)	\$ 207	\$ 217	\$ (10)	Reduced regrind/alt material usage due to lower volumes
<b>Delmont - Total</b>	<b>\$ 139</b>	<b>\$ 176</b>	<b>\$ (37)</b>	<b>\$ 420</b>	<b>\$ 494</b>	<b>\$ (74)</b>	
Everett - Scrap Variance <sup>(1)</sup>	\$ (118)	\$ (95)	\$ (23)	\$ (330)	\$ (272)	\$ (58)	Higher FG production scrap due to trials and testing
Everett - Alt Materials Usage <sup>(2)</sup>	\$ 199	\$ 213	\$ (14)	\$ 588	\$ 611	\$ (23)	Lower regrind/alt material usage due to volumes and mix
<b>Everett - Total</b>	<b>\$ 81</b>	<b>\$ 118</b>	<b>\$ (37)</b>	<b>\$ 258</b>	<b>\$ 339</b>	<b>\$ (81)</b>	
Total Scrap Variance <sup>(1)</sup>	\$ (3)	\$ 41	\$ (45)	\$ (125)	\$ 130	\$ (255)	
Total Alt Materials Usage <sup>(2)</sup>	\$ 382	\$ 395	\$ (13)	\$ 1,261	\$ 1,157	\$ 104	
<b>Grand Total</b>	<b>\$ 379</b>	<b>\$ 436</b>	<b>\$ (57)</b>	<b>\$ 1,136</b>	<b>\$ 1,287</b>	<b>\$ (151)</b>	

**Notes:**

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

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

# Strategic Plan Update – Summary of HCR Initiative

*(In Thousands of US Dollars)*

	Jan-19	Feb-19	Mar-19	Q1-19
Budget Production Volume (Lbs)	7,936	7,979	8,822	24,736
Budget Direct Labor	\$ 1,431	\$ 1,347	\$ 1,484	\$ 4,262
Budget Indirect and SG&A Labor	\$ 2,446	\$ 2,212	\$ 2,365	\$ 7,023
Budget Total Labor	<u>\$ 3,877</u>	<u>\$ 3,560</u>	<u>\$ 3,849</u>	<u>\$ 11,286</u>
Actual Production Volume (Lbs)	7,786	7,371	8,389	23,546
Actual Direct Labor	\$ 1,305	\$ 1,239	\$ 1,363	\$ 3,908
Budget Direct Labor (Flexed for Actual Volume)	\$ 1,404	\$ 1,245	\$ 1,412	\$ 4,060
<b>Direct Labor Savings - FAV(UNF)</b>	<u>\$ 98</u>	<u>\$ 5</u>	<u>\$ 48</u>	<u>\$ 152</u>
Actual Indirect and SG&A Labor	\$ 2,401	\$ 2,168	\$ 2,235	\$ 6,804
Budget Indirect and SG&A Labor (Flexed for Actual Volume)	\$ 2,446	\$ 2,212	\$ 2,365	\$ 7,023
<b>Indirect and SG&amp;A Labor Savings - FAV(UNF)</b>	<u>\$ 45</u>	<u>\$ 44</u>	<u>\$ 130</u>	<u>\$ 219</u>
<b>Total Labor</b>	<u>\$ 3,707</u>	<u>\$ 3,408</u>	<u>\$ 3,598</u>	<u>\$ 10,712</u>
<b>Budget Total Labor (Flexed for Actual Volume)</b>	<u>\$ 3,850</u>	<u>\$ 3,457</u>	<u>\$ 3,777</u>	<u>\$ 11,083</u>
<b>Total Labor Savings - FAV(UNF)</b>	<u>\$ 144</u>	<u>\$ 49</u>	<u>\$ 179</u>	<u>\$ 371</u>

**Note: Direct Labor includes Full Time and Casual/Temp Labor**

# Strategic Plan Update – Operations

## Good news / positives to business and plan/reforecast

- All plants have implemented the SQDC boards and a regimented daily Gemba walk. The SQDC boards in the service areas reflect KPIs that demonstrate the effectiveness in supporting production needs through reduced unplanned down time and improved tooling related quality. The culture of accountability for results has developed significantly as evident by the higher caliber / more proactive problem solving discussions during the Gemba walk
- In our quest to develop a culture of Zero Defect, weekly Plant Quality Calls have been implemented where best practices in Quality and Process Control are shared between all Plant and Quality Managers. MRB process included into the Gemba walks, allowing the plant leadership team to quickly identify the quality issues.
- Layered Audit process has been adopted at all plants and is demonstrating its effectiveness through improved process compliance and overall improvement in accountability
- The extrusion plants have increased the use of lower cost Alternative Materials by increasing the availability of regrind material and instilling greater discipline on the lines to use the BOM prescribed raw material source. The optical sorters at Delmont, Woodbridge and Everett are fully operational allowing us to maximize the yield from the mixed color regrind material resulting from our dark cap process or the purchasing of mixed color regrind
- Each of the Extrusion plants have implemented Visual Control Boards (“VCBs”) to track progress being made toward reducing line change over-times and reduce material scrapped during set-up / fine tuning
- New Product Production Tooling management weekly meetings held with Woodbridge, Delmont and Everett to clearly understand customer expectations, tooling completion dates/requirements, tool room capacity constraints, tool testing scheduling and required investments. Members from the Operations team, Sales team and Executive Management team are present at each meeting
- Communications between plants, collaborative problem solving and the sharing of best practices has improved greatly in the last few months. The weekly plant manager’s meeting provides a forum for sharing of lessons learned and exchanging of best practices. A cadence of monthly Plant Manager’s and Plant Controller meetings provides the opportunity for all in attendance to learn how we are performing as a business and as individual plants

# Strategic Plan Update – Terrebonne Turnaround

## Terrebonne Operational Activities

- New Performer Door launch continues to be the primary focus in the plant: changes to plant layout, inventory balancing, R&D on new equipment
- Labor tracking KPI's have continued to yield efficiency improvements. Ownership of results at floor level has increased through use of Gemba and SQDC
- Development of labor model finalized in Q1 along with OBI's and job certifications

## Patio Door Commercial Activities

- Funnel Summary (CAD\$):

	Incremental to 2018			Status
	Est 2019 Volume	Bud 2019 Volume	Est Annual Volume	
Caron et Guay	\$0.8		\$1.0	Complete, launching new PF
Kento	\$0.4		\$0.5	Complete, ordering
Concerto Group	\$0.5	\$0.4	\$1.0	Finalizing, completing vol incentive
Quaker	\$0.3		\$0.6	Working on wet glazing for them
Atis	\$2.5		\$6.3	Finalizing
Vaillencourt		\$1.3	\$2.0	Providing show and sell samples
Gentek			\$0.6	Met, working on Opera Program
Total	\$4.5	\$1.7	\$12.0	

# Strategic Plan Update – Supply Chain

## Good news / positives to business and plan / reforecast

### 1. Alternate Material Global Sourcing

- White color regrind samples being tested from JP Industrial, SLM Plastiques and Return Polymers at Laval, Woodbridge and Everett
- Offspec tan material from Resin Technologies is available and Everett is evaluating the data sheet and pricing before making a decision
- Mixed color regrind samples being tested from JP Industrial, Resin Technologies, Return Polymers, Triangle Chemical (US) and Global Waste
- Alternate Compound sourcing: RFQ to be distributed to Westlake Chemical, Shintech and Aurora Plastics
- Global Compound sourcing: Nhat Nuy Group (Vietnam) shipped sample product and data sheets; Tongxiang Smalboss provided a second quote but price is higher than ECS internal build cost; and Benvic (Spain) cannot meet pricing and has been disqualified
- Everett working with Simonton and Solar Industries customers on end cuts buy-back program; currently testing material

### 2. Commodity Inflation Offsets

- Kronos price increase settled at 3cpp effective July 1<sup>st</sup>; instead of original announcement of 7cpp; driven by Ore Rutile prices up 20% YoY
- Galata Tin Stabilizer prices have decreased based on tin metal pricing for May, with Masterbatch pigment pricing remaining neutral
- Investigating alternative supply sources for TiO2 (Kronos agreement expires Nov-19) and Masterbatch (no agreement with Galata)
- Investigating alternative supply sources for expensive Arkema material (Altuglass BS 100 material used in shutters and Acrylic DarkCap material)
- Investigative work regarding reducing compound costs with Baerlocher (re: Calcium Zinc Stabilizer) and Chemson Chemicals
- Reviewing Make vs. Buy on Accessory type extrusion parts – RFQ in process with Vinyl Profiles
- Patio Door Sourcing – working with Kuduma and Hufcor to investigate sourcing leverage opportunities with glass, steel and aluminum

### 3. Warehousing, Logistics, and Organization Structure

- Updated SOW with Orkestra confined to the racking cost reduction opportunity – no opportunity for savings on racking
- Discussions held with PGT regarding consignment program; PGT would like ENERGI to entertain a Florida warehouse option; looking at third party warehousing and fulfillment companies

### 4. Demand Planning

- Work with plants to obtain part data, collaboration with Min/Max, safety stock, active vs. obsolete

**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

# Revenue and EBITDA Bridge

\$'000	MTD		QTD		YTD	
	Net Revenue	EBITDA	Net Revenue	EBITDA	Net Revenue	EBITDA
<b>Budget</b>	<b>\$ 13,631</b>	<b>\$ 597</b>	<b>\$ 36,590</b>	<b>\$ 765</b>	<b>\$ 36,590</b>	<b>\$ 765</b>
<b><u>Net Revenue Delta</u></b>						
Volume	(2,062)	(568)	(3,026)	(458)	(3,026)	(458)
Pricing	–	–	–	–	–	–
Mix	(125)	(125)	(161)	(161)	(161)	(161)
Discounts	34	34	75	75	75	75
Returns	35	35	8	8	8	8
Rebates	91	91	129	129	129	129
F/X	(200)	(227)	(484)	(151)	(484)	(151)
<b>Total Net Revenue Delta</b>	<b>(2,227)</b>	<b>(760)</b>	<b>(3,459)</b>	<b>(558)</b>	<b>(3,459)</b>	<b>(558)</b>
<b><u>Cost Delta</u></b>						
Absorption		324		103		103
SG&A		245		239		239
Variances		24		(12)		(12)
Other		41		231		231
<b>Total Cost Delta</b>		<b>634</b>		<b>561</b>		<b>561</b>
<b>Actual</b>	<b>\$ 11,404</b>	<b>\$ 472</b>	<b>\$ 33,131</b>	<b>\$ 768</b>	<b>\$ 33,131</b>	<b>\$ 768</b>

## Management Discussion - QTD

- Extrusion external sales volume unfavorable by 10.1% or \$2,804K, lower external compound sales by \$182K, and lower Terrebonne sales of \$40K, contributing to the volume impact of \$3,026K
- Unfavorable customer sales mix of \$161K mainly from Laval (Boulet, Solaris, Extreme, ATIS and G.R. Theriault) and Everett (lower volumes to Simonton and Win-Dor; higher volumes to Cascade)
- Unfavorable F/X impact of \$484K (actual rate of 1.3292 [or \$USD 0.7523] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$234K offset by a favorable realized balance sheet re-valuation impact of \$83K due to a change in the month-end rate from 1.3640 on December 31<sup>st</sup>, 2018 to 1.3531 on March 31<sup>st</sup>, 2019
- Favorable absorption impact of \$103K as a result of lower sales outpacing the lower production than Plan by approx. 300K Lbs (including production for internal sales)
- Favorable SG&A due to lower G&A labor & benefits and lower OPEX spending (ie. Marketing costs, T&E, commissions)
- Unfavorable variances of \$12K due primarily to unfavorable material costs lost lower yields and higher scrap costs (net of regrind usage) of \$125K; partially offset by lower labor costs of \$113K
- Other costs favorable by \$231K due to lower freight costs of \$202K and lower overhead spending (ie. Maintenance, factory suppliers, utilities) of \$29K



# Key Customers – Gross Sales and Gross Margin %: Consolidated

	Gross Sales (\$'000)														Gross Margin %																	
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%	
Customer:																																
PGT Industries Inc	\$ 5,652	\$ 4,936	\$ 716	14.5%	\$ 3,116	\$ 2,536	81.4%	\$ 5,652	\$ 4,936	\$ 716	14.5%	\$ 3,116	\$ 2,536	81.4%	18.8%	18.1%	72	4.0%	11.8%	696	58.8%	18.8%	18.1%	72	4.0%	11.8%	696	58.8%				
Eclipse Shutter Systems	3,322	3,695	(373)	(10.1%)	4,117	(795)	(19.3%)	3,322	3,695	(373)	(10.1%)	4,117	(795)	(19.3%)	23.8%	29.1%	(528)	(18.1%)	4.7%	1,915	409.3%	23.8%	29.1%	(528)	(18.1%)	4.7%	1,915	409.3%				
Atis	1,227	1,412	(185)	(13.1%)	1,767	(540)	(30.6%)	1,227	1,412	(185)	(13.1%)	1,767	(540)	(30.6%)	(16.7%)	(19.4%)	265	(13.7%)	(19.6%)	284	(14.5%)	(16.7%)	(19.4%)	265	(13.7%)	(19.6%)	284	(14.5%)				
Simonton	2,140	2,361	(221)	(9.4%)	2,589	(449)	(17.3%)	2,140	2,361	(221)	(9.4%)	2,589	(449)	(17.3%)	18.3%	18.8%	(49)	(2.6%)	7.2%	1,106	153.3%	18.3%	18.8%	(49)	(2.6%)	7.2%	1,106	153.3%				
Quaker Window Products	1,131	1,445	(315)	(21.8%)	1,235	(105)	(8.5%)	1,131	1,445	(315)	(21.8%)	1,235	(105)	(8.5%)	11.0%	11.0%	0	0.0%	0.3%	1,070	3362.9%	11.0%	11.0%	0	0.0%	0.3%	1,070	3362.9%				
Ostaco 2000	649	781	(132)	(16.9%)	693	(44)	(6.4%)	649	781	(132)	(16.9%)	693	(44)	(6.4%)	9.4%	7.1%	230	32.6%	17.4%	(800)	(46.1%)	9.4%	7.1%	230	32.6%	17.4%	(800)	(46.1%)				
SOLARIS QUEBEC P & F INC.	955	748	207	27.6%	819	136	16.6%	955	748	207	27.6%	819	136	16.6%	23.3%	23.9%	(58)	(2.4%)	6.1%	1,725	284.5%	23.3%	23.9%	(58)	(2.4%)	6.1%	1,725	284.5%				
Dashwood Industries Inc	598	637	(39)	(6.2%)	706	(108)	(15.3%)	598	637	(39)	(6.2%)	706	(108)	(15.3%)	14.3%	13.8%	56	4.1%	12.8%	153	12.0%	14.3%	13.8%	56	4.1%	12.8%	153	12.0%				
Windsor Window Co OEM	761	671	90	13.4%	685	76	11.1%	761	671	90	13.4%	685	76	11.1%	22.6%	23.6%	(102)	(4.3%)	1.0%	2,160	2246.7%	22.6%	23.6%	(102)	(4.3%)	1.0%	2,160	2246.7%				
All Weather	945	1,671	(727)	(43.5%)	773	172	22.3%	945	1,671	(727)	(43.5%)	773	172	22.3%	13.0%	15.2%	(216)	(14.2%)	9.3%	377	40.7%	13.0%	15.2%	(216)	(14.2%)	9.3%	377	40.7%				
Polaris Technologies	970	1,343	(373)	(27.8%)	442	528	119.5%	970	1,343	(373)	(27.8%)	442	528	119.5%	17.1%	17.6%	(42)	(2.4%)	0.0%	1,714	N/A	17.1%	17.6%	(42)	(2.4%)	0.0%	1,714	N/A				
A.M.I.	567	663	(96)	(14.6%)	656	(89)	(13.6%)	567	663	(96)	(14.6%)	656	(89)	(13.6%)	(6.4%)	(0.5%)	(588)	1263.5%	(5.5%)	(84)	15.3%	(6.4%)	(0.5%)	(588)	1263.5%	(5.5%)	(84)	15.3%				
ATLANTIC WINDOWS	592	739	(147)	(19.9%)	752	(160)	(21.2%)	592	739	(147)	(19.9%)	752	(160)	(21.2%)	14.8%	11.7%	308	26.3%	4.3%	1,057	248.6%	14.8%	11.7%	308	26.3%	4.3%	1,057	248.6%				
Vinyl Profiles, LLC	578	828	(250)	(30.2%)	562	16	2.8%	578	828	(250)	(30.2%)	562	16	2.8%	21.5%	20.8%	68	3.3%	21.5%	(3)	(0.1%)	21.5%	20.8%	68	3.3%	21.5%	(3)	(0.1%)				
Comfort View Products	463	854	(391)	(45.8%)	547	(84)	(15.4%)	463	854	(391)	(45.8%)	547	(84)	(15.4%)	21.2%	16.9%	437	25.9%	10.5%	1,069	101.4%	21.2%	16.9%	437	25.9%	10.5%	1,069	101.4%				
PORTES & FENETRES ABRITEK	339	399	(60)	(15.1%)	533	(194)	(36.5%)	339	399	(60)	(15.1%)	533	(194)	(36.5%)	(5.1%)	19.4%	(2,456)	(126.4%)	14.7%	(1,981)	(134.9%)	(5.1%)	19.4%	(2,456)	(126.4%)	14.7%	(1,981)	(134.9%)				
Coeur d'Alene	669	686	(17)	(2.4%)	497	172	34.7%	669	686	(17)	(2.4%)	497	172	34.7%	0.4%	5.1%	(473)	(92.6%)	(1.2%)	156	(131.6%)	0.4%	5.1%	(473)	(92.6%)	(1.2%)	156	(131.6%)				
SCHLUTER SYSTEMS L.P.	389	556	(166)	(29.9%)	554	(165)	(29.7%)	389	556	(166)	(29.9%)	554	(165)	(29.7%)	24.2%	23.8%	33	1.4%	16.8%	740	44.2%	24.2%	23.8%	33	1.4%	16.8%	740	44.2%				
P & F ISOTHERMIC INC	444	456	(12)	(2.6%)	606	(162)	(26.8%)	444	456	(12)	(2.6%)	606	(162)	(26.8%)	12.6%	21.8%	(923)	(42.3%)	3.4%	925	275.3%	12.6%	21.8%	(923)	(42.3%)	3.4%	925	275.3%				
Sierra Pacific Windows	613	629	(16)	(2.5%)	379	234	61.7%	613	629	(16)	(2.5%)	379	234	61.7%	9.9%	10.0%	(4)	(0.4%)	4.8%	511	105.7%	9.9%	10.0%	(4)	(0.4%)	4.8%	511	105.7%				
Other	11,771	12,933	(1,162)	(9.0%)	18,696	(6,925)	(37.0%)	11,771	12,933	(1,162)	(9.0%)	18,696	(6,925)	(37.0%)	14.5%	19.5%	(505)	(25.9%)	26.1%	(1,162)	(44.6%)	14.5%	19.5%	(505)	(25.9%)	26.1%	(1,162)	(44.6%)				
Total Gross	\$34,773	\$38,445	\$ (3,672)	(9.6%)	\$40,723	\$ (5,950)	(14.6%)	\$ 34,773	\$ 38,445	\$ (3,672)	(9.6%)	\$ 40,723	\$ (5,950)	(14.6%)	14.9%	16.6%	(170)	(10.3%)	13.8%	108	7.8%	14.9%	16.2%	(137)	(8.4%)	13.8%	108	7.8%				

## Management Discussion

- Eclipse – Lower vs anticipated sales, as a result of drop in demand and utilization of built up inventory
  - Atis – extended winter weather conditions in Canada
  - Simonton – Weather conditions affecting sales and delivery
  - Ostaco – Extended winter weather conditions affecting R&R business in Ontario
  - All Weather and Comfort View – Slow start to the year and colder weather leading to softness in orders
- Coeur D Alene – Good ongoing growth spurt coupled by little sensitivity to season
  - Polaris – Timing, delay in new product launch
  - Vinyl Profiles – Loss of anticipated sales to competitor

# Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
<b>Opening Pipeline</b>	<b>\$ 61,115</b>	<b>\$ 24,924</b>
Additions	1,077	76,394
Changes:		
Converted	(5,923)	(15,631)
Lost	(2,000)	(31,043)
Other	–	(374)
Total Net Changes	(7,923)	(47,048)
<b>Closing Pipeline</b>	<b>\$ 54,269</b>	<b>\$ 54,269</b>

## Management Discussion

- Successful conversion of Full Program – Dark Cap with Cascade with an anticipated value of \$4.5M and 3.6M Lbs annually
- Loss of Value window opportunity with PGT valued at \$2M and 1.5M Lbs as a result of customer opting a different supplier as part of its risk aversion strategy

# Pipeline Additions

\$'000															
Customer Name	Plant	Rep. Name	Existing Customer (Y/N)	Description of Opportunity	Segment	Date of Inclusion into Pipeline	Expected Date of Award/Close	Probability of Winning Award	Competitor(s)	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Comments	
										Start	End				
ATIS Quaker	TERREBONNE	Pierre Lafleur	Y	Orchestra and Opus PD	PD	Mar-19	Mar-19	100% PH Tech		Apr 2019	TBD	577	150		
	TERREBONNE	Charlie Irwin	Y	Opera PD	PD	Mar-19	Mar-19	100% Other		Apr 2019	TBD	500	100		
												1,077	250		

# Pipeline Conversion

\$'000											
Customer Name	Rep. Name	Existing Customer (Y/N)	Description	Name of Winner(s) / Loser(s)	Date of Conversion	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Reason Code(s)	Comment
						Start	End				
CONVERTED											
Vaillancourt	Pierre Lafleur	Y	Performer-Fusion Patio Doors	Novatech	Mar-19	TBD	TBD	(192)	(50)	5	
ATIS	Jean Marois	Y	Orchestra and Opus PD	PH Tech	Mar-19	Apr 2019	TBD	(577)	(150)	3	
Auroral	Pierre Lafleur	N	Patio Doors	Other	Mar-19	Mar-19	TBD	(154)	(100)	5	
Cascade	Jay Meiries	Y	Full Program (Dark Cap)	Veka	Mar-19	Oct 2019	TBD	(4,500)	(3,600)	5	
Quaker	Charlie Irwin	Y	Opera PD	Other				(500)	(100)	5	
								<u>\$ (5,923)</u>	<u>(4,000)</u>		
LOST											
PGT	Charlie Irwin	Y	Value Window	Other				(2,000)	(1,500)	7	PGT wanted to split volume requirements with different suppliers as part of their risk aversion strategy.
								<u>\$ (2,000)</u>	<u>(1,500)</u>		
OTHER											
								<u>-</u>	<u>-</u>		
Reason Code for Win											
1. Price		2. Service/Support		3. Relationship							
4. Incumbency		5. Product		6. No decision							
7. Other (Explain in comment field)											

Total Closing Pipeline – Current Extrusions and Patio Doors

\$ and units '000															
Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments	
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)		
<u>Existing Customers</u>															
All Weather Windows	\$	577	500	\$	-	TBD	TBD	TBD	Complete	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Viscount Patio Door
Atrium	\$	325	200	\$	65	TBD	TBD	TBD							
Moss Supply	\$	3,000	2,000	\$	-	TBD	TBD	TBD							
Solar Innovations	\$	500	350	\$	100	TBD	TBD	TBD							
Polaris	\$	4,000	2,500	\$	-	TBD	TBD	TBD							
Vaillancourt	\$	2,116	450	\$	-	TBD	TBD	TBD							
Gentek	\$	2,308	1,700	\$	1,095	TBD	TBD	TBD							
Hometime	\$	200	100	\$	75	TBD	TBD	TBD							
Fene-Tech	\$	77	40	\$	-	TBD	TBD	TBD							
Simonton	\$	1,154	1,500	\$	-	TBD	TBD	TBD							
Dalmen	\$	154	200	\$	-	TBD	TBD	TBD							
Van Isle	\$	192	140	\$	450	TBD	TBD	TBD							
Magistral	\$	115	75	\$	100	TBD	TBD	TBD							
Simonton	\$	769	1,000	\$	-	TBD	TBD	TBD							
LGC	\$	77	50	\$	25	TBD	TBD	TBD							
Futura	\$	77	50	\$	25	TBD	TBD	TBD							
Fenêtres Concept	\$	58	25	\$	25	TBD	TBD	TBD							
Cascade	\$	750	600	\$	750	TBD	TBD	TBD							
Vinylpro	\$	385	300	\$	-	TBD	TBD	TBD							
Seymour Windows	\$	1,429	1,000	\$	241	TBD	TBD	TBD							
Westek	\$	77	50	\$	-	TBD	TBD	TBD							
Solar Innovations	\$	250	150	\$	-	TBD	TBD	TBD							
Solar Innovations	\$	100	50	\$	-	TBD	TBD	TBD							
Avanti	\$	1,000	700	\$	-	TBD	TBD	TBD							
ATI	\$	500	300	\$	450	TBD	TBD	TBD							
Gentek	\$	1,538	-	\$	-	TBD	TBD	TBD							
Dalmen	\$	192	125	\$	-	TBD	TBD	TBD							
All Weather Windows	\$	1,923	1,800	\$	-	TBD	TBD	TBD							
Aluminart	\$	192	125	\$	-	TBD	TBD	TBD							
Entreprises AM	\$	577	350	\$	-	TBD	TBD	TBD							
Euroclad Windows	\$	100	50	\$	-	TBD	TBD	TBD							
Mason Windows	\$	192	160	\$	-	TBD	TBD	TBD							
Vaillancourt	\$	769	500	\$	-	TBD	TBD	TBD							
All Weather	\$	192	50	\$	-	TBD	TBD	TBD							
Windsor	\$	50	25	\$	-	TBD	TBD	TBD							
<b>TOTAL EXISTING CUSTOMERS</b>															
	\$	25,915	\$	17,215	\$	3,401									
<b>Legend</b>															
								Complete							
								In process, on track							
								In process, delayed							
								In process, at risk							

# Total Closing Pipeline – New Extrusions and Patio Doors

\$ and units '000															
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
New Customers															
Gilkey	\$	600	370	\$	400	TBD	TBD	TBD							In final stages; seeking 5 year agreement
Fenestres Contemporaine	\$	58	\$	75	\$	-	TBD	TBD	TBD						Hybrid Casement
Reflec	\$	154	\$	200	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	577	\$	750	\$	-	TBD	TBD	TBD						4600 Series/Marquis
Del Windows	\$	385	\$	500	\$	-	TBD	TBD	TBD						Hybrid casement
Atelier Jean Cyr	\$	38	\$	50	\$	-	TBD	TBD	TBD						Hybrid hung
Verdun	\$	769		500	\$	-	TBD	TBD	TBD						4600 Casement
Elite	\$	308		200	\$	-	TBD	TBD	TBD	TBD					In early discussions
Formtech	\$	231		100	\$	-	TBD	TBD	TBD						Tilt/Turn, 4600 Series
Progressive Windows	\$	500		250	\$	-	TBD	TBD	TBD						3 1/4" Program
Hayfield Windows	\$	2,000		1,250	\$	-	TBD	TBD	TBD						Casement
Laugitech	\$	308		200	\$	50	TBD	TBD	TBD						Propsect wants to start fabricating windows
Scheel	\$	308		175	\$	100	TBD	TBD	TBD						Prospect wants to switch away from PH Tech - dissatisfied
President Windows	\$	150		-	\$	100	TBD	TBD	TBD	TBD					Patio Doors
Minnkota Window	\$	1,500		850	\$	-	TBD	TBD	TBD						Casement SH/DH
Target	\$	400		225	\$	-	TBD	TBD	TBD						Casement SH/DH
Diamond	\$	1,000		700	\$	-	TBD	TBD	TBD						3 1/4" Program
Bonnecherry Valley	\$	115		75	\$	-	TBD	TBD	TBD						T/T, CA, Hung
Gilkey Windows	\$	500		3,600	\$	-	TBD	TBD	TBD						Patio Door
Gilkey Windows	\$	750		600	\$	-	TBD	TBD	TBD						DH
Versatile	\$	192		125	\$	-	TBD	TBD	TBD						Casement-Slider
Group Atlanta	\$	154		100	\$	-	TBD	TBD	TBD						Hybrid Slider
Amerimax	\$	350		-	\$	-	TBD	TBD	TBD						Opus PD
Thermovision	\$	115		75	\$	-	TBD	TBD	TBD						Hung/Slider Hybrid
Artesia Glass	\$	860		525	\$	-	TBD	TBD	TBD						154 Series
Artik	\$	58		37	\$	-	TBD	TBD	TBD						PD Lineal
Wasco	\$	400		225	\$	-	TBD	TBD	TBD						Casement/SH/DH (Rehau)
Yellow Dog	\$	3,750		3,000	\$	-	TBD	TBD	TBD						5000 Series
SI	\$	2,308		2,500	\$	-	TBD	TBD	TBD						Recut tools in Dark Cap
Maritime	\$	385		250	\$	-	TBD	TBD	TBD						Early discussions
Heartland	\$	900		650	\$	-	TBD	TBD	TBD						
Menuiserie Belisle	\$	231		125	\$	-	TBD	TBD	TBD						4600 Series
Vector Windows	\$	500		350	\$	-	TBD	TBD	TBD						
Supreme	\$	500		375	\$	-	TBD	TBD	TBD						Strong relationship with Westech but concerned
TOTAL NEW CUSTOMERS															
	\$	21,354	\$	19,007	\$	650									
Total Extrusion and Patio Doors															
	\$	47,269		36,222	\$	4,051									
Legend															
															Complete
															In process, on track
															In process, delayed
															In process, at risk

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

\$ and units '000														
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status						Comments
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	
Existing Customers														
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-									
New Customers														
Fence Outlet	\$	6,000	10,000	\$	-	TBD	TBD	TBD						Quote accepted. Customer want formulation improved. Capital required for Dosing unit Natural Formulation for RV's Pursuit/ New formulation required Provided quote
Accord	\$	300	300	\$	-	TBD	TBD	TBD						
Mor-X Plastics	\$	200	200	\$	-	TBD	TBD	TBD						
Vinylcraft	\$	500	500	\$	-	TBD	TBD	TBD						
TOTAL NEW CUSTOMERS	\$	7,000	\$	11,000	\$	-								
Total External Compound Sales	\$	7,000	11,000	\$	-									
TOTAL SALES PIPELINE	\$	54,269	47,222	\$	4,051									
Legend														
<div><div></div> Complete</div>														
<div><div></div> In process, on track</div>														
<div><div></div> In process, delayed</div>														
<div><div></div> In process, at risk</div>														

# YTD Opex Analysis

\$'000

	YTD			Explanation of Variance					Variance Impact		
			Variance	One-Time /		Change in		Other/FX	Total Variance	YoY Impact	Annualized
	Act	Bud	(B) / W	Non-recurring	Timing	Run-rate			(B) / W	(B) / W	(B) / W
Payroll	\$ 2,476	\$ 2,585	\$ (109)	\$ (45)	\$ (15)	\$ (13)	\$ (37)		\$ (109)	\$ (328)	\$ —
Bonus	\$ 336	\$ 340	\$ (4)	\$ -	\$ -	\$ -	\$ (4)		\$ (4)	\$ (4)	\$ —
Commissions	\$ 53	\$ 89	\$ (35)	\$ (13)	\$ -	\$ (22)	\$ (1)		\$ (35)	\$ 10	\$ —
Marketing	\$ 346	\$ 435	\$ (90)	\$ -	\$ (84)	\$ -	\$ (6)		\$ (90)	\$ (160)	\$ —
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ —	\$ -	\$ —
Travel and entertainment	\$ 270	\$ 394	\$ (123)	\$ (35)	\$ (60)	\$ (26)	\$ (2)		\$ (123)	\$ (52)	\$ —
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ —	\$ -	\$ —
Insurance	\$ 80	\$ 80	\$ (0)	\$ -	\$ -	\$ (0)	\$ -		\$ (0)	\$ (4)	\$ —
Professional fees	\$ 153	\$ 163	\$ (9)	\$ (6)	\$ -	\$ -	\$ (3)		\$ (9)	\$ 4	\$ —
Office expense	\$ 67	\$ 72	\$ (6)	\$ (5)		\$ -	\$ (1)		\$ (6)	\$ (31)	\$ —
IT	\$ 464	\$ 490	\$ (26)	\$ -	\$ (17)	\$ -	\$ (9)		\$ (26)	\$ 12	\$ —
Bad Debts	\$ 32	\$ (1)	\$ 33	\$ 33	\$ -	\$ -	\$ 0		\$ 33	\$ 100	\$ —
FX	\$ (83)	\$ -	\$ (83)	\$ -	\$ -	\$ -	\$ (83)		\$ (83)	\$ (132)	\$ —
JV Loss (Income)	\$ (34)	\$ (53)	\$ 20	\$ -	\$ 20	\$ -	\$ -		\$ 20	\$ 9	\$ —
Other Expenses	\$ 238	\$ 217	\$ 21		\$ -	\$ 26	\$ (5)		\$ 21	\$ 22	\$ —
<b>Total Opex</b>	<b>\$ 4,399</b>	<b>\$ 4,811</b>	<b>\$ (413)</b>	<b>\$ (71)</b>	<b>\$ (156)</b>	<b>\$ (35)</b>	<b>\$ (150)</b>		<b>\$ (413)</b>	<b>\$ (554)</b>	<b>\$ —</b>

## Management Discussion

- Lower payroll largely due to lower headcount and delays in hiring for open positions, lower than Planned benefits costs coupled with a positive Canadian FX impact
- Travel and Entertainment lower due to less travel by staff influenced by inclement weather impacting Customer operations
- Marketing expenses lower due to timing with budgeted expenditure pushed to Q2 2019
- IT coming in slightly behind budget due to timing as a result of contract negotiations
- JV Income lower due to lower sales volume and higher line usage charges
- Other expenses higher on account of Product Development Cost for New Performer door



# 1x Costs

\$'000

	YTD			Explanation of Variance			Variance Impact	
	Variance			Change in			Total Variance	Total Change in Estimate
	Act	AOP	B / (W)	Estimate	Timing	Other	B / (W)	B / (W)
Banking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insight Sourcing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ 106	\$ 70	\$ (36)	\$ (20)	\$ -	\$ (16)	(36)	\$ (20)
Legal Fees	\$ 20	\$ -	\$ (20)	\$ -	\$ -	\$ (20)	(20)	\$ -
Professional Fees	\$ 64	\$ 39	\$ (25)	\$ -	\$ (11)	\$ (14)	(25)	\$ -
Mgmt Incentive	\$ 170	\$ 171	\$ 1	\$ -	\$ -	\$ 1	1	\$ -
Laval Water Damage	\$ 104	\$ -	\$ (104)	\$ -	\$ -	\$ (104)	(104)	\$ -
Profit Velocity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAD Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3	\$ -	\$ (3)	\$ -	\$ -	\$ (3)	(3)	\$ -
<b>Total 1X Costs</b>	<b>\$ 467</b>	<b>\$ 280</b>	<b>\$ (187)</b>	<b>\$ (20)</b>	<b>\$ (11)</b>	<b>\$ (156)</b>	<b>\$ (187)</b>	<b>\$ (20)</b>

## Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$90K) and DDL Consultant for ITSM Project (\$16K)
- Legal Costs of \$20K for Corporate Management Services
- Professional Fees include costs incurred for the OBI projects with The Practical Approach (\$50K) and Project Monaco costs (\$14K)
- Management staff incentive accrual (\$170K) in line with Budget
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$104K, not planned); to be claimed through insurance provider net of a deductible of \$100K

# Balance Sheet

\$'000	Dec-18	Dec-18	Jan-19	Feb-19	Mar-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
<b>Current Assets</b>								
Cash and cash equivalents	\$ 0	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	10.6%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	8,958	8,958	9,182	9,929	11,613	13,339	(1,726)	(12.9%)
<i>Accounts receivable, reserves</i>	(363)	(363)	(393)	(393)	(399)	(679)	280	(41.2%)
Accounts receivable, net	8,594	8,594	8,789	9,536	11,214	12,660	(1,446)	(11.4%)
<i>Inventory, gross</i>	31,776	31,776	34,588	36,157	35,647	34,592	1,055	3.0%
<i>Inventory, reserves</i>	(1,467)	(1,467)	(1,497)	(1,514)	(1,497)	(1,682)	185	(11.0%)
Inventory, net	30,309	30,309	33,091	34,642	34,150	32,910	1,240	3.8%
Prepaid expenses and other current assets	2,942	2,942	3,145	3,030	3,051	3,286	(235)	(7.2%)
Other current assets	901	901	761	864	804	837	(33)	(3.9%)
<b>Total Current Assets</b>	<b>42,746</b>	<b>42,746</b>	<b>45,790</b>	<b>48,076</b>	<b>49,223</b>	<b>49,696</b>	<b>(474)</b>	<b>(1.0%)</b>
<b>Non-Current Assets</b>								
<i>Property, plant &amp; equipment, gross</i>	64,977	64,977	66,687	67,249	66,818	68,760	(1,942)	(2.8%)
<i>Accumulated depreciation</i>	(17,639)	(17,639)	(18,755)	(19,488)	(19,863)	(18,839)	(1,024)	5.4%
Property, plant & equipment, net	47,338	47,338	47,932	47,761	46,955	49,921	(2,967)	(5.9%)
Deferred financing cost	548	548	546	533	510	518	(8)	(1.6%)
Deferred tax asset	2,879	2,879	2,961	2,963	2,898	1,367	1,531	112.0%
Other non-current assets	2,616	2,616	2,688	2,690	2,644	3,041	(396)	(13.0%)
<b>Total Non-Current Assets</b>	<b>53,382</b>	<b>53,382</b>	<b>54,127</b>	<b>53,947</b>	<b>53,007</b>	<b>54,847</b>	<b>(1,840)</b>	<b>(3.4%)</b>
<b>Total Assets</b>	<b>\$ 96,127</b>	<b>\$ 96,127</b>	<b>\$ 99,917</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 104,543</b>	<b>\$ (2,313)</b>	<b>(2.2%)</b>
<b>Current Liabilities</b>								
Bank Debt	\$ 10,222	\$ 10,222	\$ 14,340	\$ 16,533	\$ 18,750	\$ 17,869	\$ 882	4.9%
Current Portion - Long Term Debt	1,628	1,628	1,678	1,665	1,639	1,800	(162)	(9.0%)
Accounts payable	12,709	12,709	11,725	12,319	12,200	14,234	(2,034)	(14.3%)
Accrued liabilities	3,343	3,343	4,045	3,378	3,727	3,817	(90)	(2.4%)
Accrued compensation	2,521	2,521	2,492	2,800	2,877	2,983	(106)	(3.5%)
Income taxes payable	(246)	(246)	(189)	(102)	(344)	957	(1,301)	(135.9%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	—	1,301	N/A
Other current liabilities	97	97	101	97	124	117	7	5.7%
<b>Total Current Liabilities</b>	<b>31,576</b>	<b>31,576</b>	<b>35,493</b>	<b>37,990</b>	<b>40,273</b>	<b>41,777</b>	<b>(1,504)</b>	<b>(3.6%)</b>
<b>Long-term liabilities</b>								
Long-term debt less current maturities	12,006	12,006	12,248	12,114	11,679	11,717	(38)	(0.3%)
Deferred income taxes	9,610	9,610	9,753	9,757	9,642	7,785	1,857	23.9%
Other non-current liabilities	1,468	1,468	1,525	1,530	1,491	1,421	70	4.9%
<b>Total Long-Term Liabilities</b>	<b>23,084</b>	<b>23,084</b>	<b>23,526</b>	<b>23,400</b>	<b>22,812</b>	<b>20,923</b>	<b>1,889</b>	<b>9.0%</b>
<b>Total Liabilities</b>	<b>54,660</b>	<b>54,660</b>	<b>59,019</b>	<b>61,391</b>	<b>63,085</b>	<b>62,700</b>	<b>385</b>	<b>0.6%</b>
<b>Commitments and contingencies</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>N/A</b>
<b>Shareholders' Equity</b>								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	30,039	30,039	29,143	28,871	27,592	29,762	(2,171)	(7.3%)
Accumulated other comprehensive income	(1,181)	(1,181)	(855)	(850)	(1,058)	(530)	(528)	99.6%
<b>Total Shareholders' Equity</b>	<b>41,467</b>	<b>41,467</b>	<b>40,898</b>	<b>40,632</b>	<b>39,144</b>	<b>41,842</b>	<b>(2,699)</b>	<b>(6.4%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 96,127</b>	<b>\$ 96,127</b>	<b>\$ 99,917</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 104,543</b>	<b>\$ (2,313)</b>	<b>(2.2%)</b>

## Management Discussion

- Net A/R vs. Budget is lower by \$1,446K (11.4%) largely due to reduction in YTD Sales by 9.5% vs Budget. Furthermore, there is an unfavorable F/X impact of \$483K (actual rate of 1.3531 [or USD\$ 0.74] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Increase in inventory levels vs Bud by \$1,240K due to strategic inventory build up since January in response anticipated increase in Sales in Q2 as well as purchasing ahead of a forecasted price increase in TiO2 partially offset by an unfavorable F/X impact
- PP&E lower vs Bud by \$2,967K largely due to an unfavorable F/X impact of \$1,296K (actual rate of 1.3531 [or USD\$ 0.74] vs. the Budget rate of 1.30 [or USD\$ 0.77]) and lower Capex spending than budgeted YTD of \$922K
- Other non-current assets reduction of \$396K vs Bud due to a reduction in JV equity income in the month and an unfavorable F/X impact
- Increase in Bank Debt primarily on account of investment in inventory build combined with lower sales impacting cash inflows. This has been partially offset by not paying out the contingent consideration liability of \$1.3M and lower Capex spending due to 'Hold-off' strategy. Also, a favorable FX impact on Canadian Debt (actual rate of 1.3531 [or USD\$ 0.73] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Decrease in AP of \$2M (14%) vs Bud as a result of lower Capex purchases than Plan and a favorable F/X impact on Canadian liabilities (actual rate of 1.3531 [or USD\$ 0.73] vs. the Budget rate of 1.30 [or USD\$ 0.77])

# Cash Flow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	(1,280)	\$	(659)	\$	(621)	94.1%	\$	(690)	\$	(590)	85.6%	\$	(2,437)	\$	(2,800)	\$	363	(13.0%)	\$	(1,900)	\$	(537)	28.3%
Depreciation, amortization and other		729		724		6	0.8%		625		104	16.6%		2,158		2,146		12	0.6%		1,897		261	13.8%
Non-cash loss/expense (gain)		201		67		134	200.5%		(28)		229	(808.0%)		32		1,092		(1,060)	(97.0%)		5		27	542.0%
Deferred income tax		(115)		–		(115)	N/A		(575)		460	(80.1%)		32		148		(116)	(78.3%)		(1,128)		1,160	(102.9%)
Change in operating assets and liabilities:																								
Accounts receivable		(1,678)		(1,223)		(456)	37.3%		(1,120)		(558)	49.8%		(2,620)		(4,153)		1,534	(36.9%)		(1,875)		(745)	39.7%
Inventory		492		283		210	74.2%		(1,540)		2,032	(132.0%)		(3,841)		(2,601)		(1,240)	47.7%		(5,130)		1,288	(25.1%)
Prepaid expenses and other current assets		39		(424)		462	(109.1%)		(978)		1,017	(104.0%)		(13)		(281)		268	(95.4%)		(482)		469	(97.3%)
Accounts payable		(119)		3,969		(4,088)	(103.0%)		1,900		(2,019)	(106.3%)		(510)		1,525		(2,034)	(133.4%)		2,331		(2,841)	(121.9%)
Accrued expenses		426		194		232	119.5%		(247)		673	(272.6%)		739		1,187		(447)	(37.7%)		(1,787)		2,527	(141.4%)
Accrued income taxes		(242)		172		(414)	(240.7%)		45		(287)	(633.7%)		(97)		308		(405)	(131.6%)		137		(234)	(170.9%)
Other changes in operating assets and liabilities		27		(11)		38	(338.9%)		16		10	63.8%		27		(1,281)		1,308	(102.1%)		6		21	359.1%
Other cash flow from operations		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A
Total Cash Flow from Operations	\$	(1,520)	\$	3,091	\$	(4,611)	(149.2%)	\$	(2,591)	\$	1,071	(41.3%)	\$	(6,529)	\$	(4,711)	\$	(1,818)	38.6%	\$	(7,926)	\$	1,397	(17.6%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(560)	\$	(834)	\$	274	(32.9%)	\$	(930)	\$	370	(39.8%)	\$	(1,580)	\$	(2,502)	\$	922	(36.9%)	\$	(2,434)	\$	854	(35.1%)
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	\$	(560)	\$	(834)	\$	274	(32.9%)	\$	(930)	\$	370	(39.8%)	\$	(1,580)	\$	(2,502)	\$	922	(36.9%)	\$	(2,434)	\$	854	(35.1%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-term debt	\$	2,218	\$	(2,113)	\$	4,331	(204.9%)	\$	3,635	\$	(1,418)	(39.0%)	\$	8,528	\$	7,646	\$	882	11.5%	\$	10,703	\$	(2,175)	(20.3%)
Proceeds from the issuance of debt		(0)		–		(0)	N/A		–		(0)	N/A		(0)		–		(0)	N/A		–		(0)	N/A
Repayment of debt		(138)		(143)		5	(3.7%)		(114)		(24)	20.6%		(416)		(430)		14	(3.3%)		(343)		(72)	21.1%
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	\$	2,080	\$	(2,257)	\$	4,337	(192.2%)	\$	3,521	\$	(1,441)	(40.9%)	\$	8,112	\$	7,216	\$	896	12.4%	\$	10,360	\$	(2,248)	(21.7%)
Effect of FX rates on cash and cash equivalents	\$	–	\$	–	\$	–	N/A	\$	–	\$	–	N/A	\$	–	\$	–	\$	–	N/A	\$	–	\$	–	N/A
Net change in cash	\$	(0)	\$	0	\$	(0)	(9664%)	\$	(0)	\$	(0)	56108.0%	\$	3	\$	3	\$	0	10.6%	\$	(0)	\$	3	(12291.6%)
Beginning cash		3		3		0	12.2%		–		3	N/A		0		0		–	0.0%		(0)		0	(100.1%)
Change in cash		(0)		0		(0)	(9664%)		(0)		(0)	56108.0%		3		3		0	10.6%		(0)		3	(12291.6%)
Ending cash	\$	3	\$	3	\$	0	10.6%	\$	(0)	\$	3	(3958463.3%)	\$	3	\$	3	\$	0	10.6%	\$	(0)	\$	3	(3958463.3%)

# Covenant Analysis

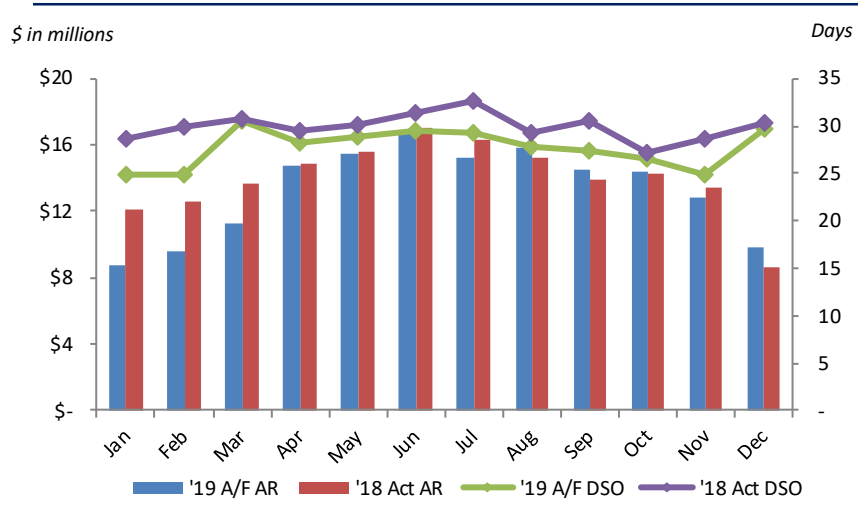
(US\$ '000s)	Actual Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Budget Apr-19	Budget May-19	Budget Jun-19	Budget Jul-19	Budget Aug-19	Budget Sep-19	Budget Oct-19	Budget Nov-19	Budget Dec-19
<b>Excess Availability</b>													
Borrowing Base	27,127	24,989	24,640	25,741	27,922	30,212	31,111	33,609	32,672	33,629	32,828	32,953	32,448
Total Revolver Debt	10,222	14,340	16,533	18,750	22,148	21,889	21,463	20,653	20,722	18,469	18,098	14,909	13,864
<b>Excess Availability</b>	<b>16,904</b>	<b>10,649</b>	<b>8,107</b>	<b>6,991</b>	<b>5,774</b>	<b>8,323</b>	<b>9,648</b>	<b>12,956</b>	<b>11,950</b>	<b>15,160</b>	<b>14,730</b>	<b>18,044</b>	<b>18,584</b>
<b>EA % of Borrowing Base</b>	<b>62.3%</b>	<b>42.6%</b>	<b>32.9%</b>	<b>27.2%</b>	<b>20.7%</b>	<b>27.5%</b>	<b>31.0%</b>	<b>38.5%</b>	<b>36.6%</b>	<b>45.1%</b>	<b>44.9%</b>	<b>54.8%</b>	<b>57.3%</b>
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%
<b>Compliance</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>
<b>FCCR Calculation</b>													
<b>TTM EBITDA</b>	<b>8,112</b>	<b>7,865</b>	<b>8,971</b>	<b>8,618</b>	<b>8,842</b>	<b>9,229</b>	<b>10,188</b>	<b>9,838</b>	<b>10,323</b>	<b>9,580</b>	<b>10,184</b>	<b>10,469</b>	<b>11,483</b>
Total Capex	462	489	531	560	943	943	943	492	492	492	398	398	398
TTM Capex	7,822	7,266	7,354	7,115	8,072	8,128	8,372	8,081	7,935	7,816	7,672	7,142	7,078
Cash Taxes	-	(252)	-	257	-	-	-	-	-	-	-	-	-
TTM Cash Taxes	671	418	418	140	5	5	5	5	5	5	5	5	5
<b>Numerator</b>	<b>(381)</b>	<b>180</b>	<b>1,198</b>	<b>1,364</b>	<b>766</b>	<b>1,096</b>	<b>1,811</b>	<b>1,752</b>	<b>2,383</b>	<b>1,759</b>	<b>2,507</b>	<b>3,322</b>	<b>4,400</b>
Cash Interest on existing ABL	161	156	165	189	208	206	203	201	202	190	190	173	168
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	1,869	1,918	1,966	2,019	2,076	2,119	2,147	2,168	2,192	2,213	2,233	2,245	2,252
Principal Payments on additional debt	138	138	139	138	141	141	141	141	141	141	141	141	141
TTM Principal Payments	1,387	1,412	1,436	1,462	1,493	1,523	1,554	1,585	1,617	1,649	1,680	1,682	1,685
<b>Denominator</b>	<b>3,256</b>	<b>3,330</b>	<b>3,402</b>	<b>3,482</b>	<b>3,569</b>	<b>3,642</b>	<b>3,702</b>	<b>3,753</b>	<b>3,809</b>	<b>3,861</b>	<b>3,913</b>	<b>3,926</b>	<b>3,937</b>
<b>FCCR Ratio</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>1.1</b>
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
<b>Compliance</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>OK</b>

# 13-Week Cash Flow Forecast

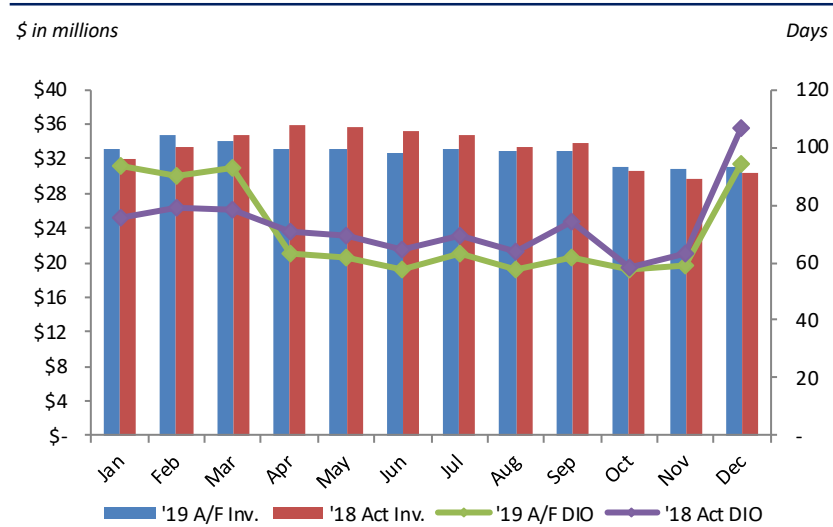
Date	03/29/19	04/05/19	04/12/19	04/19/19	04/26/19	05/03/19	05/10/19	05/17/19	05/24/19	05/31/19	06/07/19	06/14/19	06/21/19	06/28/19
<b>Cash Flow Roll-Up:</b>														
Total Inflows - Operational	2,168	2,173	2,816	3,017	3,017	3,245	3,160	4,034	3,260	3,402	3,423	3,245	3,281	3,399
Receipts from Customers based on AR	2,168	2,173	2,320	2,521	2,521	2,704	1,414	1,406	241	241	241	-	-	-
New Net External Sales	-	-	-	-	-	539	1,743	2,626	3,016	3,158	3,180	3,242	3,279	3,397
New Affiliate Sales	-	-	496	496	496	3	3	3	3	3	2	2	2	2
Total Outflows - Operational	(2,119)	(2,914)	(3,274)	(5,292)	(2,637)	(3,658)	(2,935)	(4,116)	(4,480)	(3,451)	(4,179)	(4,147)	(3,377)	(2,860)
Payments to Suppliers based on AP Agir	(600)	(879)	(1,064)	(1,686)	(1,012)	(997)	(771)	(760)	(745)	(675)	0	0	0	0
Materials	(144)	(141)	(888)	(963)	(252)	(226)	(226)	(1,497)	(1,796)	(1,796)	(1,888)	(1,888)	(1,888)	(1,888)
Conversion Costs	(352)	(802)	(323)	(344)	(672)	(704)	(652)	(548)	(866)	(542)	(1,042)	(542)	(936)	(542)
Other COGS	(211)	(170)	(210)	(184)	(189)	(190)	(190)	(190)	(192)	(196)	(236)	(196)	(196)	(200)
Selling Costs	(294)	(34)	(311)	(37)	(150)	(38)	(169)	(38)	(114)	(38)	(175)	(38)	(106)	(34)
General and Administrative	(384)	(96)	(380)	(105)	(264)	(107)	(260)	(107)	(162)	(108)	(234)	(108)	(153)	(98)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(134)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	0	(250)	0	0	0	0	0	0	0	0	0	0	0	0
Performance Payment to Westlake	0	0	0	0	0	(1,300)	0	0	0	0	0	0	0	0
2017 bonus payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Material received but not invoiced	0	(443)	0	(1,875)	0	0	(570)	(879)	(507)	0	(507)	(1,279)	0	0
Projected Operational Cash Flow	50	(741)	(458)	(2,275)	380	(413)	225	(82)	(1,220)	(49)	(756)	(903)	(96)	539
Cash receipts more (less) than projection	(241)	384	(237)	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	(309)	417	1,814	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	1,174	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	176	0	228	0	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	(324)	60	2,521	(2,275)	380	(413)	225	(82)	(1,220)	(49)	(756)	(903)	(96)	539
Bank interest	0	(175)	0	0	0	(147)	0	0	0	(8)	(139)	0	0	0
Bridge Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan	0	(138)	0	0	0	(138)	0	0	0	0	(138)	0	0	0
Monitoring Fees	0	(250)	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	(257)	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Fees	0	(3)	0	(10)	0	(3)	0	(11)	0	(3)	0	(10)	0	0
Total Financial Cash Flow	(257)	(565)	0	(10)	0	(287)	0	(11)	0	(10)	(277)	(10)	0	0
Total Cash Flow	(581)	(505)	2,521	(2,285)	380	(700)	225	(93)	(1,220)	(60)	(1,033)	(913)	(96)	539
Adjusted Loan Balance	18,232	19,354	17,194	19,480	19,100	19,801	19,575	19,668	20,888	20,948	21,981	22,896	22,992	22,452
Term Loan	13,403	13,321	13,308	13,308	13,308	13,170	13,170	13,170	13,170	13,170	13,032	13,032	13,032	13,032
Total Debt	31,634	32,675	30,502	32,787	32,408	32,971	32,745	32,838	34,058	34,118	35,013	35,928	36,024	35,484
Revolver Availability	7,509	6,458	8,600	6,315	9,083	8,383	8,608	8,515	10,383	10,323	9,290	8,376	8,180	8,719

# Working Capital and Cash Conversion Cycle

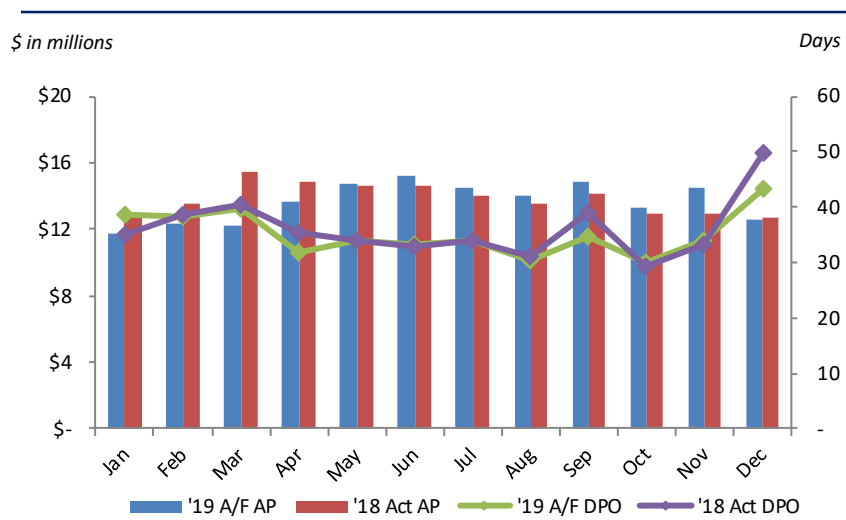
Accounts Receivable



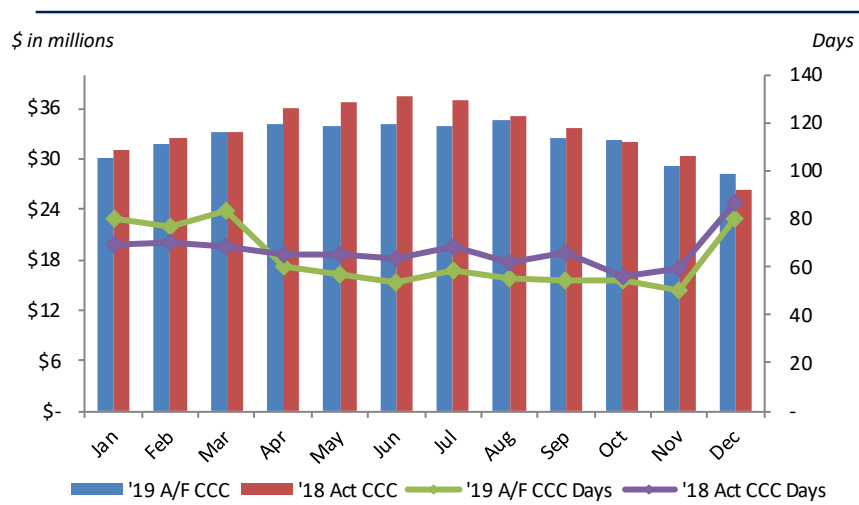
Inventory



Accounts Payable



Cash Conversion Cycle



# AR and AP Aging Detail

\$'000

AR Aging				
Days	Jan-19	Feb-19	Mar-19	%
0-30	\$ 7,604	\$ 8,512	\$ 9,132	81.4%
30-60	899	661	1,725	15.4%
60-90	154	156	119	1.1%
>90	132	207	238	2.1%
<b>Total</b>	<b>\$ 8,789</b>	<b>\$ 9,536</b>	<b>\$ 11,214</b>	<b>100.0%</b>

AP Aging				
Days	Jan-19	Feb-19	Mar-19	%
0-30	\$ 10,089	\$ 10,370	\$ 9,266	76.0%
30-60	1,382	1,841	2,374	19.5%
60-90	181	77	449	3.7%
>90	73	31	111	0.9%
<b>Total</b>	<b>\$ 11,725</b>	<b>\$ 12,319</b>	<b>\$ 12,200</b>	<b>100.0%</b>

## Management Discussion

- Stable DSO at 25 days in 2019
- Increase in AR balance due to Improved Sales vs Feb
- Increase in 30-60 category due to gap caused by changeover of AR personnel in addition to delay on certain customer receipts, which is being tracked vigorously
- Increase in DPO days from 38 in February to 40 in March as part of effective cash flow management

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# Full Year Outlook Consolidated P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	107,084	108,274	(1,190)	(1.1%)	96,146	10,938	11.4%
Units Shipped ('000)	107,250	109,580	(2,330)	(2.1%)	104,464	2,785	2.7%
Bookings (\$'000)	\$ 177,369	\$ 180,948	\$ (3,580)	(2.0%)	\$ 173,588	\$ 3,780	2.2%
Backlog (\$'000)	\$ 11,911	\$ 11,911	\$ –	0.0%	\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 184,365	\$ 188,036	\$ (3,672)	(2.0%)	\$ 180,283	\$ 4,082	2.3%
Adj. to Gross Revenue	(9,664)	(9,876)	212	(2.2%)	(9,708)	44	(0.5%)
Net Revenue	174,701	178,160	(3,459)	(1.9%)	170,574	4,126	2.4%
Material	86,191	88,355	(2,164)	(2.4%)	83,420	2,772	3.3%
Labor	37,884	38,371	(486)	(1.3%)	38,503	(618)	(1.6%)
Other COGS	19,861	20,261	(400)	(2.0%)	20,885	(1,024)	(4.9%)
Total COGS	143,937	146,986	(3,050)	(2.1%)	142,807	1,129	0.8%
Gross Margin	30,764	31,173	(409)	(1.3%)	27,767	2,997	10.8%
Gross Margin %	17.6%	17.5%			16.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	7,127	7,247	(120)	(1.7%)	7,045	82	1.2%
Administrative	12,543	12,772	(229)	(1.8%)	10,240	2,302	22.5%
Other Opex	(291)	(228)	(63)	27.7%	302	(593)	(196.5%)
Total Opex	19,378	19,791	(413)	(2.1%)	17,587	1,792	10.2%
EBITDA	11,386	11,382	3	0.0%	10,180	1,205	11.8%
EBITDA %	6.5%	6.4%			6.0%		
Net Income (Loss)	\$ (2,937)	\$ (3,300)	\$ 363	(11.0%)	\$ (3,490)	\$ 553	(15.8%)
Capex	\$ (7,078)	\$ (8,000)	\$ 922	(11.5%)	\$ (10,215)	\$ 3,137	(30.7%)
<b>Opex Overview:</b>							
Payroll	\$ 10,674	\$ 10,783	\$ (109)	(1.0%)	\$ 10,318	\$ 356	3.4%
Bonus	1,357	1,361	(4)	(0.3%)	159	1,198	753.7%
Commissions	323	358	(35)	(9.9%)	187	136	72.8%
Marketing	1,691	1,780	(90)	(5.0%)	1,679	11	0.7%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,464	1,587	(123)	(7.8%)	1,231	233	18.9%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	336	336	(0)	(0.1%)	328	8	2.5%
Professional fees	575	584	(9)	(1.6%)	585	(10)	(1.8%)
Office Expenses	282	287	(6)	(2.0%)	287	(6)	(1.9%)
IT	2,065	2,092	(26)	(1.3%)	1,634	432	26.4%
Bad Debts	29	(5)	33	(720.5%)	(80)	108	(135.9%)
FX	(83)	–	(83)	N/A	384	(468)	(121.6%)
JV Loss (Income)	(208)	(228)	20	(8.7%)	(83)	(125)	151.7%
Other Expenses	874	853	21	2.5%	956	(82)	(8.5%)
Total Opex	\$ 19,378	\$ 19,791	\$ (413)	(2.1%)	\$ 17,586	\$ 1,792	10.2%

# Full Year Outlook Key Customers – ENERGI Consolidated

	Gross Sales (\$'000)								Gross Margin %											
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Act	Bud			\$	%	Act		\$	%	Act	Bud	BPs	%	Act		BPs		%	
<b>Customer:</b>																				
PGT Industries Inc	\$	24,814	\$	24,098	\$	716	3.0%	\$	13,535	\$	11,279	83.3%	18.1%	18.1%	5	0.3%	15.6%	251	16.1%	
Eclipse Shutter Systems		15,416		15,789		(373)	(2.4%)		15,365		51	0.3%	28.4%	29.4%	(91)	(3.1%)	3.8%	2,466	652.2%	
Atis		9,238		9,424		(185)	(2.0%)		10,381		(1,143)	(11.0%)	(19.2%)	(19.4%)	26	(1.3%)	(15.4%)	(380)	24.7%	
Simonton		10,638		10,859		(221)	(2.0%)		10,221		417	4.1%	18.6%	18.8%	(23)	(1.2%)	8.6%	994	115.2%	
Quaker Window Products		5,713		6,028		(315)	(5.2%)		5,345		368	6.9%	11.0%	11.0%	0	0.0%	9.1%	192	21.1%	
Ostaco 2000		3,688		3,820		(132)	(3.5%)		3,680		8	0.2%	7.1%	7.0%	15	2.2%	20.8%	(1,367)	(65.7%)	
SOLARIS QUEBEC P & F INC.		4,281		4,075		207	5.1%		4,243		39	0.9%	23.9%	23.9%	(4)	(0.2%)	9.9%	1,400	142.0%	
Dashwood Industries Inc		3,725		3,764		(39)	(1.0%)		3,772		(48)	(1.3%)	13.8%	13.7%	8	0.6%	16.2%	(240)	(14.8%)	
Windsor Window Co OEM		3,800		3,710		90	2.4%		3,572		228	6.4%	23.5%	23.6%	(17)	(0.7%)	8.8%	1,466	166.7%	
All Weather		6,004		6,731		(727)	(10.8%)		3,532		2,472	70.0%	14.8%	15.3%	(49)	(3.2%)	12.6%	215	17.0%	
Polaris Technologies		5,449		5,822		(373)	(6.4%)		2,082		3,367	161.7%	17.7%	17.6%	15	0.9%	0.0%	1,771	N/A	
A.M.I.		3,704		3,800		(96)	(2.5%)		3,507		197	5.6%	(1.0%)	(0.3%)	(70)	256.5%	5.4%	(634)	(118.1%)	
ATLANTIC WINDOWS		3,777		3,924		(147)	(3.7%)		3,703		75	2.0%	12.3%	11.6%	63	5.4%	5.9%	633	106.9%	
Vinyl Profiles, LLC		3,576		3,826		(250)	(6.5%)		2,157		1,419	65.8%	20.8%	20.7%	9	0.4%	18.8%	206	11.0%	
Comfort View Products		2,744		3,135		(391)	(12.5%)		2,010		734	36.5%	18.1%	16.7%	147	8.8%	12.3%	579	47.0%	
PORTES & FENETRES ABRITEK		2,726		2,786		(60)	(2.2%)		2,889		(163)	(5.6%)	18.0%	20.1%	(206)	(10.2%)	15.4%	259	16.8%	
Coeur d'Alene		3,983		4,000		(17)	(0.4%)		2,810		1,173	41.7%	4.4%	5.3%	(88)	(16.6%)	0.5%	394	831.1%	
SCHLUTER SYSTEMS L.P.		2,391		2,558		(166)	(6.5%)		2,700		(309)	(11.5%)	24.0%	23.8%	17	0.7%	16.0%	800	50.1%	
P & F ISOTHERMIC INC		2,545		2,557		(12)	(0.5%)		2,945		(400)	(13.6%)	20.9%	22.2%	(127)	(5.7%)	3.8%	1,717	457.7%	
Sierra Pacific Windows		2,544		2,560		(16)	(0.6%)		1,711		833	48.7%	10.2%	10.0%	24	2.4%	6.3%	395	63.0%	
Other		63,608		64,771		(1,162)	(1.8%)		80,122		(16,513)	(20.6%)	20.1%	19.6%	52	2.6%	28.1%	(795)	(28.3%)	
Total Gross	\$	184,365	\$	188,036	\$	(3,672)	(2.0%)	\$	180,283	\$	4,082	2.3%	16.9%	16.7%	13	0.8%	15.4%	146	9.5%	

## Management Discussion

- PGT – Higher Orders to make-up for slower December 18 and anticipated sales in Q1 2019
- Atis – Impacted by extended winter weather conditions in Canada
- Quaker– Lower orders in February due to inventory build in prior month and longer shutdown in February
- All Weather and Comfort View – Slow start to the year and colder weather leading to softness in orders
- Coeur D Alene – Good ongoing growth spurt coupled by little sensitivity to season

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# Management Governance Report

## **Disclosure Committee:**

- Members include: CEO, CFO, VP Sales, VP Operations, VP Manufacturing & VP Supply Chain
- Meeting held on April 8<sup>th</sup>, 2019
- Financial results were reviewed and found to be complete and accurate in all material respects
- CEO & CFO reviewed Board presentation separately and found to be complete

## **Anonymous Hotline:**

- Hotline call received on April 3<sup>rd</sup>, 2019 from an anonymous employee at Delmont
  - Employee indicates that they ran out of materials on April 1<sup>st</sup> causing a slowdown in the completion of their tasks
  - Employee has made plant management aware of the problem and that it has been an ongoing for this team for over one year
  - Plant Manager and VP of Ops made aware of the hotline call and investigating the issue

## **Modification of Delegation of Authority:**

- To be reviewed and updated in Q1 2019 QOR based on recent changes in org structure

## Management Governance Report (Continued)

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

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Squeeze Report

Monthly P&L

Monthly EBITDA to Net Income Bridge

Cost of Goods Sold Variance Analysis

Monthly Cost of Goods Sold by Component

Monthly Balance Sheet

Balance Sheet – Year on Year Comparison

Monthly Cash Flow

Trended Monthly Bookings

Trended Monthly Backlog

EBITDA and EBITDA-CapEx

Y-o-Y% EBITDA change

Capital Expenditures

Headcount Trending by Month

Headcount Hires and Attrition

Liquidity Forecast

**Business Unit Analysis**

# Squeeze Report

Monthly operating report (\$'000)

Investment date 3/31/2016  
Operational data as of 3/31/2019  
Valuation details last updated: 10/31/2018

Fully-diluted ownership	
OpenGate Equity	94.8%
MGMT	5.3%
Other Equity	0.0%
Total	100.0%

Fund	Invested Capital (\$M)			Valuation		Returns	
	Invested	Realized	Unrealized	Total Value	MOI		
OCGP I	\$ 26,000	\$ –	\$ –	\$ 45,500	0.6x		
OCGP II	–	–	–	–	NA		
OCGP III	–	–	–	–	NA		
Total	\$ 26,000	\$ –	\$ –	\$ 45,500	0.6x		

Operations													
	Net Revenue				Adj. EBITDA				Net Debt				
	Act	Bud	Variance	PY	Act	Bud	Variance	PY	Act	Bud	PY		
This Month	\$ 11,404	\$ 13,631	-16.3%	\$ 13,795	\$ 472	\$ 597	-21.0%	\$ 327	\$ 32,065	\$ 29,583	\$ 28,724		
Quarter to Date	\$ 33,131	\$ 36,590	-9.5%	\$ 38,666	\$ 768	\$ 765	0.4%	\$ 659					
Year to Date	\$ 33,131	\$ 36,590	-9.5%	\$ 38,666	\$ 768	\$ 765	0.4%	\$ 659					
LTM Trends (\$'000s)	4/30/18	5/31/18	6/30/18	7/31/18	8/31/18	9/30/18	10/31/18	11/30/18	12/31/18	1/31/19	2/28/19	3/31/19	LTM
Units Produced ('000)	9,104	8,856	8,570	7,954	8,723	7,766	7,806	7,934	5,174	7,786	7,371	8,389	95,434
Units Shipped ('000)	9,231	10,037	10,076	9,436	9,668	8,330	9,798	8,838	5,130	6,941	6,590	7,230	101,305
Net Revenue	\$ 15,166	\$ 16,019	\$ 16,319	\$ 15,478	\$ 16,133	\$ 13,650	\$ 16,233	\$ 14,094	\$ 8,817	\$ 10,942	\$ 10,785	\$ 11,404	\$ 165,039
Gross Margin	2,554	2,746	2,869	2,620	2,848	2,592	2,592	2,349	909	1,502	1,755	1,910	27,322
Gross Margin %	16.8%	17.1%	17.6%	16.9%	16.5%	20.9%	16.0%	16.7%	10.3%	13.7%	16.3%	16.7%	16.6%
SG&A	1,721	1,664	1,616	1,278	1,422	624	1,384	1,301	1,623	1,465	1,496	1,438	17,033
Reported EBITDA	833	1,081	1,253	1,342	1,247	2,224	1,207	1,047	(714)	37	259	472	10,290
Rep. EBITDA %	5.5%	6.7%	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	6.2%
Adj. EBITDA	833	1,081	1,253	1,342	1,247	2,224	1,207	1,047	(714)	37	259	472	10,290
Adj. EBITDA %	5.5%	6.7%	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	6.2%
Capex	\$ (683)	\$ (887)	\$ (844)	\$ (637)	\$ (638)	\$ (860)	\$ (991)	\$ (803)	\$ (1,438)	\$ (489)	\$ (531)	\$ (560)	\$ (9,361)
Accounts Receivable, Net	\$ 14,907	\$ 15,593	\$ 17,009	\$ 16,284	\$ 15,221	\$ 13,855	\$ 14,273	\$ 13,483	\$ 8,594	\$ 8,789	\$ 9,536	\$ 11,214	\$ 11,214
Inventory, Net	35,831	35,773	35,140	34,779	33,352	33,773	30,528	29,790	30,309	33,091	34,642	34,150	34,150
Accounts Payable	14,814	14,617	14,670	14,056	13,525	14,088	12,897	12,951	12,709	11,725	12,319	12,200	12,200
CCC	\$ 35,923	\$ 36,749	\$ 37,478	\$ 37,007	\$ 35,048	\$ 33,541	\$ 31,905	\$ 30,322	\$ 26,194	\$ 30,155	\$ 31,859	\$ 33,165	\$ 33,165
DSO	29.5	30.2	31.3	32.6	29.2	30.4	27.3	28.7	30.2	24.9	24.8	30.5	24.8
DSI	70.9	69.2	64.6	69.7	64.1	74.2	58.3	63.4	106.6	93.7	89.9	92.8	75.5
DPO	35.2	34.1	32.7	33.9	31.1	39.1	29.3	33.1	49.8	38.5	38.2	39.8	32.3
C2C	65.1	65.3	63.1	68.4	62.2	65.6	56.3	59.0	87.0	80.1	76.5	83.5	68.0
Bank revolver	\$ 17,154	\$ 17,616	\$ 18,192	\$ 17,156	\$ 15,128	\$ 14,477	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,533	\$ 18,750	\$ 18,750
Unclassified external debt / OID	14,716	14,528	14,126	14,212	14,103	14,016	14,344	14,062	13,634	13,926	13,779	13,318	13,318
OpenGate debt	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Debt Outstanding	31,871	32,144	32,318	31,368	29,231	28,493	27,170	26,080	23,857	28,266	30,311	32,068	32,068
Cash and equivalents	(0)	0	(0)	0	0	(0)	(0)	(0)	0	3	3	3	3
Total Net Debt	\$ 31,871	\$ 32,144	\$ 32,318	\$ 31,368	\$ 29,231	\$ 28,493	\$ 27,170	\$ 26,080	\$ 23,857	\$ 28,263	\$ 30,308	\$ 32,065	\$ 32,065
Beginning Cash Balance	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 0
Add / (Less): Operating Cash Flow	(2,344)	540	383	1,782	2,775	1,620	2,174	1,750	3,372	(3,487)	(1,522)	(1,520)	5,522
Add / (Less): Investing Cash Flow	(683)	(887)	(844)	(637)	(638)	(860)	(991)	(803)	(1,438)	(489)	(531)	(560)	(9,361)
Add / (Less): Financing Cash Flow	3,026	347	461	(1,145)	(2,137)	(760)	(1,183)	(947)	(1,934)	3,979	2,053	2,080	3,842
Effect of FX rates / Other	–	–	–	–	–	–	–	–	–	–	–	–	–
Ending Cash Balance	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3
Long-term trend, budget, IC comparison													
Summary Financials	Calendar year ending			Actual		IC Model							
	12/31/2015	12/31/2016	12/31/2017	12/31/2018	3/31/2019	12/31/2016	12/31/2017	12/31/2018	LTM v 2017 IC	%	2018 FC v IC	%	
Total Net Revenue	\$ –	\$ 170,742	\$ 170,574	\$ 174,701	\$ 165,039								
EBITDA, Reported	–	12,278	10,180	11,386	10,290								
EBITDA, Reported %	N/A	7.2%	6.0%	6.5%	6.2%								
EBITDA, Adjusted	–	12,278	10,180	11,386	10,290								
EBITDA, Adjusted %	N/A	7.2%	6.0%	6.5%	6.2%								
Accounts Receivable, Net	–	11,660	8,594	9,802	11,214								
Inventory, Net	–	27,470	30,309	30,962	34,150								
Accounts Payable	–	7,504	12,709	12,627	12,200								
CCC	–	31,626	26,194	28,137	33,165								
Net Debt	\$ –	\$ 3,014	\$ 23,857	\$ 26,089	\$ 32,065								

Monthly P&L

\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY		FY		Var		PY	Var	
	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud			\$	%	Act	\$	%
Units Produced ('000)	7,786	7,371	8,389	9,490	9,900	10,019	10,057	10,212	9,308	9,637	9,028	5,886	107,084	108,274	(1,190)	(1.1%)	96,146	10,938	11.4%		
Units Shipped ('000)	6,941	6,590	7,230	9,750	10,258	10,359	10,062	10,681	9,633	10,255	9,358	6,133	107,250	109,580	(2,330)	(2.1%)	104,464	2,785	2.7%		
Bookings (\$'000)	\$ 11,857	\$ 10,031	\$ 11,903	\$ 15,404	\$ 16,974	\$ 17,860	\$ 16,506	\$ 17,313	\$ 16,578	\$ 17,403	\$ 16,182	\$ 9,356	\$ 177,369	\$ 180,948	\$ (3,580)	(2.0%)	\$ 173,588	\$ 3,780	2.2%		
Backlog ('\$000)	\$ 9,269	\$ 8,356	\$ 8,460	\$ 12,818	\$ 12,555	\$ 12,824	\$ 11,864	\$ 12,654	\$ 12,898	\$ 13,594	\$ 13,391	\$ 11,911	\$ 11,911	\$ 11,911	\$ –	0.0%	\$ 8,368	\$ 3,543	42.3%		
Gross Revenue	\$ 11,539	\$ 11,249	\$ 11,985	\$ 16,509	\$ 17,567	\$ 17,993	\$ 17,052	\$ 18,655	\$ 16,814	\$ 17,766	\$ 16,477	\$ 10,759	\$ 184,365	\$ 188,036	\$ (3,672)	(2.0%)	\$ 180,283	\$ 4,082	2.3%		
Adj. to Gross Revenue	(597)	(464)	(581)	(847)	(975)	(963)	(887)	(990)	(919)	(983)	(916)	(541)	(9,664)	(9,876)	212	(2.2%)	(9,708)	44	(0.5%)		
Net Revenue	10,942	10,785	11,404	15,662	16,593	17,030	16,165	17,664	15,895	16,782	15,561	10,218	174,701	178,160	(3,459)	(1.9%)	170,574	4,126	2.4%		
Material	5,204	5,301	5,464	7,836	8,236	8,608	8,053	8,864	7,768	8,457	7,836	4,565	86,191	88,355	(2,164)	(2.4%)	83,420	2,772	3.3%		
Labor	2,927	2,714	2,913	3,269	3,359	3,241	3,433	3,370	3,208	3,337	3,197	2,915	37,884	38,371	(486)	(1.3%)	38,503	(618)	(1.6%)		
Other COGS	1,309	1,015	1,117	1,745	1,917	1,893	1,670	2,029	1,846	2,013	1,780	1,527	19,861	20,261	(400)	(2.0%)	20,885	(1,024)	(4.9%)		
Total COGS	9,440	9,030	9,494	12,850	13,512	13,742	13,157	14,263	12,821	13,807	12,814	9,007	143,937	146,986	(3,050)	(2.1%)	142,807	1,129	0.8%		
Gross Margin	1,502	1,755	1,910	2,812	3,081	3,288	3,008	3,402	3,074	2,975	2,747	1,210	30,764	31,173	(409)	(1.3%)	27,767	2,997	10.8%		
Gross Margin %	13.7%	16.3%	16.7%	18.0%	18.6%	19.3%	18.6%	19.3%	19.3%	17.7%	17.7%	11.8%	17.6%	17.5%			16.3%				
R&D	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A		
Sales & Marketing	554	603	474	664	631	557	607	595	648	583	633	579	7,127	7,247	(120)	(1.7%)	7,045	82	1.2%		
Administrative	1,037	968	879	1,055	1,099	1,057	1,096	1,092	1,049	1,094	1,047	1,068	12,543	12,772	(229)	(1.8%)	10,240	2,302	22.5%		
Other Opex	(127)	(75)	85	(19)	(21)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(291)	(228)	(63)	27.7%	302	(593)	(196.5%)		
Total Opex	1,465	1,496	1,438	1,701	1,708	1,593	1,682	1,668	1,680	1,657	1,660	1,631	19,378	19,791	(413)	(2.1%)	17,587	1,792	10.2%		
EBITDA	37	259	472	1,111	1,372	1,695	1,326	1,734	1,393	1,318	1,087	(420)	11,386	11,382	3	0.0%	10,180	1,205	11.8%		
EBITDA %	0.3%	2.4%	4.1%	7.1%	8.3%	10.0%	8.2%	9.8%	8.8%	7.9%	7.0%	(4.1%)	6.5%	6.4%			6.0%				
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (2,937)	\$ (3,300)	\$ 363	(11.0%)	\$ (3,490)	\$ 553	(15.8%)		
Capex	\$ (489)	\$ (531)	\$ (560)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,078)	\$ (8,000)	\$ 922	(11.5%)	\$ (10,215)	\$ 3,137	(30.7%)		
Opex Overview:																					
Payroll	\$ 881	\$ 806	\$ 788	\$ 904	\$ 952	\$ 855	\$ 952	\$ 926	\$ 873	\$ 943	\$ 880	\$ 913	\$ 10,674	\$ 10,783	\$ (109)	(1.0%)	\$ 10,318	\$ 356	3.4%		
Bonus	112	113	112	113	113	113	113	113	113	113	113	113	1,357	1,361	(4)	(0.3%)	159	1,198	753.7%		
Commissions	19	19	16	30	30	30	30	30	30	30	30	30	323	358	(35)	(9.9%)	187	136	72.8%		
Marketing	95	180	71	214	149	122	122	127	198	109	186	118	1,691	1,780	(90)	(5.0%)	1,679	11	0.7%		
Benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A		
Travel and entertainment	107	128	35	125	139	130	142	137	132	132	128	130	1,464	1,587	(123)	(7.8%)	1,231	233	18.9%		
Rent and facilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A		
Insurance	29	21	31	28	29	30	32	30	27	27	28	24	336	336	(0)	(0.1%)	328	8	2.5%		
Professional fees	45	46	62	44	44	52	44	45	52	45	45	51	575	584	(9)	(1.6%)	585	(10)	(1.8%)		
Office Expenses	23	26	18	20	27	29	20	26	20	26	22	25	282	287	(6)	(2.0%)	287	(6)	(1.9%)		
IT	166	165	132	171	176	179	177	181	178	182	181	178	2,065	2,092	(26)	(1.3%)	1,634	432	26.4%		
Bad Debts	16	(0)	16	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	29	(5)	33	(720.5%)	(80)	108	(135.9%)		
FX	(122)	(76)	115	–	–	–	–	–	–	–	–	–	(83)	–	(83)	N/A	384	(468)	(121.6%)		
JV Loss (Income)	(5)	1	(29)	(19)	(21)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(208)	(228)	20	(8.7%)	(83)	(125)	151.7%		
Other Expenses	98	67	73	71	72	73	71	72	74	70	67	66	874	853	21	2.5%	956	(82)	(8.5%)		
Total Opex	\$ 1,465	\$ 1,496	\$ 1,438	\$ 1,701	\$ 1,708	\$ 1,593	\$ 1,682	\$ 1,668	\$ 1,680	\$ 1,657	\$ 1,660	\$ 1,631	\$ 19,378	\$ 19,791	\$ (413)	(2.1%)	\$ 17,586	\$ 1,792	10.2%		



# 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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>EBITDA - as reported</b>	\$ 37	\$ 259	\$ 472	\$ 1,111	\$ 1,372	\$ 1,695	\$ 1,326	\$ 1,734	\$ 1,393	\$ 1,318	\$ 1,087	\$ (420)	\$11,386	\$11,382	\$ 3	0.0%	\$ 10,180	\$ 1,205	11.8%
Depreciation and amortization	(708)	(721)	(729)	(736)	(745)	(759)	(771)	(781)	(793)	(796)	(799)	(803)	(9,140)	(9,128)	(12)	0.1%	(7,801)	(1,339)	17.2%
Interest and amortization	(156)	(165)	(189)	(208)	(206)	(203)	(201)	(202)	(190)	(190)	(173)	(168)	(2,252)	(2,290)	38	(1.7%)	(1,869)	(383)	20.5%
Other financial income/expense	(26)	740	(617)	–	–	–	–	–	–	–	–	–	97	–	97	N/A	(1,463)	1,561	(106.6%)
Monitoring fees (including expenses)	(85)	(97)	(85)	(103)	(83)	(83)	(103)	(83)	(83)	(103)	(83)	(103)	(1,094)	(1,077)	(17)	1.6%	(1,091)	(3)	0.3%
Restructuring costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	(776)	776	(100.0%)
Non-recurring items	(137)	(201)	(128)	(70)	(70)	(58)	–	–	–	–	–	–	(664)	(478)	(186)	38.9%	(770)	106	(13.8%)
Taxes	189	(87)	(4)	(154)	(195)	(236)	(220)	(210)	(207)	(170)	(115)	138	(1,270)	(1,710)	439	(25.7%)	99	(1,369)	#####
<b>GAAP Net Income (Loss)</b>	<b>\$ (886)</b>	<b>\$ (271)</b>	<b>\$ (1,280)</b>	<b>\$ (160)</b>	<b>\$ 74</b>	<b>\$ 356</b>	<b>\$ 30</b>	<b>\$ 458</b>	<b>\$ 121</b>	<b>\$ 59</b>	<b>\$ (82)</b>	<b>\$ (1,356)</b>	<b>\$ (2,937)</b>	<b>\$ (3,300)</b>	<b>\$ 363</b>	<b>(11.0%)</b>	<b>\$ (3,490)</b>	<b>\$ 553</b>	<b>(15.8%)</b>

## 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 1.364 [USD\$0.73] on December 31, 2018 to 1.3531 [USD\$0.74] on March 31, 2019
- Non-recurring items in March include The Practical Approach for the OBI project (\$3K), accrual for Management staff incentive (\$57K), Laval Water Damage repair costs – (\$6K, not planned), Terrebonne ERP Syteline Project (\$34K), Project Monaco costs (\$14K, not planned), Legal expense (\$14K, not planned) and DDL Consultant for ITSM Project (\$16K)
- US Tax accrual of 4K in March 2019; Canadian deferred tax asset has not been increased since 2018 year end adjustments

# Cost of Goods Sold Variance Analysis

\$'000

	MTD	QTD	YTD
Material	6,823	18,133	18,133
Labor	3,103	9,041	9,041
Other COGS	1,506	3,840	3,840
<b>COGS Budget</b>	<b>\$ 11,433</b>	<b>\$ 31,014</b>	<b>\$ 31,014</b>
<b><u>Variances:</u></b>			
Volume	(1,380)	(2,289)	(2,289)
Price	–	(50)	(50)
Other	21	175	175
<b>Material</b>	<b>(1,359)</b>	<b>(2,164)</b>	<b>(2,164)</b>
Volume	(99)	(263)	(263)
Price	–	–	–
Other	(91)	(223)	(223)
<b>Labor</b>	<b>(190)</b>	<b>(486)</b>	<b>(486)</b>
Volume	(325)	(103)	(103)
Price	–	–	–
Other	(65)	(297)	(297)
<b>Other COGS</b>	<b>(390)</b>	<b>(400)</b>	<b>(400)</b>
<b>COGS Actual</b>	<b>\$ 9,494</b>	<b>\$ 27,964</b>	<b>\$ 27,964</b>

## Management Discussion - QTD

- **Material COGS:** Decrease of \$2,164K due to lower volume impact of \$2,289K (Sales volumes (lbs) lower by 10.1%), unfavorable yields and higher scrap (net of increased regrind usage) at Woodbridge, Delmont and Everett of \$151K, unfavorable E&O reserve at Everett and Terrebonne of \$86K, partially offset by improved scrap and favorable PPV at ECS of \$62K and \$50K
- **Labor COGS:** Lower costs due to volume impact of \$263K, an out-of-period workers' compensation refund received at Everett of \$84K, a favorable F/X impact of \$107K and headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$32K
- **Other COGS:** Decrease of \$400K due to a favorable absorption impact of \$103K as a result of lower sales and lower production than Plan, lower freight costs of \$202K, lower overhead spending of \$29K (ie. Maintenance costs, utilities, factory supplies) and a favorable F/X impact of \$66K

# 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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>Material</b>																			
Material costs at standard	\$ 5,265	\$ 5,218	\$ 5,418	\$ 7,938	\$ 8,290	\$ 8,447	\$ 7,988	\$ 8,815	\$ 7,674	\$ 8,402	\$ 7,886	\$ 4,585	\$ 85,925	\$ 88,508	\$ (2,583)	(2.9%)	\$ 84,102	\$ 1,822	2.2%
Materials FX loss / (gain)	0	0	0	(0)	0	(0)	0	0	0	0	—	—	0	0	0	80.2%	0	0	11.4%
Purchase price variance	168	272	211	163	212	399	374	347	334	336	225	115	3,155	2,816	339	12.0%	(421)	3,576	(849.4%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	47	46	46	56	60	59	56	63	55	60	57	45	650	663	(13)	(2.0%)	680	(31)	(4.5%)
Scrap costs	(355)	(334)	(282)	(426)	(440)	(411)	(472)	(479)	(399)	(453)	(439)	(260)	(4,750)	(4,885)	135	(2.8%)	(2,101)	(2,649)	126.1%
Consumables	78	98	72	106	113	114	108	118	104	113	107	81	1,212	1,253	(42)	(3.3%)	1,159	53	4.6%
<b>Total Material COGS</b>	<b>\$ 5,204</b>	<b>\$ 5,301</b>	<b>\$ 5,464</b>	<b>\$ 7,836</b>	<b>\$ 8,236</b>	<b>\$ 8,608</b>	<b>\$ 8,053</b>	<b>\$ 8,864</b>	<b>\$ 7,768</b>	<b>\$ 8,457</b>	<b>\$ 7,836</b>	<b>\$ 4,565</b>	<b>\$ 86,191</b>	<b>\$ 88,355</b>	<b>\$ (2,164)</b>	<b>(2.4%)</b>	<b>\$ 83,420</b>	<b>\$ 2,772</b>	<b>3.3%</b>
<b>Labor</b>																			
Direct labor	\$ 927	\$ 898	\$ 984	\$ 1,200	\$ 1,231	\$ 1,213	\$ 1,272	\$ 1,234	\$ 1,139	\$ 1,188	\$ 1,141	\$ 1,030	\$ 13,458	\$ 13,870	\$ (413)	(3.0%)	\$ 13,874	\$ (416)	(3.0%)
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	51	51	616	618	(2)	(0.3%)	79	536	675.0%
Direct labor - overtime	70	97	109	103	111	102	123	125	115	124	107	68	1,254	1,163	91	7.8%	1,594	(340)	(21.3%)
Direct labor - benefits	290	264	254	278	285	274	286	283	277	281	268	238	3,277	3,262	14	0.4%	3,366	(89)	(2.6%)
Direct labor - wcb benefits	18	(20)	17	23	23	22	24	23	23	24	23	19	218	265	(47)	(17.8%)	321	(103)	(32.0%)
Direct labor - other	0	(1)	(1)	1	1	0	1	1	1	1	1	1	5	9	(4)	(45.5%)	(1)	6	(499.9%)
Indirect labor	1,520	1,362	1,447	1,551	1,595	1,514	1,613	1,588	1,540	1,605	1,545	1,448	18,328	18,438	(110)	(0.6%)	19,031	(703)	(3.7%)
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	51	51	616	618	(2)	(0.3%)	79	536	675.0%
Sub-contractor costs	—	12	2	11	11	12	12	13	10	11	11	7	113	127	(14)	(11.3%)	159	(46)	(29.2%)
<b>Total Labor COGS</b>	<b>\$ 2,927</b>	<b>\$ 2,714</b>	<b>\$ 2,913</b>	<b>\$ 3,269</b>	<b>\$ 3,359</b>	<b>\$ 3,241</b>	<b>\$ 3,433</b>	<b>\$ 3,370</b>	<b>\$ 3,208</b>	<b>\$ 3,337</b>	<b>\$ 3,197</b>	<b>\$ 2,915</b>	<b>\$ 37,884</b>	<b>\$ 38,371</b>	<b>\$ (486)</b>	<b>(1.3%)</b>	<b>\$ 38,503</b>	<b>\$ (618)</b>	<b>(1.6%)</b>
<b>Other</b>																			
Repairs and maintenance	\$ 115	\$ 26	\$ 78	\$ 59	\$ 83	\$ 87	\$ 77	\$ 103	\$ 74	\$ 109	\$ 104	\$ 128	\$ 1,042	\$ 1,037	\$ 5	0.5%	\$ 1,222	\$ (181)	(14.8%)
Absorption	(234)	(425)	(600)	(22)	54	44	(140)	67	8	122	(4)	(24)	(1,156)	(1,049)	(106)	10.1%	(622)	(533)	85.7%
Freight out	625	533	704	818	872	863	834	893	814	863	780	543	9,142	9,368	(226)	(2.4%)	9,785	(644)	(6.6%)
Rent / facilities	125	167	193	141	115	117	117	157	185	139	138	205	1,799	1,840	(41)	(2.2%)	1,511	288	19.1%
Utilities	479	508	539	560	587	573	580	587	573	584	559	512	6,642	6,711	(69)	(1.0%)	6,579	63	1.0%
Other cost of sales	199	206	202	189	206	209	202	223	192	197	204	162	2,392	2,355	37	1.6%	2,409	(18)	(0.7%)
<b>Total Other COGS</b>	<b>\$ 1,309</b>	<b>\$ 1,015</b>	<b>\$ 1,117</b>	<b>\$ 1,745</b>	<b>\$ 1,917</b>	<b>\$ 1,893</b>	<b>\$ 1,670</b>	<b>\$ 2,029</b>	<b>\$ 1,846</b>	<b>\$ 2,013</b>	<b>\$ 1,780</b>	<b>\$ 1,527</b>	<b>\$ 19,861</b>	<b>\$ 20,261</b>	<b>\$ (400)</b>	<b>(2.0%)</b>	<b>\$ 20,885</b>	<b>\$ (1,024)</b>	<b>(4.9%)</b>

## Management Discussion

**Material COGS:** Decrease of \$2,164K due to lower volume impact of \$2,289K (Sales volumes (lbs) lower by 10.1%), unfavorable yields and higher scrap (net of increased regrind usage) at Woodbridge, Delmont and Everett of \$151K, unfavorable E&O reserve at Everett and Terrebonne of \$86K, partially offset by improved scrap and favorable PPV at ECS of \$62K and \$50K, respectively

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**Other COGS:** Decrease of \$400K due to a favorable absorption impact of \$103K as a result of lower sales and lower production than Plan, lower freight costs of \$202K, lower overhead spending of \$29K (ie. Maintenance costs, utilities, factory supplies) and a favorable F/X impact of \$66K

# Monthly Balance Sheet

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var	
\$'000	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
<b>Current Assets</b>																
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	\$ 3	739066.5%
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	9,182	9,929	11,613	15,443	16,173	17,404	15,960	16,509	15,206	15,081	13,521	10,481	10,481	8,958	1,523	17.0%
<i>Accounts receivable, reserves</i>	(393)	(393)	(399)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(363)	(316)	86.9%
Accounts receivable, net	8,789	9,536	11,214	14,764	15,495	16,726	15,281	15,830	14,527	14,402	12,842	9,802	9,802	8,594	1,208	14.1%
<i>Inventory, gross</i>	34,588	36,157	35,647	34,775	34,796	34,311	34,732	34,475	34,521	32,837	32,471	32,668	32,668	31,776	892	2.8%
<i>Inventory, reserves</i>	(1,497)	(1,514)	(1,497)	(1,704)	(1,698)	(1,687)	(1,649)	(1,660)	(1,674)	(1,696)	(1,702)	(1,706)	(1,706)	(1,467)	(239)	16.3%
Inventory, net	33,091	34,642	34,150	33,071	33,099	32,624	33,083	32,815	32,847	31,140	30,769	30,962	30,962	30,309	653	2.2%
Prepaid expenses and other current assets	3,145	3,030	3,051	4,043	3,814	3,663	3,627	3,336	3,216	3,348	3,110	2,832	2,832	2,942	(109)	(3.7%)
Other current assets	761	864	804	837	796	854	857	1,050	1,525	1,771	1,829	682	682	901	(218)	(24.2%)
<b>Total Current Assets</b>	<b>45,790</b>	<b>48,076</b>	<b>49,223</b>	<b>52,718</b>	<b>53,206</b>	<b>53,869</b>	<b>52,851</b>	<b>53,034</b>	<b>52,117</b>	<b>50,663</b>	<b>48,552</b>	<b>44,281</b>	<b>44,281</b>	<b>42,746</b>	<b>1,536</b>	<b>3.6%</b>
<b>Non-Current Assets</b>																
<i>Property, plant &amp; equipment, gross</i>	66,687	67,249	66,818	69,891	70,963	71,660	72,208	72,661	73,107	73,531	73,935	74,303	74,303	64,977	9,326	14.4%
<i>Accumulated depreciation</i>	(18,755)	(19,488)	(19,863)	(19,435)	(20,042)	(20,661)	(21,293)	(21,936)	(22,589)	(23,245)	(23,906)	(24,569)	(24,569)	(17,639)	(6,930)	39.3%
Property, plant & equipment, net	47,932	47,761	46,955	50,456	50,921	50,999	50,915	50,725	50,518	50,286	50,028	49,734	49,734	47,338	2,395	5.1%
Deferred financing cost	546	533	510	504	491	477	463	450	436	422	408	395	395	548	(153)	(27.9%)
Deferred tax asset	2,961	2,963	2,898	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	2,879	(1,513)	(52.5%)
Other non-current assets	2,688	2,690	2,644	3,093	3,113	3,134	3,155	3,216	3,237	3,257	3,274	3,331	3,331	2,616	715	27.3%
<b>Total Non-Current Assets</b>	<b>54,127</b>	<b>53,947</b>	<b>53,007</b>	<b>55,420</b>	<b>55,891</b>	<b>55,977</b>	<b>55,900</b>	<b>55,757</b>	<b>55,558</b>	<b>55,332</b>	<b>55,077</b>	<b>54,826</b>	<b>54,826</b>	<b>53,382</b>	<b>1,444</b>	<b>2.7%</b>
<b>Total Assets</b>	<b>\$ 99,917</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 108,139</b>	<b>\$ 109,096</b>	<b>\$ 109,846</b>	<b>\$ 108,751</b>	<b>\$ 108,791</b>	<b>\$ 107,675</b>	<b>\$ 105,995</b>	<b>\$ 103,630</b>	<b>\$ 99,107</b>	<b>\$ 99,107</b>	<b>\$ 96,127</b>	<b>\$ 2,980</b>	<b>3.1%</b>
<b>Current Liabilities</b>																
Bank Debt	\$ 14,340	\$ 16,533	\$ 18,750	\$ 22,148	\$ 21,889	\$ 21,463	\$ 20,653	\$ 20,722	\$ 18,469	\$ 18,098	\$ 14,909	\$ 13,864	\$ 13,864	\$ 10,222	\$ 3,641	35.6%
Current Portion - Long Term Debt	1,678	1,665	1,639	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,628	172	10.6%
Accounts payable	11,725	12,319	12,200	13,614	14,749	15,234	14,482	14,035	14,850	13,308	14,456	12,627	12,627	12,709	(82)	(0.6%)
Accrued liabilities	4,045	3,378	3,727	4,002	3,798	3,824	3,699	3,689	3,439	3,366	3,189	2,808	2,808	3,343	(535)	(16.0%)
Accrued compensation	2,492	2,800	2,877	3,464	3,617	3,826	4,303	4,195	4,585	4,804	4,780	5,149	5,149	2,521	2,628	104.2%
Income taxes payable	(189)	(102)	(344)	495	690	927	1,147	1,357	1,564	1,734	1,848	1,710	1,710	(246)	1,956	(793.7%)
Contingent consideration	1,301	1,301	1,301	—	—	—	—	—	—	—	—	—	—	1,301	(1,301)	(100.0%)
Other current liabilities	101	97	124	143	141	139	137	139	127	128	111	107	107	97	11	11.0%
<b>Total Current Liabilities</b>	<b>35,493</b>	<b>37,990</b>	<b>40,273</b>	<b>45,667</b>	<b>46,685</b>	<b>47,212</b>	<b>46,222</b>	<b>45,937</b>	<b>44,835</b>	<b>43,238</b>	<b>41,094</b>	<b>38,065</b>	<b>38,065</b>	<b>31,576</b>	<b>6,490</b>	<b>20.6%</b>
<b>Long-term liabilities</b>																
Long-term debt less current maturities	12,248	12,114	11,679	11,574	11,430	11,287	11,144	11,001	10,857	10,714	10,571	10,428	10,428	12,006	(1,579)	(13.1%)
Deferred income taxes	9,753	9,757	9,642	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	9,610	(1,825)	(19.0%)
Other non-current liabilities	1,525	1,530	1,491	1,430	1,440	1,449	1,458	1,467	1,476	1,477	1,482	1,486	1,486	1,468	18	1.2%
<b>Total Long-Term Liabilities</b>	<b>23,526</b>	<b>23,400</b>	<b>22,812</b>	<b>20,789</b>	<b>20,655</b>	<b>20,521</b>	<b>20,387</b>	<b>20,253</b>	<b>20,119</b>	<b>19,976</b>	<b>19,838</b>	<b>19,699</b>	<b>19,699</b>	<b>23,084</b>	<b>(3,386)</b>	<b>(14.7%)</b>
<b>Total Liabilities</b>	<b>59,019</b>	<b>61,391</b>	<b>63,085</b>	<b>66,456</b>	<b>67,340</b>	<b>67,733</b>	<b>66,609</b>	<b>66,190</b>	<b>64,953</b>	<b>63,214</b>	<b>60,931</b>	<b>57,764</b>	<b>57,764</b>	<b>54,660</b>	<b>3,104</b>	<b>5.7%</b>
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Shareholders' Equity</b>																
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	29,143	28,871	27,592	29,602	29,676	30,032	30,062	30,521	30,641	30,701	30,619	29,263	29,263	30,039	(776)	(2.6%)
Accumulated other comprehensive income	(855)	(850)	(1,058)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(1,181)	652	(55.2%)
<b>Total Shareholders' Equity</b>	<b>40,898</b>	<b>40,632</b>	<b>39,144</b>	<b>41,682</b>	<b>41,756</b>	<b>42,112</b>	<b>42,142</b>	<b>42,601</b>	<b>42,722</b>	<b>42,781</b>	<b>42,699</b>	<b>41,343</b>	<b>41,343</b>	<b>41,467</b>	<b>(124)</b>	<b>(0.3%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 99,917</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 108,139</b>	<b>\$ 109,096</b>	<b>\$ 109,846</b>	<b>\$ 108,751</b>	<b>\$ 108,791</b>	<b>\$ 107,675</b>	<b>\$ 105,995</b>	<b>\$ 103,630</b>	<b>\$ 99,107</b>	<b>\$ 99,107</b>	<b>\$ 96,127</b>	<b>\$ 2,980</b>	<b>3.1%</b>

# Balance Sheet – Year on Year Comparison

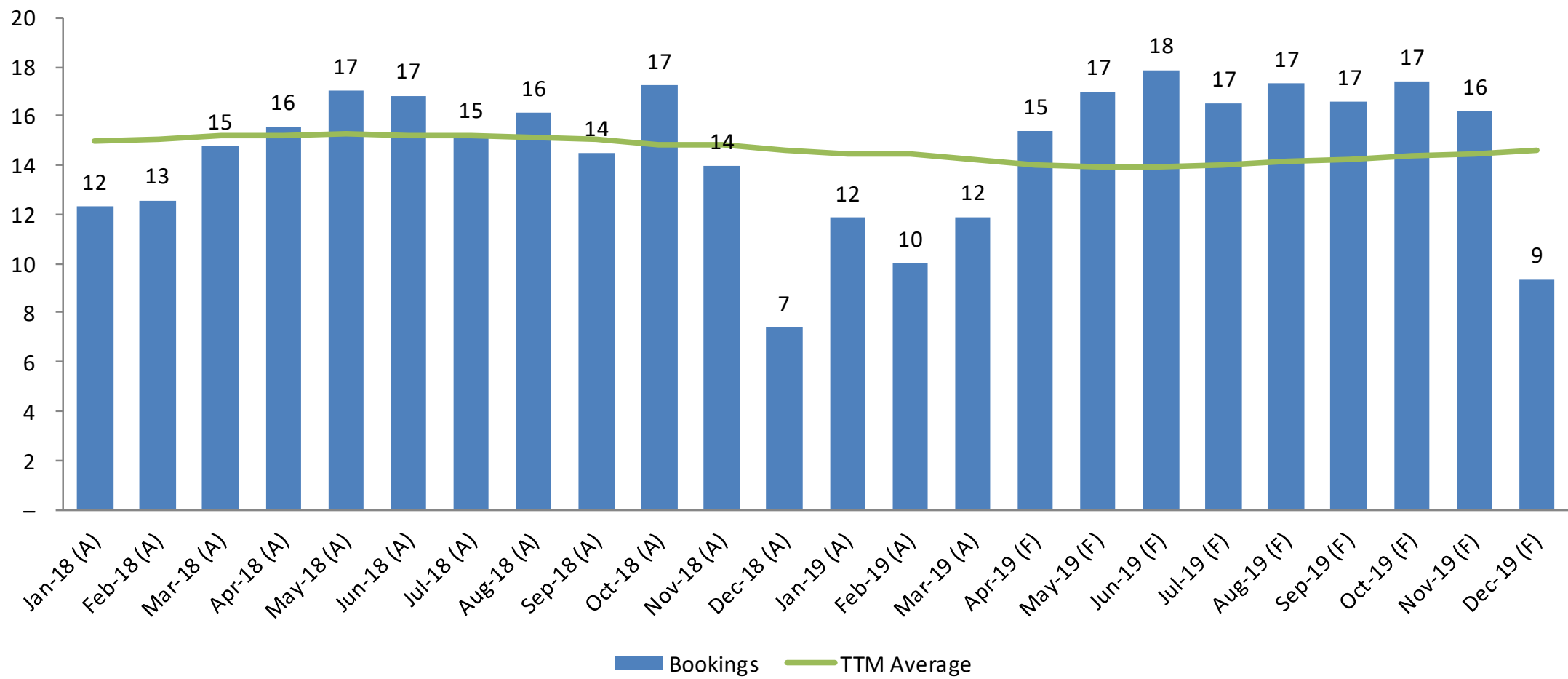
\$'000	YTD		Variance	
	CY	PY	\$	%
<b><u>Current Assets</u></b>				
Cash and cash equivalents	\$ 3	\$ 0	\$ 3	1117.9%
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	11,613	14,390	(2,777)	(19.3%)
<i>Accounts receivable, reserves</i>	(399)	(669)	270	(40.3%)
Accounts receivable, net	11,214	13,721	(2,507)	(18.3%)
<i>Inventory, gross</i>	35,647	36,553	(905)	(2.5%)
<i>Inventory, reserves</i>	(1,497)	(1,709)	211	(12.4%)
Inventory, net	34,150	34,844	(694)	(2.0%)
Prepaid expenses and other current assets	3,051	2,875	176	6.1%
Other current assets	804	1,905	(1,101)	(57.8%)
<b>Total Current Assets</b>	<b>49,223</b>	<b>53,346</b>	<b>(4,123)</b>	<b>(7.7%)</b>
<b><u>Non-Current Assets</u></b>				
<i>Property, plant &amp; equipment, gross</i>	66,818	59,113	7,705	13.0%
<i>Accumulated depreciation</i>	(19,863)	(12,364)	(7,499)	60.7%
Property, plant & equipment, net	46,955	46,749	205	0.4%
Deferred financing cost	510	491	19	3.8%
Deferred tax asset	2,898	1,374	1,524	110.9%
Other non-current assets	2,644	2,710	(66)	(2.4%)
<b>Total Non-Current Assets</b>	<b>53,007</b>	<b>51,325</b>	<b>1,682</b>	<b>3.3%</b>
<b>Total Assets</b>	<b>\$ 102,229</b>	<b>\$ 104,671</b>	<b>\$ (2,441)</b>	<b>(2.3%)</b>
<b><u>Current Liabilities</u></b>				
Bank Debt	\$ 18,750	\$ 14,643	\$ 4,107	28.0%
Current Portion - Long Term Debt	1,639	1,325	313	23.6%
Accounts payable	12,200	15,419	(3,220)	(20.9%)
Accrued liabilities	3,727	3,332	394	11.8%
Accrued compensation	2,877	3,060	(183)	(6.0%)
Income taxes payable	(344)	36	(379)	(1061.0%)
Contingent consideration	1,301	1,268	33	2.6%
Other current liabilities	124	71	52	73.5%
<b>Total Current Liabilities</b>	<b>40,273</b>	<b>39,155</b>	<b>1,118</b>	<b>2.9%</b>
<b><u>Long-term liabilities</u></b>				
Long-term debt less current maturities	11,679	12,756	(1,077)	(8.4%)
Deferred income taxes	9,642	7,810	1,832	23.5%
Other non-current liabilities	1,491	1,315	175	13.3%
<b>Total Long-Term Liabilities</b>	<b>22,812</b>	<b>21,882</b>	<b>930</b>	<b>4.3%</b>
<b>Total Liabilities</b>	<b>63,085</b>	<b>61,037</b>	<b>2,048</b>	<b>3.4%</b>
<b>Commitments and contingencies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>N/A</b>
<b><u>Shareholders' Equity</u></b>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	27,592	31,525	(3,933)	(12.5%)
Accumulated other comprehensive income	(1,058)	(501)	(556)	111.0%
<b>Total Shareholders' Equity</b>	<b>39,144</b>	<b>43,634</b>	<b>(4,490)</b>	<b>(10.3%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 102,229</b>	<b>\$ 104,671</b>	<b>\$ (2,441)</b>	<b>(2.3%)</b>

# Monthly Cash Flow

\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>Cash flow from operations</b>																			
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (160)	\$ 74	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (2,937)	\$ (3,300)	\$ 363	(11.0%)	\$ (3,987)	\$ 1,050	(26.3%)
Depreciation, amortization and other	708	721	729	736	745	759	771	781	793	796	799	803	9,140	9,128	12	0.1%	7,801	1,339	17.2%
Non-cash loss/expense (gain)	(161)	(7)	201	629	(265)	105	(196)	(139)	(95)	(173)	(145)	(151)	(397)	(307)	(90)	29.4%	377	(775)	(205.3%)
Deferred income tax	143	3	(115)	(1,857)	—	—	—	—	—	—	—	—	(1,825)	148	(1,973)	(1331.0%)	(1,301)	(524)	40.3%
<b>Change in operating assets and liabilities:</b>															N/A				
Accounts receivable	(195)	(747)	(1,678)	(3,550)	(730)	(1,231)	1,444	(549)	1,304	125	1,560	3,040	(1,208)	(1,173)	(35)	3.0%	3,252	(4,460)	(137.1%)
Inventory	(2,782)	(1,552)	492	1,079	(28)	475	(459)	267	(32)	1,707	371	(193)	(653)	(690)	37	(5.4%)	(594)	(59)	9.9%
Prepaid expenses and other current assets	(64)	12	39	(1,025)	270	93	32	99	(355)	(378)	179	1,425	328	328	—	0.0%	456	(128)	(28.1%)
Accounts payable	(984)	594	(119)	1,415	1,135	485	(752)	(447)	815	(1,542)	1,148	(1,829)	(82)	(82)	—	0.0%	(379)	296	(78.3%)
Accrued expenses	673	(359)	426	862	(51)	235	352	(118)	140	146	(201)	(12)	2,093	2,344	(251)	(10.7%)	(2,316)	4,408	(190.4%)
Accrued income taxes	58	87	(242)	839	195	236	220	210	207	170	115	(138)	1,956	1,060	896	84.5%	751	1,205	160.6%
Other changes in operating assets and liabilities	4	(4)	27	(1,282)	(2)	(2)	(2)	2	(12)	1	(17)	(4)	(1,290)	(1,290)	—	0.0%	65	(1,355)	(2097.6%)
Other cash flow from operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
<b>Total Cash Flow from Operations</b>	<b>\$ (3,487)</b>	<b>\$ (1,522)</b>	<b>\$ (1,520)</b>	<b>\$ (2,314)</b>	<b>\$ 1,343</b>	<b>\$ 1,511</b>	<b>\$ 1,442</b>	<b>\$ 564</b>	<b>\$ 2,885</b>	<b>\$ 910</b>	<b>\$ 3,728</b>	<b>\$ 1,584</b>	<b>\$ 5,125</b>	<b>\$ 6,166</b>	<b>\$ (1,041)</b>	<b>(16.9%)</b>	<b>\$ 4,126</b>	<b>\$ 999</b>	<b>24.2%</b>
<b>Cash flow from investing</b>																			
Additions to property, plant and equipment	\$ (489)	\$ (531)	\$ (560)	\$ (943)	\$ (943)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (7,078)	\$ (8,000)	\$ 922	(11.5%)	\$ (10,215)	\$ 3,137	(30.7%)
Earnout payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Other cash flow from investing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
<b>Total Cash Flow from Investing</b>	<b>\$ (489)</b>	<b>\$ (531)</b>	<b>\$ (560)</b>	<b>\$ (943)</b>	<b>\$ (943)</b>	<b>\$ (943)</b>	<b>\$ (492)</b>	<b>\$ (492)</b>	<b>\$ (492)</b>	<b>\$ (398)</b>	<b>\$ (398)</b>	<b>\$ (398)</b>	<b>\$ (7,078)</b>	<b>\$ (8,000)</b>	<b>\$ 922</b>	<b>(11.5%)</b>	<b>\$ (10,215)</b>	<b>\$ 3,137</b>	<b>(30.7%)</b>
<b>Cash flow from financing</b>																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 2,193	\$ 2,218	\$ 3,398	\$ (259)	\$ (427)	\$ (809)	\$ 69	\$ (2,253)	\$ (371)	\$ (3,189)	\$ (1,045)	\$ 3,641	\$ 3,556	\$ 85	2.4%	\$ 6,282	\$ (2,641)	(42.0%)
Proceeds from the issuance of debt	(0)	0	(0)	(0)	0	0	0	0	0	0	0	0	0	—	0	N/A	1,207	(1,207)	(100.0%)
Repayment of debt	(138)	(139)	(138)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(1,685)	(1,719)	34	(2.0%)	(1,400)	(286)	20.4%
Common stock cash dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Other cash flow from financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
<b>Total Cash Flow from Financing</b>	<b>\$ 3,979</b>	<b>\$ 2,053</b>	<b>\$ 2,080</b>	<b>\$ 3,257</b>	<b>\$ (400)</b>	<b>\$ (568)</b>	<b>\$ (950)</b>	<b>\$ (72)</b>	<b>\$ (2,394)</b>	<b>\$ (512)</b>	<b>\$ (3,330)</b>	<b>\$ (1,186)</b>	<b>\$ 1,956</b>	<b>\$ 1,837</b>	<b>\$ 119</b>	<b>6.5%</b>	<b>\$ 6,089</b>	<b>\$ (4,133)</b>	<b>(67.9%)</b>
<b>Effect of FX rates on cash and cash equivalents</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ —</b>	<b>\$ -</b>	<b>N/A</b>
<b>Net change in cash</b>	<b>\$ 3</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ (0)</b>	<b>(0.0%)</b>	<b>\$ (0)</b>	<b>\$ 3</b>	<b>(1065.8%)</b>
Beginning cash	0	3	3	3	3	3	3	3	3	2	3	3	0	0	—	—	(0)	\$ 0	(100.1%)
Change in cash	3	0	(0)	(0)	(0)	0	(0)	0	(0)	0	(0)	(0)	3	3	(0)	(0.0%)	(0)	\$ 3	(1065.8%)
<b>Ending cash</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 2</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ (0)</b>	<b>(0.0%)</b>	<b>\$ 0</b>	<b>\$ 3</b>	<b>26322051.3%</b>

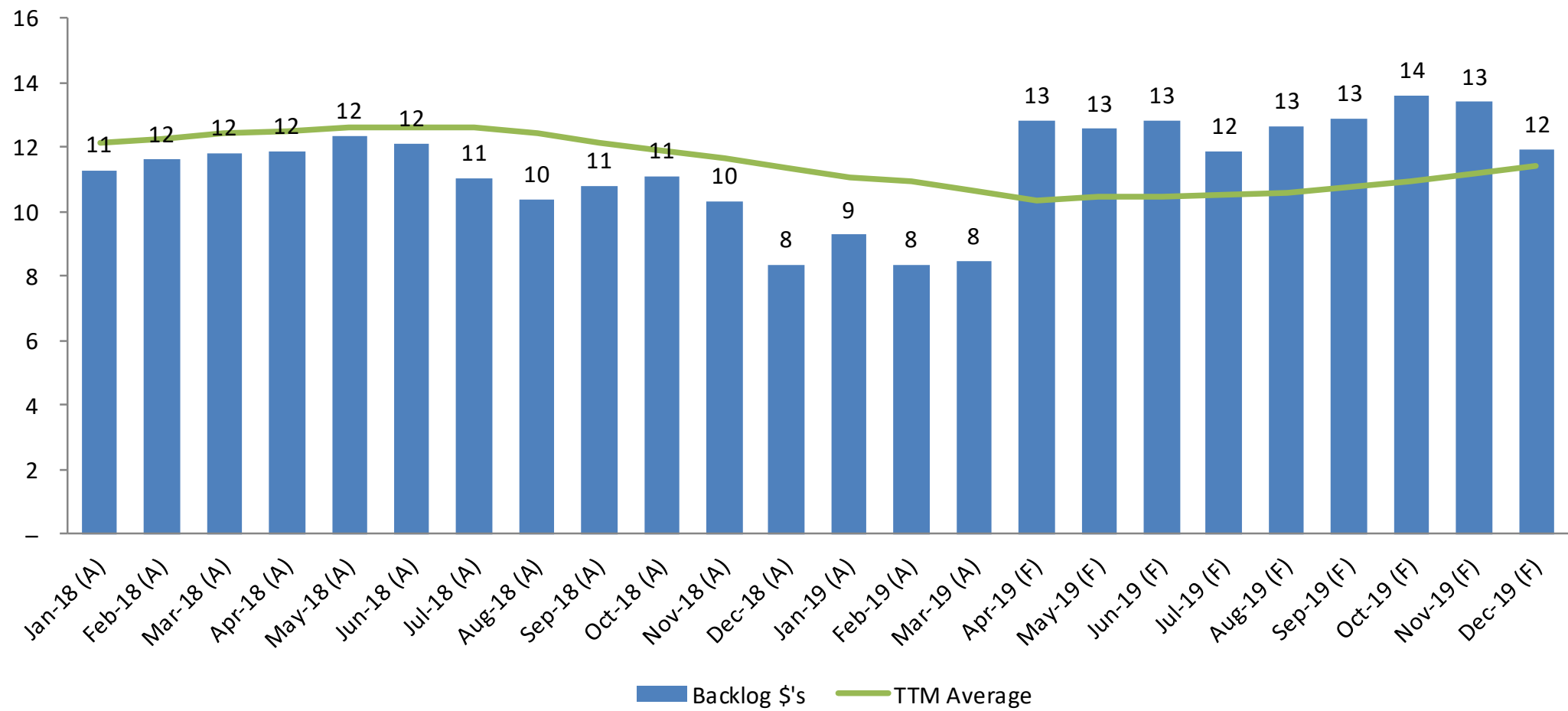
# Trended Monthly Bookings

\$ in millions



# Trended Monthly Backlog

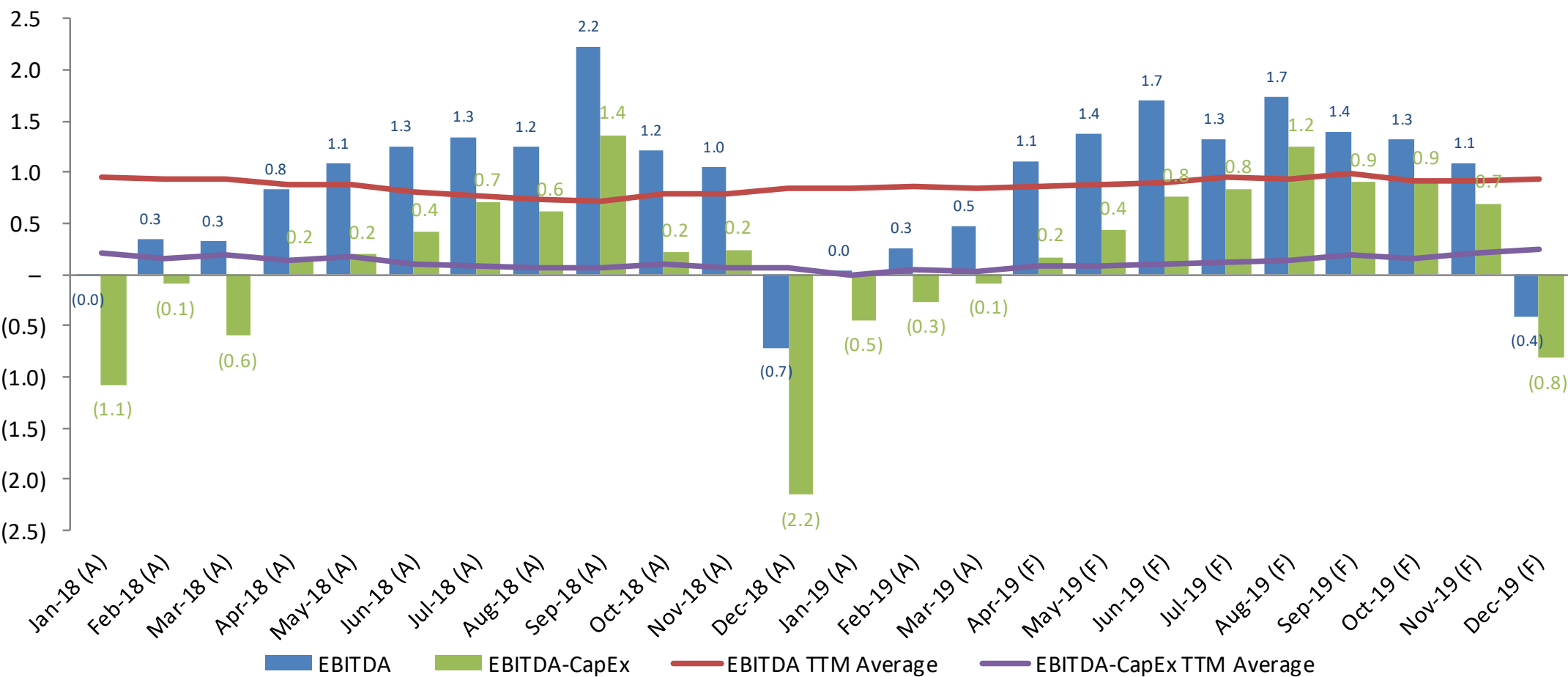
\$ in millions





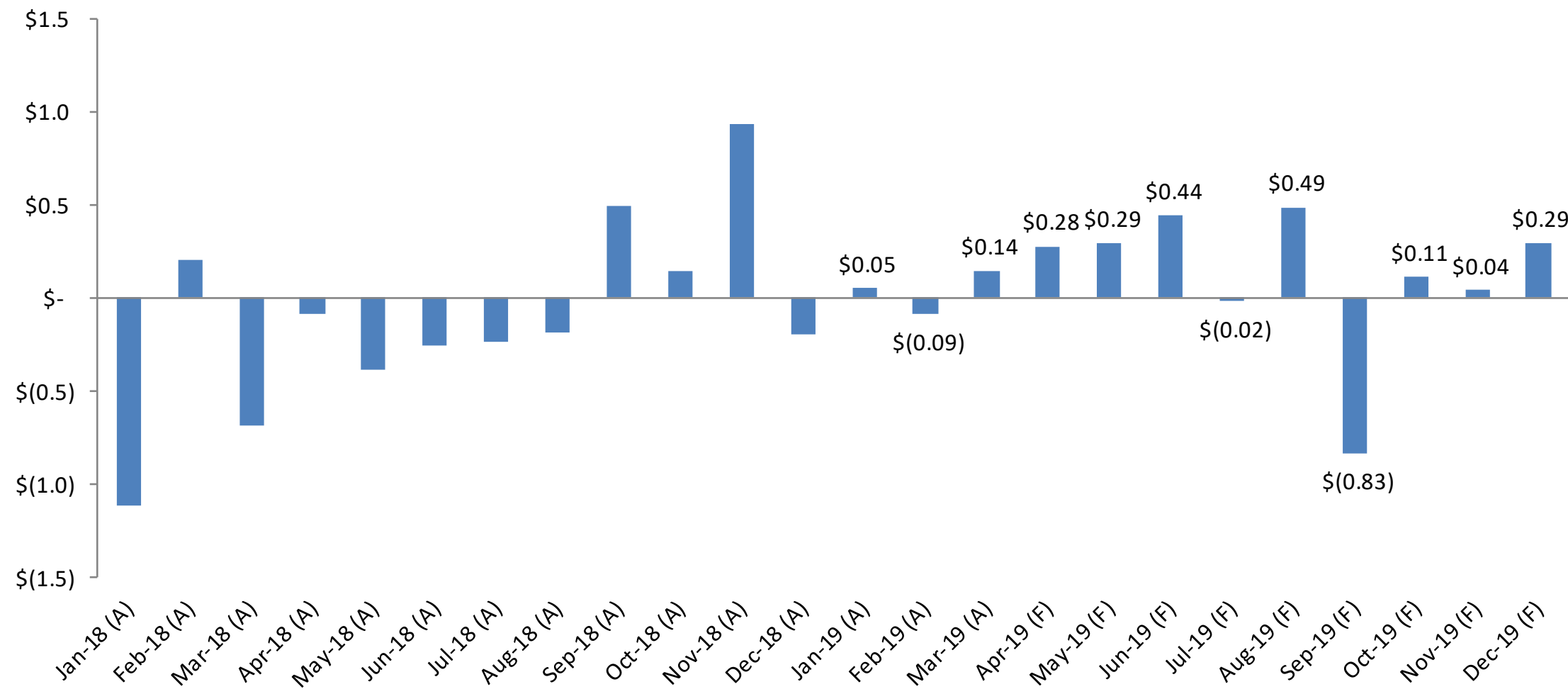
# EBITDA and EBITDA-CapEx

\$ in millions



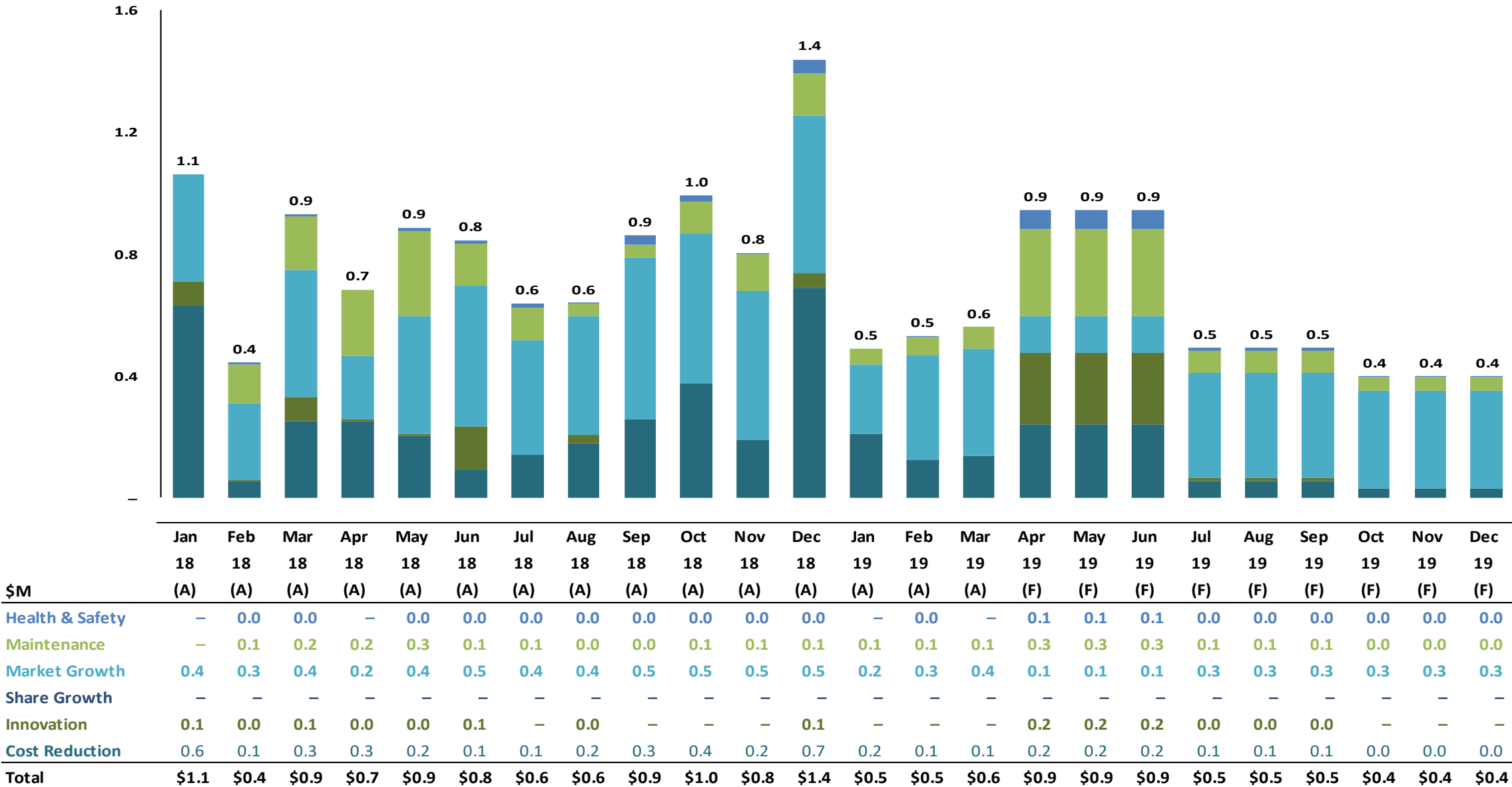
# Y-o-Y \$ EBITDA Change

\$ in millions



# Capital Expenditures

\$ in millions



# Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2019 January (A)	324	154	81	35	13	26	59	–	692	24	716	780	(64)
2019 February (A)	331	156	81	35	13	26	60	–	702	27	729	802	(73)
2019 March (A)	331	160	81	36	13	26	62	–	709	36	745	802	(57)
2019 April (F)	362	164	88	38	15	29	59	–	755	58	813	813	–
2019 May (F)	366	164	88	38	15	29	59	–	759	59	818	818	–
2019 June (F)	366	164	88	38	15	29	59	–	759	73	832	832	–
2019 July (F)	362	164	88	38	15	30	59	–	756	70	826	826	–
2019 August (F)	362	164	88	38	15	30	59	–	756	69	825	825	–
2019 September (F)	362	164	88	38	15	30	59	–	756	41	797	797	–
2019 October (F)	357	164	88	37	15	30	59	–	750	47	797	797	–
2019 November (F)	349	164	88	37	15	30	59	–	742	52	794	794	–
2019 December (F)	349	164	88	37	15	30	59	–	742	40	782	782	–
<b>Final Headcount</b>	<b>349</b>	<b>164</b>	<b>88</b>	<b>37</b>	<b>15</b>	<b>30</b>	<b>59</b>	–	<b>742</b>	<b>40</b>	<b>782</b>	<b>782</b>	–

## Management Discussion

- Net addition of 16 employees in March (7 permanent and 9 temporary)
- Additions at Woodbridge and Terrebonne for production support, and at Corporate for IT support and replacement of recent resignation
- Employees headcount stable and consistent with prior month at Delmont, Laval, Everett and ECS

# Headcount Hires and Attrition

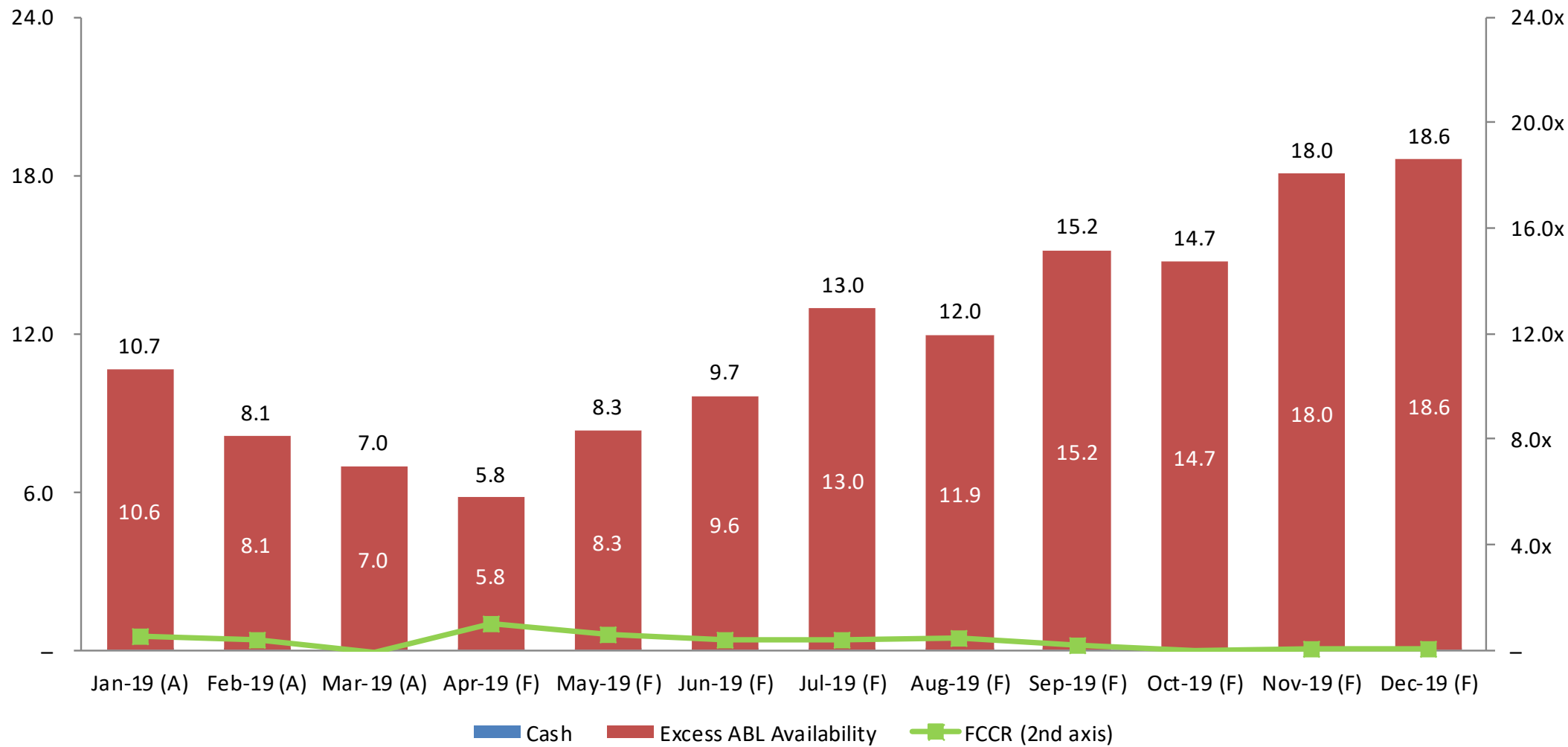
Functional Area	Start of Quarter	Hires	Transfers	Involuntary Term	Voluntary Term	QTD	Bud Headcount	Difference to Bud
Direct Labor	337	13	(7)	(5)	(7)	331	357	26
Indirect Labor - Hourly	154	11	2	(5)	(2)	160	163	3
Indirect Labor - Salary	83	–	1	(1)	(2)	81	88	7
Delivery & Dist.	36	2	–	(2)	–	36	37	1
Research & Development	14	–	–	–	(1)	13	15	2
Sales & Marketing	27	–	1	(1)	(1)	26	29	3
Administrative	59	3	1	–	(1)	62	59	(3)
Other	-	–	–	–	–	-	-	-
Agency FTE & Temps	27	19	2	(10)	(2)	36	54	18
<b>Total</b>	<b>737</b>	<b>48</b>	<b>-</b>	<b>(24)</b>	<b>(16)</b>	<b>745</b>	<b>802</b>	<b>57</b>

## Management Discussion

- Woodbridge – Termination of some hourly employees due to lower production volumes. 2 employees back from leave and 2 temps added
- Laval – Additional of hourly inactive employees and temps due to increase in production demand
- Everett – Hourly return from leave and addition of 2 new hourly indirect to support tooling activities
- Terrebonne – Addition of 10 employees that were previously on layoff for production ramp up activity. Addition of 7 temps and resignation of 1 full time
- Head Office CA – A/R Clerk and IT Staff

# Liquidity Forecast

\$ in millions



**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

**Woodbridge**

**Laval**

**Delmont**

**Everett**

**Terrebonne**

**Concord**

**Corporate**

**Plant Capacity Utilization**

# Woodbridge Summary P&L

\$'000

	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	7,620	8,280	(660)	(8.0%)	7,620	8,280	(660)	(8.0%)
Units Shipped ('000)	6,568	7,880	(1,312)	(16.7%)	6,568	7,880	(1,312)	(16.7%)
Bookings (\$'000)	\$ 8,164	\$ –	\$ 8,164	N/A	\$ 8,164	\$ –	\$ 8,164	N/A
Backlog ('\$000)	\$ 2,029	\$ –	\$ 2,029	N/A	\$ 2,029	\$ –	\$ 2,029	N/A
Gross Revenue	\$ 9,207	\$ 10,887	\$ (1,680)	(15.4%)	\$ 9,207	\$ 10,887	\$ (1,680)	(15.4%)
Adj. to Gross Revenue	(544)	(577)	33	(5.7%)	(544)	(577)	33	(5.7%)
Net Revenue	8,663	10,310	(1,647)	(16.0%)	8,663	10,310	(1,647)	(16.0%)
Material	5,440	6,528	(1,088)	(16.7%)	5,440	6,528	(1,088)	(16.7%)
Labor	2,254	2,284	(30)	(1.3%)	2,254	2,284	(30)	(1.3%)
Other COGS	75	332	(257)	(77.4%)	75	332	(257)	(77.4%)
Total COGS	7,770	9,144	(1,375)	(15.0%)	7,770	9,144	(1,375)	(15.0%)
Gross Margin	894	1,166	(272)	(23.4%)	894	1,166	(272)	(23.4%)
Gross Margin %	10.3%	11.3%			10.3%	11.3%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	53	67	(14)	(21.3%)	53	67	(14)	(21.3%)
Administrative	942	978	(36)	(3.6%)	942	978	(36)	(3.6%)
Other Opex	(29)	(53)	24	(45.2%)	(29)	(53)	24	(45.2%)
Total Opex	966	992	(26)	(2.6%)	966	992	(26)	(2.6%)
EBITDA	(73)	174	(246)	(141.7%)	(73)	174	(246)	(141.7%)
EBITDA %	(0.8%)	1.7%			(0.8%)	1.7%		
Net Income (Loss)	\$ (763)	\$ (511)	\$ (251)	49.1%	\$ (763)	\$ (511)	\$ (251)	49.1%
Capex	\$ (514)	\$ (601)	\$ 87	(14.5%)	\$ (514)	\$ (601)	\$ 87	(14.5%)
<b>Opex Overview:</b>								
Payroll	\$ 154	\$ 170	\$ (16)	(9.5%)	\$ 154	\$ 170	\$ (16)	(9.5%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	22	30	(8)	(26.1%)	22	30	(8)	(26.1%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	–	0	(0)	(100.0%)	–	0	(0)	(100.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	9	10	(1)	(10.0%)	9	10	(1)	(10.0%)
Professional fees	–	8	(8)	(100.0%)	–	8	(8)	(100.0%)
Utilities, repair, maintenance, anc	9	6	3	59.2%	9	6	3	59.2%
Corporate OH Fees	803	818	(15)	(1.8%)	803	818	(15)	(1.8%)
Bad Debts	(1)	(1)	(0)	24.9%	(1)	(1)	(0)	24.9%
FX	4	–	4	N/A	4	–	4	N/A
JV Loss (Income)	(34)	(53)	20	(37.2%)	(34)	(53)	20	(37.2%)
Other Expenses	–	5	(5)	(100.0%)	–	5	(5)	(100.0%)
Total Opex	\$ 966	\$ 992	\$ (26)	(2.6%)	\$ 966	\$ 992	\$ (26)	(2.6%)

## Management Discussion

### Net Revenue – Q1-19: (\$1,647K):

- Sales volume down 16.7% or \$1,717k due to decreased demand (weather impact – snow/cold/rain) from All Weather, Quaker, Oran, Vinylbilt, JV, Ostaco, Centennial, Ventana, Dashwood, Great Lakes & Clera; offset by higher than expected levels with Terrebonne, Delmont, Windsor, Vinly-Pro, PGT & Seymour.
- Unfavorable return of products \$40k primarily due to: \$30k PGT (4930 cracking), \$8k Quaker and \$8k Dashwood (bowing)
- Favorable rebates/accruals of \$73k primarily due to lower sales volumes from ATIS customers, partially offset by a rebate correction for Vinyl-Pro (\$21k)
- Favorable product/customer mix of \$210k driven by ATIS price adjustment from PY \$49k and higher ASP for Quaker, JV, PGT and Terrebonne
- Unfavorable F/X of \$173k (actual rate of 1.3292 [or \$USD 0.7524] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Q1-19: (\$246K):

- Material COGS:** Decreased costs by \$1,088k driven by lower sales volumes \$1,143k and increased regrind/alt material usage \$111k; offset by increased finished goods scrap \$63k (PGT \$18k (cracking/dark cap issues, AWW \$22k Wavy Nail Fin, \$11k Dashwood Bowing, \$12k Windsor) and lower yields \$103K (startup, new tooling launches, contaminated regrind & alt material trials)
- Labor COGS:** Decreased costs by \$30k driven by favorable F/X of \$50k, lower production volumes (decrease of 8%) \$84k; offset by inefficiencies due to start-up and additional overtime to support tooling/maintenance activities \$104k
- Other COGS:** Decreased costs by \$257k driven by increased net absorption \$141k (lower demand), tooling recovery \$30k, and lower factory & maintenance expenses \$78k (volume driven)
- Sales and Marketing:** Decreased costs by \$14k due to lower royalties and product development costs
- Administrative:** Decreased costs of \$36k driven by favorable F/X of \$22k, 1 less headcount and lower spend on professional fees
- Other Opex:** Increased costs by \$24k driven by decreased JV equity income (lower sales volumes) \$20k and F/X revaluation of working capital \$4k



# Key Customers – Gross Sales and Gross Margin %: Woodbridge

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
ROYAL VINYL BILT LIMITED	\$ 2,342	\$ 2,588	\$ (246)	(9.5%)	\$ 2,694	\$ (353)	(13.1%)	\$ 2,342	\$ 2,588	\$ (246)	(9.5%)	\$ 2,694	\$ (353)	(13.1%)	10.4%	10.4%	—	0.0%	7.9%	250	31.6%	10.4%	10.4%	—	0.0%	7.9%	250	31.6%
QUAKER WINDOW PRODUCTS	1,131	1,445	(315)	(21.8%)	1,235	(105)	(8.5%)	1,131	1,445	(315)	(21.8%)	1,235	(105)	(8.5%)	11.0%	11.0%	—	0.0%	8.5%	250	29.3%	11.0%	11.0%	—	0.0%	8.5%	250	29.3%
ALL WEATHER WIN. LTD-EDMO	664	1,389	(725)	(52.2%)	447	217	48.6%	664	1,389	(725)	(52.2%)	447	217	48.6%	19.7%	19.7%	—	0.0%	17.2%	250	14.6%	19.7%	19.7%	—	0.0%	17.2%	250	14.6%
VINYLBILT WINDOWS & DOORS CO	366	574	(208)	(36.2%)	802	(436)	(54.3%)	366	574	(208)	(36.2%)	802	(436)	(54.3%)	(18.0%)	(18.0%)	—	0.0%	(20.5%)	250	(12.2%)	(18.0%)	(18.0%)	—	0.0%	(20.5%)	250	(12.2%)
VINYL PRO WINDOW SYSTEMS	439	366	73	20.0%	383	56	14.6%	439	366	73	20.0%	383	56	14.6%	8.2%	8.2%	—	0.0%	5.7%	250	44.0%	8.2%	8.2%	—	0.0%	5.7%	250	44.0%
WINDSOR WINDOW CO	761	671	90	13.4%	685	76	11.1%	761	671	90	13.4%	685	76	11.1%	23.4%	25.5%	(208)	(8.1%)	21.1%	233	11.0%	23.4%	25.5%	(208)	(8.1%)	20.1%	336	16.7%
DASHWOOD INDUSTRIES LTD.	372	485	(113)	(23.3%)	514	(142)	(27.6%)	372	485	(113)	(23.3%)	514	(142)	(27.6%)	17.8%	17.8%	—	0.0%	15.3%	250	16.3%	17.8%	17.8%	—	0.0%	15.3%	250	16.3%
OSTACO 2000 WINDOORS INC	267	448	(181)	(40.5%)	443	(176)	(39.8%)	267	448	(181)	(40.5%)	443	(176)	(39.8%)	13.8%	13.8%	—	0.0%	11.3%	250	22.0%	13.8%	13.8%	—	0.0%	11.3%	250	22.0%
ALLSCO BLDG SUPPLIES LTD	272	224	48	21.2%	237	34	14.5%	272	224	48	21.2%	237	34	14.5%	(18.0%)	(18.0%)	—	0.0%	3.9%	(2,195)	(555.9%)	(18.0%)	(18.0%)	—	0.0%	3.9%	(2,195)	(555.9%)
TERREBONNE	391	205	186	90.7%	436	(44)	(10.2%)	391	205	186	90.7%	436	(44)	(10.2%)	(6.3%)	(6.3%)	—	0.0%	(8.8%)	250	(28.5%)	(6.3%)	(6.3%)	—	0.0%	(8.8%)	250	(28.5%)
PGT INDUSTRIES	305	248	56	22.6%	80	225	282.7%	305	248	56	22.6%	80	225	282.7%	0.0%	0.0%	—	N/A	6.3%	(626)	(100.0%)	0.0%	0.0%	—	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS INC	59	192	(133)	(69.2%)	142	(83)	(58.3%)	59	192	(133)	(69.2%)	142	(83)	(58.3%)	15.9%	15.9%	—	0.0%	13.4%	250	18.6%	15.9%	15.9%	—	0.0%	13.4%	250	18.6%
CLERA	203	268	(65)	(24.3%)	319	(116)	(36.3%)	203	268	(65)	(24.3%)	319	(116)	(36.3%)	18.9%	18.9%	—	0.0%	16.4%	250	15.3%	18.9%	18.9%	—	0.0%	16.4%	250	15.3%
SEYMOUR WINDOWS LTD.	125	69	55	79.6%	76	49	65.1%	125	69	55	79.6%	76	49	65.1%	19.6%	19.6%	—	0.0%	17.1%	250	14.6%	19.6%	19.6%	—	0.0%	17.1%	250	14.6%
WARDCO WINDOW & DOOR MFG INC	131	149	(19)	(12.6%)	171	(40)	(23.5%)	131	149	(19)	(12.6%)	171	(40)	(23.5%)	34.7%	34.7%	—	0.0%	32.2%	250	7.8%	34.7%	34.7%	—	0.0%	32.2%	250	7.8%
CENTENNIAL WINDOWS LTD	91	245	(155)	(63.0%)	258	(167)	(64.8%)	91	245	(155)	(63.0%)	258	(167)	(64.8%)	39.6%	39.6%	—	0.0%	37.1%	250	6.7%	39.6%	39.6%	—	0.0%	37.1%	250	6.7%
MASON WINDOWS	91	115	(24)	(20.8%)	119	(28)	(23.7%)	91	115	(24)	(20.8%)	119	(28)	(23.7%)	8.0%	8.0%	—	0.0%	8.0%	(0)	(0.0%)	8.0%	8.0%	—	0.0%	8.0%	(0)	(0.0%)
GREAT LAKES WINDOW INC.	69	153	(84)	(55.0%)	108	(39)	(36.4%)	69	153	(84)	(55.0%)	108	(39)	(36.4%)	8.0%	8.0%	—	0.0%	8.0%	-	0.0%	8.0%	8.0%	—	0.0%	8.0%	-	0.0%
ORAN LTD.	—	209	(209)	(100.0%)	217	(217)	(100.0%)	—	209	(209)	(100.0%)	217	(217)	(100.0%)	#DIV/0!	#DIV/0! —		#DIV/0!	8.0%	NA	#VALUE!	#DIV/0!	#DIV/0! —		#DIV/0!	8.0%	NA	#VALUE!
INTEGRAL WINDOW SYSTEMS	50	63	(13)	(19.9%)	73	(23)	(31.0%)	50	63	(13)	(19.9%)	73	(23)	(31.0%)	8.0%	8.0%	—	0.0%	8.0%	-	0.0%	8.0%	8.0%	—	0.0%	8.0%	-	0.0%
Other	1,080	780	300	38.5%	2,938	(1,857)	(63.2%)	1,080	780	300	38.5%	2,938	(1,857)	(63.2%)	(9.3%)	(19.8%)	1,049	(52.9%)	(23.6%)	1,429	(60.5%)	(9.3%)	(19.8%)	1,049	(52.9%)	(25.1%)	1,573	(62.8%)
Total Gross	\$ 9,207	\$ 10,887	\$ (1,680)	(15.4%)	\$ 12,375	\$ (3,167)	(25.6%)	\$ 9,207	\$ 10,887	\$ (1,680)	(15.4%)	\$ 12,375	\$ (3,167)	(25.6%)	9.5%	8.7%	81	9.4%	0.7%	880	1284.6%	9.5%	8.7%	81	9.4%	0.3%	914	2669.2%

## Management Discussion

- All Weather – Increase in sales vs PY-MTD due to new product launches in Q4-2018, however lower than anticipated
- Royal Vinylbilt – Lower sales at Royal Vinylbilt in addition to using up built up inventory from Q4-2018
- Vinylbilt – loss of major customer
- Oran – Timing, customer expected to make purchases in Q2-2019
- Quaker - Lower orders in January due to inventory build in prior month and longer shutdown in January
- Ventana – Business closing down

# Key Performance Indicators - Woodbridge

ENERGI Woodbridge January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
<b>Health &amp; Safety</b>					
<i>Recordable Incidents</i>	0	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.46	0.47	0.48	0.48
<b>Quality Performance</b>					
<i>Customer Complaints - per MLBS</i>	3.2	2.61	2.26	3.02	3
<i>Return as % of sales</i>	0.30%	1.49%	0.53%	0.25%	0.77%
<b>Delivery Performance</b>					
<i>% on time in full</i>	95.00%	99.56%	98.80%	99%	99%
<i>% by line items</i>	99.00%	99.56%	98.80%	99%	99%
<b>Costs</b>					
<i>Yield</i>	85.7%	85%	85%	85%	85%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	17%	20%	20%	19%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.173	\$ 0.175	\$ 0.161	\$ 0.169
<b>Inventory</b>					
<i>Days - TTM (Trailing 12 Months)</i>	54.1	57	59	62	58

## Comments

**Safety:** no recordables to report

**Quality:** Avoided Allsco and Dashwood issues but still had problems with Windsor dark cap, Vinyl-pro dimensional and Eclipse pit marks.

**Delivery:** Some process issues with AWW tooling, capacity issues with Eclipse earlier in the February

**Costs:** inefficiencies due to 2 cold starts from plant being shutdown on weekends

**Inventory:** Strategic build up of inventory in response to anticipated Demand in Q2

# Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	36,620	37,280	(660)	(1.8%)	37,118	(498)	(1.3%)	
Units Shipped ('000)	35,918	37,230	(1,312)	(3.5%)	36,738	(820)	(2.2%)	
Bookings (\$'000)	\$ 45,918	\$ –	\$ 45,918	N/A	\$ 50,018	\$ (4,100)	(8.2%)	
Backlog ('\$000)	\$ 2,119	\$ –	\$ 2,119	N/A	\$ 3,634	\$ (1,515)	(41.7%)	
Gross Revenue	\$ 50,066	\$ 51,746	\$ (1,680)	(3.2%)	\$ 52,687	\$ (2,621)	(5.0%)	
Adj. to Gross Revenue	(3,150)	(3,183)	33	(1.0%)	(2,920)	(230)	7.9%	
Net Revenue	46,916	48,563	(1,647)	(3.4%)	49,767	(2,851)	(5.7%)	
Material	29,481	30,569	(1,088)	(3.6%)	32,620	(3,139)	(9.6%)	
Labor	9,930	9,960	(30)	(0.3%)	10,973	(1,043)	(9.5%)	
Other COGS	1,691	1,948	(257)	(13.2%)	1,960	(269)	(13.7%)	
Total COGS	41,101	42,476	(1,375)	(3.2%)	45,553	(4,452)	(9.8%)	
Gross Margin	5,814	6,087	(272)	(4.5%)	4,214	1,600	38.0%	
Gross Margin %	12.4%	12.5%			8.5%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	295	309	(14)	(4.6%)	291	4	1.4%	
Administrative	3,919	3,954	(36)	(0.9%)	4,006	(88)	(2.2%)	
Other Opex	(204)	(228)	24	(10.6%)	(165)	(39)	23.9%	
Total Opex	4,010	4,036	(26)	(0.6%)	4,133	(123)	(3.0%)	
EBITDA	1,805	2,051	(246)	(12.0%)	81	1,723	2117.7%	
EBITDA %	3.8%	4.2%			0.2%			
Net Income (Loss)	\$ (989)	\$ (738)	\$ (251)	34.0%	\$ (2,405)	\$ 1,416	(58.9%)	
Capex	\$ (514)	\$ (1,365)	\$ 852	(62.4%)	\$ (3,745)	\$ 3,231	(86.3%)	
<b>Opex Overview:</b>								
Payroll	\$ 713	\$ 729	\$ (16)	(2.2%)	\$ 759	\$ (46)	(6.1%)	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	111	119	(8)	(6.5%)	115	(3)	(2.8%)	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	7	7	(0)	(0.2%)	10	(3)	(29.6%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	48	49	(1)	(2.1%)	47	1	2.2%	
Professional fees	23	31	(8)	(25.0%)	36	(13)	(35.8%)	
Utilities, repair, maintenance, and security	30	27	3	12.5%	26	4	15.5%	
Corporate OH Fees	3,266	3,281	(15)	(0.5%)	3,299	(33)	(1.0%)	
Bad Debts	(5)	(5)	(0)	6.2%	(13)	8	(61.4%)	
FX	4	–	4	N/A	(82)	86	(105.2%)	
JV Loss (Income)	(208)	(228)	20	(8.7%)	(83)	(125)	151.7%	
Other Expenses	20	25	(5)	(21.2%)	21	(1)	(5.8%)	
Total Opex	\$ 4,010	\$ 4,036	\$ (26)	(0.6%)	\$ 4,136	\$ (126)	(3.0%)	

# Key Customers – Full Year Woodbridge

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	BP	%	Act			BP	%					
Customer:																			
ROYAL VINYL BILT LIMITED	\$	10,811	\$	11,057	\$	(246)	(2.2%)	\$	10,577	\$	233	2.2%	10.2%	10.1%	13	1.3%	7.9%	232	29.3%
QUAKER WINDOW PRODUCTS		5,713		6,028		(315)	(5.2%)		5,345		368	6.9%	11.1%	10.8%	33	3.1%	8.5%	260	30.5%
ALL WEATHER WIN. LTD-EDMO		4,589		5,314		(725)	(13.6%)		2,047		2,542	124.2%	21.1%	19.4%	170	8.8%	17.2%	394	23.0%
VINYL BILT WINDOWS & DOORS CC		3,571		3,779		(208)	(5.5%)		4,689		(1,118)	(23.8%)	(15.6%)	(15.2%)	(42)	2.8%	(20.5%)	486	(23.8%)
VINYL PRO WINDOW SYSTEMS		3,660		3,587		73	2.0%		3,893		(233)	(6.0%)	5.9%	6.0%	(4)	(0.7%)	5.7%	25	4.4%
WINDSOR WINDOW CO		3,800		3,710		90	2.4%		3,491		309	8.8%	20.9%	21.3%	(40)	(1.9%)	19.0%	192	10.1%
DASHWOOD INDUSTRIES LTD.		2,778		2,891		(113)	(3.9%)		2,976		(198)	(6.7%)	16.2%	15.8%	33	2.1%	15.3%	84	5.4%
OSTACO 2000 WINDOORS INC		1,730		1,911		(181)	(9.5%)		1,810		(80)	(4.4%)	14.6%	13.7%	84	6.1%	11.3%	321	28.3%
ALLSCO BLDG SUPPLIES LTD		1,627		1,580		48	3.0%		1,520		107	7.0%	(14.3%)	(14.5%)	18	(1.2%)	3.9%	(1,824)	(462.0%)
TERREBONNE		1,384		1,197		186	15.5%		1,510		(126)	(8.3%)	(4.9%)	(5.2%)	30	(5.7%)	(8.8%)	390	(44.4%)
PGT INDUSTRIES		1,171		1,115		56	5.0%		954		216	22.7%	0.0%	0.0%	—	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS IN		728		861		(133)	(15.4%)		754		(26)	(3.4%)	16.7%	15.2%	155	10.2%	13.4%	334	24.9%
CLERA		756		821		(65)	(7.9%)		969		(213)	(21.9%)	21.6%	20.5%	106	5.2%	16.4%	524	32.1%
SEYMOUR WINDOWS LTD.		846		791		55	7.0%		822		23	2.9%	13.7%	14.0%	(31)	(2.2%)	17.1%	(336)	(19.7%)
WARDCO WINDOW & DOOR MFG		714		733		(19)	(2.6%)		874		(160)	(18.3%)	32.6%	32.1%	45	1.4%	32.2%	35	1.1%
CENTENNIAL WINDOWS LTD		478		633		(155)	(24.5%)		717		(239)	(33.4%)	60.9%	49.3%	1,159	23.5%	37.1%	2,384	64.3%
MASON WINDOWS		438		462		(24)	(5.2%)		449		(12)	(2.6%)	8.3%	8.1%	26	3.2%	8.0%	35	4.4%
GREAT LAKES WINDOW INC.		316		400		(84)	(21.1%)		364		(48)	(13.2%)	10.5%	9.1%	146	16.0%	8.0%	255	31.8%
ORAN LTD.		148		357		(209)	(58.5%)		517		(369)	(71.4%)	20.9%	11.0%	991	89.9%	8.0%	1,293	161.6%
INTEGRAL WINDOW SYSTEMS		295		308		(13)	(4.1%)		315		(19)	(6.2%)	8.0%	8.0%	0	0.0%	8.0%	(0)	(0.0%)
Other		4,513		4,212		300	7.1%		8,091		(3,579)	(44.2%)	30.5%	(30.4%)	6,087	(200.2%)	10.5%	1,992	188.8%
Total Gross	\$	50,066	\$	51,746	\$	(1,680)	(3.2%)	\$	52,687	\$	(2,621)	(5.0%)	11.8%	6.7%	510	76.3%	8.0%	378	47.3%

# Laval Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	4,496	4,264	231	5.4%	4,496	4,264	231	5.4%
Units Shipped ('000)	3,587	3,621	(34)	(0.9%)	3,587	3,621	(34)	(0.9%)
Bookings (\$'000)	\$ 6,150	\$ –	\$ 6,150	N/A	\$ 6,150	\$ –	\$ 6,150	N/A
Backlog (\$'000)	\$ 2,752	\$ –	\$ 2,752	N/A	\$ 2,752	\$ –	\$ 2,752	N/A
Gross Revenue	\$ 6,388	\$ 6,711	\$ (324)	(4.8%)	\$ 6,388	\$ 6,711	\$ (324)	(4.8%)
Adj. to Gross Revenue	(433)	(471)	38	(8.0%)	(433)	(471)	38	(8.0%)
Net Revenue	5,954	6,240	(286)	(4.6%)	5,954	6,240	(286)	(4.6%)
Material	2,626	2,898	(272)	(9.4%)	2,626	2,898	(272)	(9.4%)
Labor	1,410	1,442	(31)	(2.2%)	1,410	1,442	(31)	(2.2%)
Other COGS	119	177	(58)	(32.7%)	119	177	(58)	(32.7%)
Total COGS	4,155	4,517	(361)	(8.0%)	4,155	4,517	(361)	(8.0%)
Gross Margin	1,799	1,723	75	4.4%	1,799	1,723	75	4.4%
Gross Margin %	30.2%	27.6%			30.2%	27.6%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	373	420	(47)	(11.2%)	373	420	(47)	(11.2%)
Administrative	738	758	(19)	(2.6%)	738	758	(19)	(2.6%)
Other Opex	(6)	–	(6)	N/A	(6)	–	(6)	N/A
Total Opex	1,105	1,177	(72)	(6.2%)	1,105	1,177	(72)	(6.2%)
EBITDA	694	546	148	27.1%	694	546	148	27.1%
EBITDA %	11.7%	8.7%			11.7%	8.7%		
Net Income (Loss)	\$ 350	\$ 205	\$ 144	70.4%	\$ 350	\$ 205	\$ 144	70.4%
Capex	\$ (257)	\$ (374)	\$ 118	(31.5%)	\$ (257)	\$ (374)	\$ 118	(31.5%)
<b>Opex Overview:</b>								
Payroll	\$ 311	\$ 332	\$ (21)	(6.3%)	\$ 311	\$ 332	\$ (21)	(6.3%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	129	164	(35)	(21.5%)	129	164	(35)	(21.5%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	10	8	2	32.3%	10	8	2	32.3%
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	16	14	2	12.6%	16	14	2	12.6%
Professional fees	15	20	(4)	(21.0%)	15	20	(4)	(21.0%)
Utilities, repair, maintenance, anc	22	21	0	1.9%	22	21	0	1.9%
Corporate OH Fees	530	545	(15)	(2.8%)	530	545	(15)	(2.8%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(6)	–	(6)	N/A	(6)	–	(6)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	78	74	4	5.6%	78	74	4	5.6%
Total Opex	\$ 1,105	\$ 1,177	\$ (72)	(6.2%)	\$ 1,105	\$ 1,177	\$ (72)	(6.2%)

## Management Discussion

### Net Revenue – Q1-19: (\$286K):

- Sales volume down 0.9% or \$58k due to decreased volume (weather conditions) to Schluter, Dalmen, Atlantic, Laflamme & P&F Abritek; offset by increased volume from Solaris, Atis P&F, Les Fenestres Concept and Golden
- Favorable rebates of \$32k related to decreased volume from Schluter, Atlantic, Extreme and lower cash discounts
- Unfavorable mix impact of \$144k primarily driven by customer mix: Boulet (winter booking), Solaris, Extreme, ATIS and G.R. Theriault
- Unfavorable F/X of \$122k (actual rate of 1.3292 [or \$USD 0.7524] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Q1-19: +\$148K:

- Material COGS:** Decrease in costs by \$272k driven by decreased sales volume of \$27k, improved yields \$33k (85.9% vs 84%), increased regrind usage of \$27k and customer product mix \$185k
- Labor COGS:** Decrease in costs by \$31k driven by favorable F/X and increase in vacations taken
- Other COGS:** Decrease in cost by \$58k driven by favorable absorption of \$61k (increased prod. volume)
- Sales and Marketing:** Decrease in costs of \$47k driven by lower advertising costs (timing for the Concerto campaign) and favorable F/X
- Administrative:** Decrease in costs of \$19k driven by favorable F/X
- Other Opex:** Decrease in cost by \$6k driven by favorable impact from F/X revaluation of working capital balances

# Key Customers – Gross Sales and Gross Margin %: Laval

	Gross Sales (\$'000)															Gross Margin %												
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
SOLARIS QUEBEC P & F INC.	\$ 955	\$ 749	\$ 206	27.5%	\$ 819	\$ 136	16.6%	\$ 955	\$ 749	\$ 206	27.5%	\$ 819	\$ 136	16.6%	22.7%	24.5%	(175)	(7.2%)	21.7%	98	4.5%	22.7%	24.5%	(175)	(7.2%)	21.7%	98	4.5%
ATLANTIC WINDOWS	565	688	(123)	(17.9%)	710	(145)	(20.5%)	565	688	(123)	(17.9%)	710	(145)	(20.5%)	13.5%	5.1%	841	165.1%	9.4%	406	43.1%	13.5%	5.1%	841	165.1%	9.4%	406	43.1%
SCHLUTER SYSTEMS L.P.	389	556	(167)	(29.9%)	554	(165)	(29.7%)	389	556	(167)	(29.9%)	554	(165)	(29.7%)	23.0%	24.6%	(168)	(6.8%)	21.8%	112	5.1%	23.0%	24.6%	(168)	(6.8%)	21.8%	112	5.1%
LAFLAMME PORTES	287	388	(101)	(26.0%)	388	(101)	(26.0%)	287	388	(101)	(26.0%)	388	(101)	(26.0%)	(11.5%)	(19.6%)	808	(41.3%)	(14.4%)	296	(20.5%)	(11.5%)	(19.6%)	808	(41.3%)	(14.4%)	296	(20.5%)
PTES & FEN ISOTHERMIC INC	338	359	(21)	(5.9%)	380	(42)	(11.1%)	338	359	(21)	(5.9%)	380	(42)	(11.1%)	23.0%	28.9%	(590)	(20.4%)	26.6%	(358)	(13.5%)	23.0%	28.9%	(590)	(20.4%)	26.6%	(358)	(13.5%)
PORTES & FENETRES ABRITEK	145	231	(86)	(37.3%)	267	(122)	(45.7%)	145	231	(86)	(37.3%)	267	(122)	(45.7%)	30.1%	32.3%	(222)	(6.9%)	28.8%	126	4.4%	30.1%	32.3%	(222)	(6.9%)	28.8%	126	4.4%
ATIS PORTES & FENETRES	297	220	77	35.1%	314	(17)	(5.4%)	297	220	77	35.1%	314	(17)	(5.4%)	(17.4%)	(25.9%)	845	(32.6%)	(15.9%)	(151)	9.5%	(17.4%)	(25.9%)	845	(32.6%)	(15.9%)	(151)	9.5%
EXTREME ENTRANCE SYSTEMS	251	280	(29)	(10.4%)	313	(62)	(19.8%)	251	280	(29)	(10.4%)	313	(62)	(19.8%)	15.4%	24.2%	(887)	(36.6%)	15.0%	35	2.4%	15.4%	24.2%	(887)	(36.6%)	15.0%	35	2.4%
FENERGIC INC	229	230	(1)	(0.2%)	301	(72)	(23.8%)	229	230	(1)	(0.2%)	301	(72)	(23.8%)	16.0%	25.3%	(926)	(36.6%)	13.3%	276	20.7%	16.0%	25.3%	(926)	(36.6%)	13.3%	276	20.7%
LES FENETRES CONCEPT.	222	148	74	49.8%	161	61	37.7%	222	148	74	49.8%	161	61	37.7%	14.2%	16.1%	(198)	(12.3%)	16.8%	(262)	(15.6%)	14.2%	16.1%	(198)	(12.3%)	16.8%	(262)	(15.6%)
P & C EDDY BOULET INC	326	322	4	1.2%	378	(52)	(13.8%)	326	322	4	1.2%	378	(52)	(13.8%)	18.9%	6.4%	1,249	196.1%	17.2%	167	9.7%	18.9%	6.4%	1,249	196.1%	17.2%	167	9.7%
PRODUITS DALMEN PRODUCTS	73	189	(116)	(61.6%)	177	(104)	(59.0%)	73	189	(116)	(61.6%)	177	(104)	(59.0%)	22.1%	16.4%	575	35.1%	15.3%	689	45.2%	22.1%	16.4%	575	35.1%	15.3%	689	45.2%
KENTO WINDOWS & DOORS	123	86	37	42.7%	87	36	41.1%	123	86	37	42.7%	87	36	41.1%	27.1%	30.0%	(293)	(9.8%)	32.2%	(512)	(15.9%)	27.1%	30.0%	(293)	(9.8%)	32.2%	(512)	(15.9%)
GENTEK BUILDING PROD. LTD	27	100	(73)	(72.9%)	82	(55)	(66.9%)	27	100	(73)	(72.9%)	82	(55)	(66.9%)	8.7%	11.1%	(240)	(21.6%)	26.8%	(1,811)	(67.5%)	8.7%	11.1%	(240)	(21.6%)	26.8%	(1,811)	(67.5%)
GOLDEN WINDOWS	121	64	57	89.2%	97	24	24.9%	121	64	57	89.2%	97	24	24.9%	(3.1%)	(4.5%)	149	(32.8%)	2.1%	(512)	(248.1%)	(3.1%)	(4.5%)	149	(32.8%)	2.1%	(512)	(248.1%)
ENTREPRISES DOCO INC.	104	109	(5)	(5.0%)	120	(16)	(13.7%)	104	109	(5)	(5.0%)	120	(16)	(13.7%)	25.4%	21.6%	374	17.3%	(5.8%)	3,119	(534.7%)	25.4%	21.6%	374	17.3%	(5.8%)	3,119	(534.7%)
FUTURA MANUFACTURIER	14	45	(31)	(69.8%)	51	(37)	(73.3%)	14	45	(31)	(69.8%)	51	(37)	(73.3%)	3.0%	19.2%	(1,618)	(84.2%)	47.1%	(4,401)	(93.5%)	3.0%	19.2%	(1,618)	(84.2%)	47.1%	(4,401)	(93.5%)
G.R. THÉRIAULT	65	19	46	242.1%	51	14	27.4%	65	19	46	242.1%	51	14	27.4%	24.4%	0.0%	2,442	N/A	5.9%	1,854	315.1%	24.4%	0.0%	2,442	N/A	5.9%	1,854	315.1%
PORTES ET FENETRES LGC	85	29	56	194.4%	69	16	23.7%	85	29	56	194.4%	69	16	23.7%	43.3%	56.3%	(1,299)	(23.1%)	17.4%	2,586	148.7%	43.3%	56.3%	(1,299)	(23.1%)	17.4%	2,586	148.7%
LAS ENTERPRISES	147	120	27	22.7%	123	24	19.7%	147	120	27	22.7%	123	24	19.7%	52.0%	50.0%	201	4.0%	19.5%	3,250	166.5%	52.0%	50.0%	201	4.0%	19.5%	3,250	166.5%
Other	1,625	1,779	(154)	(8.7%)	2,232	(606)	(27.2%)	1,625	1,779	(154)	(8.7%)	2,232	(606)	(27.2%)	79.3%	58.8%	2,053	34.9%	2.8%	7,650	2709.8%	79.3%	58.8%	2,053	34.9%	22.3%	5,700	255.3%
Total Gross	\$ 6,388	\$ 6,711	\$ (324)	(4.8%)	\$ 7,674	\$ (1,286)	(16.8%)	\$ 6,388	\$ 6,711	\$ (324)	(4.8%)	\$ 7,674	\$ (1,286)	(16.8%)	30.7%	27.7%	304	11.0%	22.0%	871	39.6%	30.7%	27.7%	304	11.0%	22.0%	871	39.6%

## Management Discussion

- Solaris – Growth greater than expected. New profiles for new door
- Atlantic, Dalmen and Schluter, reduction in orders due to weather as well as inventory build up in 2018.
- Abriset – Slow start to 2019, following soft demand due to weather conditions.
- Laflamme – Strong January tapering off in February and March with inventory build up

# Key Performance Indicators - Laval

ENERGI Laval Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
<b>Health &amp; Safety</b>					
<i>Recordable Incidents</i>	0	1	1	0	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	4.95	4.95	4.12	4.12
<b>Quality Performance</b>					
<i>Customer Complaints - per MLBS</i>	22.5	16	23	33	24
<i>Return as % of sales</i>	0.78%	0.24%	0.38%	0.54%	0.40%
<b>Delivery Performance</b>					
<i>% on time in full</i>	95.00%	99.73%	99.75%	100%	100%
<i>% by line items</i>	99.00%	99.73%	99.75%	100%	100%
<b>Costs</b>					
<i>Yield</i>	84.00%	85.48%	85.19%	87%	86%
<i>Alt/Regrind Compound Consumption Ratio</i>	20.89%	20.18%	19.41%	18%	19%
<i>Direct Labour \$/lb produced</i>	\$0.192	\$ 0.195	\$0.184	\$ 0.186	\$ 0.188
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.237	\$ 0.267	\$0.219	\$ 0.208	\$ 0.229
<b>Inventory</b>					
<i>Days - TTM (Trailing 12 Months)</i>	69.3	67	66.4	68	67

## Comments:

**Safety:** One recordable incident; Launching a campaign focusing on safety communication, Safety Pamphlets distributed. Introducing Safety T-Shirts, Posters, Water Leakage campaign. Scheduled Training. Gemba walks and water spills

**Quality:** Wavy door frames (tooling issue on line - has been corrected). 9 complaints in March by Solaris, Abritek & Isothermic. Usage of brittle material and chalky and 1 Major Door return.

**Costs:** Alternative materials bought are not in sufficient quantities

# Full Year Laval P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	19,269	19,038	231	1.2%	19,947	(678)	(3.4%)
Units Shipped ('000)	19,081	19,115	(34)	(0.2%)	19,803	(721)	(3.6%)
Bookings (\$'000)	\$ 31,996	\$ —	\$ 31,996	N/A	\$ 36,193	\$ (4,197)	(11.6%)
Backlog ('\$000)	\$ 1,897	\$ —	\$ 1,897	N/A	\$ 2,942	\$ (1,045)	(35.5%)
Gross Revenue	\$ 35,361	\$ 35,684	\$ (324)	(0.9%)	\$ 37,211	\$ (1,851)	(5.0%)
Adj. to Gross Revenue	(2,786)	(2,824)	38	(1.3%)	(3,256)	470	(14.4%)
Net Revenue	32,575	32,861	(286)	(0.9%)	33,956	(1,381)	(4.1%)
Material	14,938	15,210	(272)	(1.8%)	16,229	(1,290)	(8.0%)
Labor	6,217	6,249	(31)	(0.5%)	6,587	(370)	(5.6%)
Other COGS	2,016	2,074	(58)	(2.8%)	2,233	(217)	(9.7%)
Total COGS	23,172	23,533	(361)	(1.5%)	25,049	(1,877)	(7.5%)
Gross Margin	9,403	9,328	75	0.8%	8,907	496	5.6%
Gross Margin %	28.9%	28.4%			26.2%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	1,806	1,853	(47)	(2.5%)	2,003	(196)	(9.8%)
Administrative	3,010	3,030	(19)	(0.6%)	3,071	(61)	(2.0%)
Other Opex	(6)	—	(6)	N/A	17	(23)	(136.9%)
Total Opex	4,810	4,883	(72)	(1.5%)	5,090	(280)	(5.5%)
EBITDA	4,592	4,445	148	3.3%	3,816	776	20.3%
EBITDA %	14.1%	13.5%			11.2%		
Net Income (Loss)	\$ 3,080	\$ 2,936	\$ 144	4.9%	\$ 2,573	\$ 508	19.7%
Capex	\$ (257)	\$ (1,235)	\$ 979	(79.2%)	\$ (1,614)	\$ 1,358	(84.1%)
<b>Opex Overview:</b>							
Payroll	\$ 1,357	\$ 1,377	\$ (21)	(1.5%)	\$ 1,449	\$ (92)	(6.3%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	764	799	(35)	(4.4%)	819	(55)	(6.7%)
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	34	31	2	7.9%	44	(11)	(23.9%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	59	57	2	3.1%	51	8	15.3%
Professional fees	74	78	(4)	(5.3%)	95	(21)	(21.9%)
Utilities, repair, maintenance, and security	65	64	0	0.6%	71	(6)	(8.4%)
Corporate OH Fees	2,163	2,178	(15)	(0.7%)	2,180	(16)	(0.8%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	(6)	—	(6)	N/A	17	(23)	(136.9%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	301	297	4	1.4%	365	(64)	(17.6%)
Total Opex	\$ 4,810	\$ 4,883	\$ (72)	(1.5%)	\$ 5,093	\$ (283)	(5.6%)



# Key Customers – Full Year Laval

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
SOLARIS QUEBEC P & F INC.	\$	4,281	\$	4,075	\$	206	5.1%	\$	4,262	\$	19	0.5%	23.7%	23.7%	(3)	(0.1%)	22.9%	76	3.3%
ATLANTIC WINDOWS		3,511		3,635		(124)	(3.4%)		3,475		36	1.0%	13.1%	12.3%	86	7.0%	12.7%	49	3.8%
SCHLUTER SYSTEMS L.P.		2,391		2,557		(166)	(6.5%)		2,796		(405)	(14.5%)	22.9%	22.8%	16	0.7%	21.4%	151	7.1%
LAFLAMME PORTES		2,375		2,478		(103)	(4.2%)		2,426		(51)	(2.1%)	(18.7%)	(19.4%)	79	(4.1%)	(13.3%)	(535)	40.2%
PTES & FEN ISOTHERMIC INC		1,978		1,999		(21)	(1.0%)		2,163		(185)	(8.6%)	27.7%	29.0%	(129)	(4.4%)	21.9%	583	26.6%
PORTES & FENETRES ABRITEK		1,739		1,824		(85)	(4.7%)		1,742		(3)	(0.2%)	31.6%	32.0%	(35)	(1.1%)	31.2%	45	1.5%
ATIS PORTES & FENETRES		1,629		1,552		77	4.9%		1,669		(40)	(2.4%)	(23.9%)	(25.7%)	177	(6.9%)	(15.4%)	(850)	55.2%
EXTREME ENTRANCE SYSTEMS		1,558		1,587		(29)	(1.8%)		1,619		(61)	(3.7%)	23.1%	24.8%	(166)	(6.7%)	16.9%	618	36.5%
FENERGIC INC		1,105		1,105		(0)	(0.0%)		1,260		(155)	(12.3%)	23.6%	25.1%	(156)	(6.2%)	14.8%	874	58.9%
LES FENETRES CONCEPT.		1,304		1,231		73	5.9%		1,131		173	15.3%	15.9%	16.3%	(37)	(2.3%)	17.9%	(205)	(11.4%)
P & C EDDY BOULET INC		975		971		4	0.4%		849		126	14.8%	11.9%	6.1%	578	94.8%	21.3%	(944)	(44.3%)
PRODUITS DALMEN PRODUCTS		756		873		(117)	(13.5%)		692		64	9.2%	16.8%	16.0%	78	4.9%	14.5%	236	16.3%
KENTO WINDOWS & DOORS		731		694		37	5.3%		674		57	8.4%	30.6%	30.6%	5	0.2%	31.2%	(53)	(1.7%)
GENTEK BUILDING PROD. LTD		573		646		(73)	(11.3%)		528		45	8.5%	11.9%	12.0%	(11)	(0.9%)	12.5%	(64)	(5.1%)
GOLDEN WINDOWS		408		350		58	16.5%		512		(104)	(20.4%)	(2.5%)	(3.0%)	59	(19.5%)	5.3%	(773)	(146.5%)
ENTREPRISES DOCO INC.		571		576		(5)	(0.9%)		503		68	13.5%	22.4%	21.9%	54	2.5%	(3.2%)	2,560	(804.8%)
FUTURA MANUFACTURIER		443		475		(32)	(6.7%)		453		(10)	(2.2%)	20.2%	20.9%	(68)	(3.2%)	23.2%	(298)	(12.9%)
G.R. THÉRIAULT		497		449		48	10.6%		433		64	14.7%	32.8%	34.2%	(141)	(4.1%)	9.7%	2,307	237.8%
PORTES ET FENETRES LGC		442		384		58	15.1%		435		7	1.6%	51.7%	55.0%	(325)	(5.9%)	22.8%	2,896	127.3%
LAS ENTERPRISES		447		420		27	6.5%		423		24	5.8%	51.1%	51.3%	(17)	(0.3%)	37.6%	1,353	36.0%
Other		7,649		7,803		(154)	(2.0%)		9,166		(1,517)	(16.6%)	65.1%	63.2%	195	3.1%	2.4%	6,273	2625.7%
Total Gross	\$	35,361	\$	35,684	\$	(324)	(0.9%)	\$	37,211	\$	(1,851)	(5.0%)	27.0%	26.5%	52	1.9%	23.9%	311	13.0%

# Delmont Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	5,479	5,611	(132)	(2.4%)	5,479	5,611	(132)	(2.4%)
Units Shipped ('000)	5,327	5,521	(194)	(3.5%)	5,327	5,521	(194)	(3.5%)
Bookings (\$'000)	\$ 8,635	\$ –	\$ 8,635	N/A	\$ 8,635	\$ –	\$ 8,635	N/A
Backlog (\$'000)	\$ 1,281	\$ –	\$ 1,281	N/A	\$ 1,281	\$ –	\$ 1,281	N/A
Gross Revenue	\$ 9,382	\$ 9,632	\$ (250)	(2.6%)	\$ 9,382	\$ 9,632	\$ (250)	(2.6%)
Adj. to Gross Revenue	(227)	(279)	52	(18.8%)	(227)	(279)	52	(18.8%)
Net Revenue	9,155	9,353	(198)	(2.1%)	9,155	9,353	(198)	(2.1%)
Material	4,477	4,598	(121)	(2.6%)	4,477	4,598	(121)	(2.6%)
Labor	1,891	2,051	(161)	(7.8%)	1,891	2,051	(161)	(7.8%)
Other COGS	791	699	92	13.1%	791	699	92	13.1%
Total COGS	7,159	7,349	(189)	(2.6%)	7,159	7,349	(189)	(2.6%)
Gross Margin	1,996	2,004	(8)	(0.4%)	1,996	2,004	(8)	(0.4%)
Gross Margin %	21.8%	21.4%			21.8%	21.4%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	43	45	(2)	(3.6%)	43	45	(2)	(3.6%)
Administrative	649	670	(21)	(3.1%)	649	670	(21)	(3.1%)
Other Opex	–	–	–	N/A	–	–	–	N/A
Total Opex	692	715	(23)	(3.1%)	692	715	(23)	(3.1%)
EBITDA	1,303	1,289	14	1.1%	1,303	1,289	14	1.1%
EBITDA %	14.2%	13.8%			14.2%	13.8%		
Net Income (Loss)	\$ 845	\$ 865	\$ (20)	(2.3%)	\$ 845	\$ 865	\$ (20)	(2.3%)
Capex	\$ (285)	\$ (399)	\$ 114	(28.6%)	\$ (285)	\$ (399)	\$ 114	(28.6%)
<b>Opex Overview:</b>								
Payroll	\$ 155	\$ 184	\$ (29)	(15.7%)	\$ 155	\$ 184	\$ (29)	(15.7%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	0	–	0	N/A	0	–	0	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	–	0	N/A	0	–	0	N/A
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, anc	8	11	(3)	(29.3%)	8	11	(3)	(29.3%)
Corporate OH Fees	500	496	4	0.8%	500	496	4	0.8%
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	–	–	–	N/A	–	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	29	24	5	22.3%	29	24	5	22.3%
Total Opex	\$ 692	\$ 715	\$ (23)	(3.1%)	\$ 692	\$ 715	\$ (23)	(3.1%)

## Management Discussion

### Net Revenue – Q1-19: (\$198K)

- Sales volume down 3.5% or \$357k driven by decreased demand (weather conditions – rain) from Polaris, Comfort View and Atrium; offset by higher demand from PGT
- Favorable rebates/accruals of \$41k primarily driven by Sierra 2018 rebate true-up of \$40k
- Favorable returns & allowances of \$6k
- Positive mix impact of \$106k primarily driven by customer/product mix (delay in the Polaris launch \$61k)

### EBITDA – Q1-19: +\$14K

- Material COGS:** Decrease in costs by \$121k driven by decreased volumes \$94k and product mix \$101k (delay of Polaris launch); offset by decreased regrind/alt material usage \$10k, and lower yields \$64k (84.1% vs actual 82.5% - increased dark capstock runs and new product launch)
- Labor COGS:** Decrease in cost by \$161K driven by lower headcount (15) and reduced overtime
- Other COGS:** Increase in cost by \$92k driven by lower net absorption of \$87k (due to decreased production volume) and increased maintenance costs (blower repairs, belts and Floor epoxy)
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in costs by \$21k, primarily driven by 1 less headcount (HR manager)

# Key Customers – Gross Sales and Gross Margin %: Delmont

	Gross Sales (\$'000)														Gross Margin %																	
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BP's	%	Act	Bud	BP's	%	Act	BP's	%	
Customer:																																
PGT Industries Inc	\$ 5,347	\$ 4,687	\$ 660	14.1%	\$ 3,036	\$ 2,311	76.1%	\$ 5,347	\$ 4,687	\$ 660	14.1%	\$ 3,036	\$ 2,311	76.1%	21.7%	21.0%	70	3.3%	18.9%	281	14.9%	21.7%	21.0%	70	3.3%	18.9%	281	14.9%				
Polaris Technologies	970	1,343	(373)	(27.8%)	442	528	119.5%	970	1,343	(373)	(27.8%)	442	528	119.5%	18.7%	18.4%	32	1.7%	23.1%	(436)	(18.9%)	18.7%	18.4%	32	1.7%	23.1%	(436)	(18.9%)				
Comfort View Products	463	854	(391)	(45.8%)	547	(84)	(15.4%)	463	854	(391)	(45.8%)	547	(84)	(15.4%)	24.1%	14.5%	965	66.7%	15.7%	840	53.4%	24.1%	14.5%	965	66.7%	15.7%	840	53.4%				
Sierra Pacific Windows	613	629	(16)	(2.5%)	379	234	61.7%	613	629	(16)	(2.5%)	379	234	61.7%	9.5%	9.2%	30	3.3%	7.4%	216	29.2%	9.5%	9.2%	30	3.3%	7.4%	216	29.2%				
Atrium Windows & Doors	343	466	(123)	(26.4%)	166	177	106.6%	343	466	(123)	(26.4%)	166	177	106.6%	39.8%	44.1%	(436)	(9.9%)	95.2%	(5,541)	(58.2%)	39.8%	44.1%	(436)	(9.9%)	95.2%	(5,541)	(58.2%)				
Regency Plus, Inc.	463	393	70	17.8%	199	264	132.7%	463	393	70	17.8%	199	264	132.7%	20.3%	22.5%	(212)	(9.4%)	27.6%	(729)	(26.4%)	20.3%	22.5%	(212)	(9.4%)	27.6%	(729)	(26.4%)				
Brunswick Bowling And Billiards	356	447	(91)	(20.4%)	189	167	88.4%	356	447	(91)	(20.4%)	189	167	88.4%	40.8%	44.4%	(360)	(8.1%)	100.0%	(5,916)	(59.2%)	40.8%	44.4%	(360)	(8.1%)	100.0%	(5,916)	(59.2%)				
Qubicaamf Worlwide LCC	212	244	(32)	(13.1%)	130	82	63.1%	212	244	(32)	(13.1%)	130	82	63.1%	49.4%	69.4%	(1,991)	(28.7%)	78.5%	(2,902)	(37.0%)	49.4%	69.4%	(1,991)	(28.7%)	78.5%	(2,902)	(37.0%)				
NewSouth Window Solutions, LLC	132	191	(59)	(30.9%)	146	(14)	(9.6%)	132	191	(59)	(30.9%)	146	(14)	(9.6%)	(42.4%)	35.3%	(7,769)	(220.1%)	66.4%	(10,884)	(163.8%)	(42.4%)	35.3%	(7,769)	(220.1%)	66.4%	(10,884)	(163.8%)				
Great Day Improvement, LLC	47	80	(33)	(41.3%)	37	10	27.0%	47	80	(33)	(41.3%)	37	10	27.0%	34.4%	36.4%	(200)	(5.5%)	67.6%	(3,321)	(49.1%)	34.4%	36.4%	(200)	(5.5%)	67.6%	(3,321)	(49.1%)				
Yoders Window & Siding	104	107	(3)	(2.8%)	77	27	35.1%	104	107	(3)	(2.8%)	77	27	35.1%	#DIV/0!	#DIV/0! –	#DIV/0!	97.4%	NA	#VALUE!	#DIV/0!	#DIV/0! –	#DIV/0!	97.4%	NA	#VALUE!						
Fairway Building Products	60	16	44	275.0%	11	49	445.5%	60	16	44	275.0%	11	49	445.5%	21.7%	18.8%	295	15.7%	36.4%	(1,467)	(40.3%)	21.7%	18.8%	295	15.7%	36.4%	(1,467)	(40.3%)				
Grabner Manufacturing Llc	–	76	(76)	(100.0%)	28	(28)	(100.0%)	–	76	(76)	(100.0%)	28	(28)	(100.0%)	#DIV/0!	6.6% –	#VALUE!	100.0%	NA	#VALUE!	#DIV/0!	6.6% –	#VALUE!	100.0%	NA	#VALUE!						
Columbia Industries, Inc.	53	–	53	N/A	–	53	N/A	53	–	53	N/A	–	53	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!						
Jeld-Wen Windows & Doors	5	15	(10)	(66.7%)	5	-	0.0%	5	15	(10)	(66.7%)	5	-	0.0%	17.7%	0.0%	1,767	N/A	60.0%	(4,233)	(70.6%)	17.7%	0.0%	1,767	N/A	60.0%	(4,233)	(70.6%)				
Constant Distribution LLC	7	–	7	N/A	–	7	N/A	7	–	7	N/A	–	7	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!						
CGI	13	3	10	333.3%	–	13	N/A	13	3	10	333.3%	–	13	N/A	(90.9%)	0.0%	(9,093)	N/A	#DIV/0!	NA	#DIV/0!	(90.9%)	0.0%	(9,093)	N/A	#DIV/0!	NA	#DIV/0!				
East Central Indiana Vinyl MFG, LLI	14	8	6	75.0%	4	10	250.0%	14	8	6	75.0%	4	10	250.0%	#DIV/0!	#DIV/0! –	#DIV/0!	125.0%	NA	#VALUE!	#DIV/0!	#DIV/0! –	#DIV/0!	125.0%	NA	#VALUE!						
Lakeland Polymers, LLC	1	3	(2)	(66.7%)	–	1	N/A	1	3	(2)	(66.7%)	–	1	N/A	(171.7%)	(300.0%)	12,830	(42.8%)	#DIV/0!	NA	#DIV/0!	(171.7%)	(300.0%)	12,830	(42.8%)	#DIV/0!	NA	#DIV/0!				
JP Industrial Products Inc	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!						
Other	179	70	109	156.7%	4,300	(4,121)	(95.8%)	179	70	109	156.7%	4,300	(4,121)	(95.8%)	14.8%	77.4%	(6,259)	(80.8%)	0.2%	1,463	6660.1%	14.8%	77.4%	(6,259)	(80.8%)	0.2%	1,464	7038.0%				
Total Gross	\$ 9,382	\$ 9,632	\$ (250)	(2.6%)	\$ 9,696	\$ (314)	(3.2%)	\$ 9,382	\$ 9,632	\$ (250)	(2.6%)	\$ 9,696	\$ (314)	(3.2%)	22.3%	23.6%	(126)	(5.4%)	15.8%	645	40.7%	22.3%	23.6%	(126)	(5.4%)	15.8%	645	40.7%				

## Management Discussion

- PGT – Greater volumes than anticipated
- Polaris – Delay in product launch
- Comfort view – Soft Q1 as a result of bad weather.

# Key Performance Indicators - Delmont

ENERGI Delmont Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
<b>Health &amp; Safety</b>					
<i>Recordable Incidents</i>	0	0	0	2	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	2.87	2.87	2.87	2.87
<b>Quality Performance</b>					
<i>Customer Complaints - per MLBS</i>	3.2	2.76	3.16	3.68	3
<i>Return as % of sales</i>	0.30%	0.15%	0.27%	0.40%	0.01%
<b>Delivery Performance</b>					
<i>% on time in full</i>	95.00%	99.71%	99.80%	100%	100%
<i>% by line items</i>	99.00%	99.50%	99.38%	99%	99%
<b>Costs</b>					
<i>Yield</i>	85.7%	81.36%	82.71%	83%	82%
<i>Alt/Regrind Compound Consumption Ratio</i>	17.1%	25.4%	19.8%	19.5%	22%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$0.178	\$0.174	\$ 0.165	\$ 0.172
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.176	\$0.151	\$0.177	\$ 0.163	\$ 0.164
<b>Inventory</b>					
<i>Days - TTM (Trailing 12 Months)</i>	58.7	62.0	62.1	65	65

## Comments:

**Safety:** Two injuries in March - Both hand lacerations. Dedicated Health and Safety Campaign starting in May

**Quality:** 7 Customer Concerns in March - 3 PGT, 2 Polaris, 1 Atrium & Sierra Pacific

**Cost:** Planned lower lbs due to lower sales. Launched Yield Improvement Team

**Labour:** Lower headcount (primarily Temps).

**Inventory:** Higher FG from inventory builds in Q4 2018 and YTD 2019.

# Full Year Delmont P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%	
Units Produced ('000)	24,211	24,343	(132)	(0.5%)	20,561	3,650	17.8%	
Units Shipped ('000)	24,692	24,886	(194)	(0.8%)	21,921	2,770	12.6%	
Bookings (\$'000)	\$ 40,722	\$ –	\$ 40,722	N/A	\$ –	\$ 40,722	N/A	
Backlog ('\$000)	\$ 1,812	\$ –	\$ 1,812	N/A	\$ –	\$ 1,812	N/A	
Gross Revenue	\$ 42,850	\$ 43,100	\$ (250)	(0.6%)	\$ 38,138	\$ 4,712	12.4%	
Adj. to Gross Revenue	(1,190)	(1,242)	52	(4.2%)	(1,103)	(87)	7.9%	
Net Revenue	41,660	41,858	(198)	(0.5%)	37,036	4,625	12.5%	
Material	20,273	20,394	(121)	(0.6%)	18,975	1,299	6.8%	
Labor	8,213	8,373	(161)	(1.9%)	7,668	544	7.1%	
Other COGS	3,486	3,394	92	2.7%	3,615	(129)	(3.6%)	
Total COGS	31,972	32,161	(189)	(0.6%)	30,257	1,714	5.7%	
Gross Margin	9,689	9,697	(8)	(0.1%)	6,778	2,910	42.9%	
Gross Margin %	23.3%	23.2%			18.3%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	179	181	(2)	(0.9%)	121	58	47.6%	
Administrative	2,675	2,695	(21)	(0.8%)	2,623	51	2.0%	
Other Opex	–	–	–	N/A	–	–	N/A	
Total Opex	2,854	2,876	(23)	(0.8%)	2,745	109	4.0%	
EBITDA	6,835	6,820	14	0.2%	4,034	2,801	69.4%	
EBITDA %	16.4%	16.3%			10.9%			
Net Income (Loss)	\$ 4,986	\$ 5,006	\$ (20)	(0.4%)	\$ 2,400	\$ 2,586	107.7%	
Capex	\$ (285)	\$ (1,171)	\$ 886	(75.7%)	\$ (1,425)	\$ 1,140	(80.0%)	
<b>Opex Overview:</b>								
Payroll	\$ 724	\$ 753	\$ (29)	(3.8%)	\$ 639	\$ 85	13.4%	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	0	–	0	N/A	–	0	N/A	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	0	–	0	N/A	2	(2)	(89.2%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	–	–	–	N/A	–	–	N/A	
Professional fees	–	–	–	N/A	–	–	N/A	
Utilities, repair, maintenance, and security	42	45	(3)	(7.3%)	43	(1)	(2.2%)	
Corporate OH Fees	1,987	1,983	4	0.2%	1,985	2	0.1%	
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)	
FX	–	–	–	N/A	–	–	N/A	
JV Loss (Income)	–	–	–	N/A	–	–	N/A	
Other Expenses	101	96	5	5.6%	76	25	33.0%	
Total Opex	\$ 2,854	\$ 2,876	\$ (23)	(0.8%)	\$ 2,747	\$ 107	3.9%	

# Key Customers – Full Year Delmont

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Fcst	\$	%			Fcst	Bud	BPs	%	Fcst	BPs	%			
Customer:																			
PGT Industries Inc	\$	23,644	\$	22,984	\$	660	2.9%	\$	12,256	\$	11,388	92.9%	19.3%	19.2%	9	0.5%	25.3%	(599)	(23.7%)
Polaris Technologies		5,449		5,822		(373)	(6.4%)		2,004		3,445	171.9%	17.9%	17.7%	26	1.4%	28.9%	(1,100)	(38.0%)
Comfort View Products		2,744		3,135		(391)	(12.5%)		1,932		812	42.0%	18.4%	16.1%	226	14.0%	18.6%	(22)	(1.2%)
Sierra Pacific Windows		2,544		2,560		(16)	(0.6%)		1,661		883	53.2%	10.3%	9.9%	38	3.8%	9.9%	37	3.7%
Atrium Windows & Doors		1,457		1,580		(123)	(7.8%)		601		856	142.4%	49.7%	47.4%	233	4.9%	94.0%	(4,430)	(47.1%)
Regency Plus, Inc.		2,130		2,060		70	3.4%		830		1,300	156.6%	17.9%	17.9%	4	0.2%	30.1%	(1,218)	(40.4%)
Brunswick Bowling And Billiards		1,638		1,729		(91)	(5.3%)		758		880	116.1%	48.9%	48.9%	(1)	(0.0%)	94.6%	(4,569)	(48.3%)
Qubicaamf Worlwide LCC		860		892		(32)	(3.6%)		473		387	81.8%	55.2%	55.0%	19	0.3%	80.3%	(2,514)	(31.3%)
NewSouth Window Solutions, LLC		623		682		(59)	(8.7%)		396		227	57.3%	40.9%	39.6%	129	3.3%	68.4%	(2,751)	(40.2%)
Great Day Improvement, LLC		430		463		(33)	(7.1%)		212		218	102.8%	37.8%	40.1%	(227)	(5.7%)	69.3%	(3,154)	(45.5%)
Yoders Window & Siding		297		300		(3)	(1.0%)		102		195	191.2%	42.1%	43.5%	(148)	(3.4%)	90.2%	(4,813)	(53.4%)
Fairway Building Products		183		139		44	31.7%		79		104	131.6%	20.1%	26.9%	(679)	(25.2%)	30.4%	(1,024)	(33.7%)
Graber Manufacturing Llc		16		92		(76)	(82.6%)		32		(16)	(50.0%)	202.7%	42.9%	15,978	372.1%	121.9%	8,084	66.3%
Columbia Industries, Inc.		111		58		53	91.4%		29		82	282.8%	7.2%	17.2%	(1,008)	(58.5%)	41.4%	(3,422)	(82.7%)
Jeld-Wen Windows & Doors		17		27		(10)	(37.0%)		7		10	142.9%	50.6%	26.9%	2,365	87.8%	57.1%	(657)	(11.5%)
Constant Distribution LLC		7		–		7	N/A		–		7	N/A	(12.3%)	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
CGI		58		48		10	20.8%		11		47	427.3%	(1.8%)	0.0%	(179)	N/A	0.0%	(179)	N/A
East Central Indiana Vinyl MFG, LL		28		22		6	27.3%		16		12	75.0%	27.2%	45.5%	(1,830)	(40.3%)	100.0%	(7,284)	(72.8%)
Lakeland Polymers, LLC		7		9		(2)	(22.2%)		–		7	N/A	(384.8%)	(316.7%)	(6,810)	21.5%	#DIV/0!	NA	#DIV/0!
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		607		498		109	21.9%		16,739		(16,132)	(96.4%)	70.9%	81.3%	(1,042)	(12.8%)	0.5%	7,040	15101.4%
Total Gross	\$	42,850	\$	43,100	\$	(250)	(0.6%)	\$	38,138	\$	4,712	12.4%	22.8%	22.7%	13	0.6%	17.8%	502	28.2%

# Everett Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	3,970	4,201	(231)	(5.5%)	3,970	4,201	(231)	(5.5%)
Units Shipped ('000)	3,452	3,689	(237)	(6.4%)	3,452	3,689	(237)	(6.4%)
Bookings (\$'000)	\$ 5,536	\$ –	\$ 5,536	N/A	\$ 5,536	\$ –	\$ 5,536	N/A
Backlog ('000)	\$ 1,234	\$ –	\$ 1,234	N/A	\$ 1,234	\$ –	\$ 1,234	N/A
Gross Revenue	\$ 5,608	\$ 6,288	\$ (680)	(10.8%)	\$ 5,608	\$ 6,288	\$ (680)	(10.8%)
Adj. to Gross Revenue	(186)	(342)	156	(45.6%)	(186)	(342)	156	(45.6%)
Net Revenue	5,422	5,946	(524)	(8.8%)	5,422	5,946	(524)	(8.8%)
Material	2,679	2,782	(103)	(3.7%)	2,679	2,782	(103)	(3.7%)
Labor	1,487	1,492	(5)	(0.3%)	1,487	1,492	(5)	(0.3%)
Other COGS	508	448	59	13.2%	508	448	59	13.2%
Total COGS	4,674	4,723	(49)	(1.0%)	4,674	4,723	(49)	(1.0%)
Gross Margin	748	1,223	(475)	(38.8%)	748	1,223	(475)	(38.8%)
Gross Margin %	13.8%	20.6%			13.8%	20.6%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	70	69	1	2.0%	70	69	1	2.0%
Administrative	761	780	(19)	(2.4%)	761	780	(19)	(2.4%)
Other Opex	(4)	–	(4)	N/A	(4)	–	(4)	N/A
Total Opex	827	849	(21)	(2.5%)	827	849	(21)	(2.5%)
EBITDA	(79)	375	(454)	(121.2%)	(79)	375	(454)	(121.2%)
EBITDA %	(1.5%)	6.3%			(1.5%)	6.3%		
Net Income (Loss)	\$ (379)	\$ 67	\$ (447)	(662.5%)	\$ (379)	\$ 67	\$ (447)	(662.5%)
Capex	\$ (524)	\$ (476)	\$ (48)	10.0%	\$ (524)	\$ (476)	\$ (48)	10.0%
<b>Opex Overview:</b>								
Payroll	\$ 189	\$ 201	\$ (12)	(5.8%)	\$ 189	\$ 201	\$ (12)	(5.8%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	36	32	5	14.4%	36	32	5	14.4%
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	3	(2)	(79.7%)	1	3	(2)	(79.7%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	37	38	(0)	(0.8%)	37	38	(0)	(0.8%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, anc	1	4	(2)	(63.8%)	1	4	(2)	(63.8%)
Corporate OH Fees	535	532	3	0.6%	535	532	3	0.6%
Bad Debts	0	–	0	N/A	0	–	0	N/A
FX	(4)	–	(4)	N/A	(4)	–	(4)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	31	40	(9)	(22.2%)	31	40	(9)	(22.2%)
Total Opex	\$ 827	\$ 849	\$ (21)	(2.5%)	\$ 827	\$ 849	\$ (21)	(2.5%)

## Management Discussion

### Net Revenue – Q1-19: (\$524K)

- Sales volume down 6.4% or \$400k. Decreased volumes from Win-dor, Simonton, Lindsay, Hometime and ATI; offset by increased volume from Cascade and Solar
- Lower rebates and accruals of \$127k primarily driven by lower rebates for Simonton (PY true up) and lower early payment discounts
- Lower returns & allowances of \$28k
- Lower ASP by \$279k primarily driven by customer mix lower volumes to Simonton and Win-Dor (higher ASP); higher volumes to Cascade (lower ASP) and Cascade 1x adjustment of \$62k related to change in contract

### EBITDA – Q1-19: (\$454K)

- **Material COGS:** Decrease in costs by \$103k driven by lower sales volume \$237k; offset by E&O reserve for ATI \$53k (customer closed doors but will re-purpose inventory to be sold to another customer), higher scrap costs of \$58k and decreased regrind/alt material usage \$23k
- **Labor COGS:** Decrease in costs by \$5k driven by L&I refund of \$84k offset by increased OT to support to tooling launches, absenteeism and additional grinder
- **Other COGS:** Increase in cost by \$59k driven by unfavorable net absorption \$99k (decrease production) & increase other COS \$29k (R&D testing material for new product launches); offset by lower freight expense \$44k and lower utilities \$28k (lower sales/mfg demand)
- **Sales and Marketing:** In line with budget
- **Administrative:** Decrease in costs by \$19k primarily driven by B&O/Use tax and lower office supplies spend
- **Other Opex:** Decrease in costs by \$4k driven by F/X revaluation of working capital balances

# Key Customers – Gross Sales and Gross Margin %: Everett

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%
Customer:																												
Simonton	\$ 2,140	\$ 2,361	\$ (221)	(9.4%)	\$ 2,589	\$ (449)	(17.3%)	\$ 2,140	\$ 2,361	\$ (221)	(9.4%)	\$ 2,589	\$ (449)	(17.3%)	19.4%	20.8%	(132)	(6.3%)	7.2%	1,222	169.2%	19.4%	20.8%	(132)	(6.3%)	7.2%	1,222	169.2%
Coeur d'Alene	669	686	(17)	(2.4%)	497	172	34.7%	669	686	(17)	(2.4%)	497	172	34.7%	(1.2%)	7.6%	(872)	(115.3%)	3.4%	(458)	(133.8%)	(1.2%)	7.6%	(872)	(115.3%)	3.4%	(458)	(133.8%)
Westeck	401	458	(57)	(12.5%)	477	(76)	(16.0%)	401	458	(57)	(12.5%)	477	(76)	(16.0%)	25.0%	26.7%	(174)	(6.5%)	16.6%	842	50.8%	25.0%	26.7%	(174)	(6.5%)	16.6%	842	50.8%
Cascade	570	343	227	66.1%	609	(39)	(6.4%)	570	343	227	66.1%	609	(39)	(6.4%)	(30.7%)	(2.0%)	(2,872)	1454.8%	(10.7%)	(2,003)	187.6%	(30.7%)	(2.0%)	(2,872)	1454.8%	(10.7%)	(2,003)	187.6%
All Weather	256	231	25	10.8%	315	(59)	(18.9%)	256	231	25	10.8%	315	(59)	(18.9%)	(6.3%)	1.0%	(733)	(711.8%)	(0.6%)	(567)	892.5%	(6.3%)	1.0%	(733)	(711.8%)	(0.6%)	(567)	892.5%
KGW	279	307	(27)	(8.9%)	286	(7)	(2.3%)	279	307	(27)	(8.9%)	286	(7)	(2.3%)	38.0%	13.7%	2,438	178.4%	32.2%	588	18.3%	38.0%	13.7%	2,438	178.4%	32.2%	588	18.3%
Lindsay	199	287	(89)	(30.9%)	246	(47)	(19.3%)	199	287	(89)	(30.9%)	246	(47)	(19.3%)	13.5%	15.5%	(207)	(13.3%)	7.3%	614	83.9%	13.5%	15.5%	(207)	(13.3%)	7.3%	614	83.9%
Solar	161	75	86	114.5%	400	(239)	(59.8%)	161	75	86	114.5%	400	(239)	(59.8%)	11.0%	13.0%	(199)	(15.3%)	2.8%	827	300.7%	11.0%	13.0%	(199)	(15.3%)	2.8%	827	300.7%
ATI	1	93	(92)	(99.0%)	169	(168)	(99.4%)	1	93	(92)	(99.0%)	169	(168)	(99.4%)	72.8%	12.3%	6,044	489.9%	14.8%	5,798	392.0%	72.8%	12.3%	6,044	489.9%	14.8%	5,798	392.0%
Win-Dor	7	293	(287)	(97.7%)	231	(224)	(97.1%)	7	293	(287)	(97.7%)	231	(224)	(97.1%)	(41.1%)	21.0%	(6,212)	(295.7%)	11.7%	(5,280)	(451.8%)	(41.1%)	21.0%	(6,212)	(295.7%)	11.7%	(5,280)	(451.8%)
Northern - Yukon	94	148	(54)	(36.2%)	201	(107)	(53.0%)	94	148	(54)	(36.2%)	201	(107)	(53.0%)	42.4%	43.5%	(117)	(2.7%)	38.3%	407	10.6%	42.4%	43.5%	(117)	(2.7%)	38.3%	407	10.6%
Van Isle	197	160	36	22.7%	150	47	31.1%	197	160	36	22.7%	150	47	N/A	9.4%	24.4%	(1,503)	(61.6%)	86.0%	(7,662)	(89.1%)	9.4%	24.4%	(1,503)	(61.6%)	86.0%	(7,662)	(89.1%)
Whisper Walls	166	150	16	10.5%	206	(40)	(19.5%)	166	150	16	10.5%	206	(40)	(19.5%)	53.3%	47.1%	613	13.0%	48.5%	473	9.7%	53.3%	47.1%	613	13.0%	48.5%	473	9.7%
West Coast Designed	98	102	(4)	(3.6%)	91	7	7.9%	98	102	(4)	(3.6%)	91	7	7.9%	51.8%	44.3%	758	17.1%	22.0%	2,986	135.9%	51.8%	44.3%	758	17.1%	22.0%	2,986	135.9%
Hometime	8	97	(88)	(91.4%)	31	(23)	(73.2%)	8	97	(88)	(91.4%)	31	(23)	(73.2%)	41.4%	36.1%	527	14.6%	29.0%	1,237	42.6%	41.4%	36.1%	527	14.6%	29.0%	1,237	42.6%
Western	74	103	(29)	(28.3%)	81	(7)	(8.5%)	74	103	(29)	(28.3%)	81	(7)	(8.5%)	21.5%	44.0%	(2,254)	(51.2%)	0.0%	2,147	N/A	21.5%	44.0%	(2,254)	(51.2%)	0.0%	2,147	N/A
Coastal	54	93	(39)	(42.1%)	94	(40)	(42.5%)	54	93	(39)	(42.1%)	94	(40)	(42.5%)	#DIV/0!	31.5%	—	#VALUE!	29.8%	NA	#VALUE!	#DIV/0!	31.5%	—	#VALUE!	29.8%	NA	#VALUE!
Modern	32	85	(53)	(62.0%)	86	(54)	(62.4%)	32	85	(53)	(62.0%)	86	(54)	(62.4%)	#DIV/0!	37.4%	—	#VALUE!	11.6%	NA	#VALUE!	#DIV/0!	37.4%	—	#VALUE!	11.6%	NA	#VALUE!
Avanti	43	63	(21)	(32.7%)	111	(68)	(61.6%)	43	63	(21)	(32.7%)	111	(68)	(61.6%)	44.6%	41.1%	348	8.4%	29.7%	1,489	50.1%	44.6%	41.1%	348	8.4%	29.7%	1,489	50.1%
Oasis	11	42	(31)	(74.4%)	42	(31)	(74.7%)	11	42	(31)	(74.4%)	42	(31)	(74.7%)	#DIV/0!	18.1%	—	#VALUE!	0.0%	NA	N/A	#DIV/0!	18.1%	—	#VALUE!	0.0%	NA	N/A
Other	149	111	38	34.1%	92	57	61.4%	149	111	38	34.1%	92	57	61.4%	34.7%	43.1%	(840)	(19.5%)	30.7%	409	13.3%	34.7%	43.1%	(840)	(19.5%)	30.1%	463	15.4%
Total Gross	\$ 5,608	\$ 6,288	\$ (680)	(10.8%)	\$ 7,004	\$ (1,396)	(19.9%)	\$ 5,608	\$ 6,288	\$ (680)	(10.8%)	\$ 7,004	\$ (1,396)	(19.9%)	13.3%	20.0%	(669)	(33.4%)	11.8%	158	13.4%	13.3%	20.0%	(669)	(33.4%)	11.8%	158	13.4%

## Management Discussion

- Simonton – Bad weather affecting sales and delivery. Expected to compensate in Q2.
- Cascade – Strong volumes in Q1
- Win-Dor - Lost business to competitor
- Solar – Witnessing strong order intake following a slow start in Q1
- ATI – Possible windup of business.



# Key Performance Indicators - Everett

ENERGI Everett Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
<b>Health &amp; Safety</b>					
<i>Recordable Incidents</i>	1	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	0	
<b>Quality Performance</b>					
<i>Customer Complaints - per MLBS</i>	3.2	1.38	2.70	3.5	3
<i>Return as % of sales</i>	0.30%	0.43%	0.32%	0.06%	0.27%
<b>Delivery Performance</b>					
<i>% on time in full</i>	95.00%	100%	100%	100%	100%
<i>% by line items</i>	99.00%	100%	100%	100%	100%
<b>Costs</b>					
<i>Yield</i>	85.7%	91%	91%	91%	91%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	32%	18%	21%	24%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.182	\$ 0.189	\$ 0.170	\$ 0.180
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.176	\$ 0.180	\$ 0.201	\$ 0.191	\$ 0.190
<b>Inventory</b>					
<i>Days - TTM (Trailing 12 Months)</i>	84.5	84	86	87	86

## Comments

**Safety:** Zero safety incidents in February

**Delivery:** 100%

**Labour:** Additional OT for Jan startup and tooling room support and lower production volume.

**Inventory:** Strategic build up of inventory in response to anticipated Demand in Q2

# Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	16,297	16,527	(231)	(1.4%)	18,519	(2,222)	(12.0%)
Units Shipped ('000)	17,026	17,263	(237)	(1.4%)	16,932	94	0.6%
Bookings (\$'000)	\$ 28,892	\$ —	\$ 28,892	N/A	\$ —	\$ 28,892	N/A
Backlog ('\$000)	\$ 2,601	\$ —	\$ 2,601	N/A	\$ —	\$ 2,601	N/A
Gross Revenue	\$ 28,768	\$ 29,448	\$ (680)	(2.3%)	\$ 28,090	\$ 678	2.4%
Adj. to Gross Revenue	(1,412)	(1,568)	156	(10.0%)	(1,483)	71	(4.8%)
Net Revenue	27,356	27,880	(524)	(1.9%)	26,607	749	2.8%
Material	13,002	13,105	(103)	(0.8%)	13,359	(357)	(2.7%)
Labor	6,137	6,142	(5)	(0.1%)	6,705	(568)	(8.5%)
Other COGS	3,439	3,380	59	1.8%	2,876	562	19.6%
Total COGS	22,578	22,627	(49)	(0.2%)	22,941	(363)	(1.6%)
Gross Margin	4,778	5,253	(475)	(9.0%)	3,667	1,111	30.3%
Gross Margin %	17.5%	18.8%			13.8%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	337	335	1	0.4%	247	89	36.1%
Administrative	3,101	3,119	(19)	(0.6%)	3,129	(28)	(0.9%)
Other Opex	(4)	—	(4)	N/A	11	(15)	(136.7%)
Total Opex	3,434	3,455	(21)	(0.6%)	3,387	47	1.4%
EBITDA	1,345	1,798	(454)	(25.2%)	280	1,064	380.0%
EBITDA %	4.9%	6.5%			1.1%		
Net Income (Loss)	\$ 94	\$ 541	\$ (447)	(82.6%)	\$ (775)	\$ 869	(112.1%)
Capex	\$ (524)	\$ (752)	\$ 229	(30.4%)	\$ (1,856)	\$ 1,332	(71.8%)
<u>Opex Overview:</u>							
Payroll	\$ 816	\$ 827	\$ (12)	(1.4%)	\$ 816	\$ (1)	(0.1%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	185	180	5	2.5%	104	80	76.9%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	15	17	(2)	(12.0%)	14	1	4.5%
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	161	161	(0)	(0.2%)	162	(1)	(0.8%)
Professional fees	—	—	—	N/A	—	—	N/A
Utilities, repair, maintenance, and security	4	7	(2)	(36.1%)	7	(3)	(39.4%)
Corporate OH Fees	2,132	2,129	3	0.2%	2,129	4	0.2%
Bad Debts	0	—	0	N/A	(3)	3	(100.7%)
FX	(4)	—	(4)	N/A	11	(15)	(136.7%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	125	134	(9)	(6.6%)	149	(24)	(16.1%)
Total Opex	\$ 3,434	\$ 3,455	\$ (21)	(0.6%)	\$ 3,390	\$ 44	1.3%

# Key Customers – Full Year Everett

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%						
Customer:																				
Simonton	\$	10,638	\$	10,859	\$	(221)	(2.0%)	\$	10,221	\$	417	4.1%	19.2%	19.5%	(35)	(1.8%)	8.6%	1,056	122.5%	
Coeur d'Alene		3,983		4,000		(17)	(0.4%)		2,804		1,179	42.1%	5.0%	6.4%	(142)	(22.1%)	3.3%	172	52.5%	
Westeck		1,915		1,972		(57)	(2.9%)		1,791		124	6.9%	24.6%	25.4%	(81)	(3.2%)	18.3%	633	34.5%	
Cascade		2,215		1,988		227	11.4%		2,083		132	6.3%	(8.6%)	(3.4%)	(523)	155.6%	(10.7%)	207	(19.5%)	
All Weather		1,142		1,117		25	2.2%		1,309		(167)	(12.8%)	(0.7%)	0.2%	(92)	(435.2%)	(3.1%)	242	(77.4%)	
KGW		1,128		1,155		(27)	(2.4%)		1,081		47	4.4%	18.3%	12.8%	556	43.6%	29.3%	(1,100)	(37.5%)	
Lindsay		1,189		1,278		(89)	(6.9%)		1,145		44	3.9%	13.7%	14.3%	(58)	(4.1%)	8.5%	527	62.2%	
Solar		386		300		86	28.6%		1,651		(1,265)	(76.6%)	10.4%	11.9%	(149)	(12.6%)	7.6%	279	36.8%	
ATI		294		387		(92)	(23.8%)		345		(51)	(14.7%)	(13.2%)	11.1%	(2,427)	(218.7%)	13.3%	(2,650)	(198.8%)	
Win-Dor		485		771		(287)	(37.2%)		626		(141)	(22.6%)	19.8%	19.8%	(4)	(0.2%)	18.1%	172	9.5%	
Northerm - Yukon		641		694		(54)	(7.7%)		789		(148)	(18.8%)	42.3%	43.0%	(63)	(1.5%)	39.4%	291	7.4%	
Van Isle		731		694		36	5.2%		697		34	4.9%	20.3%	23.3%	(308)	(13.2%)	72.2%	(5,190)	(71.9%)	
Whisper Walls		619		604		16	2.6%		681		(62)	(9.0%)	46.5%	45.8%	75	1.6%	46.0%	55	1.2%	
West Coast Designed		436		439		(4)	(0.8%)		429		7	1.5%	43.8%	43.1%	76	1.8%	36.1%	772	21.4%	
Hometime		314		402		(88)	(21.9%)		327		(13)	(4.0%)	33.9%	35.2%	(125)	(3.5%)	28.4%	550	19.3%	
Western		642		671		(29)	(4.4%)		238		404	169.7%	41.3%	43.0%	(172)	(4.0%)	22.3%	1,898	85.2%	
Coastal		327		366		(39)	(10.7%)		321		6	1.8%	29.6%	30.2%	(57)	(1.9%)	38.3%	(873)	(22.8%)	
Modern		321		374		(53)	(14.1%)		351		(30)	(8.5%)	33.5%	36.4%	(284)	(7.8%)	18.2%	1,531	84.0%	
Avanti		277		298		(21)	(6.9%)		249		28	11.4%	40.3%	40.5%	(18)	(0.4%)	35.7%	456	12.8%	
Oasis		162		193		(31)	(16.0%)		188		(26)	(13.8%)	17.9%	17.5%	48	2.7%	9.6%	836	87.4%	
Other		922		885		38	4.3%		764		158	20.7%	35.6%	34.6%	100	2.9%	41.5%	(591)	(14.2%)	
Total Gross	\$	28,768	\$	29,448	\$	(680)	(2.3%)	\$	28,090	\$	678	2.4%	17.2%	18.6%	(138)	(7.4%)	13.1%	416	31.9%	

# Terrebonne Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ 3,720	\$ –	\$ 3,720	N/A	\$ 3,720	\$ –	\$ 3,720	N/A
Backlog ('000)	\$ 1,062	\$ –	\$ 1,062	N/A	\$ 1,062	\$ –	\$ 1,062	N/A
Gross Revenue	\$ 3,692	\$ 3,801	\$ (109)	(2.9%)	\$ 3,692	\$ 3,801	\$ (109)	(2.9%)
Adj. to Gross Revenue	(247)	(178)	(70)	39.1%	(247)	(178)	(70)	39.1%
Net Revenue	3,445	3,623	(179)	(4.9%)	3,445	3,623	(179)	(4.9%)
Material	2,285	2,143	141	6.6%	2,285	2,143	141	6.6%
Labor	776	986	(210)	(21.3%)	776	986	(210)	(21.3%)
Other COGS	386	467	(81)	(17.3%)	386	467	(81)	(17.3%)
Total COGS	3,447	3,596	(149)	(4.2%)	3,447	3,596	(149)	(4.2%)
Gross Margin	(2)	27	(29)	(109.3%)	(2)	27	(29)	(109.3%)
Gross Margin %	(0.1%)	0.7%			(0.1%)	0.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	99	96	3	3.0%	99	96	3	3.0%
Administrative	556	570	(14)	(2.4%)	556	570	(14)	(2.4%)
Other Opex	(1)	–	(1)	N/A	(1)	–	(1)	N/A
Total Opex	655	666	(11)	(1.7%)	655	666	(11)	(1.7%)
EBITDA	(658)	(640)	(18)	2.8%	(658)	(640)	(18)	2.8%
EBITDA %	(19.1%)	(17.7%)			(19.1%)	(17.7%)		
Net Income (Loss)	\$ (677)	\$ (674)	\$ (3)	0.4%	\$ (677)	\$ (674)	\$ (3)	0.4%
Capex	\$ (14)	\$ (165)	\$ 151	(91.4%)	\$ (14)	\$ (165)	\$ 151	(91.4%)
<b>Opex Overview:</b>								
Payroll	\$ 235	\$ 255	\$ (20)	(7.8%)	\$ 235	\$ 255	\$ (20)	(7.8%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	11	18	(7)	(37.6%)	11	18	(7)	(37.6%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	3	(2)	(76.9%)	1	3	(2)	(76.9%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	8	5	2	39.1%	8	5	2	39.1%
Utilities, repair, maintenance, anc	17	14	4	27.0%	17	14	4	27.0%
Corporate OH Fees	360	363	(3)	(0.8%)	360	363	(3)	(0.8%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(1)	–	(1)	N/A	(1)	–	(1)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	24	9	15	164.2%	24	9	15	164.2%
Total Opex	\$ 655	\$ 666	\$ (11)	(1.7%)	\$ 655	\$ 666	\$ (11)	(1.7%)

## Management Discussion

### Net Revenue – Q1-19: (\$179K)

- Sales volume decreased \$46k due to decreased demand from Vaillancourt & AMI; offset by increased demand from Tri-State, Dashwood, Golden Windows & Ostaco
- Unfavorable rebates \$70k driven by PY true up adjustments (\$58k) and increased sales demand from customers with rebates
- Unfavorable F/X of \$63k (actual rate of 1.3292 [or \$USD 0.7524] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Q1-19: (\$18K)

- Material COGS:** Increase in costs by \$141K driven by product mix \$49k (increased volume to Golden and 2 Projects @ lower margins), E&O provision \$33k (discontinued Everest Door parts) and delay of improvement projects \$59k
- Labor COGS:** Decrease in cost by \$210k driven by less headcount (20 employees) and increased efficiency
- Other COGS:** Decrease in cost by \$81k driven by increased absorption (higher efficiency and production) offset by increased maintenance repairs on forklifts
- Sales and Marketing:** Increase in costs by \$3k driven product development costs for the new Performer Door series
- Administrative:** Decrease in costs by \$14k driven by favorable F/X
- Other Opex:** In line with budget

# Key Customers – Gross Sales and Gross Margin %: Terrebonne

	Gross Sales (\$'000)														Gross Margin %																							
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
A.M.I.	\$	567	\$	663	\$	(96)	(14.6%)	\$	656	\$	(89)	(13.6%)	\$	567	\$	663	\$	(96)	(14.6%)	\$	656	\$	(89)	(13.6%)	(5.5%)	0.0%	(547)	N/A	0.0%	(547)	N/A	(5.5%)	0.0%	(547)	N/A	0.0%	(547)	N/A
GOLDEN WINDOWS		409		360		49	13.7%		463		(54)	(11.6%)		409		360		49	13.7%		463		(54)	(11.6%)	(30.1%)	0.0%	(3,008)	N/A	0.0%	(3,008)	N/A	(30.1%)	0.0%	(3,008)	N/A	0.0%	(3,008)	N/A
OSTACO 2000 WINDOORS INC		382		333		49	14.8%		250		132	52.9%		382		333		49	14.8%		250		132	52.9%	12.0%	0.0%	1,198	N/A	0.0%	1,198	N/A	12.0%	0.0%	1,198	N/A	0.0%	1,198	N/A
PORTES & FENETRES ABRITEK		194		168		26	15.2%		266		(72)	(27.2%)		194		168		26	15.2%		266		(72)	(27.2%)	(4.4%)	0.0%	(443)	N/A	0.0%	(443)	N/A	(4.4%)	0.0%	(443)	N/A	0.0%	(443)	N/A
DASHWOOD INDUSTRIES INC		226		152		74	48.4%		192		34	17.5%		226		152		74	48.4%		192		34	17.5%	10.1%	0.0%	1,013	N/A	0.0%	1,013	N/A	10.1%	0.0%	1,013	N/A	0.0%	1,013	N/A
P & F ISOTHERMIC INC		106		97		9	9.2%		226		(120)	(53.1%)		106		97		9	9.2%		226		(120)	(53.1%)	(40.5%)	0.0%	(4,054)	N/A	0.0%	(4,054)	N/A	(40.5%)	0.0%	(4,054)	N/A	0.0%	(4,054)	N/A
VAILLANCOURT INC.		255		403		(148)	(36.6%)		273		(18)	(6.5%)		255		403		(148)	(36.6%)		273		(18)	(6.5%)	(13.4%)	0.0%	(1,341)	N/A	0.0%	(1,341)	N/A	(13.4%)	0.0%	(1,341)	N/A	0.0%	(1,341)	N/A
CANADIAN VINYLTEK WINDOWS C		99		63		36	56.4%		144		(45)	(31.6%)		99		63		36	56.4%		144		(45)	(31.6%)	(8.5%)	0.0%	(852)	N/A	0.0%	(852)	N/A	(8.5%)	0.0%	(852)	N/A	0.0%	(852)	N/A
FENERGIC INC		31		87		(56)	(64.1%)		33		(2)	(5.3%)		31		87		(56)	(64.1%)		33		(2)	(5.3%)	20.5%	0.0%	2,045	N/A	0.0%	2,045	N/A	20.5%	0.0%	2,045	N/A	0.0%	2,045	N/A
EXTREME WINDOW AND		77		97		(20)	(20.5%)		220		(143)	(64.9%)		77		97		(20)	(20.5%)		220		(143)	(64.9%)	22.3%	0.0%	2,230	N/A	0.0%	2,230	N/A	22.3%	0.0%	2,230	N/A	0.0%	2,230	N/A
VENTANA WINDOWS & DOORS INC		68		86		(18)	(20.9%)		142		(74)	(52.1%)		68		86		(18)	(20.9%)		142		(74)	(52.1%)	15.9%	0.0%	1,587	N/A	0.0%	1,587	N/A	15.9%	0.0%	1,587	N/A	0.0%	1,587	N/A
Fenêtres Concept		58		70		(12)	(17.5%)		56		2	3.1%		58		70		(12)	(17.5%)		56		2	3.1%	(3.7%)	0.0%	(366)	N/A	0.0%	(366)	N/A	(3.7%)	0.0%	(366)	N/A	0.0%	(366)	N/A
MASON WINDOWS LTD		75		54		21	38.3%		77		(2)	(3.0%)		75		54		21	38.3%		77		(2)	(3.0%)	(9.5%)	0.0%	(952)	N/A	0.0%	(952)	N/A	(9.5%)	0.0%	(952)	N/A	0.0%	(952)	N/A
CEN		108		54		54	100.8%		77		31	40.8%		108		54		54	100.8%		77		31	40.8%	(6.2%)	0.0%	(625)	N/A	0.0%	(625)	N/A	(6.2%)	0.0%	(625)	N/A	0.0%	(625)	N/A
TRI-STATE WINDOW FACTORY		98		52		46	89.2%		94		4	4.7%		98		52		46	89.2%		94		4	4.7%	28.7%	0.0%	2,866	N/A	0.0%	2,866	N/A	28.7%	0.0%	2,866	N/A	0.0%	2,866	N/A
FMC		58		22		36	165.8%		53		5	10.3%		58		22		36	165.8%		53		5	10.3%	(2.7%)	0.0%	(270)	N/A	0.0%	(270)	N/A	(2.7%)	0.0%	(270)	N/A	0.0%	(270)	N/A
ATLANTIC WINDOWS		28		51		(23)	(45.6%)		42		(14)	(33.9%)		28		51		(23)	(45.6%)		42		(14)	(33.9%)	15.0%	0.0%	1,495	N/A	0.0%	1,495	N/A	15.0%	0.0%	1,495	N/A	0.0%	1,495	N/A
YKK AP VINYL		92		51		41	79.4%		38		54	140.8%		92		51		41	79.4%		38		54	140.8%	34.3%	0.0%	3,428	N/A	0.0%	3,428	N/A	34.3%	0.0%	3,428	N/A	0.0%	3,428	N/A
LORENDO INC.		28		59		(31)	(52.2%)		44		(16)	(35.9%)		28		59		(31)	(52.2%)		44		(16)	(35.9%)	#DIV/0!	0.0%	—	N/A	0.0%	NA	N/A	#DIV/0!	0.0%	—	N/A	0.0%	NA	N/A
MAR		53		28		25	90.7%		46		7	16.1%		53		28		25	90.7%		46		7	16.1%	(15.0%)	0.0%	(1,497)	N/A	0.0%	(1,497)	N/A	(15.0%)	0.0%	(1,497)	N/A	0.0%	(1,497)	N/A
Other		680		851		(171)	(20.1%)		907		(227)	(25.0%)		680		851		(171)	(20.1%)		907		(227)	(25.0%)	4.8%	(1527.8%)	153,254	(100.3%)	16.7%	(1,197)	(71.5%)	4.8%	(1527.8%)	153,254	(100.3%)	16.7%	(1,191)	(71.4%)
Total Gross	\$	3,692	\$	3,801	\$	(109)	(2.9%)	\$	4,299	\$	(607)	(14.1%)	\$	3,692	\$	3,801	\$	(109)	(2.9%)	\$	4,299	\$	(607)	(14.1%)	(0.7%)	4.7%	(538)	(113.8%)	3.5%	(418)	(118.4%)	(0.1%)	7.5%	(760)	(100.9%)	3.5%	(360)	(101.9%)

## Management Discussion

- Ostaco – Product mix, higher value doors
- Dashwood – Purchasing to build up inventory
- Vaillancourt and AMI – Soft sales due to lower demand of product (weather related)

# Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
<b>Health &amp; Safety</b>					
<i>Recordable Incidents</i>	0	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	0	0
<b>Quality Performance</b>					
<i>Customer Complaints - per MLBS</i>	3.2	3.98	3.9	3.6	4
<i>Return as % of sales</i>	1.25%	1.57%	1.76%	0.58%	1.28%
<b>Delivery Performance</b>					
<i>% on time in full</i>	95.00%	100%	96%	96%	97%
<i>% by line items</i>	95.00%	95%	96%	96%	96%
<b>Costs</b>					
<i>Direct Labour \$/FPV</i>	\$0.174	\$ 0.143	\$0.148	\$ 0.159	\$ 0.151
<i>Indirect Labour (incl D&amp;D) \$/FPV</i>	\$0.069	\$ 0.096	\$0.073	\$ 0.063	\$ 0.076
<b>Inventory</b>					
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75	71.4	70	72

## Comments:

**Quality:** winter season triggers higher complaints

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

**Inventory:** Improvement in March due to higher sales

# Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	—	—	—	N/A	—	—	N/A
Units Shipped ('000)	—	—	—	N/A	—	—	N/A
Bookings (\$'000)	\$ 21,341	\$ —	\$ 21,341	N/A	\$ —	\$ 21,341	N/A
Backlog ('\$000)	\$ 3,301	\$ —	\$ 3,301	N/A	\$ —	\$ 3,301	N/A
Gross Revenue	\$ 21,899	\$ 22,008	\$ (109)	(0.5%)	\$ 20,687	\$ 1,212	5.9%
Adj. to Gross Revenue	(1,101)	(1,032)	(70)	6.7%	(1,023)	(78)	7.6%
Net Revenue	20,798	20,976	(179)	(0.9%)	19,664	1,134	5.8%
Material	12,470	12,328	141	1.1%	12,124	345	2.8%
Labor	4,192	4,402	(210)	(4.8%)	4,530	(338)	(7.5%)
Other COGS	2,248	2,329	(81)	(3.5%)	3,397	(1,149)	(33.8%)
Total COGS	18,910	19,059	(149)	(0.8%)	20,052	(1,141)	(5.7%)
Gross Margin	1,888	1,917	(29)	(1.5%)	(388)	2,276	(586.5%)
Gross Margin %	9.1%	9.1%			(2.0%)		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	427	424	3	0.7%	383	43	11.3%
Administrative	2,357	2,370	(14)	(0.6%)	2,381	(24)	(1.0%)
Other Opex	(1)	—	(1)	N/A	(63)	63	(99.2%)
Total Opex	2,783	2,794	(11)	(0.4%)	2,701	82	3.0%
EBITDA	(895)	(877)	(18)	2.0%	(3,089)	2,193	(71.0%)
EBITDA %	(4.3%)	(4.2%)			(15.7%)		
Net Income (Loss)	\$ (1,030)	\$ (1,027)	\$ (3)	0.3%	\$ (3,162)	\$ 2,132	(67.4%)
Capex	\$ (14)	\$ (287)	\$ 273	(95.0%)	\$ (517)	\$ 503	(97.2%)
<b>Opex Overview:</b>							
Payroll	\$ 1,038	\$ 1,058	\$ (20)	(1.9%)	\$ 1,029	\$ 9	0.9%
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	81	87	(7)	(7.7%)	57	23	40.9%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	13	15	(2)	(13.4%)	15	(2)	(15.0%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	—	—	—	N/A	0	(0)	(100.0%)
Professional fees	33	31	2	6.8%	59	(25)	(43.2%)
Utilities, repair, maintenance, and security	83	79	4	4.7%	70	13	18.0%
Corporate OH Fees	1,475	1,478	(3)	(0.2%)	1,484	(8)	(0.6%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	(1)	—	(1)	N/A	(63)	63	(99.2%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	61	46	15	32.7%	51	11	20.8%
Total Opex	\$ 2,783	\$ 2,794	\$ (11)	(0.4%)	\$ 2,704	\$ 79	2.9%

# Key Customers – Full Year Terrebonne

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var				
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%						
<b>Customer:</b>																				
A.M.I.	\$	3,704	\$	3,800	\$	(96)	(2.5%)	\$	3,511	\$	193		5.5%	(1.1%)	0.0%	(113)	N/A	0.0%	(113)	N/A
GOLDEN WINDOWS		2,116		2,067		49	2.4%		2,290		(174)		(7.6%)	(6.3%)	0.0%	(632)	N/A	0.0%	(632)	N/A
OSTACO 2000 WINDOORS INC		1,958		1,909		49	2.6%		1,906		52		2.7%	1.4%	0.0%	140	N/A	0.0%	140	N/A
PORTES & FENETRES ABRITEK		988		962		26	2.7%		1,147		(159)		(13.9%)	(6.9%)	0.0%	(693)	N/A	0.0%	(693)	N/A
DASHWOOD INDUSTRIES INC		947		873		74	8.4%		922		25		2.7%	2.3%	0.0%	231	N/A	0.0%	231	N/A
P & F ISOTHERMIC INC		567		558		9	1.6%		815		(248)		(30.4%)	(4.0%)	0.0%	(402)	N/A	0.0%	(402)	N/A
VAILLANCOURT INC.		2,161		2,309		(148)	(6.4%)		800		1,361		170.2%	(1.9%)	0.0%	(187)	N/A	0.0%	(187)	N/A
CANADIAN VINYLTEK WINDOWS C		396		360		36	9.9%		555		(159)		(28.7%)	10.4%	0.0%	1,036	N/A	0.0%	1,036	N/A
FENERGIC INC		446		502		(56)	(11.1%)		532		(86)		(16.1%)	1.0%	0.0%	96	N/A	0.0%	96	N/A
EXTREME WINDOW AND		541		561		(20)	(3.5%)		511		30		5.9%	2.4%	0.0%	241	N/A	0.0%	241	N/A
VENTANA WINDOWS & DOORS IN		472		490		(18)	(3.7%)		484		(12)		(2.5%)	(1.0%)	0.0%	(104)	N/A	0.0%	(104)	N/A
Fenêtres Concept		393		405		(12)	(3.0%)		437		(44)		(10.1%)	(1.0%)	0.0%	(96)	N/A	0.0%	(96)	N/A
MASON WINDOWS LTD		331		310		21	6.7%		328		3		0.8%	(3.5%)	0.0%	(352)	N/A	0.0%	(352)	N/A
CEN		356		303		53	17.6%		292		64		22.1%	0.4%	0.0%	37	N/A	0.0%	37	N/A
TRI-STATE WINDOW FACTORY		197		165		32	19.6%		356		(159)		(44.6%)	10.1%	0.0%	1,009	N/A	0.0%	1,009	N/A
FMC		299		249		50	20.3%		259		40		15.6%	(1.6%)	0.0%	(160)	N/A	0.0%	(160)	N/A
ATLANTIC WINDOWS		267		290		(23)	(8.0%)		274		(7)		(2.6%)	2.5%	0.0%	249	N/A	0.0%	249	N/A
YKK AP VINYL		374		329		45	13.5%		225		149		66.0%	6.6%	0.0%	661	N/A	0.0%	661	N/A
LORENDO INC.		160		205		(45)	(21.8%)		226		(66)		(29.1%)	(1.0%)	0.0%	(95)	N/A	0.0%	(95)	N/A
MAR		142		122		20	16.7%		250		(108)		(43.0%)	(4.3%)	0.0%	(434)	N/A	0.0%	(434)	N/A
Other		5,084		5,239		(155)	(3.0%)		4,567		518		11.3%	37.7%	207.1%	(16,936)	(81.8%)	(8.5%)	4,619	(543.6%)
Total Gross	\$	21,899	\$	22,008	\$	(109)	(0.5%)	\$	20,687	\$	1,212		5.9%	8.3%	8.4%	(11)	(1.3%)	(1.9%)	1,018	(542.6%)



# ECS Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	23,154	23,685	(531)	(2.2%)	23,154	23,685	(531)	(2.2%)
Units Shipped ('000)	23,377	23,685	(309)	(1.3%)	23,377	23,685	(309)	(1.3%)
Bookings (\$'000)	\$ 1,692	\$ –	\$ 1,692	N/A	\$ 1,692	\$ –	\$ 1,692	N/A
Backlog (''000)	\$ 122	\$ –	\$ 122	N/A	\$ 122	\$ –	\$ 122	N/A
External Revenue	\$ 1,625	\$ 1,918	\$ (293)	(15.3%)	\$ 1,625	\$ 1,918	\$ (293)	(15.3%)
Affiliate Revenue	\$ 15,065	\$ 14,995	\$ 71	0.5%	\$ 15,065	\$ 14,995	\$ 71	0.5%
Gross Revenue	\$ 16,691	\$ 16,912	\$ (222)	(1.3%)	\$ 16,691	\$ 16,912	\$ (222)	(1.3%)
Adj. to Gross Revenue	13	(8)	20	(265.9%)	13	(8)	20	(265.9%)
Net Revenue	16,703	16,905	(202)	(1.2%)	16,703	16,905	(202)	(1.2%)
Material	14,296	14,436	(140)	(1.0%)	14,296	14,436	(140)	(1.0%)
Labor	431	476	(45)	(9.5%)	431	476	(45)	(9.5%)
Other COGS	1,398	1,440	(42)	(2.9%)	1,398	1,440	(42)	(2.9%)
Total COGS	16,125	16,352	(227)	(1.4%)	16,125	16,352	(227)	(1.4%)
Gross Margin	578	553	25	4.6%	578	553	25	4.6%
Gross Margin %	3.5%	3.3%			3.5%	3.3%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	40	37	3	8.6%	40	37	3	8.6%
Administrative	433	443	(11)	(2.4%)	433	443	(11)	(2.4%)
Other Opex	(107)	–	(107)	N/A	(107)	–	(107)	N/A
Total Opex	366	480	(114)	(23.8%)	366	480	(114)	(23.8%)
EBITDA	212	73	140	191.9%	212	73	140	191.9%
EBITDA %	1.3%	0.4%			1.3%	0.4%		
Net Income (Loss)	\$ 45	\$ (110)	\$ 155	(140.9%)	\$ 45	\$ (110)	\$ 155	(140.9%)
Capex	\$ –	\$ (194)	\$ 194	(100.0%)	\$ –	\$ (194)	\$ 194	(100.0%)
<b>Opex Overview:</b>								
Payroll	\$ 135	\$ 135	\$ 0	0.2%	\$ 135	\$ 135	\$ 0	0.2%
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	1	2	(1)	(52.9%)	1	2	(1)	(52.9%)
Marketing	–	–	–	N/A	–	–	–	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	1	(0)	(25.0%)	1	1	(0)	(25.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	17	18	(1)	(4.7%)	17	18	(1)	(4.7%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, anc	3	5	(2)	(34.0%)	3	5	(2)	(34.0%)
Corporate OH Fees	310	319	(8)	(2.6%)	310	319	(8)	(2.6%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(107)	–	(107)	N/A	(107)	–	(107)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	5	1	4	789.2%	5	1	4	789.2%
Total Opex	\$ 366	\$ 480	\$ (114)	(23.8%)	\$ 366	\$ 480	\$ (114)	(23.8%)

## Management Discussion

### Net Revenue – Q1-19: (\$202K)

- Sales volume down 1.3% or \$221k mainly driven by decreased demand from external customers (Vinyl Profiles); offset by slight increase in affiliate demand
- Favorable rebate of \$18k (reversal of Nuform rebate – did not achieve target)
- Favorable price/mix of \$222k driven by increased volume to Everett (higher ASP), product mix to Woodbridge (increased JV product), pelletizing for Resin Tech & increased scrap sales
- Unfavorable F/X of \$221k (actual rate of 1.3292 [or \$USD 0.7524] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Q1-19: +\$140K

- Material COGS:** Decrease in costs by \$140k due to decreased sales volume \$188k, improved scrap utilization & MUV \$62k and lower material prices \$50k; offset by 2 additional resin railcars \$160k (PY adjustment).
- Labor COGS:** Decrease in costs by \$45k due to less headcount and reduced hours weekly by 4 driven by lower production volumes.
- Other COGS:** Decrease in cost by \$42k primarily driven by favorable freight expenses \$59k (new PDI contract); offset by \$6k unfavorable absorption and \$11k increased maintenance spend (repairs for truck scale, piping leak & floor sweeper)
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in cost by \$11k (fav F/X)
- Other Opex:** Decrease in cost by \$107k driven by favorable F/X revaluation of working capital balances

# Key Customers – Gross Sales and Gross Margin %: ECS

Customer:	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD	
	Act		Bud		Act		Bud		Act		Bud		Act		Act		Bud		Act		BPs		Act		Bud		Act	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	BP%	%	\$	%	\$	%	\$	%
Vinyl Profiles, LLC	\$ 578	\$ 828	\$ (250)	(30.2%)	\$ 562	\$ 16	2.8%	\$ 578	\$ 828	\$ (250)	(30.2%)	\$ 562	\$ 16	2.8%	36.9%	47.0%	(1,009)	(21.5%)	12.4%	2,450	197.8%	36.9%	47.0%	(1,009)	(21.5%)	12.4%	2,450	197.8%
Nuform Building Technologies Inc	307	364	(57)	(15.6%)	667	(360)	(54.0%)	307	364	(57)	(15.6%)	667	(360)	(54.0%)	14.7%	12.2%	242	19.7%	22.3%	(765)	(34.3%)	14.7%	12.2%	242	19.7%	22.3%	(765)	(34.3%)
The Vinyl Company Inc.	350	234	116	49.6%	337	13	3.7%	350	234	116	49.6%	337	13	3.7%	13.6%	17.9%	(436)	(24.3%)	27.1%	(1,354)	(50.0%)	13.6%	17.9%	(436)	(24.3%)	27.1%	(1,354)	(50.0%)
Vinylume Products Inc	133	158	(25)	(15.9%)	182	(49)	(26.7%)	133	158	(25)	(15.9%)	182	(49)	(26.7%)	21.9%	21.3%	60	2.8%	19.7%	218	11.0%	21.9%	21.3%	60	2.8%	19.7%	218	11.0%
Accord Plastics Corp.	156	120	36	29.8%	44	112	256.4%	156	120	36	29.8%	44	112	256.4%	24.3%	19.4%	487	25.1%	3.3%	2,099	636.0%	24.3%	19.4%	487	25.1%	3.3%	2,099	636.0%
Window Seal Limited	–	89	(89)	(100.0%)	7	(7)	(100.0%)	–	89	(89)	(100.0%)	7	(7)	(100.0%)	0.0%	#DIV/0!	–	#DIV/0!	8.0%	(798)	(100.0%)	0.0%	#DIV/0!	–	#DIV/0!	8.0%	(798)	(100.0%)
New Customers (L.B. Plastics)	–	44	(44)	(100.0%)	45	(45)	(100.0%)	–	44	(44)	(100.0%)	45	(45)	(100.0%)	0.0%	16.9%	(1,687)	(100.0%)	102.9%	(10,295)	(100.0%)	0.0%	16.9%	(1,687)	(100.0%)	102.9%	(10,295)	(100.0%)
Prasad Plastics Limited	2	49	(47)	(95.9%)	12	(10)	(83.0%)	2	49	(47)	(95.9%)	12	(10)	(83.0%)	0.0%	#DIV/0!	–	#DIV/0!	69.4%	(6,937)	(100.0%)	0.0%	#DIV/0!	–	#DIV/0!	69.4%	(6,937)	(100.0%)
Superior Extrusions Ltd	9	18	(9)	(49.2%)	16	(7)	(44.9%)	9	18	(9)	(49.2%)	16	(7)	(44.9%)	#DIV/0!	0.0%	–	N/A	8.8%	NA	#VALUE!	#DIV/0!	0.0%	–	N/A	8.8%	NA	#VALUE!
Vytron Corporation	4	7	(3)	(40.3%)	11	(7)	(64.9%)	4	7	(3)	(40.3%)	11	(7)	(64.9%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Plastibec Ltee	3	–	3	N/A	3	(0)	(2.0%)	3	–	3	N/A	3	(0)	(2.0%)	0.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	0.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Vinyl Profiles (2011)	18	–	18	N/A	6	12	212.4%	18	–	18	N/A	6	12	212.4%	#DIV/0!	0.0%	–	N/A	47.6%	NA	#VALUE!	#DIV/0!	0.0%	–	N/A	47.6%	NA	#VALUE!
Fence Outlet MDC, LLC	24	–	24	N/A	–	24	N/A	24	–	24	N/A	–	24	N/A	0.0%	#DIV/0!	–	#DIV/0!	0.0%	–	N/A	0.0%	#DIV/0!	–	#DIV/0!	0.0%	–	N/A
INFINITY EXTRUSIONS INC.	7	–	7	N/A	–	7	N/A	7	–	7	N/A	–	7	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	0.0%	NA	N/A
Resin Technology, LLC	9	–	9	N/A	–	9	N/A	9	–	9	N/A	–	9	N/A	66.7%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	66.7%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0	–	–	–	N/A	–	–	N/A	–	–	–	N/A	–	–	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0	–	–	–	N/A	–	–	N/A	–	–	–	N/A	–	–	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0	–	–	–	N/A	–	–	N/A	–	–	–	N/A	–	–	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
	–	–	–	N/A	–	–	N/A	–	–	–	N/A	–	–	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
	–	–	–	N/A	–	–	N/A	–	–	–	N/A	–	–	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other	15,091	15,002	89	0.6%	19,112	(4,022)	(21.0%)	15,091	15,002	89	0.6%	19,112	(4,022)	(21.0%)	3.1%	(0.2%)	323	(1957.3%)	6.8%	(375)	(55.0%)	3.1%	(0.2%)	323	(1957.3%)	6.8%	(374)	(55.0%)
Total Gross	\$ 16,691	\$ 16,912	\$ (222)	(1.3%)	\$ 21,005	\$ (4,315)	(20.5%)	\$ 16,691	\$ 16,912	\$ (222)	(1.3%)	\$ 21,005	\$ (4,315)	(20.5%)	4.6%	2.2%	239	106.6%	7.9%	(332)	(41.8%)	4.6%	2.2%	239	106.6%	7.9%	(332)	(41.8%)

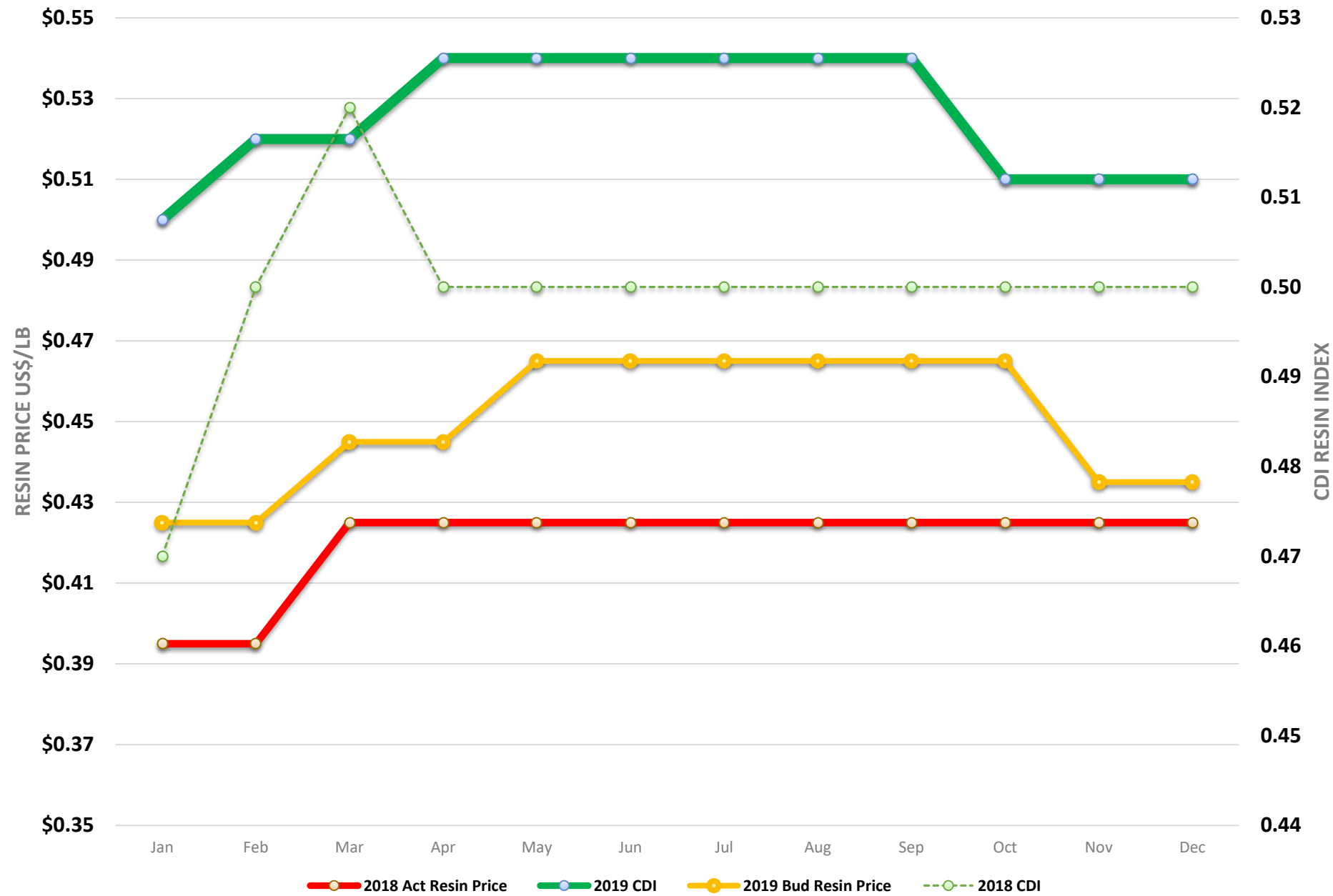
## Management Discussion

- Vinyl Profiles – Market conditions impacting sales

ECS Material Cost Summary

	MONTHLY MATERIAL COSTS - 2019				MONTHLY MATERIAL COSTS - AOP				MONTHLY MATERIAL COSTS - Change			
	Jan-19	Feb-19	Mar-19	Q1	Jan-19	Feb-19	Mar-19	Q1	Jan-19	Feb-19	Mar-19	Q1
	Act	Act	Act	Act	AOP	AOP	AOP	AOP	Actual-AOP	Actual-AOP	Actual-AOP	Actual-AOP
US \$'000												
Sales												
Total Sales - Non-Patio & Doors - S'000	\$ 5,459	\$ 5,106	\$ 6,138	\$ 16,703	\$ 5,244	\$ 5,716	\$ 5,945	\$ 16,905	\$ 215	\$ (610)	\$ 193	\$ (202)
Total Sales - Non-Patio & Doors - Lbs	7,544	7,119	8,714	23,377	7,351	7,983	8,352	23,685	193	(864)	362	(309)
FX Rate	1.3301	1.3206	1.3368		1.3000	1.3000	1.3000					
Materials - units												
ADDITIVE	47	23	35	105	33	36	38	108	13	(13)	(3)	(2)
ADDITIVE (IMPACT MODIFIER)	293	267	318	877	268	291	305	864	25	(25)	13	13
ADDITIVE (PROCESSING AID)	53	50	53	156	47	51	54	152	6	(1)	(1)	4
FILLER	407	417	499	1,324	416	451	472	1,339	(8)	(34)	27	(15)
LUBRICANT	175	168	197	540	161	175	183	520	14	(8)	14	20
PIGMENT - C	—	—	—	—	1	1	1	3	(1)	(1)	(1)	(3)
PIGMENT - G	20	37	31	88	27	29	30	86	(7)	8	1	2
PIGMENT - HC	9	10	15	33	10	11	11	32	(1)	(1)	3	1
PIGMENT - PC	2	1	1	3	1	1	1	3	0	(0)	0	0
PKG	—	—	—	—	—	—	—	—	—	—	—	—
PLASTICIZER	36	9	43	87	28	30	32	90	8	(22)	12	(2)
RESIN	5,806	5,534	6,746	18,086	5,709	6,200	6,487	18,397	97	(667)	259	(311)
STABILIZER	97	88	107	293	90	98	102	290	7	(9)	5	3
TIO2	598	516	665	1,780	554	602	630	1,785	44	(85)	36	(5)
Material Other	—	—	—	—	—	—	—	—	—	—	—	—
Total Materials - Lbs	7,543	7,119	8,712	23,373	7,346	7,977	8,346	23,669	197	(858)	366	(296)
Materials - ASP												
ADDITIVE	3.6225	3.6321	3.6321	\$ 3.63	3.5200	3.5200	3.5200	\$ 3.52	\$ 0.1025	\$ 0.1121	\$ 0.1121	
ADDITIVE (IMPACT MODIFIER)	1.6619	1.6242	1.6242	\$ 1.64	1.6650	1.6650	1.6650	\$ 1.67	\$ (0.0031)	\$ (0.0408)	\$ (0.0408)	
ADDITIVE (PROCESSING AID)	1.6766	1.7057	1.7057	\$ 1.70	1.7010	1.7010	1.7010	\$ 1.70	\$ (0.0245)	\$ 0.0047	\$ 0.0047	
FILLER	0.1941	0.1975	0.1975	\$ 0.20	0.2058	0.2058	0.2058	\$ 0.21	\$ (0.0117)	\$ (0.0083)	\$ (0.0083)	
LUBRICANT	0.9268	0.9184	0.9184	\$ 0.92	0.9329	0.9329	0.9329	\$ 0.93	\$ (0.0061)	\$ (0.0145)	\$ (0.0145)	
PIGMENT - C	—	—	—	—	2.8123	2.8123	2.8123	\$ 2.81	\$ (2.8123)	\$ (2.8123)	\$ (2.8123)	
PIGMENT - G	2.8510	3.1069	3.1069	\$ 3.02	3.1592	3.1592	3.1592	\$ 3.16	\$ (0.3082)	\$ (0.0522)	\$ (0.0522)	
PIGMENT - HC	5.2641	5.5329	5.5329	\$ 5.44	5.8923	5.8923	5.8923	\$ 5.89	\$ (0.6282)	\$ (0.3594)	\$ (0.3594)	
PIGMENT - PC	7.0182	7.2685	7.2685	\$ 7.19	7.1296	7.1296	7.1296	\$ 7.13	\$ (0.1114)	\$ 0.1389	\$ 0.1389	
PKG	—	—	—	—	7.6761	7.6761	7.6761	\$ 7.68	\$ (7.6761)	\$ (7.6761)	\$ (7.6761)	
PLASTICIZER	0.8594	0.8542	0.8542	\$ 0.86	0.8993	0.8993	0.8993	\$ 0.90	\$ (0.0399)	\$ (0.0451)	\$ (0.0451)	
RESIN	0.4052	0.4054	0.4253	\$ 0.41	0.4254	0.4454	0.4454	\$ 0.44	\$ (0.0202)	\$ (0.0400)	\$ (0.0201)	
STABILIZER	3.4585	3.3401	3.4134	\$ 3.40	3.3188	3.3188	3.3188	\$ 3.32	\$ 0.1397	\$ 0.0213	\$ 0.0946	
TIO2	1.4120	1.4120	1.4120	\$ 1.41	1.4320	1.4320	1.4320	\$ 1.43	\$ (0.0200)	\$ (0.0200)	\$ (0.0200)	
Material Other	-	-	-	—	—	—	—	—	\$ —	\$ —	\$ —	—
Materials - \$'000												
ADDITIVE	\$ 169	\$ 85	\$ 128	\$ 382	\$ 118	\$ 128	\$ 134	\$ 379	\$ 51	\$ (43)	\$ (6)	\$ 3
ADDITIVE (IMPACT MODIFIER)	\$ 487	\$ 433	\$ 516	\$ 1,436	\$ 446	\$ 485	\$ 507	\$ 1,439	\$ 40	\$ (52)	\$ 9	\$ (3)
ADDITIVE (PROCESSING AID)	\$ 89	\$ 86	\$ 90	\$ 264	\$ 80	\$ 87	\$ 91	\$ 259	\$ 9	\$ (2)	\$ (2)	\$ 5
FILLER	\$ 79	\$ 82	\$ 99	\$ 260	\$ 86	\$ 93	\$ 97	\$ 276	\$ (6)	\$ (10)	\$ 1	\$ (15)
LUBRICANT	\$ 162	\$ 154	\$ 181	\$ 498	\$ 150	\$ 163	\$ 171	\$ 485	\$ 12	\$ (10)	\$ 10	\$ 13
PIGMENT - C	\$ —	\$ —	\$ —	\$ —	\$ 2	\$ 3	\$ 3	\$ 8	\$ (2)	\$ (3)	\$ (3)	\$ (8)
PIGMENT - G	\$ 57	\$ 114	\$ 97	\$ 269	\$ 85	\$ 92	\$ 96	\$ 273	\$ (27)	\$ 22	\$ 1	\$ (4)
PIGMENT - HC	\$ 46	\$ 53	\$ 81	\$ 180	\$ 59	\$ 64	\$ 67	\$ 189	\$ (13)	\$ (11)	\$ 15	\$ (9)
PIGMENT - PC	\$ 11	\$ 5	\$ 9	\$ 25	\$ 8	\$ 8	\$ 9	\$ 24	\$ 3	\$ (3)	\$ 0	\$ 1
PKG	\$ —	\$ —	\$ —	\$ —	\$ 37	\$ 34	\$ 28	\$ 99	\$ (37)	\$ (34)	\$ (28)	\$ (99)
PLASTICIZER	\$ 31	\$ 7	\$ 37	\$ 75	\$ 25	\$ 27	\$ 28	\$ 81	\$ 6	\$ (20)	\$ 9	\$ (6)
RESIN	\$ 2,352	\$ 2,244	\$ 2,869	\$ 7,465	\$ 2,457	\$ 2,793	\$ 2,922	\$ 8,172	\$ (105)	\$ (549)	\$ (52)	\$ (706)
STABILIZER	\$ 336	\$ 295	\$ 366	\$ 997	\$ 298	\$ 324	\$ 339	\$ 961	\$ 38	\$ (29)	\$ 27	\$ 36
TIO2	\$ 845	\$ 729	\$ 939	\$ 2,513	\$ 793	\$ 862	\$ 902	\$ 2,557	\$ 51	\$ (133)	\$ 38	\$ (43)
Scrap	\$ 29	\$ 28	\$ 39	\$ 95	\$ 52	\$ 53	\$ 53	\$ 159	\$ (23)	\$ (25)	\$ (14)	\$ (63)
BOM Scrap (not in P&L and 2019 AOP)				\$ —				\$ —	\$ —	\$ —	\$ —	\$ —
PIP Savings	\$ (3)	\$ (3)	\$ (2)	\$ (8)	\$ (2)	\$ (58)	\$ (2)	\$ (62)	\$ (1)	\$ 55	\$ (0)	\$ 54
Kronos Rebates (\$0.075/lb)	\$ (45)	\$ (45)	\$ (48)	\$ (137)	\$ (42)	\$ (45)	\$ (47)	\$ (134)	\$ (3)	\$ 0	\$ (0)	\$ (3)
Resin Rebate & Discount	\$ (101)	\$ (84)	\$ (42)	\$ (228)	\$ (73)	\$ (81)	\$ (89)	\$ (244)	\$ (28)	\$ (3)	\$ 47	\$ 16
Amortization Timing	\$ (41)	\$ 137	\$ 30	\$ 126	\$ (120)	\$ (87)	\$ 29	\$ (178)	\$ 79	\$ 224	\$ 1	\$ 304
Packaging	\$ 19	\$ 29	\$ 36	\$ 84	\$ 19	\$ 29	\$ 36	\$ 84	\$ —	\$ —	\$ —	\$ —
Material Other	\$ 66	\$ 141	\$ (210)	\$ (3)	\$ (22)	\$ (152)	\$ (215)	\$ (390)	\$ 89	\$ 293	\$ 5	\$ 387
Total Material Costs - USD	\$ 4,588	\$ 4,490	\$ 5,216	\$ 14,294	\$ 4,457	\$ 4,821	\$ 5,158	\$ 14,436	\$ 131	\$ (331)	\$ 58	\$ (142)

# Historical Resin Price Chart



# Key Performance Indicators - ECS

ENERGI Compound Solutions	2018 Actual	2019 Targets	Jan-19	Feb-19	Mar-19	YTD 2019
<b>Health &amp; Safety</b>						
<i>Recordable( effects TRIR)</i>	0	0	0	0	0	0
<i>Near Misses</i>	25	2	0	0	0	0
<b>Environmental</b>						
<i>Recordable( effects TRIR)</i>	0	0	0	0	0	0
<i>Near Misses</i>	8	2	0	1	0	1
<b>Quality Performance</b>						
<i>Concerns per million Good Lbs</i>	0.2	0.3	0.3	0.1	0.0	0.1
<i>Return as % of sales (%)</i>	0.05	0.3	0%	0%	0%	0%
<b>Delivery Performance</b>						
<i>% on time</i>	100%	100%	100%	100%	100%	100%
<b>Material Cost</b>						
<i>Yield</i>	99%	99%	100%	100%	100%	100%
<i>Production Scrap</i>	0.7%	1.00%	0%	0%	0%	0%
<i>Total Material Usage Variance</i>	1.2%	2.00%	1%	1%	0%	0%
<i>Direct Labour \$/lb produced</i>	0.008	0.009	0.009	0.008	0.007	0.008
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	0.015	0.017	0.020	0.018	0.015	0.017
<b>Inventory</b>						
<i>Days - TTM (Trailing 12 Months)</i>	47	46	50	49	42	47
<b>Freight</b>						
<i>Freight \$ as % of net sales</i>	3.7%	3.9%	3.2%	3.6%	4.0%	4%

## COMMENTS:

**Indirect Labour:** Clean up carryover vacation for the operator at long term disability

**Inventory:** Seasonal in addition to increased buildup due to anticipated price increase.

**Freight** - 65% higher sales volume to Everett in March.

Full Year ECS P&L Summary

\$'000		FY		Var		PY		Var	
		Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)		100,815	101,346	(531)	(0.5%)	106,695	(5,880)	(5.5%)	
Units Shipped ('000)		101,037	101,346	(309)	(0.3%)	106,807	(5,769)	(5.4%)	
Bookings (\$'000)		\$ 8,605	\$ —	\$ 8,605	N/A	\$ —	\$ 8,605	N/A	
Backlog ('\$000)		\$ 181	\$ —	\$ 181	N/A	\$ —	\$ 181	N/A	
	External Revenue	\$ 8,559	\$ 8,852	\$ (293)	(3.3%)	\$ 8,494	\$ 66	0.8%	
	Affiliate Revenue	\$ 63,643	\$ 63,572	\$ 71	0.1%	\$ 71,299	\$ (7,656)	(10.7%)	
Gross Revenue		\$ 72,202	\$ 72,424	\$ (222)	(0.3%)	\$ 76,869	\$ (4,667)	(6.1%)	
Adj. to Gross Revenue		(8)	(28)	20	(72.3%)	(14)	7	(46.4%)	
Net Revenue		72,194	72,396	(202)	(0.3%)	76,854	(4,660)	(6.1%)	
Material		63,148	63,287	(140)	(0.2%)	60,763	2,385	3.9%	
Labor		1,963	2,009	(45)	(2.2%)	1,880	83	4.4%	
Other COGS		5,990	6,032	(42)	(0.7%)	5,926	64	1.1%	
Total COGS		71,101	71,328	(227)	(0.3%)	68,569	2,532	3.7%	
Gross Margin		1,093	1,068	25	2.4%	8,286	(7,192)	(86.8%)	
Gross Margin %		1.5%	1.5%			10.8%			
R&D		—	—	—	N/A	—	—	N/A	
Sales & Marketing		166	163	3	2.0%	156	10	6.3%	
Administrative		1,771	1,782	(11)	(0.6%)	1,765	6	0.4%	
Other Opex		(107)	—	(107)	N/A	369	(476)	(129.0%)	
Total Opex		1,830	1,945	(114)	(5.9%)	2,290	(460)	(20.1%)	
EBITDA		(737)	(877)	140	(15.9%)	5,996	(6,733)	(112.3%)	
EBITDA %		(1.0%)	(1.2%)			7.8%			
Net Income (Loss)		\$ (1,461)	\$ (1,616)	\$ 155	(9.6%)	\$ 5,305	\$ (6,766)	(127.5%)	
Capex		\$ —	\$ (601)	\$ 601	(100.0%)	\$ (600)	\$ 600	(100.0%)	
Opex Overview:									
Payroll		\$ 562	\$ 562	\$ 0	0.0%	\$ 550	\$ 12	2.2%	
Bonus		—	—	—	N/A	—	—	N/A	
Commissions		12	13	(1)	(9.9%)	1	11	1307.3%	
Marketing		1	1	—	0.0%	—	1	N/A	
Benefits		—	—	—	N/A	—	—	N/A	
Travel and entertainment		9	9	(0)	(2.0%)	9	0	2.6%	
Rent and facilities		—	—	—	N/A	—	—	N/A	
Insurance		68	69	(1)	(1.2%)	68	1	1.4%	
Professional fees		(0)	(0)	—	0.0%	—	(0)	N/A	
Utilities, repair, maintenance, and security		18	20	(2)	(7.8%)	18	0	1.3%	
Corporate OH Fees		1,263	1,271	(8)	(0.6%)	1,276	(13)	(1.1%)	
Bad Debts		—	—	—	N/A	3	(3)	(100.0%)	
FX		(107)	—	(107)	N/A	369	(476)	(129.0%)	
JV Loss (Income)		—	—	—	N/A	—	—	N/A	
Other Expenses		5	1	4	574.3%	0	5	11555.0%	
Total Opex		\$ 1,830	\$ 1,945	\$ (114)	(5.9%)	\$ 2,293	\$ (463)	(20.2%)	

# Key Customers – Full Year ECS

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
<b>Customer:</b>																			
Vinyl Profiles, LLC	\$	3,576	\$	3,826	\$	(250)	(6.5%)	\$	1,961	\$	1,615	82.4%	48.1%	49.6%	(143)	(2.9%)	16.2%	3,191	196.6%
Nuform Building Technologies Inc		1,539		1,596		(57)	(3.5%)		2,950		(1,411)	(47.8%)	12.0%	11.6%	34	2.9%	20.0%	(802)	(40.1%)
The Vinyl Company Inc.		1,215		1,099		116	10.6%		1,834		(618)	(33.7%)	17.8%	17.9%	(16)	(0.9%)	27.0%	(928)	(34.3%)
Vinylume Products Inc		624		650		(25)	(3.9%)		688		(64)	(9.3%)	22.5%	21.3%	121	5.7%	20.7%	177	8.6%
Accord Plastics Corp.		629		593		36	6.0%		378		251	66.4%	19.5%	19.4%	7	0.4%	16.1%	342	21.3%
Window Seal Limited		385		474		(89)	(18.8%)		17		368	2213.3%	129.1%	124.7%	438	3.5%	27.9%	10,112	361.9%
New Customers (L.B. Plastics)		377		422		(44)	(10.5%)		113		264	233.6%	59.3%	37.6%	2,163	57.5%	26.8%	3,251	121.5%
Prasad Plastics Limited		64		111		(47)	(42.3%)		36		28	76.0%	84.8%	#DIV/0! –		#DIV/0!	25.7%	5,907	230.0%
Superior Extrusions Ltd		29		38		(9)	(23.2%)		46		(17)	(36.9%)	2.4%	3.1%	(68)	(21.8%)	25.5%	(2,311)	(90.5%)
Vytron Corporation		14		17		(3)	(15.9%)		29		(15)	(50.3%)	14.0%	#DIV/0! –		#DIV/0!	41.6%	(2,763)	(66.4%)
Plastibec Ltee		3		–		3	N/A		6		(3)	(52.7%)	28.6%	#DIV/0! –		#DIV/0!	24.0%	457	19.0%
Vinyl Profiles (2011)		18		–		18	N/A		6		12	212.4%	1.2%	0.0%	123	N/A	57.5%	(5,627)	(97.9%)
Fence Outlet MDC, LLC		24		–		24	N/A		–		24	N/A	49.0%	0.0%	4,904	N/A	#DIV/0!	NA	#DIV/0!
INFINITY EXTRUSIONS INC.		7		–		7	N/A		20		(13)	(64.4%)	33.3%	#DIV/0! –		#DIV/0!	13.8%	1,952	141.3%
Resin Technology, LLC		9		–		9	N/A		–		9	N/A	66.7%	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
Other		63,688		63,600		89	0.1%		68,786		(5,097)	(7.4%)	(0.9%)	(1.1%)	14	(12.9%)	9.6%	(1,054)	(109.7%)
Total Gross	\$	72,202	\$	72,424	\$	(222)	(0.3%)	\$	76,869	\$	(4,667)	(6.1%)	1.6%	1.6%	5	2.9%	10.8%	(914)	(84.8%)

# Corporate Office Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Backlog ('\$000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Gross Revenue	\$ –	\$ 16	\$ (16)	(100.0%)	\$ –	\$ 16	\$ (16)	(100.0%)
Adj. to Gross Revenue	–	–	–	N/A	–	–	–	N/A
Net Revenue	–	16	(16)	(100.0%)	–	16	(16)	(100.0%)
Material	435	550	(115)	(20.9%)	435	550	(115)	(20.9%)
Labor	305	309	(4)	(1.2%)	305	309	(4)	(1.2%)
Other COGS	240	276	(36)	(13.0%)	240	276	(36)	(13.0%)
Total COGS	980	1,135	(155)	(13.6%)	980	1,135	(155)	(13.6%)
Gross Margin	(980)	(1,120)	139	(12.4%)	(980)	(1,120)	139	(12.4%)
Gross Margin %	(7210.5%)				(7210.5%)			
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	952	1,017	(65)	(6.4%)	952	1,017	(65)	(6.4%)
Administrative	(1,194)	(1,085)	(110)	10.1%	(1,194)	(1,085)	(110)	10.1%
Other Opex	30	–	30	N/A	30	–	30	N/A
Total Opex	(212)	(68)	(144)	212.4%	(212)	(68)	(144)	212.4%
EBITDA	(768)	(1,052)	283	(27.0%)	(768)	(1,052)	283	(27.0%)
EBITDA %	(6772.8%)				(6772.8%)			
Net Income (Loss)	\$ (1,626)	\$ (2,642)	\$ 1,016	(38.5%)	\$ (1,626)	\$ (2,642)	\$ 1,016	(38.5%)
Capex	\$ 12	\$ (261)	\$ 273	(104.6%)	\$ 12	\$ (261)	\$ 273	(104.6%)
<b>Opex Overview:</b>								
Payroll	\$ 1,296	\$ 1,308	\$ (12)	(0.9%)	\$ 1,296	\$ 1,308	\$ (12)	(0.9%)
Bonus	336	340	(4)	(1.1%)	336	340	(4)	(1.1%)
Commissions	52	86	(34)	(39.6%)	52	86	(34)	(39.6%)
Marketing	148	192	(45)	(23.2%)	148	192	(45)	(23.2%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	258	380	(122)	(32.0%)	258	380	(122)	(32.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	130	130	0	0.3%	130	130	0	0.3%
Office Expense	6	12	(6)	(48.4%)	6	12	(6)	(48.4%)
IT	398	434	(36)	(8.3%)	398	434	(36)	(8.3%)
Bad Debts	34	–	34	N/A	34	–	34	N/A
FX	30	–	30	N/A	30	–	30	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(2,901)	(2,951)	50	(1.7%)	(2,901)	(2,951)	50	(1.7%)
Total Opex	\$ (212)	\$ (68)	\$ (144)	212.4%	\$ (212)	\$ (68)	\$ (144)	212.4%

## Management Discussion

### EBITDA – Q1 2019: +\$283K

- **Gross Revenue:** Represents Consolidated price increase adjustment not achieved
- **Material COGS:** Favorable intercompany profit elimination as a result of lower intercompany inventory levels
- **Other COGS:** Insurance costs lower than budgeted expected to increase from Q2 2019
- **Sales & Marketing:** lower by \$65K largely due to lower Marketing expenditure of \$40K related to timing and lower Travel by staff influenced by current market conditions of \$60K offset by higher wages and benefits of \$40K largely due to higher Health benefits charges including AETNA catchup of \$16K and higher commissions on Quebec Sales.
- **Administrative:** lower by \$110K due to lower Staff Travel costs by \$63K, lower Salaries \$55K and lower IT costs \$17K offset by unfavorable FX on Corporate OH Recovery of \$44K. Higher Legal costs \$4K offset by lower Office expense
- **Other Opex:** represents FX Loss on CAD/US Cash Transactions



# Full Year Corporate Office P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Backlog (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Gross Revenue	\$ 149	\$ 164	\$ (16)	(9.4%)	\$ 0	\$ 149	94790.8%
Adj. to Gross Revenue	–	–	–	N/A	72	(72)	(100.0%)
Net Revenue	149	164	(16)	(9.4%)	72	77	107.5%
Material	(115)	–	(115)	N/A	(293)	178	(60.7%)
Labor	1,232	1,236	(4)	(0.3%)	159	1,073	675.0%
Other COGS	1,069	1,104	(36)	(3.2%)	802	267	33.3%
Total COGS	2,185	2,340	(155)	(6.6%)	668	1,517	227.2%
Gross Margin	(2,036)	(2,175)	139	(6.4%)	(596)	(1,440)	241.6%
Gross Margin %	(1367.0%)	(1322.6%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,917	3,982	(65)	(1.6%)	3,842	74	1.9%
Administrative	(4,289)	(4,179)	(110)	2.6%	(6,735)	2,446	(36.3%)
Other Opex	30	–	30	N/A	134	(103)	(77.4%)
Total Opex	(342)	(198)	(144)	73.0%	(2,759)	2,417	(87.6%)
EBITDA	(1,694)	(1,978)	283	(14.3%)	2,163	(3,857)	(178.3%)
EBITDA %	(1137.4%)	(1202.4%)			3013.6%		
Net Income (Loss)	\$ (7,385)	\$ (8,401)	\$ 1,016	(12.1%)	\$ (3,324)	\$ (4,060)	122.1%
Capex	\$ 12	\$ (2,706)	\$ 2,718	(100.4%)	\$ (366)	\$ 378	(103.3%)
<b>Opex Overview:</b>							
Payroll	\$ 5,466	\$ 5,478	\$ (12)	(0.2%)	\$ 5,077	\$ 388	7.6%
Bonus	1,357	1,361	(4)	(0.3%)	159	1,198	753.7%
Commissions	311	345	(34)	(9.9%)	186	125	67.4%
Marketing	550	594	(45)	(7.5%)	584	(35)	(6.0%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,387	1,509	(122)	(8.1%)	1,137	250	22.0%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	444	444	0	0.1%	395	49	12.4%
Office Expense	40	46	(6)	(12.8%)	53	(13)	(24.1%)
IT	1,794	1,830	(36)	(2.0%)	1,367	427	31.3%
Bad Debts	34	–	34	N/A	(58)	92	(157.7%)
FX	30	–	30	N/A	134	(103)	(77.4%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,755)	(11,805)	50	(0.4%)	(11,793)	39	(0.3%)
Total Opex	\$ (342)	\$ (198)	\$ (144)	73.0%	\$ (2,757)	\$ 2,415	(87.6%)