ENERGI
FENESTRATION SOLUTIONS

Audit Committee Meeting – Quarter Ended March 31st, 2019

April 22nd, 2019

Q1 2019 Audit Committee Agenda

- CFO Hot Buttons
- Controllership Matters:
  - Auditor Discussion / Update on FY18 Audit
  - Management Governance Report – Q1 2019
- Financial Matters:
  - Q1 FY 2019 Operating Results Overview
  - Key Reserves
  - Debt Covenant Compliance
- 2019 Financial Outlook
- Special Topics and Executive Session
- Appendix

CFO Hot Buttons

- Overall sales revenues and volumes were behind Plan for the Quarter 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 order flow outlook for April is currently behind the orders/bookings vs the prior year on a Month to Date basis by 2.6%. All plants are reviewing their labor production plan for April and will scale back production accordingly based on latest orders in-house, while continuing to maintain their stocking program commitments
- Continued aggressive pricing competition in the industry. 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 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. No inventory or Accounts Receivable risk concerns
- 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. No inventory or Accounts Receivable risk concerns

CFO Hot Buttons

- 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

- Compliance with bank covenant as primary Excess Availability covenant for Q4 2018 in line with target. However, Fixed Cost Coverage Ratio (FCCR) continues to track below target. Focus in 2019 is to monitor working capital and capex spend to ensure excess availability remains above target

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Auditor Discussion / Update on FY18 Audit

- 2018 Audit:
  - GT completed field work in February and on plan with some minor follow up items dealt with in March & April
  - No issues identified and no audit adjustments required except for tax provision entries
  - Approval of consolidated financial statements:
    - Review by Management – final audited consolidated financial statements completed on Monday April 15th, 2019
    - Review / Approval by Audit Committee – Q1 2019 Audit Committee Meeting on April 22nd, 2019
    - Approval by Board of Directors – Q1 2019 Board Meeting to be held on April 22nd, 2019
- New accounting pronouncements:
  - No significant changes in accounting standards
  - No significant changes in auditing standards
- Other Matters to discuss
  - GT conflict of interest issues re: tax provision work for ENERGI

Management Governance Report

Disclosure Committee:

- Members include: CEO, CFO, VP Sales, VP Operations, VP Manufacturing & VP Supply Chain
- Meeting held on April 8th, 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 3rd, 2019 from an anonymous employee at Delmont
  - Employee indicates that they ran out of materials on April 1st 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 Q2 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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Q1 FY 2019 Overview

Highlights:

- EBITDA is 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)
- CDI Resin Index remained unchanged for March vs the February price, which increased by 2cpp from the Q4 2018 year-end price. Industry consensus is that resin will remain flat for Q2 with a possibility of a 1cpp reduction
- Ti02 price increase announcement of 7cpp has been negotiated to 3cpp effective July 1st, which is below Plan expectations

Lowlights:

- 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
- 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 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

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%)**
Opex Overview:								
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 31st, 2018 to 1.3531 on March 31st, 2019) and a lower JV equity income of $20K related to lower volumes vs Budget

YTD Opex Analysis

$'000

	YTD			Explanation of Variance				Variance Impact		
	Act	Bud	Variance (B) / W	One-Time / Non-recurring	Timing	Change in Run-rate	Other/FX	Total Variance (B) / W	YoY Impact (B) / W	Annualized (B) / W
Payroll	$ 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	–
Total Opex	**$ 4,399**	**$ 4,811**	**$ (413)**	**$ (71)**	**$ (156)**	**$ (35)**	**$ (150)**	**$ (413)**	**$ (554)**	**$ –**

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

Balance Sheet

$'000	Dec-18 Act	Dec-18 Act	Jan-19 Act	Feb-19 Act	Mar-19 Act	Mar-19 Bud	Variance $	Variance %
<u>Current Assets</u>								
Cash and cash equivalents	$ 0	$ 0	$ 3	$ 3	$ 3	$ 3	$ 0	10.6%
Short term investments	–	–	–	–	–	–	–	N/A
Accounts receivable, gross	8,958	8,958	9,182	9,929	11,613	13,339	(1,726)	(12.9%)
Accounts receivable, reserves	(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%)
Inventory, gross	31,776	31,776	34,588	36,157	35,647	34,592	1,055	3.0%
Inventory, reserves	(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%)
Total Current Assets	**42,746**	**42,746**	**45,790**	**48,076**	**49,223**	**49,696**	**(474)**	**(1.0%)**
<u>Non-Current Assets</u>								
Property, plant & equipment, gross	64,977	64,977	66,687	67,249	66,818	68,760	(1,942)	(2.8%)
Accumulated depreciation	(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%)
Total Non-Current Assets	**53,382**	**53,382**	**54,127**	**53,947**	**53,007**	**54,847**	**(1,840)**	**(3.4%)**
Total Assets	**$ 96,127**	**$ 96,127**	**$ 99,917**	**$ 102,023**	**$ 102,229**	**$ 104,543**	**$ (2,313)**	**(2.2%)**
<u>Current Liabilities</u>								
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%
Total Current Liabilities	**31,576**	**31,576**	**35,493**	**37,990**	**40,273**	**41,777**	**(1,504)**	**(3.6%)**
<u>Long-term liabilities</u>								
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%
Total Long-Term Liabilities	**23,084**	**23,084**	**23,526**	**23,400**	**22,812**	**20,923**	**1,889**	**9.0%**
Total Liabilities	**54,660**	**54,660**	**59,019**	**61,391**	**63,085**	**62,700**	**385**	**0.6%**
Commitments and contingencies	–	–	–	–	–	–	–	**N/A**
<u>Shareholders' Equity</u>								
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%
Total Shareholders' Equity	**41,467**	**41,467**	**40,898**	**40,632**	**39,144**	**41,842**	**(2,699)**	**(6.4%)**
Total Liabilities and Shareholders' Equity	**$ 96,127**	**$ 96,127**	**$ 99,917**	**$ 102,023**	**$ 102,229**	**$ 104,543**	**$ (2,313)**	**(2.2%)**

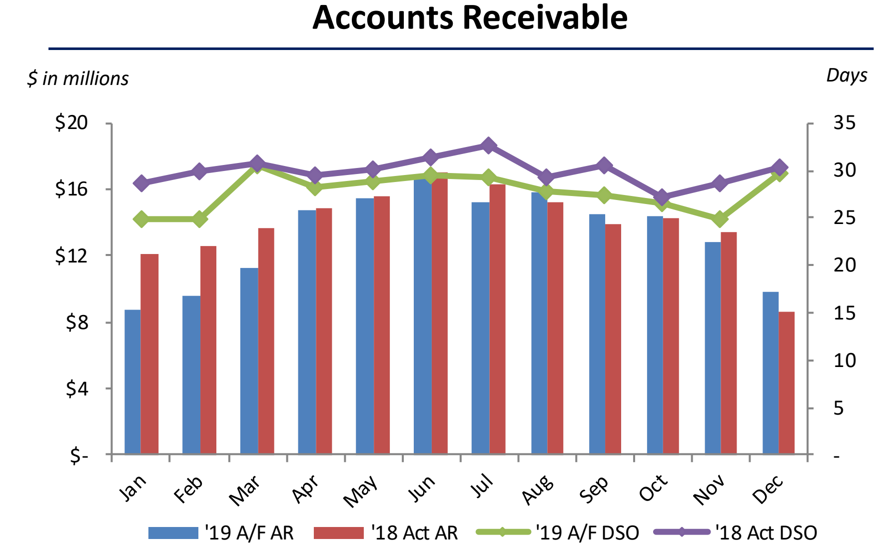
Management Discussion

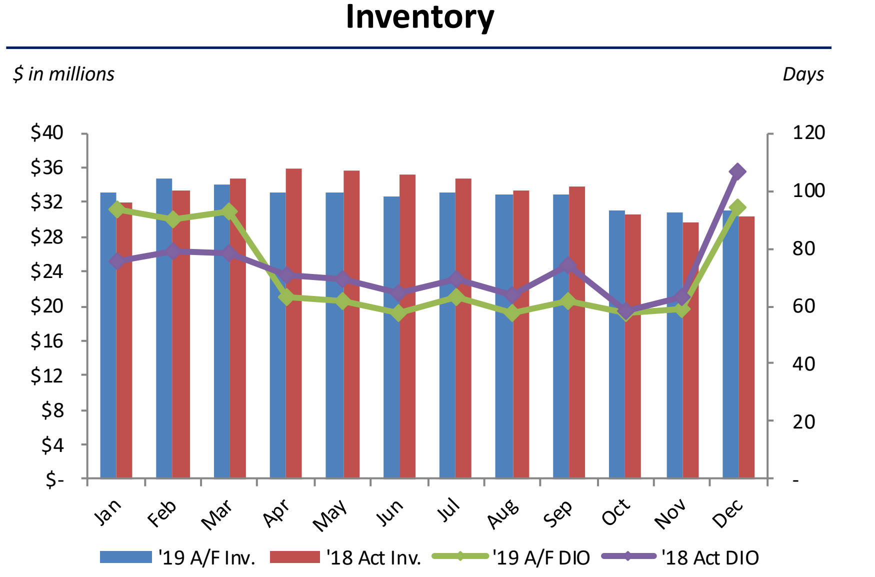
- Net A/R vs. Budget is lower by $1,446K (11.4%) largely due to reduction in YTD Sales by 9.5% vs Budget. Furthermore, there is an unfavorable F/X impact of $483K (actual rate of 1.3531 [or USD$ 0.74] vs. Budget rate of 1.30 [or USD$ 0.77])
- Increase in inventory levels vs Bud by $1,240K due to strategic 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])

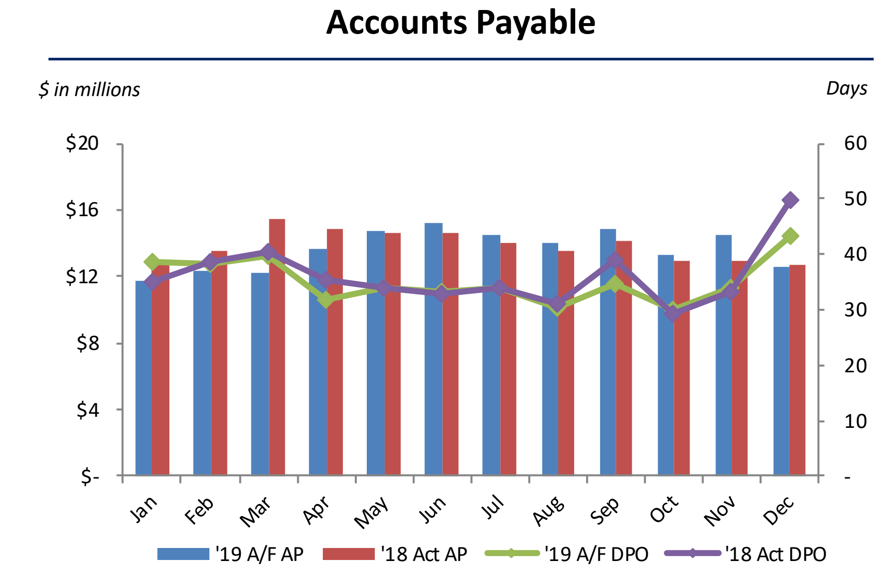
Cash Flow Statement

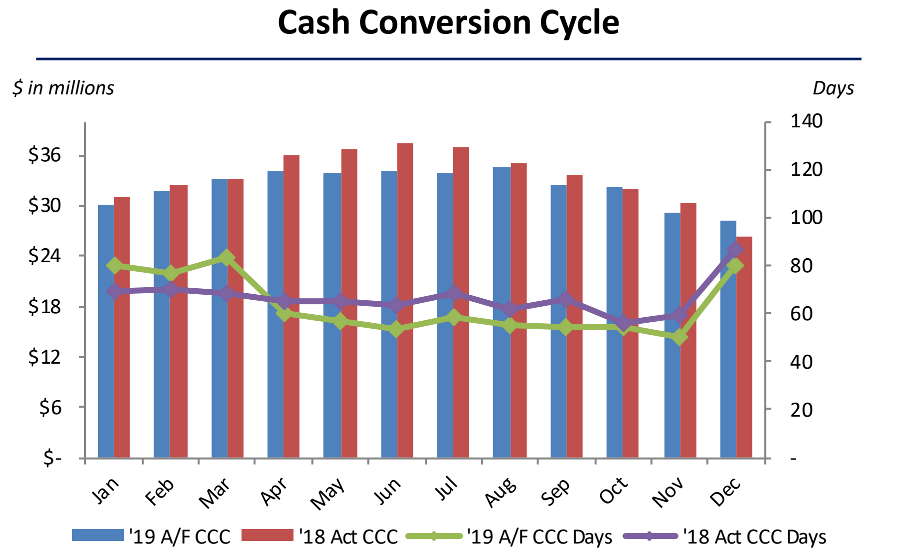
	MTD		Variance		PY-MTD	Variance		YTD		Variance		PY YTD	Variance	
$'000	**Act**	**Bud**	**$**	**%**	**Act**	**$**	**%**	**Act**	**Bud**	**$**	**%**	**ACT**	**$**	**%**
Cash flow from operations														
Net Income (Loss)	$ (1,280)	$ (659)	$ (621)	94.1%	$ (690)	$ (590)	85.6%	$ (2,437)	$ (2,800)	$ 363	(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 liabilitie	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-	$ 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%)**

Working Capital and 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%*
Total	**$ 8,789**	**$ 9,536**	**$ 11,214**	***100.0%***

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%*
Total	**$ 11,725**	**$ 12,319**	**$ 12,200**	***100.0%***

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

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
Excess Availability													
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
Excess Availability	**16,904**	**10,649**	**8,107**	**6,991**	**5,774**	**8,323**	**9,648**	**12,956**	**11,950**	**15,160**	**14,730**	**18,044**	**18,584**
EA % of Borrowing Base	**62.3%**	**42.6%**	**32.9%**	**27.2%**	**20.7%**	**27.5%**	**31.0%**	**38.5%**	**36.6%**	**45.1%**	**44.9%**	**54.8%**	**57.3%**
Minimum EA% (or <$5.25M)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Compliance	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**	**OK**
FCCR Calculation													
TTM EBITDA	**8,112**	**7,865**	**8,971**	**8,618**	**8,842**	**9,229**	**10,188**	**9,838**	**10,323**	**9,580**	**10,184**	**10,469**	**11,483**
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
Numerator	**(381)**	**180**	**1,198**	**1,364**	**766**	**1,096**	**1,811**	**1,752**	**2,383**	**1,759**	**2,507**	**3,322**	**4,400**
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
Denominator	**3,256**	**3,330**	**3,402**	**3,482**	**3,569**	**3,642**	**3,702**	**3,753**	**3,809**	**3,861**	**3,913**	**3,926**	**3,937**
FCCR Ratio	**(0.1)**	**0.1**	**0.4**	**0.4**	**0.2**	**0.3**	**0.5**	**0.5**	**0.6**	**0.5**	**0.6**	**0.8**	**1.1**
Minimum FCC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Compliance	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**Breach**	**OK**

Q1 2019 Audit Committee Agenda

- CFO Hot Buttons
- Controllership Matters:
  - Auditor Discussion / Update on FY18 Audit
  - Management Governance Report – Q1 2019
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2018 Act to 2019 Bud - Summary Bridge

2018 Act		2019 Bud
Volume/Units 104.5 LBS	**+4.9%** • Increase in extrusion volumes by 4.3M LBS and external compound volume by 0.8M LBS. Market growth underlined by increases with PGT, Simonton, Quaker, Westech and Coeur d'Alene, together with Share growth from All Weather and Polaris, partially offset by customer losses & risk re: Solar Industries, JELD-WEN, KP Building, Lorendo, Thompson Creek, Panes and Okna	Volume/Units 109.6M LBS
Revenue $170.5M	**+4.5%** • Increase due to a net volume growth impact of $4.2M (organic, inorganic and external compound volume increases offset by customer losses & risk), a price increase impact & CDI resin impact of $2.8M and higher Patio Door sales of $0.9M. This is partially offset by an unfavorable F/X impact of $0.3M	Revenue $178.2M
Gross Margin $27.9M 16.4%	**+110bps** • Increase of $3.3M attributable to volume growth of $1.8M, price increases of $2.8M and operational initiative savings of $4.9M offsetting significant raw material cost increases of $4.0M and inflationary impacts from labor and overhead costs of $1.2M. Gross Margin is also negatively impacted by the bonus accrual for Direct & Indirect of $1.1M	Gross Margin $31.2M 17.5%
OPEX $17.6M 10.3%	**+80bps** • Increase in OPEX of $2.2M due to a bonus accrual for the SG&A employees of $1.2M, higher IT costs of $0.5M due to increased security applications and inflationary impacts, higher payroll costs of $0.6M due to additions and wage/benefit inflation and higher travel & entertainment costs of $0.3M partially offset by a favorable F/X impact of $0.4M	OPEX $19.8M 11.1%
EBITDA $10.3M 6.1%	**+30bps** • Increase in EBITDA by $1.1M driven by volume growth, price increases and operational initiative savings of $9.6M offsetting significant raw material cost increases of $4.0M, labor & overhead inflationary impacts of $1.5M, bonus accrual impact of $2.3M and additional OPEX costs of $0.7M	EBITDA $11.4M 6.4%
Capex $10.2M 6.0%	**-40bps** • Continued significant investments in Customer Growth opportunities of $3.4M, Cost Reduction initiatives of $2.2M, maintenance projects of $1.7M and Health & Safety improvement initiatives of $0.6M • Investment in IT infrastructure enhancements and plant level systems of $2.1M	Capex $10.0M 5.6%

2019 Bud Key Assumptions

Confidence Level	Key Assumptions
90%	**Revenue**

Revenue (Confidence Level: 90%)

- Revenue projections based on a "bottom-up" approach with collaboration between the sales teams and plant managers and developed on a customer-by-customer basis.
  - Organic Growth (Market Growth with Existing Customers): +2.5% (+$2.7M, +2.6M LBS)
  - Inorganic Growth (Share Growth with Existing and New Customers): +4.1% (+$5.5M, +4.3M LBS)
  - ECS External Compound Sales: +6.7% (+$0.6M, +0.8M LBS)
  - Patio Door Sales: +4.6% (+$0.9M)
  - Customer Loss & Risk: -2.7% (-$4.6M, -3.5M LBS)
- Price increases on extrusion and patio door customers assumed @ $2.15M with an effective date of March 1st, 2018

Gross Profit (Confidence Level: 80%)

- Material Cost:
  - PVC Resin cost increase of 6.9% Year-Over-Year based on latest CDI resin index and IHS Markit data
  - PVC Resin cost inflation impact ~$2.5M
  - Ti02/Additives/Stabilizers/Fillers impact ~$1.2M (2% - 14% YoY increases)
- Labor inflation of 3.0% effective April 1, 2019 for both Canadian and US operations
- Canadian benefits rate kept consistent with 2018 rates – 0% increase based on latest negotiations
- US benefits rate kept consistent with 2018 rates – 0% increase based on latest negotiation for Medical & Dental, but assumed 8% increase for Life & Disability
- Freight cost increase of 4.0% effective January 1, 2018 (inclusive of rate and surcharges)
- Energy cost increases in alignment with regional inflation (approx. 3.0%)
- 100% of bonus assumed for Direct & Indirect employees ($1.2M)

OPEX (Confidence Level: 90%)

- 100% of bonus assumed for SG&A employees ($1.4M)

Foreign Exchange (Confidence Level: 85%)

- Effective 2019 annual FX rate = 1.30 [or $0.7692 USD] vs. 2018 rate of 1.2961 [or $0.7715 USD]

Capex (Confidence Level: 90%)

- Budget of $10.0M aligned with Strategic cost reduction initiatives, customer growth strategy and IT support

2019 Bud Summary P&L

Consolidated Statement of Operations
($ in Millions)

	2017 Act	2018 Act	Q1 19 Bud	Q2 19 Bud	Q3 19 Bud	Q4 19 Bud	2019 Bud	2019 vs 2018 $	2019 vs 2018 %
Gross Revenue	**$ 183.2**	**$ 180.2**	**$ 38.4**	**$ 52.1**	**$ 52.5**	**$ 45.0**	**$ 188.0**	**$ 7.8**	**4.3%**
Discounts	(2.1)	(2.1)	(0.4)	(0.6)	(0.6)	(0.5)	(2.2)	(0.1)	6.4%
Returns	(2.2)	(1.6)	(0.2)	(0.3)	(0.3)	(0.3)	(1.2)	0.4	-22.4%
Rebates	(6.5)	(6.1)	(1.2)	(1.8)	(1.8)	(1.6)	(6.4)	(0.4)	6.1%
Other	-	-	-	-	-	-	-	-	
Net Revenue	**$ 172.4**	**$ 170.5**	**$ 36.6**	**$ 49.3**	**$ 49.7**	**$ 42.6**	**$ 178.2**	**$ 7.7**	**4.5%**
YoY Growth									
Material	$ 84.5	$ 83.3	$ 18.1	$ 24.7	$ 24.7	$ 20.9	$ 88.4	$ 5.1	6.1%
Labor	39.1	38.5	9.0	9.9	10.0	9.5	38.4	(0.1)	-0.3%
Other COGS	21.4	20.8	3.8	5.6	5.5	5.3	20.3	(0.5)	-2.6%
Total COGS	**$ 145.0**	**$ 142.6**	**$ 31.0**	**$ 40.1**	**$ 40.2**	**$ 35.6**	**$ 147.0**	**$ 4.4**	**3.1%**
Gross Margin	**$ 27.4**	**$ 27.9**	**$ 5.6**	**$ 9.2**	**$ 9.5**	**$ 6.9**	**$ 31.2**	**$ 3.3**	**11.7%**
Gross Margin %	15.9%	16.4%	15.2%	18.6%	19.1%	16.3%	17.5%	1.1%	
R&D	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Sales & marketing	6.5	7.0	1.8	1.9	1.9	1.8	7.2	0.2	2.9%
Administrative	10.7	10.2	3.1	3.2	3.2	3.2	12.8	2.6	25.1%
Other	(1.1)	0.3	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	-175.6%
Total OPEX (excl D&A)	**$ 16.1**	**$ 17.6**	**$ 4.8**	**$ 5.0**	**$ 5.0**	**$ 4.9**	**$ 19.8**	**$ 2.2**	**12.7%**
Adjusted EBITDA	**$ 11.3**	**$ 10.3**	**$ 0.8**	**$ 4.2**	**$ 4.5**	**$ 2.0**	**$ 11.4**	**$ 1.0**	**10.1%**
AEBITDA Margin %	6.6%	6.1%	2.1%	8.5%	9.0%	4.7%	6.4%	0.3%	

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Special Topics

- M&A
- Quality of Earnings - KPMG

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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%)
<u>Opex Overview:</u>																			
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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
$'000	**Act**	**Act**	**Act**	**Fcst**	**Fcst**	**Fcst**	**Fcst**	**Fcst**	**Fcst**	**Fcst**	**Fcst**	**Fcst**	**Fcst**	**Bud**	**$**	**%**	**Act**	**$**	**%**
EBITDA - as reported	**$ 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)	########
GAAP 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%)**

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

$'000	MTD	QTD	YTD
Material	6,823	18,133	18,133
Labor	3,103	9,041	9,041
Other COGS	1,506	3,840	3,840
COGS Budget	**$ 11,433**	**$ 31,014**	**$ 31,014**
Variances:			
Volume	(1,380)	(2,289)	(2,289)
Price	–	(50)	(50)
Other	21	175	175
Material	**(1,359)**	**(2,164)**	**(2,164)**
Volume	(99)	(263)	(263)
Price	–	–	–
Other	(91)	(223)	(223)
Labor	**(190)**	**(486)**	**(486)**
Volume	(325)	(103)	(103)
Price	–	–	–
Other	(65)	(297)	(297)
Other COGS	**(390)**	**(400)**	**(400)**
COGS Actual	**$ 9,494**	**$ 27,964**	**$ 27,964**

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	$	%
Material																			
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%
Total Material COGS	**$ 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																			
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%)
Total Labor COGS	**$ 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																			
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%)
Total 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%)**

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

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 / 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 Balance Sheet

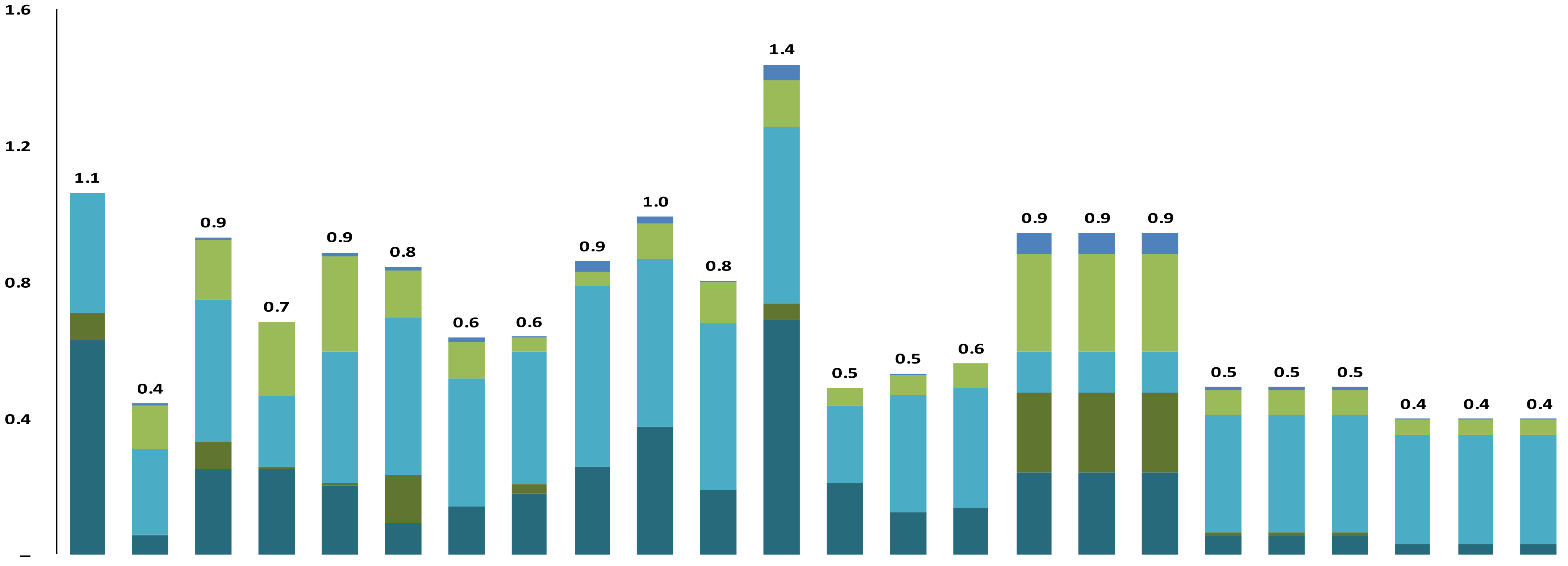
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var	
$'000	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	$	%
Current Assets																
Cash and cash equivalents	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 2	$ 3	$ 3	$ 3	$ 3	$ 0	$ 3	739066.5%
Short term investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
Accounts receivable, gross	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%
Accounts receivable, reserves	(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%
Inventory, gross	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%
Inventory, reserves	(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%)
Total Current Assets	**45,790**	**48,076**	**49,223**	**52,718**	**53,206**	**53,869**	**52,851**	**53,034**	**52,117**	**50,663**	**48,552**	**44,281**	**44,281**	**42,746**	**1,536**	**3.6%**
Non-Current Assets																
Property, plant & equipment, gross	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%
Accumulated depreciation	(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%
Total Non-Current Assets	**54,127**	**53,947**	**53,007**	**55,420**	**55,891**	**55,977**	**55,900**	**55,757**	**55,558**	**55,332**	**55,077**	**54,826**	**54,826**	**53,382**	**1,444**	**2.7%**
Total Assets	**$ 99,917**	**$ 102,023**	**$ 102,229**	**$ 108,139**	**$ 109,096**	**$ 109,846**	**$ 108,751**	**$ 108,791**	**$ 107,675**	**$ 105,995**	**$ 103,630**	**$ 99,107**	**$ 99,107**	**$ 96,127**	**$ 2,980**	**3.1%**
Current Liabilities																
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%
Total Current Liabilities	**35,493**	**37,990**	**40,273**	**45,667**	**46,685**	**47,212**	**46,222**	**45,937**	**44,835**	**43,238**	**41,094**	**38,065**	**38,065**	**31,576**	**6,490**	**20.6%**
Long-term liabilities																
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%
Total Long-Term Liabilities	**23,526**	**23,400**	**22,812**	**20,789**	**20,655**	**20,521**	**20,387**	**20,253**	**20,119**	**19,976**	**19,838**	**19,699**	**19,699**	**23,084**	**(3,386)**	**(14.7%)**
Total Liabilities	**59,019**	**61,391**	**63,085**	**66,456**	**67,340**	**67,733**	**66,609**	**66,190**	**64,953**	**63,214**	**60,931**	**57,764**	**57,764**	**54,660**	**3,104**	**5.7%**
Commitments and contingencies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Shareholders' Equity																
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	(0)	(0.0%)
Retained earnings	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%)
Total Shareholders' Equity	**40,898**	**40,632**	**39,144**	**41,682**	**41,756**	**42,112**	**42,142**	**42,601**	**42,722**	**42,781**	**42,699**	**41,343**	**41,343**	**41,467**	**(124)**	**(0.3%)**
Total Liabilities and Shareholders' Equity	**$ 99,917**	**$ 102,023**	**$ 102,229**	**$ 108,139**	**$ 109,096**	**$ 109,846**	**$ 108,751**	**$ 108,791**	**$ 107,675**	**$ 105,995**	**$ 103,630**	**$ 99,107**	**$ 99,107**	**$ 96,127**	**$ 2,980**	**3.1%**

Monthly Cash Flow

	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	
$'000	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	$	%	Act	$	%
Cash flow from operations																			
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%
Change in operating assets and liabilities:																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
Total Cash Flow from Operations	**$ (3,487)**	**$ (1,522)**	**$ (1,520)**	**$ (2,314)**	**$ 1,343**	**$ 1,511**	**$ 1,442**	**$ 564**	**$ 2,885**	**$ 910**	**$ 3,728**	**$ 1,584**	**$ 5,125**	**$ 6,166**	**$ (1,041)**	**(16.9%)**	**$ 4,126**	**$ 999**	**24.2%**
Cash flow from investing																			
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
Total Cash Flow from Investing	**$ (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%)**
Cash flow from financing																			
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
Total Cash Flow from Financing	**$ 3,979**	**$ 2,053**	**$ 2,080**	**$ 3,257**	**$ (400)**	**$ (568)**	**$ (950)**	**$ (72)**	**$ (2,394)**	**$ (512)**	**$ (3,330)**	**$ (1,186)**	**$ 1,956**	**$ 1,837**	**$ 119**	**6.5%**	**$ 6,089**	**$ (4,133)**	**(67.9%)**
Effect of FX rates on cash and cash equivalents	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**N/A**	**$ –**	**$ -**	**N/A**
Net change in cash	**$ 3**	**$ 0**	**$ (0)**	**$ (0)**	**$ (0)**	**$ 0**	**$ (0)**	**$ 0**	**$ (0)**	**$ 0**	**$ (0)**	**$ (0)**	**$ 3**	**$ 3**	**$ (0)**	**(0.0%)**	**$ (0)**	**$ 3**	**(1065.8%)**
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%)
Ending cash	**$ 3**	**$ 3**	**$ 3**	**$ 3**	**$ 3**	**$ 3**	**$ 3**	**$ 3**	**$ 2**	**$ 3**	**$ 3**	**$ 3**	**$ 3**	**$ 3**	**$ (0)**	**(0.0%)**	**$ 0**	**$ 3**	**26322051.3%**

Capital Expenditures

$ in millions



$M	Jan 18 (A)	Feb 18 (A)	Mar 18 (A)	Apr 18 (A)	May 18 (A)	Jun 18 (A)	Jul 18 (A)	Aug 18 (A)	Sep 18 (A)	Oct 18 (A)	Nov 18 (A)	Dec 18 (A)	Jan 19 (A)	Feb 19 (A)	Mar 19 (A)	Apr 19 (F)	May 19 (F)	Jun 19 (F)	Jul 19 (F)	Aug 19 (F)	Sep 19 (F)	Oct 19 (F)	Nov 19 (F)	Dec 19 (F)
Health & Safety	–	0.0	0.0	–	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–	0.0	–	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance	–	0.1	0.2	0.2	0.3	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.1	0.1	0.1	0.0	0.0	0.0
Market Growth	0.4	0.3	0.4	0.2	0.4	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.2	0.3	0.4	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3
Share Growth	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Innovation	0.1	0.0	0.1	0.0	0.0	0.1	–	0.0	–	–	–	0.1	–	–	–	0.2	0.2	0.2	0.0	0.0	0.0	–	–	–
Cost Reduction	0.6	0.1	0.3	0.3	0.2	0.1	0.1	0.2	0.3	0.4	0.2	0.7	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.0
Total	$1.1	$0.4	$0.9	$0.7	$0.9	$0.8	$0.6	$0.6	$0.9	$1.0	$0.8	$1.4	$0.5	$0.5	$0.6	$0.9	$0.9	$0.9	$0.5	$0.5	$0.5	$0.4	$0.4	$0.4

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	–
Final Headcount	**349**	**164**	**88**	**37**	**15**	**30**	**59**	**–**	**742**	**40**	**782**	**782**	**–**

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
Total	**737**	**48**	**-**	**(24)**	**(16)**	**745**	**802**	**57**

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 lease 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