



# Monthly Operating Review – July

JULY 20, 2020

# Agenda

- Executive Summary
- Sales & Commercial Review
- Operational Review
- Appendix

# Executive Summary

# Executive Summary

## Good news / positives to business and plan

- Revenue is 2.0% above plan, 5.8% above PY, and 11.5% higher than Reforecast (RFC)
- PF Adjusted EBITDA is \$796k or \$40k higher than plan, \$98k higher than PY and \$261k higher than RFC
- Transit Packaging grew 376% to Plan; Ampac sales are \$218k in the month, Pollock Packaging and Holpack Corp placing orders
- Wall Hangings up 717% to Plan; Mixtiles sales are \$289k in the month; Shutterfly starting new wall hanging initiative, placed \$3,400
- No furloughs during the month, first month without since coronavirus started
- Launched new websites duraco.com and teacherstape.com on July 24<sup>th</sup>; ERP go live was August 17<sup>th</sup>
- Infinity beat previous months all-time monthly sales record with revenue \$1,226k beating plan by \$483k and RFC by \$141k
- Essentra moved out of Forest Park

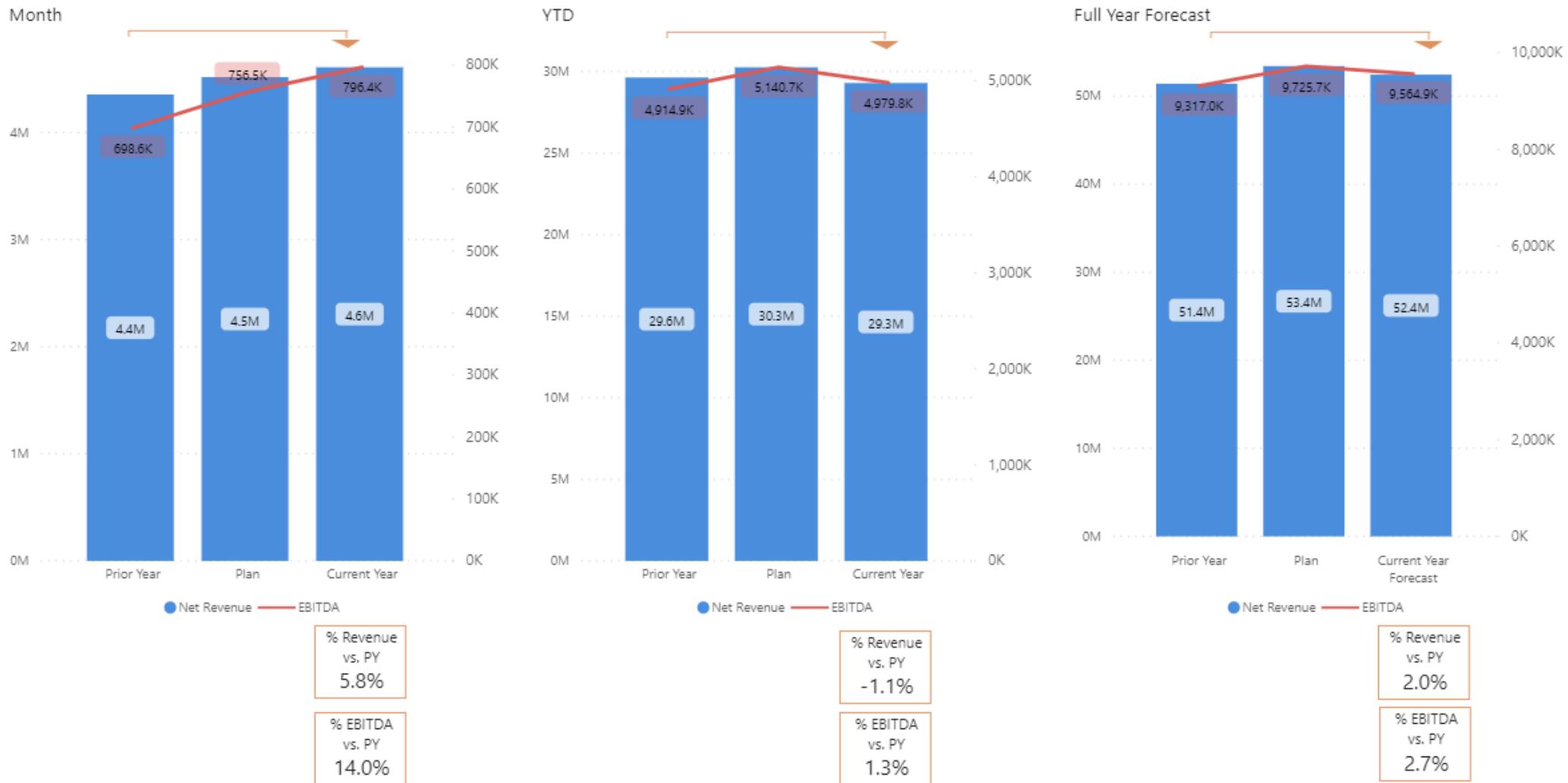
## Risks / challenges to business and plan

- POP off Plan by 30%; top tier accounts up 3% to Plan and flat to PY, other smaller accounts improving month over month
- Appliance down 13% to Plan; however, run rate of the segment improving, Whirlpool down 3% to Plan and July's order exceeded August Plan
- Industrial sales down 30% to Plan; Hennessey-Bada & Schneider strong month, overall general softness across the segment

## Other material items

- 0 safety incidents in July

# Consolidated Financial Metrics - AOP



# Consolidated Financial Metrics - Forecast



# Consolidated Financial Metrics

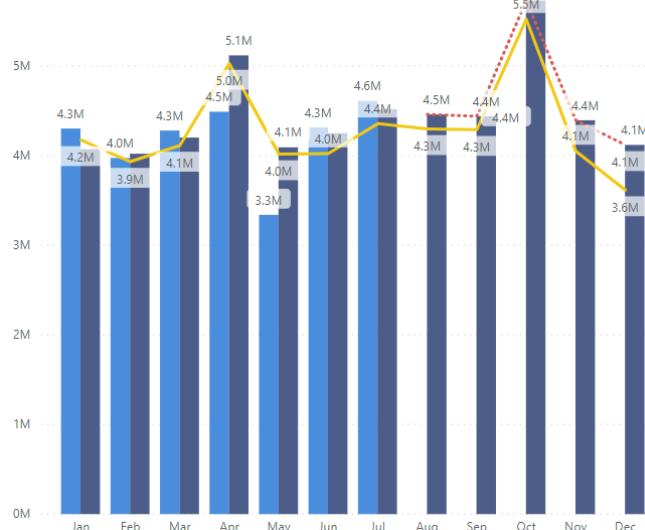
Monthly EBITDA

● Actuals ● Plan ● Prior Year ● Forecast



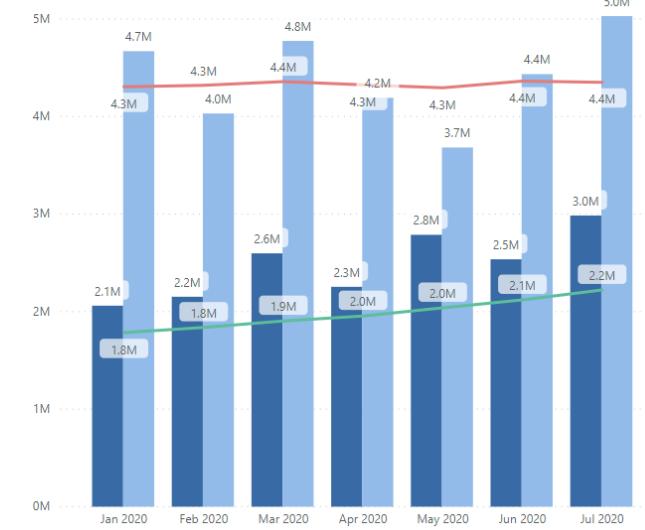
Monthly Net Revenue

● Actuals ● Plan ● Prior Year ● Forecast



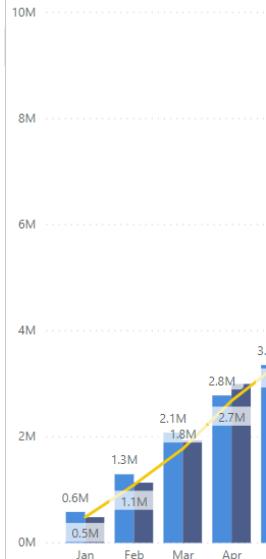
Order Intake

● Backlog ● Bookings ● TTM Avg Backlog ● TTM Avg Bookings



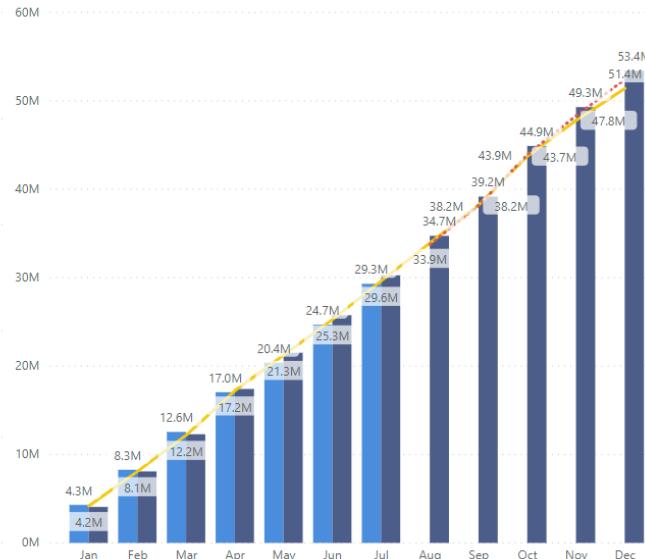
YTD EBITDA

● Actuals ● Plan ● Prior Year ● Forecast



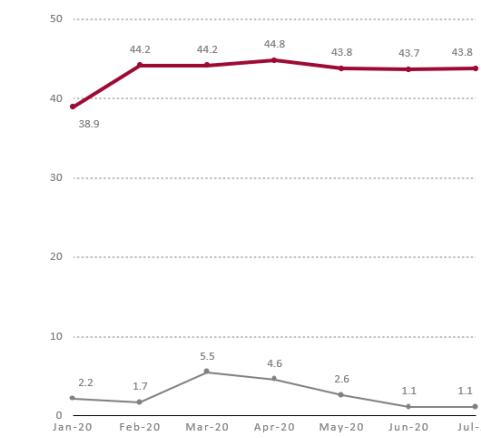
YTD Net Revenue

● Actuals ● Plan ● Prior Year ● Forecast



Liquidity

● Total Net External Debt ● Ending Cash Balance



# Carveout

## STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
IT Carveout	<span style="background-color: red; border-radius: 50%; width: 15px; height: 15px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>ERP went live on August 17</li> <li>Phone system implemented on August 18.</li> <li>Final separation will occur at the end of August when the TSA expires.</li> </ul>	Q2 2020	N/A	N/A
Ceridian/HR	<span style="background-color: #804040; border-radius: 50%; width: 15px; height: 15px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>Completed on June 26th</li> </ul>	Q2 2020	N/A	N/A
Service Centers	<span style="background-color: #804040; border-radius: 50%; width: 15px; height: 15px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>All sites exited</li> </ul>	Q2 2020	N/A	N/A
Treasury	<span style="background-color: #804040; border-radius: 50%; width: 15px; height: 15px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>Complete</li> </ul>	Q1 2020	N/A	N/A
Finance Shared Services	<span style="background-color: #804040; border-radius: 50%; width: 15px; height: 15px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>TSA ended on June 30<sup>th</sup></li> </ul>	Q2 2020	N/A	N/A

- All remaining TSAs expired at the end of June 2020.

Complete
  Just started
  On Track
  At Risk
  Behind Schedule

# Sales Team

# Revenue Review – Segment

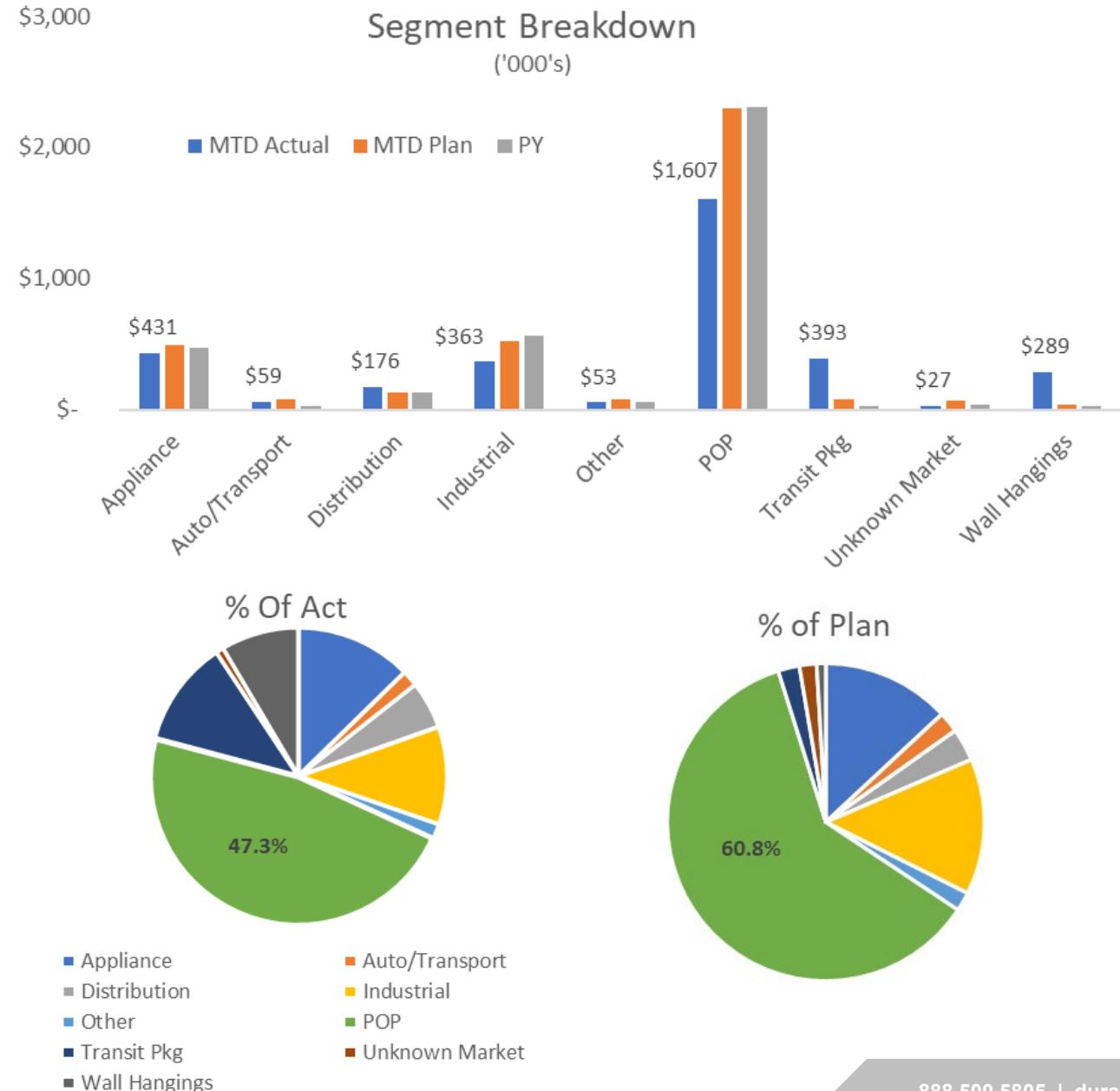
**OVERALL:** revenue down 10% vs Plan and 7% vs PY

## SEGMENT LEVEL

- Biggest Impacts:
  - POP – clear mix impact
  - Transit & Wallhangings added \$564K in uplift
- Other winners (+>50K to plan): Distribution
- Other losers (->50K to plan): Appliance

## KEY MARKET:

- POP
  - No accounts lost; all key accounts buying; volume issue
  - WestRock/Orora rebounds offset by Menasha & others
- Appliance
  - WP down, but improving
  - GE & Lafrance – strong July
- Transit Packaging
  - 4 Key Accounts – all up
  - Ampac 55% of total
- Wall Hangings
  - Mixtiles
- Distribution
  - Essentra & Atlantic Packaging



# Revenue Review – Customer Level

Spend Tier	MTD Actual ('000's)	MTD Plan	MTD v Plan	PY	MTD v PY	# of Accts	Buying Sites (YTD)	% of Total Rev
<b>1: &gt;\$250,000</b>	\$ 1,522	\$ 1,478	3%	\$ 1,522	0%	29	152	45%
<b>2: \$100,000 - \$250,000</b>	\$ 448	\$ 654	-32%	\$ 566	-21%	38	57	13%
<b>3: \$50,000 - \$100,000</b>	\$ 302	\$ 409	-26%	\$ 426	-29%	73	75	9%
<b>4: \$15,000 - \$50,000</b>	\$ 426	\$ 493	-14%	\$ 533	-20%		227	13%
<b>5: \$1,000 - \$15,000</b>	\$ 392	\$ 529	-26%	\$ 552	-29%		1,304	12%
<b>6: &lt;\$1,000</b>	\$ 93	\$ 83	12%	\$ 86	7%		3,320	3%
<b>7: New Customer LY</b>	\$ 109	\$ 137	-20%	\$ 98	11%		1,801	3%
<b>8: New Customer TY</b>	\$ 106	\$ -	n/a	\$ -	n/a		740	3%
<b>Grand Total</b>	<b>\$ 3,398</b>	<b>\$ 3,784</b>	<b>-10%</b>	<b>\$ 3,638</b>	<b>-7%</b>		<b>7,676</b>	<b>100%</b>

## ACCOUNT LEVEL

- >\$250K ahead of plan & flat to PY
  - Driven by Mixtiles & Ampac
- Tier 2 & Tier 3 driving decline vs. Plan
  - Key Growth: Display Pack, Orora, PEG, TMS
  - Key Decline: Alliance, Bradford, Extang (phasing)

## GOAL: Refined focus & engagement expectations

### TIER 1 & 2

- Outside Sales – focused call lists & account mapping
- Push for updated forecasts

### TIER 3

- Outside/Inside – call lists
- E-campaigns

### TIER 4 & 5

- Inside Sales – focused call lists

### TIER 6

- Website & Digital Engagement

# Strategic Verticals

**ROY objective:** convert assumptions into tangible results & credible 2021 expectations

	Status	Top 20 Pipeline <i>Annual value, '000's</i>	July Outcomes	August	September
Transit Packaging	Growth	\$2.125	PCA/Orora/DS Smith engaged @ high levels Tear Tape targets identified Additional Superior PKG opps	SEO Optimization PCA training	Sample Pack Completion Webcor – close or kill
Decorative - Wall Hangings - Recover/Refurbish	Explore	\$0.30	Shutterfly business won Quoting at MyPhoto Wilsonart option identified	Engage "28" target list Engage 1 DIY SEO Optimization Testing @Wilsonart	Expand engagement list
Appliance	Growth	\$1.00	Some rebound in base accounts	Advance 3 WP projects	Expand Samsung engagement
Windows & Doors	Assess	\$0	New Marvin Window opportunity quoted New brochures & marketing	Marvin Window – New opportunity closure	
RV & Trailer	Assess	\$0	Additional Insight Received (GLG) Tom Brown (company) engaged Ongoing marketing	Reengage G. Watkins Expand Distributor Network Engage REV group	Expand Distributor Network

# Top 20 Pipeline

**TOTAL PIPELINE VALUE: \$8.0MM**

**Top 20 %: 52% of Total**

## Key Points:

- Overall; +800K from June
- 2 Additions
  - 1 POP
  - 1 Industrial
- No Closures
- 1 'PO Conversion' (Shutterfly)
- 5 w/initial PO commitments
- 2020 Potential Static; Ongoing +174K
- Overall, need to improve & increase

## Top 3:

- GE: Top Loader refresh @ \$300K annual
- Bluff City: Nike DTC pkg
- Sleek Socket wall mount

Industry	#	2020 Potential	%	2020 Actual	Annual Value	% of Annual
Transit Packaging	4	\$ 170,000	32%	\$ 7,489	\$ 2,125,000	51%
Industrial	4	\$ 130,000	25%	\$ 34,500	\$ 437,000	11%
Appliance	3	\$ 130,000	25%		\$ 999,000	24%
Decorative	2	\$ 45,000	8%	\$ 18,088	\$ 300,000	7%
POP	2	\$ 35,000	7%		\$ 220,000	5%
Education	1	\$ 20,000	4%		\$ 60,000	1%
<b>Grand Total</b>	<b>16</b>	<b>\$ 530,000</b>	<b>100%</b>	<b>\$ 60,077</b>	<b>\$ 4,141,000</b>	<b>100%</b>

# General Sales Efforts

Larger-scale initiatives & specific projects beyond standard selling

	July Notes	August	September
General	CRM – Design Spec Finalized	CRM – Vendor Assessment Corporate Presentation	CRM – Vendor Selection Custom Quotes process (optimize)
Outside	Finalized Stage I Price Increase (est. 12 mos 75 – 125K uplift)  Strat Verticals – ongoing calls  Pipeline Target Set	Implement Stage I Price Increase (Team)  Strat Verticals – ongoing calls  Key Account/Opportunity Mapping	Strat Verticals – ongoing calls  Stage II Increase – finalize scope
Inside	Rippatape customer call list FastSigns corporate alignment  Churn List - Continues  Pipeline reporting finalized Lead Management Initiated	E-ARC – expanded national sales engagement  Implement Stage I Price Increase  Tier 2/Tier 3 Call Lists	Tier 2/Tier 3 Call Lists  Expanded Churn List (Lost Accounts > 3years)
Customer Care	ERP Training	Implement Stage I Price Increase  ERP Implementation	Optimize intake efficiencies

# August MOR

## FUTURE GROWTH FOCUSED

### CRM

- Status Update

### LEAD MANAGEMENT

- Initial Reporting

### PIPELINE

- Top 20 – same format
- Pipeline Targets & phasing requirements
- Overall pipeline breakdown & synopsis

### KPI'S

- Report out

# Marketing

# New Websites

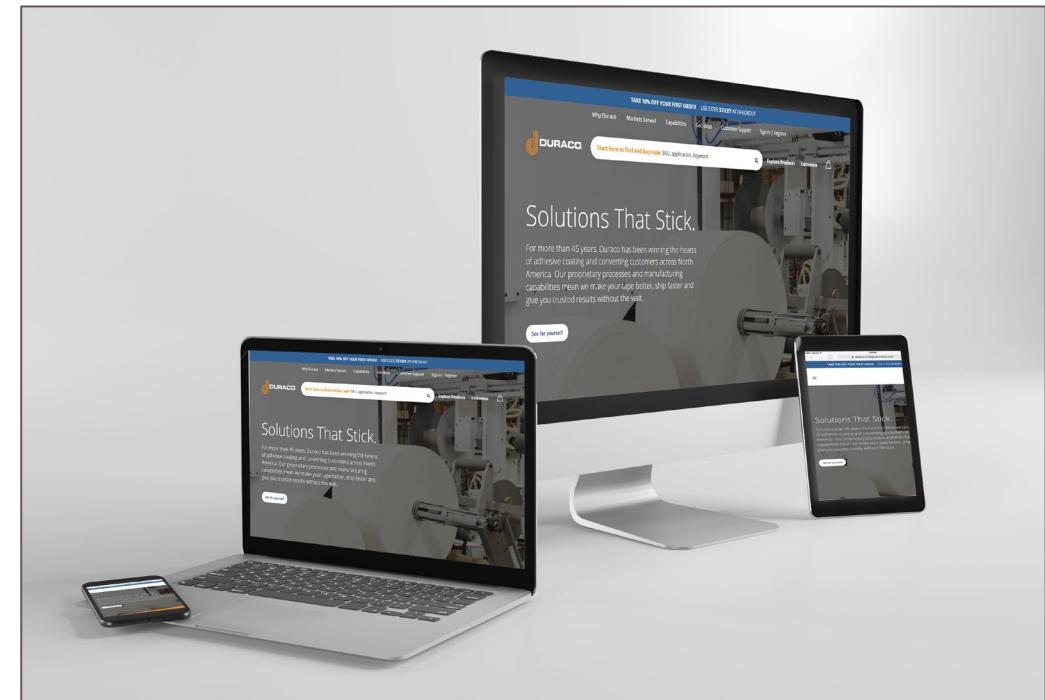
## DURACO + TEACHER'S TAPE

**New websites went live in July 2020!**

- Teacher's Tape – July 16<sup>th</sup>
- Duraco – July 24<sup>th</sup>

**Focused on driving growth**

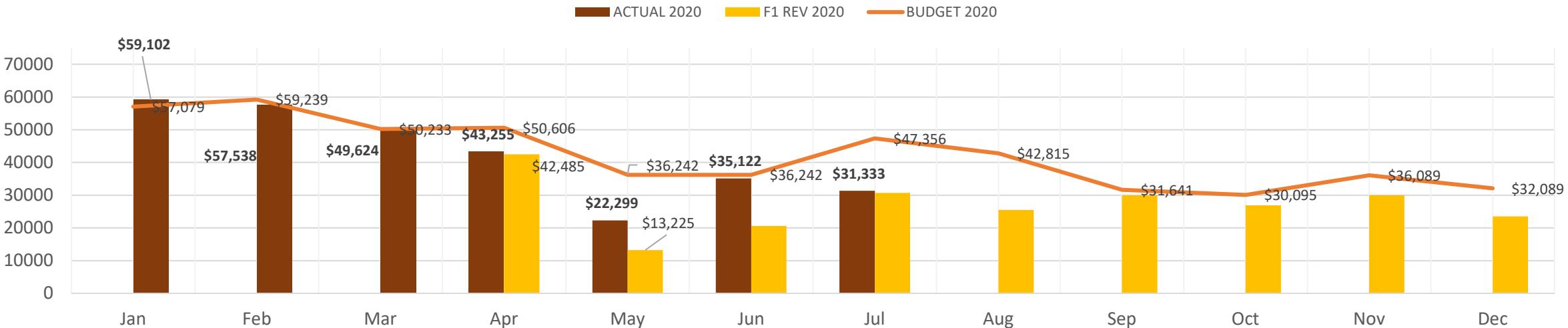
- **Centralized lead generation + customer acquisition tool**
- **Optimize Google AdWords** – deliver positive ROAS aligning campaigns with new website launch
- **Communications + Lead Generation** campaigns and marketing activations planned for our strategic markets and customers
- Utilizing Digital Third Coast to **maximize SEO strategy** – focused on key markets and applications
- **Post Launch Tasks + Monthly Maintenance**



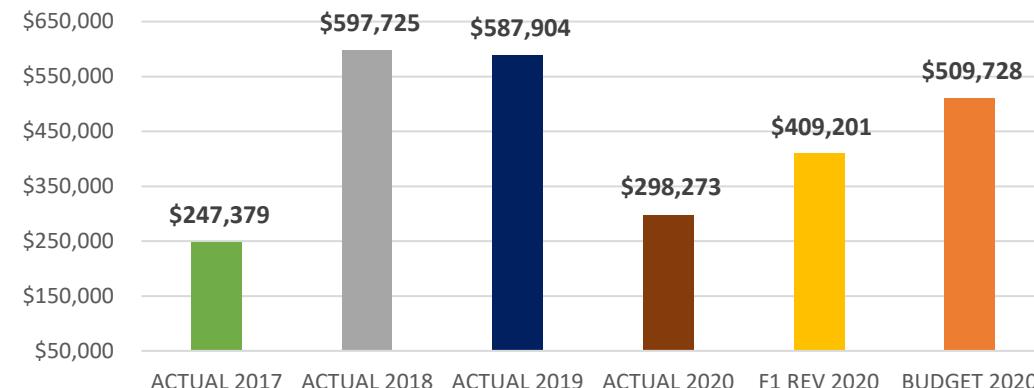
# Cost Savings

# Duraco Cost Savings 2020 – Actuals

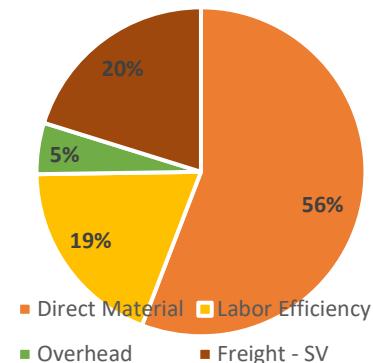
## Cost Savings Monthly Results



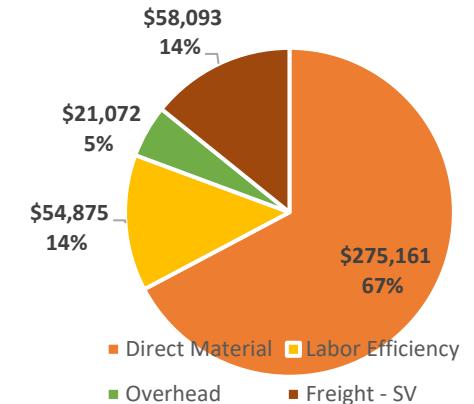
### Cost Saving Yearly Comparisson



### July COST SAVINGS



### 2020 COST SAVINGS - F1 REV



# Cost Savings Gap Budget Vs Actual (\$000)

BUDGET - \$47K	ACTUAL - \$31K DIFF (\$16K)	JULY PROJECTS THAT EXCEEDED PLAN	
REV FORECAST - \$31K			
• Volume related projects	\$5.4k	• UPS Agreement	\$2.1k
– Converter – GB	\$1.9	• Ampac GB Project	\$1.3k
– Mylar	\$1.8	• Ampac 4:1 liner	\$1.1k
– Misc	\$1.7	• Freight Savings	\$2.0k
• Project launch delay / forecast	\$12.3k		
– *Duplex Slitters	\$6.1	Total above	\$6.5k
– *10" to 20" Hybrid Rotary	\$2.5		
– Misc	\$3.7		
• Projects removed	\$4.9k		
– Freight Saving LTL-Fusion	\$2.0		
– Circle Graphics - OEE	\$1.5		
– Misc	\$1.4		
Total Miss	\$22.3k		

- \* COVID related delay at the vendor

# Appendix

# Duraco 2020 Open Roles

ROLE	STATUS
REGIONAL SALES MANAGER MIDWEST	<i>Active recruiting effort</i>
REGIONAL SALES MANAGER SOUTHEAST	<i>Matt Oberhaus starts 8/31</i>
CUSTOMER SERVICE SUPERVISOR	<i>Indefinitely deferred</i>
ASSOCIATE PRODUCT MANAGER	<i>Active recruiting effort</i>
MATERIALS SCIENTIST	<i>Active recruiting effort</i>
SENIOR PROCESS ENGINEER	<i>Active recruiting effort</i>
MACHINE OPERATOR	<i>Indefinitely deferred</i>
MACHINE OPERATOR	<i>Indefinitely deferred</i>

# Commercial and Sales

# Commercial Bowling Chart by Industry Segment

PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
<b>GROWTH</b>															
Plan Totals	\$20,692	PY	\$3,411	\$3,179	\$3,322	\$4,266	\$3,232	\$3,282	\$3,638	\$3,470	\$3,517	\$4,463	\$3,128	\$2,892	\$41,801
	\$21,021	Plan	\$3,290	\$3,231	\$3,374	\$4,332	\$3,298	\$3,496	\$3,784	\$3,614	\$3,637	\$4,654	\$3,461	\$3,302	\$43,473
	\$19,124	Fcst/Act	\$3,449	\$3,141	\$3,372	\$3,453	\$2,525	\$3,184	\$3,784	\$3,614	\$3,637	\$4,654	\$3,461	\$3,302	\$41,576
Point of Purchase	\$12,758	PY	\$2,077	\$1,947	\$2,078	\$2,646	\$2,096	\$1,913	\$2,300	\$1,980	\$2,158	\$2,913	\$1,971	\$1,714	\$25,795
	\$12,701	Plan	\$1,926	\$1,924	\$2,114	\$2,616	\$2,038	\$2,083	\$2,293	\$2,111	\$2,323	\$2,963	\$2,034	\$1,912	\$26,337
	\$10,553	Fcst/Act	\$2,080	\$1,883	\$1,662	\$1,904	\$1,319	\$1,705	\$2,293	\$2,111	\$2,323	\$2,963	\$2,034	\$1,912	\$24,189
Transit Packaging	\$217	PY	\$26	\$24	\$27	\$36	\$51	\$53	\$24	\$119	\$106	\$127	\$85	\$47	\$725
	\$531	Plan	\$79	\$83	\$81	\$90	\$82	\$116	\$83	\$96	\$94	\$101	\$97	\$113	\$1,115
	\$1,216	Fcst/Act	\$201	\$135	\$263	\$190	\$149	\$277	\$83	\$96	\$94	\$101	\$97	\$113	\$1,800
White Goods	\$2,380	PY	\$419	\$352	\$303	\$467	\$348	\$491	\$470	\$384	\$382	\$421	\$370	\$276	\$4,684
	\$2,519	Plan	\$378	\$349	\$354	\$518	\$425	\$494	\$495	\$415	\$392	\$500	\$404	\$439	\$5,164
	\$2,085	Fcst/Act	\$371	\$303	\$448	\$275	\$283	\$406	\$495	\$415	\$392	\$500	\$404	\$439	\$4,731
Industrials	\$2,845	PY	\$444	\$440	\$501	\$583	\$416	\$461	\$561	\$440	\$419	\$473	\$319	\$409	\$5,466
	\$2,887	Plan	\$497	\$491	\$471	\$525	\$429	\$473	\$524	\$486	\$441	\$519	\$409	\$457	\$5,723
	\$2,204	Fcst/Act	\$364	\$340	\$397	\$491	\$303	\$309	\$524	\$486	\$441	\$519	\$409	\$457	\$5,041
Distributors	\$1,068	PY	\$131	\$183	\$137	\$300	\$177	\$140	\$125	\$231	\$227	\$160	\$95	\$124	\$2,030
	\$964	Plan	\$112	\$153	\$130	\$276	\$171	\$121	\$125	\$223	\$148	\$237	\$145	\$131	\$1,972
	\$1,207	Fcst/Act	\$219	\$141	\$184	\$156	\$228	\$278	\$125	\$223	\$148	\$237	\$145	\$131	\$2,216
Wall Hangings	\$271	PY	\$110	\$35	\$84	\$27	\$2	\$11	\$24	\$73	\$67	\$147	\$137	\$156	\$875
	\$347	Plan	\$89	\$57	\$46	\$100	\$25	\$30	\$35	\$95	\$77	\$141	\$163	\$67	\$925
	\$861	Fcst/Act	\$41	\$221	\$290	\$36	\$177	\$96	\$35	\$95	\$77	\$141	\$163	\$67	\$1,439
Other	\$745	PY	\$127	\$121	\$130	\$123	\$95	\$149	\$85	\$170	\$104	\$146	\$110	\$113	\$1,473
	\$674	Plan	\$131	\$111	\$115	\$126	\$80	\$111	\$154	\$125	\$108	\$137	\$154	\$151	\$1,503
	\$522	Fcst/Act	\$128	\$66	\$93	\$92	\$51	\$93	\$154	\$125	\$108	\$137	\$154	\$151	\$1,350
Unknown	\$407	PY	\$75	\$76	\$62	\$84	\$48	\$62	\$50	\$72	\$55	\$76	\$41	\$52	\$754
	\$400	Plan	\$78	\$62	\$63	\$80	\$49	\$68	\$75	\$63	\$54	\$54	\$56	\$32	\$734
	\$498	Fcst/Act	\$46	\$51	\$35	\$309	\$22	\$35	\$75	\$63	\$54	\$54	\$56	\$32	\$832



# Top Customers by MTD and YTD Sales and GVA

Parent Customer (Industry)	Current Month Sales	Current Month Plan	Month % of Plan	PY Month Sales	MoM % Change	Current Month GVA %	PY Month GVA %	Current Year Sales	Current Year Plan	YTD % of Plan	Prior Year Sales	YoY % Change	Current Year GVA %	Prior Year GVA %
Mixtiles (Wall Hangings)	272,960	16,183	1687%	12,934	2010.4%	80.1%	86.5%	950,432	248,139	87%	217,071	337.8%	80.4%	83.0%
Whirlpool (Appliance)	242,316	250,019	97%	273,508	-11.4%	46.8%	51.7%	1,325,373	1,669,146	103%	1,717,749	-22.8%	47.9%	44.8%
Ampac (Transit Packaging)	217,737	38,500	566%	18,570	1072.5%	39.5%	56.0%	961,904	269,500	65%	176,101	446.2%	40.8%	56.3%
WestRock (POP)	99,333	95,419	104%	97,988	1.4%	79.0%	73.6%	663,441	530,327	100%	528,984	25.4%	77.2%	74.4%
GE Appliances (Appliance)	93,943	91,987	102%	15,062	523.7%	40.1%	38.8%	307,199	387,838	27%	105,556	191.0%	38.9%	46.3%
Circle Graphics (POP)	84,167	92,052	91%	68,998	22.0%	72.4%	75.2%	530,480	244,265	79%	191,974	176.3%	73.2%	74.0%
TMS TECHNICAL MACHINERY SOLUTIONS (Transit Packaging)	71,924	30,000	240%	0	Infinity	43.7%	NaN	303,256	210,000	0%	0	Infinity	43.7%	NaN
RR Donnelley (POP)	70,198	96,708	73%	93,880	-25.2%	67.2%	69.8%	350,337	544,619	98%	532,653	-34.2%	71.3%	71.0%
Essentra (Distribution)	68,796	33,727	204%	137,569	-50.0%	54.3%	50.8%	751,078	460,299	145%	667,362	12.5%	54.1%	53.5%
Menasha (POP)	59,335	117,945	50%	107,890	-45.0%	75.0%	74.3%	481,710	681,163	95%	649,111	-25.8%	73.9%	73.2%
Hennessy Industries - Bada (Automotive & Transport)	56,569	41,673	136%	15,508	264.8%	62.6%	60.4%	235,829	258,371	90%	231,796	1.7%	62.2%	61.0%
Imagine Print Solutions (POP)	52,055	89,599	58%	60,744	-14.3%	80.7%	81.5%	355,150	550,983	94%	520,570	-31.8%	80.7%	81.3%
GP Corrugated Tolleson AZ (Transit Packaging)	44,939		Infinity	0	Infinity	45.3%	NaN	104,857		NaN	0	Infinity	45.3%	NaN
SCHNEIDER ELECTRIC MEXICO S.A. de C.V. (Industrial)	43,029	22,138	194%	16,643	158.5%	67.9%	62.7%	183,801	137,258	107%	146,983	25.0%	65.7%	64.3%
BLUFF CITY PACKAGING (Transit Packaging)	40,155	0	Infinity	0	Infinity	56.4%	NaN	82,329	4,527	94%	4,271	1827.6%	57.0%	75.1%
La France Corporation (Appliance)	38,076	35,000	109%	36,460	4.4%	70.2%	71.2%	387,032	220,000	121%	265,646	45.7%	69.7%	70.1%
Rapid Display (POP)	37,032	30,861	120%	18,508	100.1%	80.6%	81.1%	183,052	255,115	94%	238,714	-23.3%	82.2%	76.1%
Flower City Printing Company (POP)	31,022	32,000	97%	50,035	-38.0%	78.1%	80.8%	198,273	224,000	90%	201,066	-1.4%	75.6%	77.3%
Orora Visual (POP)	30,076	17,282	174%	5,182	480.4%	80.4%	70.8%	61,637	80,647	83%	66,766	-7.7%	80.2%	78.9%
Semasy Incorporated (POP)	27,695	0	Infinity	0	Infinity	69.4%	-Infinity	44,881	12,521	98%	12,327	264.1%	69.4%	68.9%
Sifftron (POP)	26,536	40,000	66%	25,723	3.2%	77.7%	66.6%	349,732	244,000	94%	228,824	52.8%	75.5%	70.0%
Peg Displays LLC (POP)	26,212	14,412	182%	15,735	66.6%	82.8%	81.2%	65,131	60,671	104%	63,033	3.3%	82.0%	78.7%
ATLANTIC PACKAGING (Distribution)	25,833	5,645	458%	2,224	1061.5%	76.0%	92.0%	137,469	200,223	90%	179,241	-23.3%	74.9%	73.6%
Serigraph Incorporated (POP)	23,973	34,144	70%	37,246	-35.6%	76.3%	77.1%	136,731	204,866	99%	203,011	-32.6%	77.1%	77.2%
Disp Pack (POP)	21,781	8,511	256%	9,293	134.4%	85.0%	83.2%	46,196	46,626	102%	47,356	-2.4%	84.9%	83.4%
PCA Corporation (POP)	20,822	66,173	31%	71,638	-70.9%	85.1%	83.8%	184,140	312,577	125%	391,653	-53.0%	84.9%	84.1%
International Paper (POP)	18,732	12,586	149%	22,298	-16.0%	71.5%	80.0%	61,149	69,224	130%	89,962	-32.0%	77.5%	80.5%
Central Package & Display (POP)	18,216	18,033	101%	19,688	-7.5%	72.9%	76.2%	54,538	77,152	101%	77,862	-30.0%	72.8%	76.0%
Chief Container (POP)	17,913	15,528	115%	27,015	-33.7%	74.8%	73.1%	63,112	70,394	121%	85,135	-25.9%	77.7%	74.3%
Stoughton Trailers Incorporated (Industrial)	17,881	26,390	68%	24,889	-28.2%	44.6%	42.6%	99,736	163,618	101%	165,664	-39.8%	39.9%	41.4%
Hatteras Press (POP)	16,083	7,038	229%	7,684	109.3%	68.7%	80.0%	159,630	35,970	102%	36,834	333.4%	70.9%	78.6%
Alliance Laundry Systems LLC (Appliance)	15,963	33,869	47%	24,526	-34.9%	60.1%	65.4%	152,198	209,987	94%	197,053	-22.8%	64.3%	64.8%
Adheco (POP)	15,897	5,408	294%	5,407	194.0%	84.7%	84.4%	40,539	25,453	96%	24,318	66.7%	84.8%	83.4%
QUAD GRAPHICS NEW BERLIN (POP)	15,693	23,326	67%	16,685	-5.9%	72.9%	71.3%	211,017	182,717	74%	135,403	55.8%	74.7%	78.8%
Winner Cutting And Stamping (Industrial)	15,594	8,045	194%	7,582	105.7%	77.7%	67.8%	57,957	92,544	91%	84,106	-31.1%	71.4%	69.0%
Gulf Atlantic Packaging Corp (Distribution)	15,591	21,379	73%	23,341	-33.2%	76.0%	75.0%	111,872	67,874	103%	69,910	60.0%	74.6%	75.0%
<b>Total</b>	<b>3,397,592</b>	<b>3,784,284</b>	<b>90%</b>	<b>3,638,252</b>	<b>-6.6%</b>	<b>68.3%</b>	<b>69.3%</b>	<b>22,549,642</b>	<b>24,805,761</b>	<b>98%</b>	<b>24,330,140</b>	<b>-7.3%</b>	<b>69.6%</b>	<b>70.0%</b>

# YTD Sales and YTD GVA

Customer Industry	Current Year Sales	Prior Year Sales	YoY \$ Change	YoY % Change	Current Year Plan	YTD Plan % Change	Current Year GVA	Prior Year GVA	YoY Change in GVA	Current Year GVA %	Prior Year GVA %	YoY GVA % Change
Appliance	2.52M	2.85M	(\$0.33M)	-11.7%	3.01M	-5.4%	1.33M	1.48M	(\$0.15M)	52.9%	51.9%	1.0%
Automotive & Transport	0.32M	0.39M	(\$0.07M)	-17.0%	0.47M	-16.5%	0.21M	0.25M	(\$0.04M)	65.1%	63.6%	1.4%
Distribution	1.38M	1.20M	\$0.18M	15.5%	1.09M	9.4%	0.86M	0.72M	\$0.14M	62.3%	60.3%	2.0%
Industrial	2.55M	3.40M	(\$0.85M)	-25.0%	3.41M	-0.1%	1.70M	2.13M	(\$0.43M)	66.7%	62.7%	4.0%
Other	0.63M	0.44M	\$0.18M	41.6%	0.36M	21.8%	0.50M	0.37M	\$0.13M	79.8%	83.0%	-3.3%
POP	8.87M	11.21M	(\$2.34M)	-20.9%	11.02M	1.7%	6.73M	8.41M	(\$1.68M)	75.9%	75.1%	0.9%
POP (Top 10)	3.31M	3.87M	(\$0.56M)	-14.5%	4.00M	-3.2%	2.53M	2.93M	(\$0.40M)	76.4%	75.7%	0.7%
Transit Packaging	1.61M	0.24M	\$1.37M	569.2%	0.61M	-60.8%	0.70M	0.12M	\$0.58M	43.7%	51.8%	-8.2%
Unknown Market	0.21M	0.43M	(\$0.22M)	-51.6%	0.45M	-3.3%	0.18M	0.37M	(\$0.19M)	85.4%	85.1%	0.3%
Wall Hangings	1.15M	0.29M	\$0.85M	289.9%	0.38M	-22.8%	0.94M	0.25M	\$0.69M	81.6%	84.5%	-2.9%
<b>Total</b>	<b>22.55M</b>	<b>24.33M</b>	<b>(\$1.78M)</b>	<b>-7.3%</b>	<b>24.81M</b>	<b>-1.9%</b>	<b>15.69M</b>	<b>17.04M</b>	<b>(\$1.35M)</b>	<b>69.6%</b>	<b>70.0%</b>	<b>-0.5%</b>

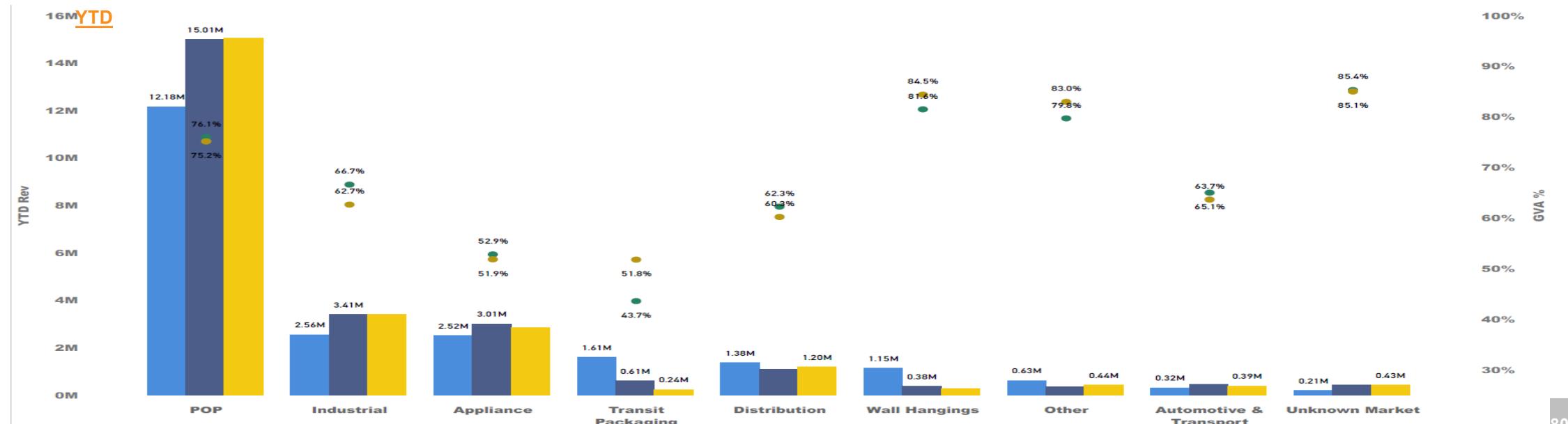
POP (Top 10)
Circle Graphics
Freeman
Great Northern Corporation
Imagine Print Solutions
Menasha
PCA Corporation
Rapid Display
RR Donnelley
Siftron
Westrock



# Revenue by Customer Segment

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

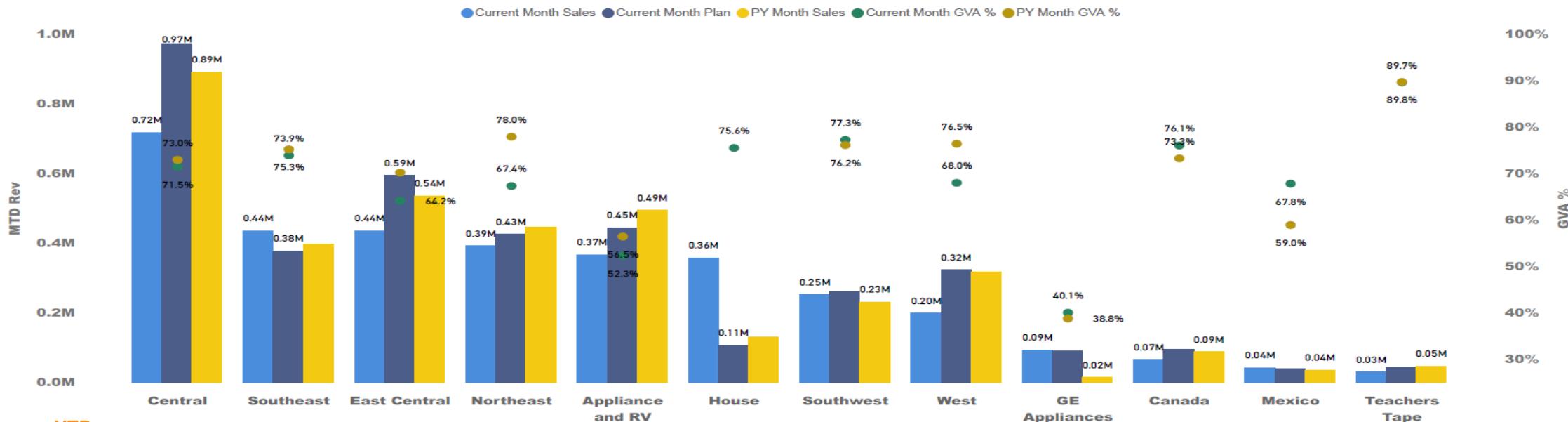
● Current Month Sales ● Current Month Plan ● PY Month Sales ● Current Month GVA % ● PY Month GVA %



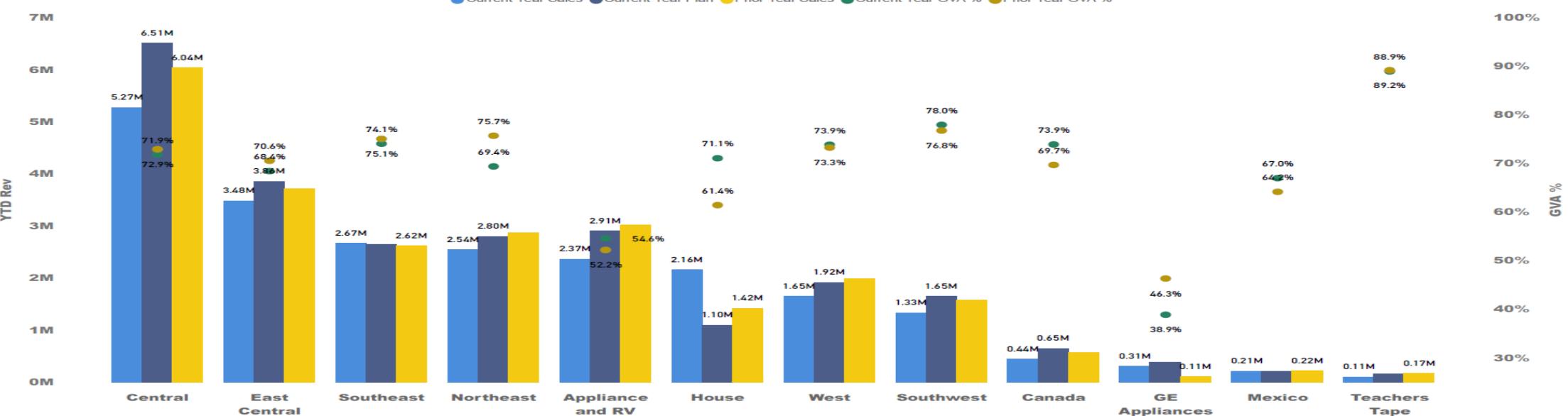
# Revenue by Region

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

July



YTD

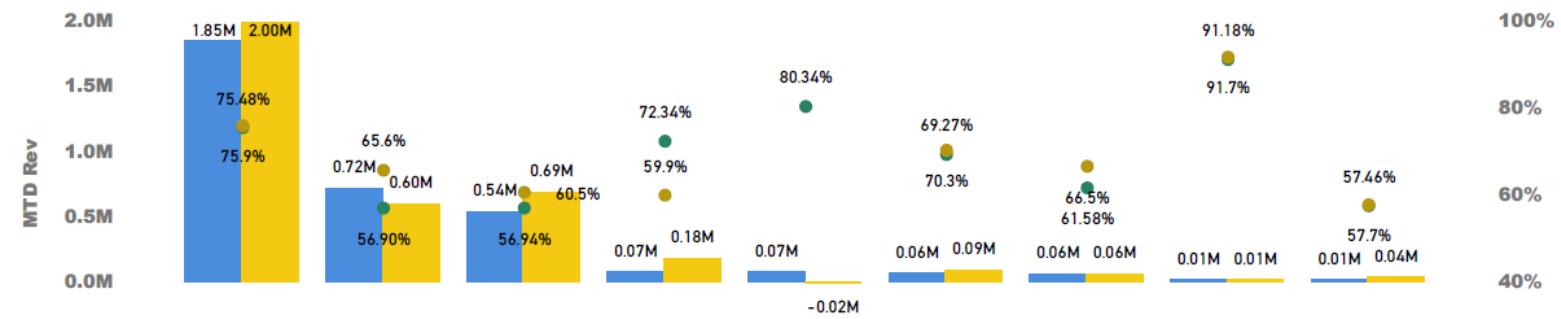


# Revenue by Product Category

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

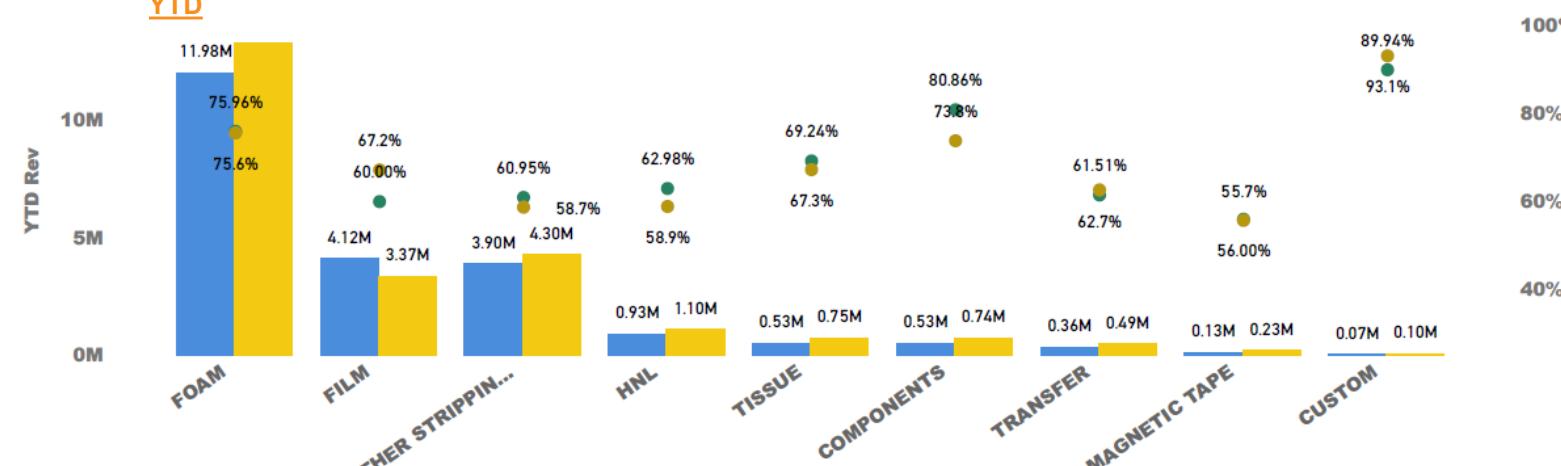
July

● Current Month Sales ● PY Month Sales ● Current Month GVA % ● PY Month GVA %



YTD

● Current Year Sales ● Prior Year Sales ● Current Year GVA % ● Prior Year GVA %



## Management Discussion:

HNL continued its 2020 slide, being down \$166k, MoM. This decrease was led by :

- Bradford Company – Down \$25k
  - Lost to competitive situation out of California. Belief is that it is a product being sourced from Asia.
- Fresh Products LLC – Down \$9k
- Associated Packaging Statesville – Down \$8k
- Beginning review of pricing structure, based on competition.
  - 4481 – Developed in 2019 as part of the packaging industry initiative and expected to match last year's sales by end of Q1

Remo One saw the largest MoM increase of all product groups, being up \$282k. This is led

- Mixtiles – Up \$262k
- Orora Visual – Up \$18k
- Tailored Label – Up \$14k **New business**
- Product line is one which has seen increased Marketing focus in 2020 along with increased focus on Wall Hangings.
- Also looking at beginning development of new product that provides additional repositionability.

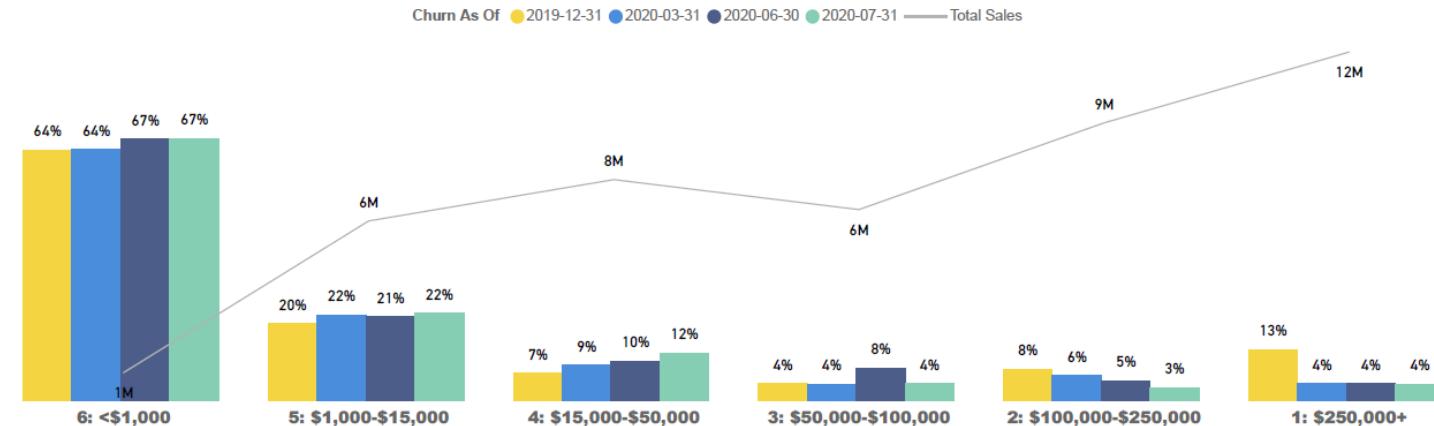
Film product line continues its MoM growth, being up \$728k. This is being led by:

- Ampac – Up \$202k
- TMS – Up \$72k
- Bluff City – Up \$37k
- Continued focus on Transit Packaging vertical is seeing progress.
  - 4481 – Up \$177k
  - Tear Tape – Up \$113k
  - 4581 – Up \$54k
- Also commercially launching DK Film Hi-Tack Acrylic 4.5 in August as competition to 3M products in Industrial verticals.

# Customer Churn

*Defined as customers with a trailing 12-month product revenue is less than 10% of the 12-24 month product revenue, excluding Teachers Tapes (B2C channel)*

## % of Customers Churned



## Management Discussion:

### Strategic initiative, working to improve churn rate for <\$50k accounts

- Duraco to improve our online ordering process with a new website (launched July 2020!)
- Marketing building reengagement campaign to incent customers back to Duraco through combination of digital and direct mail campaigns
- Inside Sales to directly engage with Churn to win back business
- Outside sales to support Inside Sales when larger opportunities are identified, or to win back customers
- Tracking month activities (Bowler)

### Details:

#### Customers \$250k+ (1 accounts)

- Paroc – stopped ordering due to tape specifications

#### Customers \$100k - \$250k (2 accounts)

- Essentra Nottingham - ceased operations end of 2019.
- Bergmann Group – business moved to Metallon

#### Customers \$50k - \$100k (4 accounts)

- Undercover – foam tape business lost to competitor
- PCA of America – large Duraco Red project not repeat
- Two duplicate customers (from Essentra Canada)

#### Customers \$15k - \$50k (33 accounts)

- All churn customers \$1-50k are sent to inside sales for immediate action. This is now actively managed on the new executive and sales report

#### Customers \$1k - \$15k (317 accounts)

- All churn customers \$1-50k are sent to inside sales for immediate action. This is now actively managed on the new executive and sales report

#### Customers under \$1k (2931 accounts)

- Churn is relatively flat and will be reduced with focused digital marketing campaigns and user-friendly website

# 2020 Commercial KPIs

# DURACO Sales Dashboard

Date Range

1/1/2020

7/31/2020

Industry

All

Territory

All

Sales Tier

All

Account Classification

All

As of  
07/31% of Month  
97%MTD Sales  
\$3.40MPY MTD Sales  
\$3.24MMonth Plan  
\$3.78MYTD Sales  
\$22.55MPY YTD Sales  
\$23.93MYTD Plan  
\$24.81M

156.9K 4.8% -386....-10.2%

-1.4M -5.8% -2.3M -9.1%

## Segment

Industry	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %	YTD Sales
POP	\$1,606,986.76	\$2,305,291	-30.3%	\$2,112,908.51	-23.9%	\$12,175,135.
Appliance	\$430,941.93	\$495,005	-12.9%	\$409,672.48	5.2%	\$2,517,822.
Transit Packaging	\$392,751.95	\$94,276	316.6%	\$23,600.40	1564.2%	\$1,608,627.
Industrial	\$363,494.80	\$513,787	-29.3%	\$475,192.28	-23.5%	\$2,557,028.
Wall Hangings	\$289,033.13	\$35,360	717.4%	\$23,653.13	1122.0%	\$1,149,727.
Distribution	\$175,858.87	\$109,239	61.0%	\$96,215.46	82.8%	\$1,380,191.
Automotive & Transport	\$58,581.52	\$80,639	-27.4%	\$26,042.86	124.9%	\$324,067.
Other	\$52,627.57	\$73,237	-28.1%	\$37,574.08	40.1%	\$626,800.
Unknown Market	\$27,315.33	\$77,450	-64.7%	\$35,783.41	-23.7%	\$210,241.
Total	\$3,397,591.86	\$3,784,284	-10.2%	\$3,240,642.61	4.8%	\$22,549,641. <sup>IV</sup>

## Territory

Territory	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %
Appliance and RV	\$367,806.74	\$443,594	-17.1%	\$427,966.54	-14.
Canada	\$66,498.57	\$96,123	-30.8%	\$77,917.87	-14.
Central	\$718,779.82	\$947,752	-24.2%	\$806,312.72	-10.
East Central	\$435,823.38	\$596,451	-26.9%	\$495,041.09	-12.
GE Appliances	\$93,943.07	\$91,987	2.1%	\$15,062.06	523.
House	\$358,617.16	\$111,108	222.8%	\$91,252.43	293.
Mexico	\$43,331.15	\$22,629	91.5%	\$36,843.49	17.
Northeast	\$393,415.28	\$421,492	-6.7%	\$414,096.53	-5.
Southeast	\$435,974.51	\$398,196	9.5%	\$358,533.53	21.
Total	\$3,397,591.86	\$3,784,284	-10.2%	\$3,240,642.61	4.8%

## Customers

Customer Name	Acct Number	MTD Sales	Month Plan	MTD Plan Δ %	PY A
Whirlpool Corporation - Clyde	1	\$124,227.57	\$116,245	6.9%	
Westrock Merchandising Displays	2	\$97,477.53	\$93,781	3.9%	
Circle Graphics	2	\$84,167.16	\$92,052	-8.6%	
GE Appliances	1	\$93,943.07	\$91,987	2.1%	
Imagine Print Solutions	1	\$35,130.68	\$75,986	-53.8%	
Whirlpool Corporation - Marion	1	\$56,262.51	\$71,294	-21.1%	
RR DONNELLEY - CUDAHY	1	\$59,844.96	\$68,214	-12.3%	
<b>Total</b>	32246	<b>\$3,397,591.86</b>	<b>\$3,784,284</b>	<b>-10.2%</b>	<b>\$22,549,641.<sup>IV</sup></b>

## Products

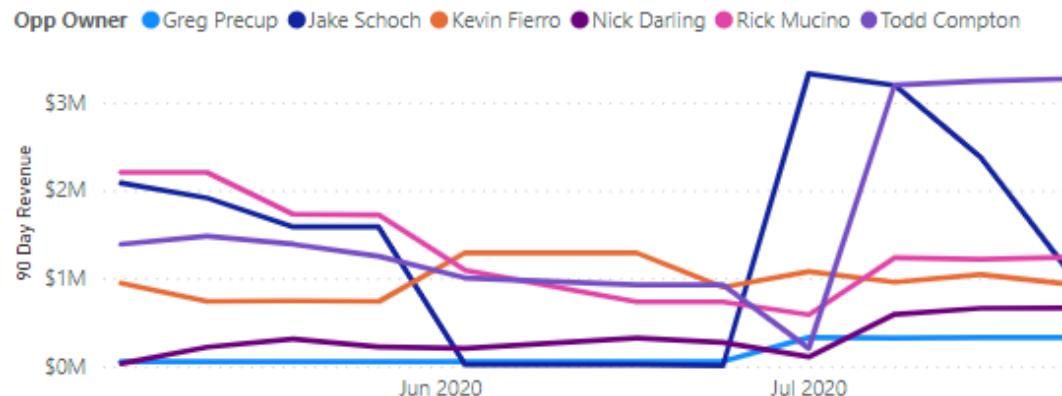
Product Family	MTD Sales	PY MTD	MTD Δ %	YTD
FOAM	\$1,853,252.01	\$1,795,760.17	3.2%	\$11,979,729.9
FILM	\$718,157.60	\$512,459.56	40.1%	\$4,119,109.6
WEATHER STRIPPING & GASKET	\$537,580.90	\$629,854.75	-14.7%	\$3,902,381.8
HNL	\$73,315.25	\$159,183.21	-53.9%	\$930,911.4
COMPONENTS	\$71,873.69	(\$31,820.39)	-325.9%	\$526,134.9
TISSUE	\$62,356.09	\$83,804.51	-25.6%	\$530,780.9
TRANSFER	\$58,451.98	\$51,241.37	14.1%	\$363,179.2
CUSTOM	\$12,004.80	\$10,302.20	24.7%	\$66,406.5
<b>Total</b>	<b>\$3,397,591.86</b>	<b>\$3,240,642.61</b>	<b>4.8%</b>	<b>\$22,549,641.<sup>IV</sup></b>



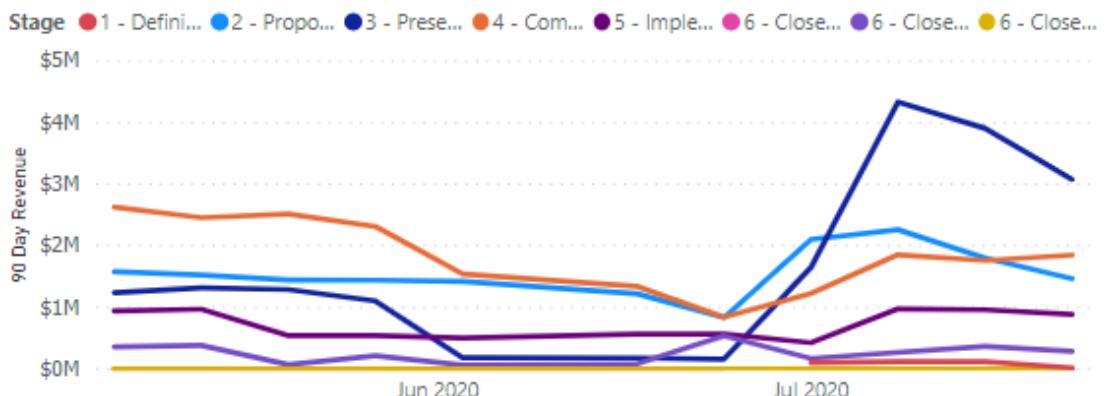
# DURACO Historical Pipeline Analysis

Date Range  
1/1/2019 | 7/31/2020

## 90 Day Revenue by Date and Opp Owner



## 90 Day Revenue by Date and Stage



Date	Greg Precup	Jake Schoch	Kevin Fierro	Nick Darling	Rick Mucino	Todd Compton	Total
5/6/20	\$62,250.00	\$2,092,606.00	\$955,000.00	\$38,500.00	\$2,213,000.00	\$1,396,000.00	<b>\$6,757,356.00</b>
5/13/20	\$62,250.00	\$1,920,640.00	\$746,000.00	\$226,500.00	\$2,213,000.00	\$1,488,000.00	<b>\$6,656,390.00</b>
5/20/20	\$62,250.00	\$1,592,819.00	\$753,000.00	\$319,000.00	\$1,738,000.00	\$1,397,000.00	<b>\$5,862,069.00</b>
5/27/20	\$62,250.00	\$1,592,819.00	\$747,000.00	\$228,000.00	\$1,728,000.00	\$1,260,000.00	<b>\$5,618,069.00</b>
6/3/20	\$62,250.00	\$28,650.00	\$1,298,000.00	\$210,000.00	\$1,100,000.00	\$1,014,000.00	<b>\$3,712,900.00</b>
6/17/20	\$62,250.00	\$28,650.00	\$1,298,000.00	\$328,000.00	\$741,000.00	\$933,000.00	<b>\$3,390,900.00</b>
6/24/20	\$62,250.00	\$15,000.00	\$908,000.00	\$278,000.00	\$741,000.00	\$933,000.00	<b>\$2,937,250.00</b>
7/1/20	\$334,541.00	\$3,337,270.00	\$1,085,000.00	\$115,500.00	\$595,000.00	\$213,000.00	<b>\$5,680,311.00</b>
7/8/20	\$331,200.00	\$3,205,201.00	\$965,000.00	\$600,000.00	\$1,241,000.00	\$3,208,000.00	<b>\$9,550,401.00</b>
7/15/20	\$334,541.00	\$2,387,312.00	\$1,052,000.00	\$667,500.00	\$1,226,000.00	\$3,253,000.00	<b>\$8,920,353.00</b>
7/22/20	\$334,541.00	\$1,117,626.00	\$945,000.00	\$672,500.00	\$1,246,000.00	\$3,277,000.00	<b>\$7,592,667.00</b>
<b>Total</b>	<b>\$1,770,573.00</b>	<b>\$17,318,593.00</b>	<b>\$10,752,000.00</b>	<b>\$3,683,500.00</b>	<b>\$14,782,000.00</b>	<b>\$18,372,000.00</b>	<b>\$66,678,666.00</b>





# Inside Sales: Manager Report

Date Range

1/1/2020

7/31/2020

Inside Sales Rep

All

Avg Customer Actions

**33.4**

Target: 50/week

% Outbound Actions

**53.6%**

Target: 50%

Avg Samples Sent

**2.7**

Target: 3/week

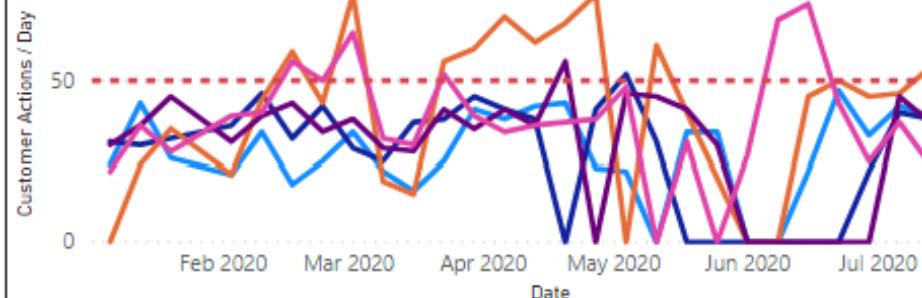
Avg RSM Engagements

**1.9**

Target: 1/week

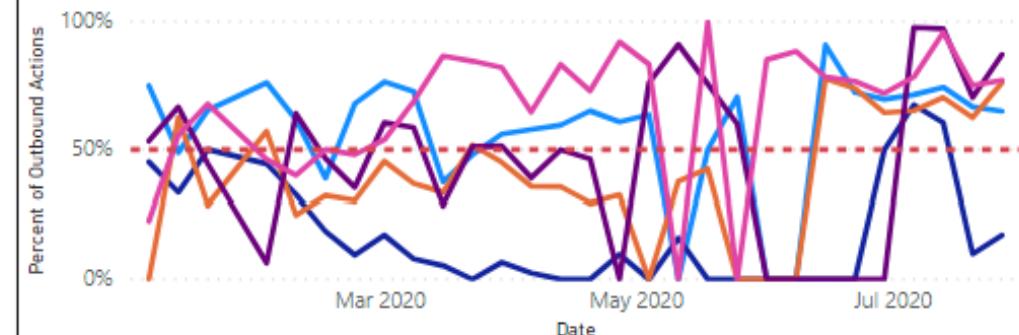
## Customer Actions

Team\_Member ● Joe ● Rachel ● Renee ● Rob ● Walt



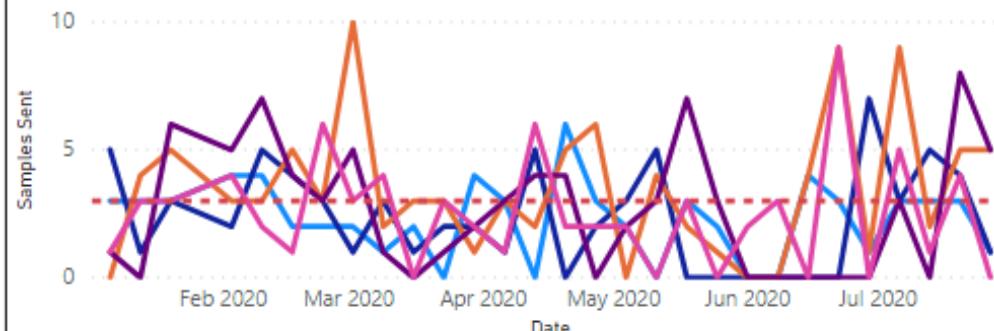
## Percent of Outbound Actions

Team\_Member ● Joe ● Rachel ● Renee ● Rob ● Walt



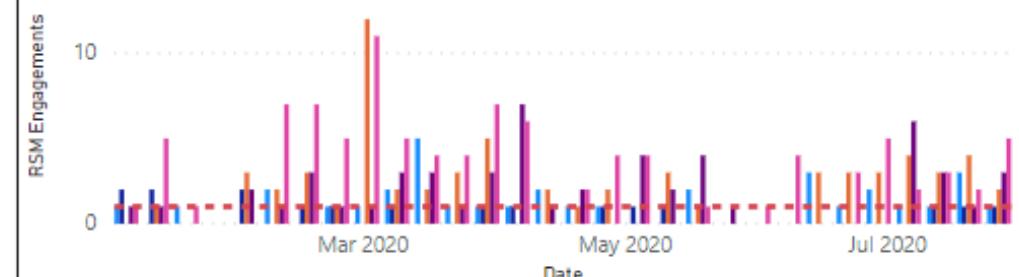
## Samples Sent

Team\_Member ● Joe ● Rachel ● Renee ● Rob ● Walt



## RSM Engagements

Team\_Member ● Joe ● Rachel ● Renee ● Rob ● Walt





## Churned Customers

Date Range  
1/1/2020 7/31/2020

Industry  
All ▾

Territory  
All ▾

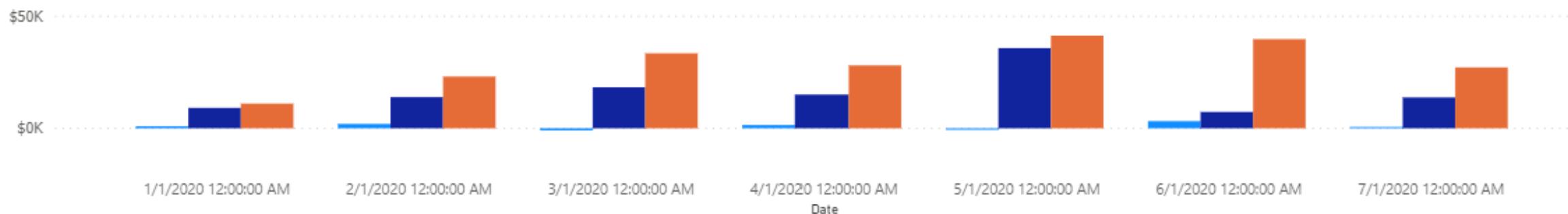
Sales Tier  
All ▾

Account Classification  
All ▾

As of	MTD All Churners	YTD All Churners	2019 Sales	2018 Sales	2019 Churned Sales	2020 Target	2020 Quota	Savings to Quota
07/31	\$27.19K	\$113.35K	\$16.96K	\$1.56M	(\$1.54M)	\$140K	\$157K	\$47K

### Sales From Churners

● 2019 Sales from Churned List ● 2020 Sales from Churned List ● 2020 Sales All Churners





## Share of Wallet: New Customers

Date Range	1/1/2020	7/31/2020	Sales Tier Filter	All	Industry	All	Territory	All	Account Classification	All
As of <b>07/31</b>			MTD Sales 2020 New <b>\$106.37K</b>	2019 MTD New Cust Sales <b>\$89.72K</b>			YTD Sales 2020 New <b>\$740.90K</b>	2019 YTD New Cust Sales <b>\$370.03K</b>		
					19%				100%	
			MTD New Accounts <b>174</b>	2019 MTD New Accounts <b>145</b>	20%		YTD New Accounts <b>780</b>	2019 YTD New Accounts <b>1137</b>		-31%

### 2020 New Customer Sales vs 2019



### 2020 New Customer Accounts vs 2019



Customer Name	Acct Number	Industry	Sales Tie
TMS TECHNICAL MACHINERY SOLUTIONS	61006789	Transit Packaging	7: New C
Key Interiors	61007015	Other	8: New C
GP Corrugated Tolleson AZ	61006967	Transit Packaging	8: New C
TEMA NORTH AMERICA LLC	66003306	Industrial	7: New C
RAMCEL	61007020	Other	8: New C
Cellofoam North America Inc	66003130	Industrial	7: New C
El Paso Paper Box	67001129	Transit Packaging	7: New C
HSC	61006860	Distribution	7: New C
Metallon	61006851	Industrial	7: New C
Shutterfly	61007048	Wall Hangings	8: New C
KD Services	61006798	Transit Packaging	7: New C
Party City Inc	62012543	POP	7: New C
COLORTECH GRAPHICS	61006892	POP	8: New C
Tailored Label	61007057	Distribution	8: New C
Traylor-Aecon General Partnership	61007054	Industrial	8: New C
Octa Inc.	62013085	Industrial	7: New C
<b>Total</b>			



# Marketing & Product Management Overview

# Marketing Measurement

## KEY ELEMENTS/STAGES WHERE MARKETING HELPS TO DRIVE BUSINESS/REVENUE

*New Website Launch														
Top Level Bowling Chart	# of Days	22	20	20	24	19	22	22	20	19	25	18	22	253
	COVID-19													
KPI		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
Awareness														
Total Website Visitors	PY	12,767	11,645	12,418	12,118	13,021	13,560	13,040	12,110	11,160	11,867	11,478	10,000	145,184
	Fcst/Act	11,237	31,369	44,341	8,777	6,870	5,651	4,496	12,110	11,160	11,867	11,478	10,000	169,356
New Website Users	PY	11,863	10,645	11,380	11,150	12,031	12,691	12,190	11,159	10,249	10,902	10,696	5,869	130,825
	Fcst/Act	9,549	11,275	39,494	8,391	5,148	5,035	3,901	11,159	10,249	10,902	10,696	5,869	131,668
Web Pages Visited Per Session	PY	4	4	4	4	4	3	4	4	4	4	3	4	3.72
	Fcst/Act	4	4	4	4	4	5	5	4	4	4	3	4	3.99
Average Website Session	PY	113	124	113	108	111	100	105	110	116	123	100	132	112.91
	Fcst/Act	120	108	115	137	145	184	210	110	116	123	100	132	134.55
Website Bounce Rate	PY						50%	47%	46%	51%	49%	55%	49%	49%
	Fcst/Act	51%	54%	56%	54%	48%	49%	47%	46%	51%	49%	55%	49%	51%
Website Abandoned Cart Rate	PY	74%	75%	71%	72%	72%	71%	76%	74%	74%	83%	71%	73%	74%
	Fcst/Act	72%	76%	79%	81%	80%	76%	47%	74%	74%	83%	71%	73%	74%
Lead Generation/Customer Acquisition														
CTR (Impressions/Clicks)	PY	N/A												
	Fcst/Act	4%	4%	5%	3%	3%	4%	4%						
Total Leads	PY	154	117	155	218	289	198	57	28	32	75	59	90	1,472
	Plan	162	123	163	229	303	208	60	29	34	79	62	95	1,546
	Fcst/Act	119	46	64	18	6	25	31	29	34	79	62	95	607
Total Prospects	Avg.	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	Plan	7	3	4	1	0	2	2	2	2	5	4	6	36
	Fcst/Act	2	4	0	4	3	3	0						16
Total New Customers Acquired	PY	N/A												
	Fcst/Act	0	0	0	0	0	0	\$0						
ROAS (Google Ads Only)	PY	N/A	\$0											
	Fcst/Act	0	0	0	0	0	0	0						\$0
Customer Retention														
1K - 50K Customers Emailed (Non-Churn)	PY	0	0	0	0	0	0	0	0	0	0	0	0	
	Fcst/Act	0	50,000	48,000	48,000	48,000	48,200	48,200	48,200	48,200	48,200	48,200	48,200	
Customer Reactivation														
Customers Emailed (Churn)	PY	0	0	0	0	0	0	0	0	0	0	0	0	
	Fcst/Act	0	890	890	1020	1180	1265	1265	1180	1180	1180	1180	1180	
1K - 50K Customer Actions (Churn)	PY	0	0	0	0	0	0	0						
	Plan	287	51	41	55	53	33	50						
	Fcst/Act	287	51	41	55	0	86	0						

# Social Media Highlights

JULY 2020 | JUNE TO JULY COMPARISON

PLATFORM	POSTS	ENGAGEMENTS	REACTIONS	SHARES	COMMENTS	FOLLOWERS
LINKEDIN	12	190	156	24	10	411
	+4	+34	+27	+4	+3	+16
FACEBOOK	14	78	65	13	0	33
	+6	+14	+15	+2	0	+2
INSTAGRAM	13	54	0	NA	0	30
	+4	+6	0	NA	0	+9
TWITTER	10	12	5	0	2	5
	+5	+4	+10	-2	+2	0

## Engagement Tactics:

- Foam Tapes Digital Campaign – digital campaign focused on driving engagement, leads and sales for our foam tape product line in the POP industry.
- Publish posts featuring content (articles, videos, infographics, etc) tailored to our target markets.
- Publish posts showcasing employees and internal news.
- Consistent posting of content (10-14 posts a month/channel) to build following and awareness.





DURACO



► DHB FOR TRAILER ASSEMBLY



**Meet Martha**  
VICE PRESIDENT OF SALES



# Teacher's Tape

## EXPANDING THE BRAND

- The next phase for Teacher's Tape is the **expansion phase**.
- We will be executing on a go-to-market strategy to support the following expansion goals:

### Expansion Goals

#### 01 Expand Nationally Geographically

Target top national school districts.

#### 02 Expand Target Audience Approach

Principals, Home-Schooling Parents.

#### 03 Leverage a Digital + eCommerce Marketing Forward Approach

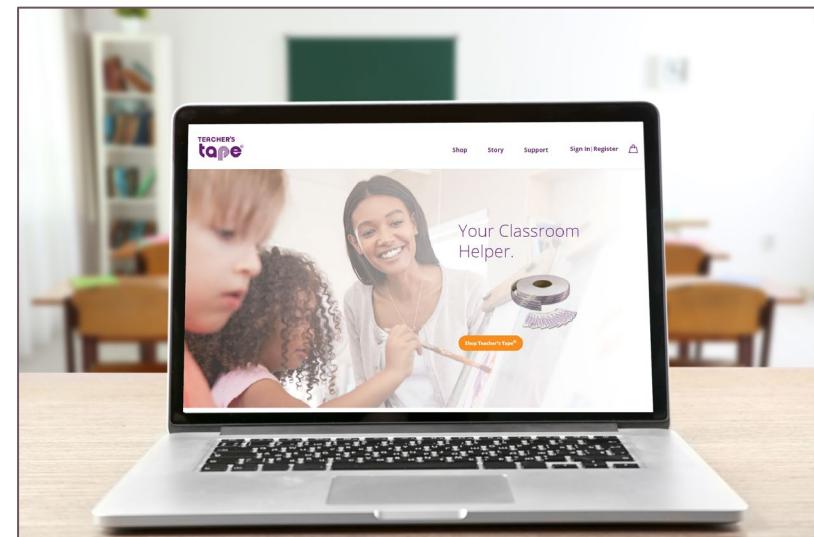
Utilize digital marketing tactics along with the power of eCommerce to expand reach and demand.

#### 04 Become a Resource in the Teacher Community

Provide authentic and enriching content for Teacher's to come back and use as a trusted resource..

#### 05 Expand Vertically in Other Markets

Ex: Colleges, Dorms, Offices.

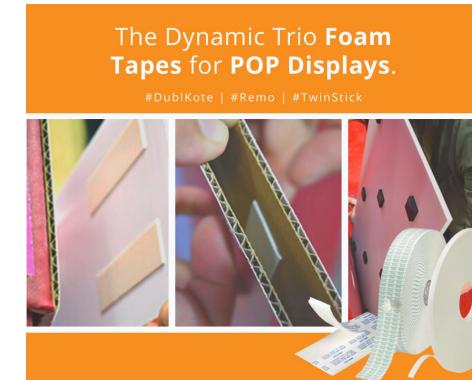


# Foam Tapes Digital Campaign

## FOR THE POP MARKET

### Overview of the campaign

- We will activating a digital campaign centralized around our foam tape offering for the POP industry.
- This will be a digital-only campaign that will utilize social media and email marketing to obtain the following:
  - Build social following
  - Increase social engagement across all channels
  - Drive traffic back to the new website
  - Influence and increase sample requests, catalog requests, contact us requests, leads and transactions
  - Create product awareness and demand as we head into Q3 and Q4.
- **Campaign Details:**
  - A main post featuring the video to the right will be shared on social media.
  - This post will be sponsored and we will be targeting users within the POP space.
  - We will be influencing users to engage and comment with our post by posting what their favorite tape is for their POP display.
    - #twinstick, #dublkote, #remo
  - 5 lucky users will win a roll based on their favorite tape.
  - We will be sending a series of emails to current customers to encourage engagement and influence purchasing.
  - We will be tracking traffic, leads and sales from this digital campaign.



The Dynamic Trio **Foam Tapes for POP Displays.**

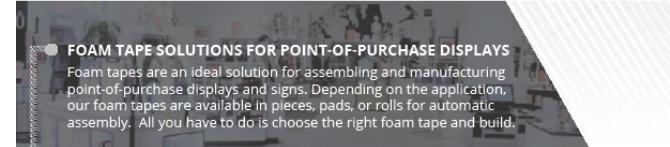
#DublKote | #Remo | #TwinStick



Try one of the dynamic trio **foam tapes** for your **POP display!**

THE TIMELESS TRIO  
FOR POP DISPLAYS

### View Campaign Video



Choose 1 of these 3 industry **favorite foam tapes**:

<b>Twin Stick®</b> ideal for flaps for a quick hold and adding 3-D effects.	POP favorite, double-sided permanent foam tape. Available in pre-cut pieces, pre-cut pieces on roll, diameters on roll, and thick pieces for 3-D.  <b>PIECES</b>
<b>Dubl Kote®</b> ideal for mounting and bonding long edges.	Versatile, double-sided permanent foam tape ideal for hand or automatic application. Available in white and black rolls.  <b>ROLLS</b>
<b>Remo One®</b> ideal for attaching seasonal and rotating messaging.	Double-sided adhesive foam tape that is removable on one side and permanent on the other. Available in various rolls lengths, pre-cut pieces on roll, diameters on a roll, thick for 3-D and clear.  <b>REMOVABLE</b>

Dubl Kote, Remo One, and Twin Stick have foam carriers which fills gaps & allows for irregular surfaces to be joined:

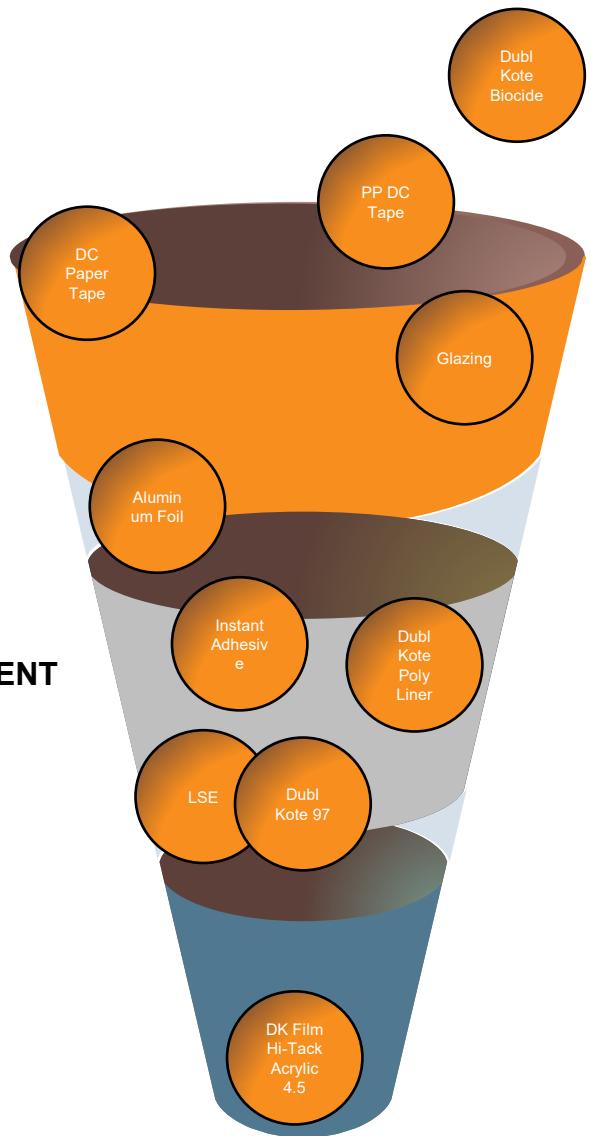
• POP displays	• Signage
• End Caps	• Headers & More

[duraco.com](http://duraco.com) | [sales@duraco.com](mailto:sales@duraco.com) | 866 800 0775

STICK WITH US 

# Product Development

**IDEATION**



**LAUNCH**



PRODUCTS	DESCRIPTION	MARKETS / USAGE	
DK Film Hi Tack Acrylic 4.5	DK Film with a hi-tack acrylic adhesive – 4.5 mils thick .	Industrial – Competing against 3M 200 and 300 adhesives.	7/28/2020
LSE	.Adhesive for DFFT or film tape that bonds to LSE / Powder Coated / UV coated surfaces.	Focus will be on POP industry.	9/30/2020
Dubl Kote 97	In conjunction with above. Developed for Tema with higher initial tack and wet out than standard Dubl Kote	Primarily POP industry but also industrial applications where higher tack is important.	9/30/2020
Dubl Kote Poly Liner	Our standard Dubl Kote product line, provided with a Polypropylene or Polyethylene liner	POP – Replacing our paper protective liner with a plastic film that allows for easier release, without tearing. Primarily plastic profile extruders	TBD
Instant Adhesives	Cyanoacrylate adhesive that is bottled – similar to Krazy Glue or Loctite.	POP industry – For assembly of plastic parts where a tape is not practical	8/28/2020
Aluminum Foil	3 to 5 mil thick aluminum with a rubber based adhesive. Designed to be slit and die cut as comparable to Avery FT-0815.	General industrial but focus on appliance.	TBD
Glazing Tape	DFFT to meet AAMA 810,1	Window industry for glazing.	11/2/2020
DC Paper Tape	Paper carrier with double coated rubber based adhesive.	Transit Packaging. Shannon Packaging.	TBD
PP Double Coated Tape	Double coated tape with PP carrier. Greater elongation can provide less residue and harder to tear.	Packaging and POP. Superior Packaging.	TBD
Dubl Kote Biocide	Dubl Kote with XLPE carrier with biocide to not allow germs to grow.	POP	TBD

# Infinity Overview

# Infinity Tapes

## UPDATE

- We finished July at 172% versus 2019, bringing our YTD number to 128% versus 2019, with a sales growth of \$1,504k. All territories are up over last year, as follows:
- House Accounts are up to \$4,457k YTD with growth of \$897k at 125% of 2019 YTD.
- MAT territory is at \$757k YTD with growth of \$393k at 208% of 2019 YTD.
- Art (Mid West) is at \$306k YTD at 99% of 2019 YTD. The loss of the one PolyAir location in his area (all others are House accounts) is a negative 10% on his numbers this year.
- Andre (Canada, but not all Canada) is at \$199k YTD with growth of \$46k at 130% of 2019 YTD.
- Jeff (Mid South) is at \$122k YTD with growth of \$27k at 128% of 2019 YTD



# Infinity Tapes



PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
<b>GROWTH</b>															
Infinity Tapes Total Sales	\$5,406.6	PY	\$776.7	\$779.4	\$816.5	\$777.2	\$785.4	\$745.4	\$725.9	\$835.8	\$775.3	\$1,062.5	\$924.9	\$745.4	\$9,750.6
	\$5,690.0	Plan	\$812.0	\$814.0	\$853.0	\$812.0	\$821.0	\$779.0	\$799.0	\$873.0	\$810.0	\$1,100.0	\$966.0	\$779.0	\$10,218.0
	\$6,909.5	Fcst/Act	\$865.8	\$853.5	\$933.6	\$1,053.4	\$824.1	\$1,129.9	\$1,249.2	\$1,000.0	\$1,000.0	\$1,100.0	\$1,000.0	\$900.0	\$11,909.5
Bellepak	\$675.2	PY	\$75.9	\$130.6	\$124.1	\$78.9	\$67.8	\$84.8	\$113.1	\$103.1	\$64.2	\$125.8	\$139.1	\$66.1	\$1,173.4
	\$684.5	Plan	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$1,173.4
	\$797.1	Fcst/Act	\$121.7	\$96.0	\$116.4	\$105.9	\$96.3	\$112.6	\$148.2	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$1,286.1
Sealed Air: Nine locations	\$526.7	PY	\$79.5	\$49.7	\$94.0	\$71.2	\$110.4	\$50.5	\$71.4	\$72.6	\$72.9	\$90.4	\$79.5	\$78.2	\$920.3
	\$562.7	Plan	\$78.2	\$78.2	\$78.2	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$972.7
	\$623.7	Fcst/Act	\$78.7	\$92.0	\$81.1	\$103.0	\$80.0	\$104.0	\$84.9	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$1,033.7
Poly Pak Ind	\$286.8	PY	\$49.2	\$27.9	\$48.6	\$38.8	\$32.1	\$49.6	\$40.5	\$51.4	\$36.5	\$40.7	\$62.9	\$53.2	\$531.4
	\$286.8	Plan	\$49.2	\$27.9	\$48.6	\$38.8	\$32.1	\$49.6	\$40.5	\$51.4	\$36.5	\$40.7	\$62.9	\$53.2	\$531.4
	\$296.2	Fcst/Act	\$34.4	\$35.7	\$18.9	\$25.8	\$40.6	\$59.8	\$81.1	\$51.4	\$36.5	\$40.7	\$62.9	\$53.2	\$540.8
PAC WW: Three locations	\$272.9	PY	\$52.4	\$31.5	\$32.5	\$54.4	\$33.1	\$51.9	\$17.2	\$63.5	\$45.3	\$47.6	\$33.3	\$47.3	\$509.9
	\$303.4	Plan	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$520.1
	\$318.0	Fcst/Act	\$28.1	\$49.2	\$35.2	\$43.4	\$28.4	\$63.6	\$70.1	\$68.9	\$43.3	\$43.3	\$43.3	\$43.3	\$560.2
Nelmar	\$168.2	PY	\$32.7	\$15.2	\$6.0	\$23.4	\$7.2	\$40.7	\$43.1	\$73.4	\$7.8	\$94.7	\$81.0	\$19.5	\$444.8
	\$413.4	Plan	\$37.8	\$37.8	\$37.8	\$75.0	\$75.0	\$75.0	\$75.0	\$37.8	\$37.8	\$37.8	\$37.8	\$37.8	\$602.4
	\$322.9	Fcst/Act	\$22.9	\$73.0	\$75.8	\$76.1	\$4.6	\$65.0	\$5.6	\$65.0	\$7.0	\$70.0	\$7.0	\$7.0	\$478.9
Polybond	\$251.6	PY	\$40.1	\$28.4	\$30.8	\$41.3	\$43.1	\$28.8	\$39.1	\$50.7	\$55.0	\$32.3	\$40.2	\$0.0	\$429.9
	\$250.8	Plan	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$429.9
	\$272.3	Fcst/Act	\$41.7	\$28.3	\$58.0	\$22.4	\$25.7	\$52.8	\$43.3	\$23.7	\$35.8	\$35.8	\$35.8	\$35.8	\$439.3
Mercury Plastics/PPA CA	\$214.9	PY	\$14.6	\$18.1	\$35.9	\$47.9	\$46.8	\$18.0	\$33.6	\$35.4	\$18.7	\$63.8	\$32.5	\$51.1	\$416.4
	\$242.9	Plan	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$416.4
	\$405.4	Fcst/Act	\$0.0	\$37.8	\$54.8	\$50.5	\$59.8	\$110.1	\$92.5	\$36.0	\$36.0	\$36.0	\$36.0	\$36.0	\$585.3
Classic Pkg	\$177.6	PY	\$50.3	\$12.7	\$12.7	\$25.4	\$25.4	\$25.3	\$25.7	\$24.9	\$50.9	\$50.9	\$36.9	\$25.4	\$366.4
	\$190.1	Plan	\$50.3	\$12.7	\$25.4	\$25.4	\$25.4	\$25.4	\$25.4	\$25.4	\$50.9	\$50.9	\$25.4	\$50.3	\$393.0
	\$112.0	Fcst/Act	\$24.9	\$0.0	\$25.4	\$49.4	\$12.3	\$0.0	\$0.0	\$0.0	\$38.1	\$38.1	\$38.1	\$38.1	\$264.5
Zims Bagging	\$188.3	PY	\$8.7	\$92.8	\$8.3	\$9.4	\$33.3	\$28.8	\$7.1	\$9.1	\$23.7	\$15.3	\$49.3	\$45.7	\$331.4
	\$193.3	Plan	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$331.4
	\$242.3	Fcst/Act	\$23.5	\$5.7	\$28.3	\$77.9	\$41.5	\$26.1	\$39.3	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$380.3
Bron Tapes-5 of 10 locations buying	\$191.6	PY	\$11.4	\$29.9	\$28.5	\$19.5	\$13.0	\$41.1	\$48.3	\$32.8	\$17.4	\$15.9	\$15.3	\$16.8	\$289.7
	\$226.9	Plan	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$389.0
	\$382.0	Fcst/Act	\$32.5	\$93.0	\$7.4	\$34.0	\$60.2	\$44.8	\$110.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$507.0
North Coast Plastics	\$124.5	PY	\$19.0	\$33.0	\$25.0	\$7.5	\$17.5	\$7.5	\$15.0	\$17.5	\$26.7	\$42.5	\$32.5	\$7.5	\$251.2
	\$124.5	Plan	\$19.0	\$33.0	\$25.0	\$7.5	\$17.5	\$7.5	\$15.0	\$17.5	\$26.7	\$42.5	\$32.5	\$7.5	\$251.2
	\$113.0	Fcst/Act	\$25.0	\$17.5	\$7.5	\$23.0	\$15.0	\$25.0	\$22.5	\$15.0	\$22.4	\$22.4	\$22.4	\$22.4	\$217.4
Poly Air-Only one location buying now	\$171.1	PY	\$32.8	\$24.1	\$22.8	\$35.5	\$28.9	\$16.6	\$10.3	\$10.3	\$14.0	\$14.0	\$14.0	\$10.3	\$233.9
	\$79.5	Plan	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$136.2m
	\$91.1	Fcst/Act	\$7.0	\$14.0	\$14.0	\$16.0	\$7.0	\$14.0	\$19.0	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$147.8



# Operational and Manufacturing

# Operations Dashboard

	PRIORITY	UOM		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Safety	Total Recordable Incident Rate (TRIR Rolling 12M) #	#	PY	0	0	0	0	0	0	0	0.83	1.66	1.66	1.66	2.8	2.8
			Plan	2.3	2.3	2.3	2.3	2.3	2.3	2.3	1.66	0.83	0.83	0.83	0.83	0.83
			Actual	2.3	2.3	2.3	2.3	2.3	0	0	0	0	0	0	0	0
	DART Score #	#	PY	0	0	0	0	0	0	0	0	0	0	0	0	0
			Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
			Actual	0	0	0	0	0	0	0	0	0	0	0	0	0
	Step Completion % %	%	PY	81%	80%	94%	96%	93%	94%	93%	93%	92%	93%	92%	94%	91%
			Plan	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
			Actual	93%	94%	71%	68%	92%	0.87%	90%						70%
	Landfill Diversion % %	%	PY	34%	45%	31%	32%	33%	41%	28%	38%	31%	26%	21%	40%	33%
			Plan	50%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
			Actual	27%	42%	34%	26%	51%	12%	36%						32%
Quality	Customer EQDs #	#	Reference													
			Actual	23	13	7	20	4	13	8						80
	Percentage of EQDs/Lines shipped #	#	PY	0.28%	0.22%	0.31%	0.30%	0.18%	0.28%	0.25%	0.28%	0.47%	0.43%	0.30%	0.40%	0.31%
			Plan	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
			Actual	0.63%	0.39%	0.22%	0.79%	0.19%	0.48%	.24%						
	Cost of Poor Quality (COPQ) \$	\$	PY	\$40.82	\$51.77	\$42.99	\$46.85	\$35.23	\$33.49	\$47.88	\$36.13	\$48.33	\$44.43	\$35.43	\$32.02	\$495.37
			Plan	\$38.77	\$49.18	\$40.84	\$44.51	\$33.47	\$31.82	\$45.49	\$34.33	\$45.91	\$42.21	\$33.66	\$30.42	\$470.60
			Actual	\$26.13	\$37.55	\$39.92	\$42.05	\$28.70	\$0.01	\$24.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	174.35
	Rework \$000's	\$000's	Plan	\$9.32	\$7.45	\$7.45	\$9.32	\$7.45	\$7.45	\$9.32	\$7.45	\$7.45	\$9.32	\$7.45	\$7.45	\$96.90
			Actual	\$2.85	\$3.02	\$2.24	\$0.24	\$0.95	\$0.85	\$88						0
	Material Scrap \$000's	\$000's	Plan	\$19.42	\$14.76	\$14.76	\$18.45	\$14.76	\$14.76	\$18.45	\$14.76	\$14.76	\$14.76	\$14.76	\$14.76	\$193.85
			Actual	\$9.36	\$13.46	\$22.53	\$17.50	\$3.20	\$4.24	\$4.35						70.30
	Other Credits \$000's	\$000's	Plan	\$0.58	\$0.46	\$0.46	\$0.58	\$0.5	\$0.5	\$0.6	\$0.5	\$0.5	\$0.6	\$0.5	\$0.5	\$0.6
			Actual	\$0.13	\$0.31	\$1.64	\$0.55	\$0.6	\$0.9	.159						\$4.08
	CS Credits Issued(CSR) \$	\$	Plan	\$7.08	\$5.66	\$5.66	\$7.08	\$5.66	\$5.66	\$7.08	\$5.66	\$5.66	\$7.08	\$5.66	\$5.66	\$73.61
			Actual	\$3.47	\$2.37	\$4.85	\$12.14	\$12.4	\$3.1	\$661						\$0.00
	QC Return Credits Issued(Quality) \$	\$	Plan	\$15.09	\$12.07	\$12.07	\$15.09	\$12.07	\$12.07	\$15.09	\$12.07	\$12.07	\$15.09	\$12.07	\$12.07	\$156.93
			Actual	\$10.32	\$18.38	\$8.66	\$11.62	\$11.60	\$3.90	\$5.19						\$0.00

# Operations Dashboard Cont.

	PRIORITY	UOM		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Delivery	Shipments Specialty Tapes (Consolidated)	\$	PY	\$3,320	\$3,081	\$3,255	\$4,065	\$3,154	\$3,218	\$3,710	\$3,460	\$3,503	\$4,961	\$3,119	\$2,897	\$41,743
			Plan	\$3,290	\$3,222	\$3,365	\$4,321	\$3,289	\$3,487	\$3,774	\$3,605	\$3,627	\$4,643	\$3,452	\$3,293	\$43,368
			Actual	\$3,387	\$3,143	\$3,365	\$3,231	\$2,641	\$3,248	\$3,526						\$19,015
	Production Efficiency	%	PY	87.0%	89.9%	89.8%	90.6%	91.1%	89.6%	89.2%	89.0%	90.0%	92.0%	91.2%	87.3%	89.7%
			Plan	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%
			Actual	90.2%	90.1%	90.5%	89.0%	90.0%	91.0%	91.1%						
	OTDIF	%	PY	98.8%	98.8%	99.0%	98.5%	98.8%	98.2%	95.3%	98.3%	97.6%	98.7%	98.1%	98.3%	98.2%
			Plan	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%
			Actual	99.1%	98.6%	98.2%	95.3%	95.6%	94.5%	96.7%						
Cost	Cost Savings(w/o SmartVentures)	\$	PY	\$49,556	\$44,479	\$35,811	\$25,633	\$57,198	\$72,371	\$56,044	\$49,032	\$52,425	\$51,570	\$44,949	\$43,444	582,512
			Plan	\$51,079	\$53,239	\$44,233	\$44,606	\$30,242	\$30,242	\$38,773	\$34,232	\$23,058	\$21,512	\$27,506	\$27,506	\$426,230
			F1 Plan	\$51,079	\$53,239	\$44,233	\$42,485	\$13,225	\$20,597	\$30,714	\$25,470	\$29,980	\$26,921	\$29,998	\$23,547	\$391,489
			Actual	\$51,469	\$50,772	\$39,533	\$43,255	\$14,907	\$26,983	\$31,333						\$226,919
	Consolidated Gross Inventory Dollars	\$000's	PY	\$6,460	\$6,540	\$6,458	\$6,235	\$6,079	\$5,932	\$5,942	\$5,920	\$5,649	\$5,869	\$5,796	\$6,198	\$6,198
			Plan	\$6,176	\$6,253	\$6,174	\$5,961	\$5,811	\$5,671	\$5,680	\$5,659	\$5,401	\$5,611	\$5,541	\$5,925	\$5,822
			Actual	\$6,377	\$6,179	\$5,802	\$6,011	\$5,949	\$5,769	\$5,726						\$0
	Reported EBITDA	\$000's	PY	\$714	\$836	\$1,048	\$1,168	\$886	\$996	-\$1,351	\$784	\$600	\$1,407	\$779	\$319	\$8,186
			Plan	\$424	\$583	\$697	\$982	\$594	\$675	\$699	\$854	\$849	\$1,205	\$762	\$475	\$8,799
			Actual	\$638	\$734	\$724	\$625	\$642	\$786	\$699						\$4,149
HC	Total Production Headcount	#	PY	78	78	78	78	78	78	78	78	78	78	78	78	78
			Plan	78	78	78	78	77	77	76	76	76	76	76	76	76
			Actual	75	76	75	71	71	71	70						76

# Financial Review

# Duraco Summary P&L – July 2020

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		RFC MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		RFC YTD		Var (PY YTD)			
	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Rfc	\$	%			
Gross Revenue	\$ 3,402	\$ 3,784	\$ (382)	(10.1%)	\$ 3,651	\$ (249)	(6.8%)	\$ 3,055	\$ 347	11.4%	\$ 22,551	\$ 24,806	\$ (2,255)	(9.1%)	\$ 24,382	\$ (1,831)	(7.5%)	\$ 22,204	\$ 347	1.6%						
Net Revenue	3,397	3,774	(377)	(10.0%)	3,631	(234)	(6.5%)	3,049	(3,049)	(100.0%)	22,514	24,738	(2,224)	(9.0%)	24,281	(1,767)	(7.3%)	22,165	348	1.6%						
Material	1,171	1,260	90	7.1%	1,401	230	16.4%	1,050	1,050	100.0%	7,343	8,043	700	8.7%	8,400	(1,056)	(12.6%)	7,223	120	1.7%						
DM %	34.5%	33.4%			38.6%			34.5%			32.6%	32.5%			34.6%			32.6%	0							
Labor	441	442	2	0.4%	444	3	0.7%	423	423	100.0%	2,728	2,956	228	7.7%	2,794	(66)	(2.4%)	2,710	18	0.7%						
DL %	13.0%	11.7%			12.2%			13.9%			12.1%	11.9%			11.5%			12.2%	(0)							
Other COGS	460	525	65	12.4%	543	84	15.4%	467	466	100.0%	3,261	3,479	218	6.3%	3,147	114	3.6%	3,267	(7)	(0.2%)						
Total COGS	2,072	2,228	156	7.0%	2,388	317	13.3%	1,940	1,940	100.0%	13,331	14,478	1,147	7.9%	14,340	(1,009)	(7.0%)	13,200	131	1.0%						
Gross Margin	1,326	1,546	(220)	(14.3%)	1,243	83	6.6%	1,109	(1,109)	(100.0%)	9,182	10,260	(1,078)	(10.5%)	9,941	(758)	(7.6%)	8,966	217	2.4%						
Gross Margin %	39.0%	41.0%			34.2%			36.4%			40.8%	41.5%			40.9%			40.4%	0.3%							
R&D	9	35	26	75.5%	25	(17)	(65.8%)	15	(14)	(95.0%)	96	244	148	60.7%	177	(81)	(45.9%)	102	(6)	(6.3%)						
Sales & Marketing	324	440	117	26.5%	351	(27)	(7.7%)	345	(344)	(99.9%)	2,126	2,888	762	26.4%	2,354	(227)	(9.7%)	2,147	(21)	(1.0%)						
Administrative	294	372	78	20.9%	2,218	(1,924)	(86.7%)	272	(271)	(99.9%)	2,112	2,477	365	14.7%	3,113	(1,002)	(32.2%)	2,090	22	1.1%						
Other Opex	–	–	–	0	0	–	0	–	0	–	1	–	–	1	–	(1)	N/A	(1)	–	0.0%						
Total Opex	626	847	221	26.1%	2,593	(1,967)	(75.8%)	631	(631)	(100.0%)	4,333	5,609	1,277	22.8%	5,645	(1,312)	(23.2%)	4,338	(5)	(0.1%)						
EBITDA	699	699	0	0.1%	(1,350)	2,050	151.8%	478	(478)	(100.0%)	4,850	4,651	199	4.3%	4,296	554	12.9%	4,628	222	4.8%						
EBITDA %	20.6%	18.5%						15.7%			21.5%	18.8%			17.7%			20.9%	0.7%		0.0%					
Bank allowable EBITDA add-backs	39	–	39	0	2,256	(2,217)	–	7	(7)	–	198	87	111	127.7%	917	(719)	(78.4%)	167	32	19.0%						
Bank EBITDA	738	699	39	5.6%	906	(168)	(18.5%)	485	(485)	(100.0%)	5,048	4,738	310	6.5%	5,213	(165)	(0)	4,794	253	0						
(Standalone Costs)	(144)	–	(144)	–	(246)	102	0	(94)	94	(0)	(880)	(58)	(822)	1418.1%	(661)	(219)	0	(830)	(50)	0						
PF Adjusted EBITDA	594	699	(105)	(15.0%)	659	(65)	(9.9%)	390	(391)	(100.0%)	4,168	4,680	(512)	(10.9%)	4,552	(384)	(8.4%)	3,964	204	5.1%						
Indicative %	17.5%	18.5%						12.8%			18.5%	18.9%			18.7%			17.9%	0.6%		0					
Net Income (Loss)	\$ (498)	\$ (549)	\$ 51	(9.3%)	\$ (2,512)	\$ 2,014	80.2%	\$ (578)	\$ 578	100.0%	\$ (3,449)	\$ (3,080)	\$ (369)	12.0%	\$ 1,981	\$ (5,429)	274.1%	\$ (3,528)	\$ 80	2.3%						
\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		PY YTD		Var (PY YTD)			
	Act	Fcst	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	\$	%
<b>Opex Overview:</b>																										
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 326	\$ 391	66	16.8%	\$ 273	\$ 53	19.4%	\$ 322	\$ (322)	(99.9%)	\$ 1,959	\$ 2,520	\$ 561	22.2%	\$ 1,634	\$ 326	19.9%	\$ 1,955	\$ 4	0.2%						
Benefits (Medical, Dental, Life, AD&D & 401K)	53	64	11	16.8%	47	6	12.8%	48	(48)	(99.6%)	322	386	\$ 64	16.5%	257	65	25.2%	317	(317)	(99.9%)						
Bonus	–	86	86	100.0%	40	(40)	(100.0%)	–	1	0	516	602	\$ 86	14.3%	259	257	99.0%	516	(516)	(100.0%)						
Marketing	66	79	13	16.4%	74	(7)	(10.1%)	66	(66)	(99.8%)	355	556	\$ 200	36.0%	518	(163)	(31.4%)	355	(355)	(99.9%)						
Commissions	7	7	(0)	(0.0%)	11	(4)	(37.7%)	7	(7)	(100.0%)	36	31	\$ (5)	(17.5%)	66	(30)	(45.4%)	36	(36)	(100.5%)						
Travel and Entertainment	4	37	34	90.1%	12	(8)	(69.2%)	21	(20)	(95.7%)	57	220	\$ 163	74.0%	100	(43)	(43.0%)	16	(15)	(95.4%)						
Rent and Facilities	–	11	11	100.0%	–	–	0	11	(10)	(90.8%)	5	57	\$ 52	90.9%	124	(119)	(95.8%)	75	(74)	(98.8%)						
Insurance	17	18	1	7.4%	17	(0)	(1.9%)	18	(18)	(99.6%)	106	107	\$ 1	1.1%	41	65	157.6%	108	(108)	(100.0%)						
Professional Fees	16	17	1	3.1%	4	12	286.5%	17	(17)	(99.8%)	217	190	\$ (26)	(13.9%)	32	185	574.5%	217	(217)	(100.1%)						
Utilities, Repairs, Maint. & Security	8	3	(5)	(158.1%)	2	7	388.9%	3	(5)	(149.9%)	14	20	\$ 6	30.3%	31	(17)	(55.4%)	9	(8)	(96.5%)						
Office Supplies	4	1	(3)	(201.5%)	9	(5)	(56.0%)	1	(3)	(253.9%)	28	8	\$ (20)	(245.9%)	40	(12)	(30.4%)	25	(28)	(109.7%)						
IT	59	64	5	8.0%	24	35	148.3%	49	(49)	(99.8%)	273	480	\$ 207	43.1%	191	82	42.9%	263	(263)	(99.8%)						
Bad Debt	(5)	4	9	209.0%	3	(7)	(274.0%)	4	(2)	(50.6%)	25	26	\$ 2	6.4%	25	(1)	(2.9%)	33	(33)	(99.8%)						
Real Estate Taxes	16	16	0	0.0%	16	1	4.4%	16	(16)	(100.0%)	101	101	\$ 0	0.0%	97	4	4.4%	101	(101)	(100.0%)						
Other Expenses	55	48	(7)	(14.6%)	2,063	(2,008)	(97.3%)	48	(48)	(100.3%)	318	305	\$ (12)	(4.0%)	2,228	(1,910)	(85.7%)	311	(311)	(100.0%)						
Total Opex	\$ 626	\$ 847	\$ 221	26.1%	\$ 2,593	\$ (1,967)	(75.8%)	\$ 631	\$ (631)	(100.0%)	\$ 4,333	\$ 5,609	\$ 1,277	22.8%	\$ 5,645	\$ (1,312)	(23.2%)	\$ 4,338	\$ (2,378)	(54.8%)						

## Management Discussion:

### COGS

- Material % of revenue is higher than plan (higher Transit Packaging and lower POP) but in line with RFC. PY DM had \$219k FMV of Inventory write off which inflated DM and reduces all margin categories.
- DL is in line with plan in aggregate and higher than RFC due to higher volume. OT at constrained work centers continued in July and contributed to the higher DL vs PL.

### OPEX

- OPEX is favorable to plan, deferred hiring of open positions, two open commercial positions, and cost reductions

### ADD-BACKS

- Add-backs relate to Covid 19 sick pay, and various one-off IT costs.
- PF Adj EBITDA further reduces Bank EBITDA for all incomplete plan headcount additions and IT expenses.

### Pro Forma Adjusted EBITDA

# Infinity Summary P&L – July 2020

	S'000												S'000														
	MTD		Var (Bud MTD)		PY MTD		Var (PY)		RFC MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		RFC YTD		Var (PY YTD)				
	Act	Bud	\$	%	Act	\$	%	Rfc	\$	%	Act	Bud	\$	%	Act	\$	%	Rfc	\$	%	Act	\$	%	Rfc	\$	%	
Gross Revenue	\$ 1,249	\$ 758	\$ 491	64.7%	\$ 726	\$ 523	72.1%	\$ 1,100	\$ (1,099)	(99.9%)	\$ 6,910	\$ 5,643	\$ 1,266	22.4%	\$ 5,407	\$ 1,503	27.8%	\$ 6,760	\$ 149	2.2%							
Discounts	(17)	(4)	(13)	358.6%	(3)	(14)	414.9%	(4)	(195.3%)	(51)	(28)	(25)	(26)	104.3%	(37)	(13)	36.4%										
Returns	(6)	(11)	6	(49.4%)	(9)	3	(36.2%)	(11)	11	(95.6%)	(54)	(84)	(86)	32	(37.0%)	(60)	6	(9.3%)									
Rebates	–	–	–	0	–	0	–	–	0	–	–	–	–	–	N/A	–	–	N/A	–	–	N/A	–	–	N/A	–	–	
Other	–	–	–	0	10	(10)	(100.0%)	–	–	0	–	–	64	(64)	(100.0%)	–	–	–	–	–	–	–	–	–	–	–	
Net Revenue	1,226	743	483	65.0%	724	502	69.4%	1,085	(1,084)	(99.9%)	6,805	5,531	1,273	23.0%	5,359	1,445	27.0%	6,663	141	2.1%							
Material	615	356	(259)	(72.8%)	364	(252)	(69.2%)	550	551	100.1%	3,422	2,641	(781)	(29.6%)	2,555	867	34.0%	3,357	65	1.9%							
DM %	50.2%	47.9%			50.2%			50.7%			50.3%	47.8%			47.7%			50.4%	(0)								
Labor	89	65	(24)	(37.1%)	56	(33)	(59.0%)	93	93	100.4%	580	481	(99)	(20.6%)	515	65	12.6%	584	(4)	(0.7%)							
DL %	7.2%	8.7%			7.7%			8.5%			8.5%	8.7%			9.6%			8.8%	(0)								
Other COGS	176	137	(39)	(28.2%)	139	(37)	(26.7%)	150	150	100.2%	1,016	1,020	3	0.3%	1,040	(23)	(2.2%)	991	26								
Total COGS	880	558	(322)	(57.7%)	558	(322)	(57.6%)	793	793	100.1%	5,018	4,142	(877)	(21.2%)	4,109	909	22.1%	4,931	87	1.8%							
Gross Margin	347	186	161	86.8%	166	181	108.8%	292	(292)	(99.7%)	1,786	1,390	397	28.5%	1,250	536	42.9%	1,732	54	3.1%							
Gross Margin %	28.3%	25.0%			22.9%			27.0%			26.3%	25.1%			23.3%			26.0%	0.3%								
R&D	–	–	0	–	0	–	–	0	–	–	–	–	–	–	N/A	–	–	N/A	–	–	N/A	–	–	N/A	–	–	
Sales & Marketing	67	28	(40)	(145.3%)	34	34	100.0%	53	(54)	(102.8%)	348	224	(124)	(55.5%)	201	147	73.4%	333	15	4.4%							
Administrative	111	112	1	0.9%	93	18	19.7%	107	(107)	(100.0%)	750	765	15	2.0%	687	63	9.2%	745	4	0.6%							
Other Opex	–	–	0	–	0	–	–	0	–	–	0	79	–	(79)	–	79	N/A	79	–	0.0%	–	–	0.0%	–	–		
Total Opex	179	140	(39)	(27.8%)	127	52	41.2%	160	(160)	(100.2%)	1,177	989	(188)	(19.0%)	887	289	32.6%	1,158	19	1.6%							
EBITDA	168	46	122	267.5%	39	128	326.8%	132	(130)	(98.0%)	610	401	209	52.1%	363	247	68.0%	575	35	6.1%							
EBITDA %	13.7%	6.1%			5.4%			12.2%			9.0%	7.2%			6.8%			8.6%	0.3%								
Bank allowable EBITDA add-backs	35	12	23	189.7%	–	35	–	12	(10)	–	202	60	142	236.7%	–	202	N/A	179	23	12.7%							
Bank EBITDA	202	58	145	251.3%	39	163	415.3%	144	(142)	(98.3%)	812	461	351	76.2%	363	449	1	754	58	0							
16.5% 7.8%					5.4%			13.3%			11.9%			8.3%			6.8%		11.3%	0.6%							
(Standalone Costs)	–	–	–	0	–	–	0	–	–	0	–	–	–	–	0.0%	–	–	0.0%	–	–	0.0%	–	–	0.0%	–	–	
PF Adjusted EBITDA	202	58	145	251.3%	39	163	415.3%	144	(142)	(98.3%)	812	461	351	76.2%	363	449	123.7%	754	58	7.7%							
Indicative %	16.5%	7.8%			5.4%			13.3%			11.9%			8.3%			6.8%		11.3%	0.6%							
Net Income (Loss)	\$ 161	\$ 24	\$ 137	566.1%	\$ 23	\$ 138	(594.0%)	\$ 91	\$ (85)	93.8%	\$ 492	\$ 232	\$ 260	112.2%	\$ 245	\$ 246	(100.3%)	\$ 422	\$ 70	(16.6%)							

	S'000												S'000													
	MTD		Var (Bud MTD)		PY MTD		Var (PY)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		RFC YTD		Var (PY YTD)			
	Act	Fst	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Rfc	\$	%			
Opex Overview:																										0
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 40	\$ 42	2	4.9%	\$ 46	\$ (6)	(13.1%)	\$ 36	\$ (36)	(99.9%)	\$ 305	\$ 296	\$ (10)	(3.2%)	\$ 331	\$ (26)	(7.8%)	\$ 301	\$ 4	1.3%						
Benefits (Medical, Dental, Life, AD&D & 401K)	11	13	2	16.1%	16	(5)	(32.1%)	13	(13)	(98.8%)	83	91	\$ 8	9.0%	100	(17)	(17.2%)	85	(2)	(2.5%)						
Bonus	–	–	–	N/A	–	–	0	#VALUE!	0	–	–	–	–	–	–	–	N/A	–	–	N/A	–	–	N/A	–	–	
Marketing	–	–	–	N/A	4	(4)	(100.0%)	–	#VALUE!	0	–	–	–	–	6	(6)	(100.0%)	–	–	–	N/A	–	–	N/A	–	–
Commissions	46	8	(38)	(495.3%)	12	34	288.1%	32	(37)	(115.6%)	183	80	\$ (103)	(129.3%)	64	119	184.0%	169	14	8.6%						
Travel and Entertainment	0	1	1	94.6%	2	(2)	(96.3%)	1	(1)	(36.1%)	5	11	\$ 6	51.7%	120	(115)	(95.5%)	145	(139)	(96.3%)						
Rent and Facilities	23	20	(3)	(14.2%)	17	5	31.4%	23	(23)	(100.6%)	145	133	\$ (11)	(8.4%)	10	134	1279.4%	7	138	2021.7%						
Insurance	2	2	–	0.0%	1	1	149.4%	2	(2)	(100.0%)	8	11	\$ 3	25.2%	5	3	59.0%	8	–	0.0%						
Professional Fees	39	39	1	1.4%	11	28	251.2%	37	(37)	(100.0%)	239	249	\$ 10	3.9%	116	124	106.9%	238	1	0.6%						
Utilities, Repairs, Maint. & Security	1	1	0	26.9%	0	0	58.4%	1	(1)	(66.2%)	4	5	\$ 1	10.6%	4	0	2.2%	5	(0)	(4.6%)						
Office Supplies	6	8	1	17.6%	6	(0)	(3.1%)	8	(7)	(97.7%)	52	57	\$ 5	8.4%	47	6	12.4%	54	(1)	(2.5%)						
IT	5	6	1	17.0%	6	(0)	(8.8%)	8	(7)	(97.7%)	42	43	\$ 1	2.2%	42	(0)	(0.8%)	44	(2)	(5.5%)						
Bad Debt	–	–	–	N/A	–	–	0	#VALUE!	0	–	–	–	–	–	–	N/A	–	–	N/A	–	–	N/A	–	–		
Real Estate Taxes	–	–	–	N/A	3	(3)	(100.0%)	–	#VALUE!	0	6	6	–	0.0%	32	(25)	(80.2%)	6	–	0.0%						
Other Expenses	7	0	(6)	(602.9%)	3	4	135.1%	0	(60)	(55973.0%)	102	6	\$ (96)	(1612.0%)	9	93	1043.9%	96	6	6.8%						
Total Opex	\$ 179	\$ 140	\$ (39)	(27.8%)	\$ 127	\$ 52	41.2%	\$ 160	\$ (160)	(100.2%)	\$ 1,177	\$ 989	\$ (188)	(19.0%)	\$ 887	\$ 289	32.6%	\$ 1,158	\$ 19	1.6%						

## Management Discussion:

### COGS

- DM is higher than plan due to unfavorable mix, which has been the trend all year.
- DL spend is higher than plan due to higher volume, however, is better on a % of revenue basis due to improving labor efficiencies.
- Other COGS is higher than plan, but this is largely due to higher freight cost on higher volume.

# Consolidated Summary P&L – July 2020

\$'000	MTD		Var (Bud)		Var (Bud MTD)		PY MTD		Var (PY)		RFC MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		RFC YTD		Var (PY YTD)				
	Act	Bud	\$	%	Bud	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	
Gross Revenue	\$ 4,638	\$ 4,543	\$ 95	2.1%	\$ 4,543	\$ 95	2.1%	\$ 4,377	\$ 260	5.9%	\$ 4,155	\$ 483	11.6%	\$ 29,447	\$ 30,449	(3.3%)	\$ 29,788	\$ (341)	(1.1%)	\$ 28,964	\$ 483	1.7%							
Net Revenue	4,610	4,517	92	2.0%	4,517	92	2.0%	4,356	254	5.8%	4,134	476	11.5%	29,305	30,269	(3.2%)	29,640	(336)	(1.1%)	28,829	476	1.7%							
Material	1,772	1,616	(156)	(9.6%)	1,616	(156)	(9.6%)	1,765	(8)	(0.4%)	1,600	172	10.7%	10,752	10,684	(67)	(0.6%)	10,554	(203)	(1.9%)	10,580	172	1.6%						
DM %	38.4%	35.8%	(0)	(7.5%)	35.8%			40.5%							36.7%	35.3%			37.0%										
Labor	529	507	(22)	(4.4%)	507	(22)	(4.4%)	500	(30)	(6.0%)	516	14	2.7%	3,307	3,436	129	3.8%	3,308	(1)	(0.0%)	3,293	14	0.4%						
DL %	11.5%	11.2%	(0)	(2.3%)	11.2%			11.5%							11.3%	11.4%			11.2%										
Other COGS	636	662	26	4.0%	662	26	4.0%	682	46	6.8%	617	19	3.1%	4,277	4,499	222	4.9%	4,186	91	2.2%	4,258	19	0.5%						
Total COGS	2,938	2,786	(152)	(5.5%)	2,786	(152)	(5.5%)	2,947	9	0.3%	2,733	205	7.5%	18,336	18,619	284	1.5%	18,449	(113)	(0.6%)	18,131	205	1.1%						
Gross Margin	1,672	1,732	(59)	(3.4%)	1,732	(59)	(3.4%)	1,409	263	18.7%	1,401	271	19.3%	10,969	11,650	(681)	(5.8%)	11,191	(222)	(2.0%)	10,699	271	2.5%						
Gross Margin %	36.3%	38.3%			38.3%										33.9%	2.4%			37.4%										
R&D	9	35	26	75.5%	35	26	75.5%	25	(17)	(65.8%)	15	(6)	(42.8%)	96	244	148	60.7%	177	(81)	(45.9%)	102	(6)	(6.3%)						
Sales & Marketing	391	468	77	16.4%	468	77	16.4%	384	7	1.8%	397	(6)	(15.5%)	2,475	3,112	637	20.5%	2,555	(80)	(3.1%)	2,480	(6)	(0.2%)						
Administrative	405	484	79	16.3%	484	79	16.3%	2,311	(1,905)	(82.5%)	379	26	7.0%	2,861	3,242	380	11.7%	3,800	(939)	(24.7%)	2,835	26	0.9%						
Other Opex	—	—	—	—	0	—	—	0	—	—	0	—	—	0	77	—	(77)	—	77	N/A	77	—	0.0%						
Total Opex	805	987	182	18.4%	987	182	18.4%	2,720	(1,915)	(70.4%)	791	14	1.8%	5,509	6,598	1,089	16.5%	6,532	(1,023)	(15.7%)	5,495	14	0.3%						
EBITDA	867	744	122	16.4%	744	122	16.4%	(1,311)	2,178	166.1%	610	257	42.1%	5,460	5,052	408	8.1%	4,659	800	17.2%	5,203	257	4.9%						
EBITDA %	18.8%	16.5%			16.5%										14.8%	4.1%			18.6%	16.7%									
Bank allowable EBITDA add-backs	73	12	61	512.0%	12	61	512.0%	2,256	(2,183)		19	54		400	147	253	172.2%	917	(517)	(56.4%)	346	54	15.7%						
Bank EBITDA	940	756	184	24.3%	756	184	24.3%	945	(4)	(0.5%)	629	311	49.5%	5,860	5,199	661	12.7%	5,376	284	0	5,548	311	0						
(Standalone Costs)	(144)	—	(144)	(0)	—	(144)	N/A	(246)	102	0	(94)	(50)	0	(880)	(58)	(822)	1418.1%	(661)	(219)	0	(830)	(50)	0						
PF Adjusted EBITDA	796	756	40	5.3%	756	40	5.3%	699	98	14.0%	535	261	48.9%	4,980	5,141	(161)	(3.1%)	4,915	65	1.3%	4,718	262	5.5%						
Indicative %	17.3%	16.7%			16.7%										0.0%	17.3%			17.0%	17.0%									
Net Income (Loss)	\$ (337)	\$ (524)	\$ 188	(35.8%)	\$ (524)	\$ 188	(35.8%)	\$ (2,489)	\$ 2,152	86.5%	\$ (487)	\$ 150	30.8%	\$ (2,957)	\$ (2,048)	\$ (109)	3.8%	\$ 2,226	\$ (5,183)	232.8%	\$ (3,107)	\$ 150	4.8%						

\$'000	MTD		Var (Bud)		Var (Bud MTD)		PY MTD		Var (PY)		RFC MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		RFC YTD		Var (PY YTD)				
	Act	Fcst	\$	%	Bud	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	
<b>OPEX Overview:</b>																													
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 366	\$ 434	68	15.6%	\$ 434	68	15.6%	\$ 319	47	14.7%	\$ 358	8	2.2%	\$ 2,265	\$ 2,816	551	19.6%	\$ 1,965	\$ 300	15.3%	\$ 2,257	\$ 8	0.4%						
Benefits (Medical, Dental, Life, AD&D & 401K)	64	77	13	16.7%	77	13	16.7%	63	1	1.4%	61	3	5.6%	405	477	72	15.1%	358	48	13.3%	402	3	0.8%						
Bonus	—	86	86	100.0%	86	86	100.0%	40	(40)	(100.0%)	—	—	0	516	602	86	14.3%	259	257	99.0%	516	—	0.0%						
Marketing	66	79	13	16.4%	79	13	16.4%	77	(11)	(14.3%)	66	0	0.0%	355	556	200	36.0%	524	(169)	(32.2%)	355	0	0.0%						
Commissions	53	15	(38)	(262.9%)	15	(38)	(262.9%)	23	30	131.5%	39	14	37.6%	219	210	(109)	(98.3%)	130	89	68.1%	205	14	7.1%						
Travel and Entertainment	4	39	35	90.3%	39	35	90.3%	14	(10)	(73.3%)	23	(19)	(83.3%)	63	231	169	72.9%	221	(158)	(71.6%)	161	(98)	(61.0%)						
Rent and Facilities	23	31	8	26.3%	31	8	26.3%	17	5	31.4%	33	(11)	(32.5%)	150	191	41	21.3%	135	15	11.3%	81	68	84.1%						
Insurance	19	20	1	6.7%	20	1	6.7%	18	1	4.5%	20	(1)	(6.7%)	115	119	4	3.4%	46	68	146.5%	116	(1)	(1.1%)						
Professional Fees	55	56	1	1.9%	56	1	1.9%	15	40	260.0%	54	1	1.8%	456	439	(17)	(3.8%)	148	308	208.6%	455	1	0.2%						
Utilities, Repairs, Maint. & Security	9	4	(5)	(120.9%)	4	(5)	(120.9%)	2	7	329.4%	4	5	120.9%	18	25	7	26.3%	35	(17)	(48.2%)	13	5	35.7%						
Office Supplies	10	9	(1)	(14.7%)	9	(1)	(14.7%)	15	(5)	(33.9%)	9	1	14.7%	80	65	(15)	(23.3%)	87	(6)	(7.5%)	79	1	1.7%						
IT	64	70	6	8.7%	70	6	8.7%	29	34	118.4%	56	7	13.4%	315	522	208	39.7%	233	82	35.0%	307	7	2.4%						
Bad Debt	(5)	4	9	209.0%	4	9	209.0%	3	(7)	(274.0%)	4	(9)	(209.0%)	25	26	2	6.4%	25	(1)	(2.9%)	33	(9)	(26.5%)						
Real Estate Taxes	16	16	0	0.0%	16	0	0.0%	18	(2)	(11.3%)	16	(0)	(0.0%)	108	108	0	0.0%	129	(21)	(16.5%)	108	(0)	(0.0%)						
Other Expenses	62	48	(14)	(28.0%)	48	(14)	(28.0%)	2,066	(2,004)	(97.0%)	48	14	28.0%	420	311	(109)	(34.9%)	2,237	(1,817)	(81.2%)	406	14	3.3%						
Total Opex	\$ 805	\$ 987	\$ 182	18.4%	\$ 987	\$ 182	18.4%	\$ 2,720	#####	(70.4%)	\$ 791	\$ 14	1.8%	\$ 5,509	\$ 6,598	\$ 1,089	16.5%	\$ 6,532	\$ (1,023)	(15.7%)	\$ 5,495	\$ 14	0.3%						

## Management Discussion:

### COGS

- Material costs were higher in the month due to higher material costs at Infinity and the % that Infinity makes up of the total business (27% actual vs 17% plan)
- Direct Labor is higher than plan due to timing of volume at Duraco, overtime at constrained work centers, and Covid pay. Labor is slightly higher than FRC due to higher volume.

# Consolidated Balance Sheet

\$'000	Jul-20		Jul-20		Variance		Jul-20		Variance		PY		Variance	
	Act	Bud	\$	%	Rfc	\$	%	Act	\$	%	Act	\$	%	
<b>Current Assets</b>														
Cash and cash equivalents	\$ 1,101	\$ 206	\$ 895	434.5%	\$ 525	\$ 576	109.7%	\$ 1,480	\$ (379)	(25.6%)				
Short term investments	—	—	—	0	—	—	0	—	—	—	—	—	—	0
<i>Accounts receivable, gross</i>	7,087	7,251	(164)	(2.3%)	6,595	492	7.5%	6,417	671	10.5%				
<i>Accounts receivable, reserves</i>	(156)	(130)	(26)	20.3%	(152)	(4)	2.8%	(105)	(51)	49.0%				
<i>Accounts receivable, net</i>	6,932	7,121	(190)	(2.7%)	6,444	488	7.6%	6,312	620	9.8%				
<i>Inventory, gross</i>	7,114	7,534	(420)	(5.6%)	7,077	37	0.5%	8,040	(927)	(11.5%)				
<i>Inventory, reserves</i>	(862)	(1,058)	175	(16.6%)	(1,026)	143	(14.0%)	(1,100)	217	(19.7%)				
<i>Inventory, net</i>	6,231	6,476	(245)	(3.8%)	6,051	180	3.0%	6,941	(709)	(10.2%)				
Prepaid expenses and other current assets	631	510	121	23.7%	703	(72)	(10.2%)	684	(53)	(7.7%)				
Current portion of deferred taxes	—	—	—	0	—	—	0	—	—	—	—	—	—	0
Other current assets	—	—	—	0	—	—	0	—	—	—	—	—	—	0
<b>Total Current Assets</b>	<b>14,895</b>	<b>14,313</b>	<b>582</b>	<b>4.1%</b>	<b>13,723</b>	<b>1,172</b>	<b>8.5%</b>	<b>15,417</b>	<b>(521)</b>	<b>(3.4%)</b>				
<b>Non-Current Assets</b>														
<i>Property, plant &amp; equipment, gross</i>	15,097	15,306	(209)	(1.4%)	15,124	(27)	(0.2%)	14,879	218	1.5%				
<i>Accumulated depreciation</i>	(2,697)	(2,707)	10	(0.4%)	(2,703)	5	(0.2%)	(2,095)	(602)	28.8%				
<i>Property, plant &amp; equipment, net</i>	12,399	12,598	(199)	(1.6%)	12,421	(22)	(0.2%)	12,784	(385)	(3.0%)				
<i>Identifiable intangible assets, gross</i>	—	—	—	0	—	—	0	—	—	—	—	—	—	0
<i>Accumulated amortization</i>	(6,226)	(6,226)	—	0.0%	(6,226)	—	0.0%	(796)	(5,430)	682.4%				
<i>Identifiable intangible assets, net</i>	55,959	55,850	109	0.2%	55,939	21	0.0%	57,375	(1,415)	(2.5%)				
Deferred financing cost	—	—	—	0	—	—	0	—	—	—	—	—	—	0
Other non-current assets	5,234	—	5,234	0	5,234	—	0.0%	—	5,234	0				
<b>Total Non-Current Assets</b>	<b>73,593</b>	<b>68,449</b>	<b>5,144</b>	<b>7.5%</b>	<b>73,594</b>	<b>(1)</b>	<b>(0.0%)</b>	<b>70,158</b>	<b>3,434</b>	<b>4.9%</b>				
<b>Total Assets</b>	<b>\$ 88,488</b>	<b>\$ 82,762</b>	<b>\$ 5,726</b>	<b>6.9%</b>	<b>\$ 87,317</b>	<b>\$ 1,171</b>	<b>1.3%</b>	<b>\$ 85,575</b>	<b>\$ 2,913</b>	<b>3.4%</b>				
<b>Current Liabilities</b>														
<i>Current portion of long-term debt</i>	1,100	\$ 2,089	\$ (989)	(47.3%)	\$ 1,100	\$ —	0.0%	\$ 1,060	\$ 40	3.8%				
<i>Notes Payable</i>	2,951	275	2,676	N/A	2,947	3	0.1%	313	2,638	841.7%				
<i>Accounts payable</i>	3,200	2,689	512	19.0%	2,639	561	21.3%	2,585	616	23.8%				
<i>Accrued liabilities</i>	3,041	2,105	936	44.4%	2,585	456	17.6%	1,554	1,487	95.7%				
<i>Accrued compensation</i>	—	—	—	0	—	—	0	—	—	—	—	—	—	0
<i>Income taxes payable</i>	0	(521)	521	(100.0%)	0	0	0.0%	35	(35)	(99.5%)				
<i>Other current liabilities</i>	263	277	(14)	(5.1%)	263	—	0.0%	(233)	496	(213.2%)				
<b>Total Current Liabilities</b>	<b>10,555</b>	<b>6,914</b>	<b>3,641</b>	<b>52.7%</b>	<b>9,534</b>	<b>1,021</b>	<b>10.7%</b>	<b>5,315</b>	<b>5,240</b>	<b>98.6%</b>				
<b>Long-term liabilities</b>														
<i>Long-term debt less current maturities</i>	41,022	39,120	1,901	4.9%	41,022	—	0.0%	41,414	(392)	(0.9%)				
<i>Deferred income taxes</i>	—	—	—	0	—	—	0	—	—	—	—	—	—	0
<i>Other non-current liabilities</i>	962	1,003	(41)	(4.1%)	962	0	0.0%	(911)	1,873	(205.6%)				
<b>Total Long-Term Liabilities</b>	<b>41,984</b>	<b>40,124</b>	<b>1,860</b>	<b>4.6%</b>	<b>41,984</b>	<b>0</b>	<b>0.0%</b>	<b>40,503</b>	<b>1,481</b>	<b>3.7%</b>				
<b>Total Liabilities</b>	<b>52,539</b>	<b>47,037</b>	<b>5,502</b>	<b>11.7%</b>	<b>51,518</b>	<b>1,021</b>	<b>2.0%</b>	<b>45,818</b>	<b>6,721</b>	<b>14.7%</b>				
<b>Shareholders' Equity</b>														
<i>Common stock</i>	43,501	43,501	—	0.0%	43,501	—	0.0%	39,392	4,109	10.4%				
<i>Capital in excess of stated value</i>	—	—	—	0	—	—	0	—	—	0				
<i>Retained earnings</i>	(7,552)	(7,777)	225	(2.9%)	(7,702)	150	(1.9%)	(1,129)	(6,423)	568.6%				
<i>Accumulated other comprehensive income</i>	—	—	—	0	—	—	0	1,821	(1,821)	(100.0%)				
<i>Other equity transactions</i>	—	—	—	0	—	—	0	(327)	327	(100.0%)				
<b>Total Shareholders' Equity</b>	<b>35,949</b>	<b>35,725</b>	<b>225</b>	<b>0.6%</b>	<b>35,799</b>	<b>150</b>	<b>0.4%</b>	<b>39,757</b>	<b>(3,808)</b>	<b>(9.6%)</b>				
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 88,488</b>	<b>\$ 82,762</b>	<b>\$ 5,726</b>	<b>6.9%</b>	<b>\$ 87,317</b>	<b>\$ 1,171</b>	<b>1.3%</b>	<b>\$ 85,575</b>	<b>\$ 2,913</b>	<b>3.4%</b>				

## Management Discussion:

- A/R is lower than plan due to the lower revenue at Duraco in April partially offset by the increase at Infinity. A/R is higher than RFC due largely to higher revenue.
- The inventory position continues to improve relative to plan, although was not as low as RFC due partially to timing.
- Accounts payable is higher due to higher volume, an increase in restructuring bills (largely the ERP system) as well as timing due to the ERP launch (some payments were delayed).
- Depreciation and Amortization are both higher than plan due to some last-minute valuation changes with purchase accounting that were not reflected in the plan.

# Consolidated Cashflow Statement

\$'000	MTD		Variance		PY-MTD		Variance		RFC-MTD		Variance		YTD		Variance		PY YTD		Variance		RFC YTD		Variance		
	Act	Bud	\$	%	Act	\$	%	Rfc	\$	%	Rfc	\$	%	Act	\$	%	Act	\$	%	Rfc	\$	%	Rfc	\$	%
<b>Cash flow from operations</b>																									
Net Income (Loss)	\$ (337)	\$ (524)	188	(35.8%)	\$ (337)	0	\$ (337)	0	\$ (337)	0	\$ (2,957)	\$ (2,848)	\$ (109)	3.8%	\$ 875,926	\$ (878,883)	(100.3%)	\$ (487)	\$ (2,470)	508%					
Depreciation, amortization and other	555	560	(5)	(0.9%)	—	555	0	—	555	0	3,933	3,942	(8)	(0.2%)	185,197	(181,264)	(97.9%)	560	3,373	602%					
Capitalized fees & expenses	21	19	1	6.1%	19	1	6.1%	21	(0)	(0.0%)	143	136	7	5.2%	—	—	143	21	122	594%					
Gain (loss) on sale of fixed assets	—	—	—	—	—	0	—	—	0	—	8	—	8	0	—	—	8	—	8	—	—	—	—	—	
Non-cash interest expense	251	275	(24)	(8.7%)	299	(48)	(16.0%)	247	3	1.4%	1,825	1,877	(52)	(2.7%)	(745)	2,570	(345.1%)	247	1,578	638%					
Non-cash dividends	(21)	—	(21)	—	—	(21)	—	—	(21)	—	(21)	—	(21)	—	(2,261)	2,240	(99.1%)	—	(21)	—	—	—	—	—	—
Deferred income tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<i>Change in operating assets and liabilities:</i>																									
Accounts receivable	(848)	(490)	(358)	73.0%	(500)	(348)	69.6%	(360)	(488)	135.6%	(138)	(639)	500	(78.4%)	438,511	(438,649)	(100.0%)	(360)	222	-62%					
Inventory	(159)	(5)	(154)	3078.1%	332	(491)	(147.9%)	21	(180)	(855.1%)	334	89	245	275.2%	(758,341)	758,675	(100.0%)	21	313	1486%					
Prepaid expenses and other current assets	(187)	(244)	56	(23.1%)	39	(227)	(576.5%)	(259)	72	(27.7%)	(298)	(177)	(121)	68.5%	(1,652,298)	1,652,000	(100.0%)	(259)	(39)	15%					
Accounts payable	539	(19)	559	(2891.4%)	119	421	354.7%	(22)	561	(2524.8%)	279	(167)	446	(266.9%)	253,246	(252,967)	(99.9%)	(22)	301	-1354%					
Accrued expenses	415	297	118	39.7%	174	241	138.5%	(41)	456	(1103.1%)	752	61	691	1127.8%	106,685	(105,933)	(99.3%)	(41)	793	-1918%					
Accrued income taxes	0	(158)	158	(100.0%)	82	(81)	(100.0%)	—	0	—	(852)	852	(100.0%)	—	—	—	—	—	—	—	—	—	—	—	
Other changes in operating assets and liabilities	—	—	—	—	—	—	—	—	—	—	(63)	—	(63)	—	(6,139,193)	6,139,131	(100.0%)	—	(63)	—	—	—	—	—	
Other cash flow from operations	—	—	—	—	—	—	—	—	—	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)	—	—	—	—	—	
<b>Total Cash Flow from Operations</b>	<b>\$ 229</b>	<b>\$ (289)</b>	<b>\$ 518</b>	<b>(179.3%)</b>	<b>\$ 574</b>	<b>\$ (345)</b>	<b>(60.1%)</b>	<b>\$ (320)</b>	<b>\$ 549</b>	<b>(171.6%)</b>	<b>\$ 3,796</b>	<b>\$ 1,422</b>	<b>\$ 2,374</b>	<b>167.0%</b>	<b>\$ (6,693,272)</b>	<b>\$ 6,697,068</b>	<b>(100.1%)</b>	<b>\$ (320)</b>	<b>\$ 4,116</b>	<b>-1286%</b>					
<b>Cash flow from investing</b>																									
Additions to property, plant and equipment	\$ (191)	\$ (102)	\$ (89)	87.2%	\$ (5)	\$ (186)	3742.4%	\$ (218)	\$ 27	(12.4%)	\$ (889)	\$ (1,090)	201	(18.4%)	\$ —	\$ (889)	\$ (218)	\$ (671)	308%						
Acquisitions of companies, net of cash acquired	—	—	\$ —	—	—	—	—	—	—	—	(5,095)	—	(5,095)	—	(25,100,184)	25,095,089	(100.0%)	—	(5,095)	—	—	—	—	—	
Investment in intangibles	—	—	\$ —	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Earnout payments	(22)	(22)	\$ —	0.0%	—	(22)	—	(22)	—	0.0%	(108)	(108)	—	0.0%	—	(108)	—	(22)	(87)	400%					
Other cash flow from investing (goodwill)	—	—	\$ —	—	—	—	—	—	—	—	—	—	—	—	(17,159,488)	17,159,488	(100.0%)	—	—	—	—	—	—	—	—
<b>Total Cash Flow from Investing</b>	<b>\$ (213)</b>	<b>\$ (124)</b>	<b>\$ (89)</b>	<b>\$ (5)</b>	<b>\$ (208)</b>	<b>4178.3%</b>	<b>\$ (240)</b>	<b>\$ 27</b>	<b>(11.3%)</b>	<b>\$ (6,093)</b>	<b>\$ (1,198)</b>	<b>\$ (4,894)</b>	<b>408.4%</b>	<b>\$ —</b>	<b>\$ (6,093)</b>	<b>\$ (240)</b>	<b>\$ (5,853)</b>	<b>2441%</b>							
<b>Cash flow from financing</b>																									
Proceeds from the issuance (repayment) of ST	\$ —	\$ 350	\$ (350)	(100.0%)	\$ —	\$ —	\$ —	\$ —	\$ —	—	\$ 2,700	\$ 1,050	\$ 1,650	157.1%	\$ —	\$ 2,700	\$ —	\$ 2,700	—	\$ 2,700	—	—	—	—	
Proceeds from the issuance of debt	—	—	—	—	—	—	—	—	—	—	2,000	0	2,000	1249999927.9%	42,474,000	(42,472,000)	(100.0%)	—	2,000	—	—	—	—	—	
Repayment of debt	—	—	—	—	—	—	—	—	—	—	(2,552)	(2,542)	(10)	0.4%	—	(2,552)	—	(2,552)	—	(2,552)	—	—	—	—	
Capital lease	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Common stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	(3)	—	(3)	—	(16,186,165)	16,186,162	(100.0%)	—	(3)	—	—	—	—	—	
Common stock cash dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,600,000)	3,600,000	(100.0%)	—	—	—	—	—	—	—	—
Preferred stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other cash flow from financing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total Cash Flow from Financing</b>	<b>\$ —</b>	<b>\$ 350</b>	<b>\$ (350)</b>	<b>(100.0%)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>\$ 2,145</b>	<b>\$ (1,492)</b>	<b>\$ 3,637</b>	<b>(243.8%)</b>	<b>\$ 22,687,835</b>	<b>\$ (22,685,690)</b>	<b>\$ (1)</b>	<b>\$ —</b>	<b>\$ 2,145</b>						
<b>Effect of FX rates on cash and cash equivalents</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>\$ (11)</b>	<b>\$ 11</b>	<b>(100.0%)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>(100.0%)</b>	<b>\$ (422)</b>	<b>\$ (200)</b>	<b>\$ (222)</b>	<b>111.0%</b>	<b>\$ (49,315)</b>	<b>\$ 48,893</b>	<b>\$ (1)</b>	<b>\$ (0)</b>	<b>\$ (422)</b>	<b>70312668%</b>					
<b>Net change in cash</b>	<b>\$ 16</b>	<b>\$ (63)</b>	<b>\$ 79</b>	<b>(126.1%)</b>	<b>\$ 559</b>	<b>\$ (542)</b>	<b>(97.1%)</b>	<b>\$ (560)</b>	<b>\$ 576</b>	<b>(102.9%)</b>	<b>\$ (574)</b>	<b>\$ (1,469)</b>	<b>\$ 895</b>	<b>(61.0%)</b>	<b>\$ (1,214,241)</b>	<b>\$ 1,213,667</b>	<b>\$ (1)</b>	<b>\$ (560)</b>	<b>\$ (14)</b>	<b>2%</b>					
Beginning cash	1,085	269	816	303.4%	2,702	(1,617)	(59.8%)	1,085	0	0.0%	19,322	5,591	13,731	245.6%	1,367,787	(1,348,465)	(1)	1,085	18,237	1681%					
Change in cash	16	(63)	79	(126.1%)	559	(542)	(97.1%)	(560)	576	(102.9%)	(574)	(1,469)	895	(61.0%)	(1,214,241)	1,213,667	(1)	(560)	(14)	2%					
<b>Ending cash</b>	<b>\$ 1,101</b>	<b>\$ 206</b>	<b>\$ 895</b>	<b>434.5%</b>	<b>\$ 3,260</b>	<b>\$ (2,159)</b>	<b>(66.2%)</b>	<b>\$ 525</b>	<b>\$ 576</b>	<b>109.7%</b>	<b>\$ 18,748</b>	<b>\$ 4,122</b>	<b>\$ 14,626</b>	<b>354.8%</b>	<b>\$ 153,546</b>	<b>\$ (134,798)</b>	<b>\$ (1)</b>	<b>\$ 525</b>	<b>\$ 18,223</b>	<b>3470%</b>					

### Management Discussion:

- Operating cashflow was better than plan due to higher EBITDA and higher payables partially offset by higher A/R.
- \$22k deferred comp payment is on the Earnout line in the investing section of the statement.

# Consolidated OPEX Detail

\$'000

	YTD			Explanation of Variance				Variance Impact		
	Act	Bud	Variance B / (W)	One-Time /		Change in Run-rate	Other	Total Variance B / (W)	YoY Impact B / (W)	Annualized Impact B / (W)
				Non-recurring	Timing					
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	2,265	2,816	551		551			551	-	-
Benefits (Medical, Dental, Life, AD&D & 401K)	405	477	72					-	-	-
Bonus	516	602	86					-	-	-
Marketing	355	556	200					-	-	-
Commissions	219	110	(109)					-	-	-
Travel and Entertainment	63	231	169		169			169	-	-
Rent and Facilities	150	191	41					-	-	-
Insurance	115	119	4					-	-	-
Professional Fees	456	439	(17)		(17)			(17)	(17)	(101)
Utilities, Repairs, Maint. & Security	18	25	7					-	-	-
Office Supplies	80	65	(15)					-	-	-
IT	315	522	208		208			208	208	1,245
Bad Debt	25	26	2					-	-	-
Real Estate Taxes	108	108	0					-	-	-
Other Expenses	420	311	(109)					-	-	-
<b>Total Opex</b>	<b>5,509</b>	<b>6,598</b>	<b>1,089</b>			<b>910</b>		<b>910</b>	<b>191</b>	<b>1,144</b>

## Management Discussion:

# One-time costs

				Explanation of Variance									
	Act (06/19 - 07/20)	Fcst (06/19-07/20)	Variance F/(U)	One-Time / Non-recurring	Timing	Change in Run-rate	Other	Original Fcst (06/19 - 06/20)	Updated Fcst (06/19 - 06/20)	Total Variance F/(U)	YoY Impact F/(U)	Annualized Impact F/(U)	
Transaction Services Agreement (TSA)	\$ 1,069	\$ 813	\$ (255)		\$ (255)	\$ -	-	\$ 791	\$ 973	\$ (182)	\$ (182)	\$ (1,092.00)	
Opening Balance Sheet audit	4	5	1		\$ 1	\$ -	-	12	8	4	4	24	
Asset Valuation Report	34	40	6		\$ 6	\$ -	-	40	30	10	10	60	
ERP Implementation	578	600	22		\$ 22	\$ -	-	550	490	60	60	360	
Website Build	267	400	133		\$ 133	\$ -	-	350	350	-	-	-	
Data Analytics Platform	98	160	62		\$ 62	\$ -	-	160	106	54	-	-	
IT System Upgrade	77	300	223		\$ 223	\$ -	-	300	352	(52)	(52)	(312)	
Supply Chain Specialist	60	60	-		\$ -	\$ -	-	60	60	-	-	(60)	
Pricing Specialist	-	75	75		\$ 75	\$ -	-	-	-	-	-	-	
Sales Force Efficiency Specialist	144	120	(24)		\$ (24)	\$ -	-	134	119	15	15	90	
M&R Setup	59	65	6		\$ 6	\$ -	-	40	37	3	3	18	
HR Specialist	117	200	83		\$ 83	\$ -	-	147	122	25	25	150	
Interim CFO Support Services	171	187	15		\$ 15	\$ -	-	171	171	-	-	-	
IT Specialist	189	130	(59)		\$ (59)	\$ -	-	126	156	(30)	(30)	(180)	
Recruitment of new personnel	106	243	137		-	\$ 137	\$ -	-	-	-	-	-	
Marketing/product roadmap study	36	-	(36)		\$ (36)	\$ -	-	-	70	(70)	(70)	(420)	
Rebranding	33	100	67		\$ 67	\$ -	-	75	50	25	25	150	
Ceridian Implementation	1	-	(1)		\$ (1)	\$ -	-	-	25	(25)	-	-	
Other Acquisition Cost	28	-	(28)		\$ (28)	\$ -	-	-	-	-	-	-	
Growth & Strategy (Beckway)	155	-	(155)		\$ (155)	\$ -	-	-	-	-	-	-	
Other	5	-	(5)		\$ (5)	\$ -	-	5	-	5	5	30	
Infinity Restructuring Costs	77	50	(27)		\$ (27)	\$ -	-	120	-	120	120	720	
<b>Total 1x Costs</b>	<b>\$ 3,308</b>	<b>\$ 3,548</b>	<b>\$ 240</b>		<b>\$ -</b>	<b>\$ 103</b>	<b>\$ 137</b>	<b>\$ -</b>	<b>\$ 3,081</b>	<b>\$ 3,119</b>	<b>\$ (38)</b>	<b>\$ (67)</b>	<b>\$ (462)</b>

## Management Discussion:

- TSA costs are higher due to delays with the IT separation.
- ERP costs will exceed the \$600k planned due to delays caused by the impact of the corona virus and higher modification costs in specific areas (labels, scheduling, and customer service)

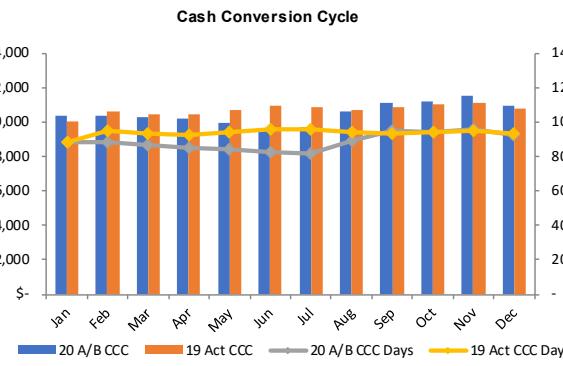
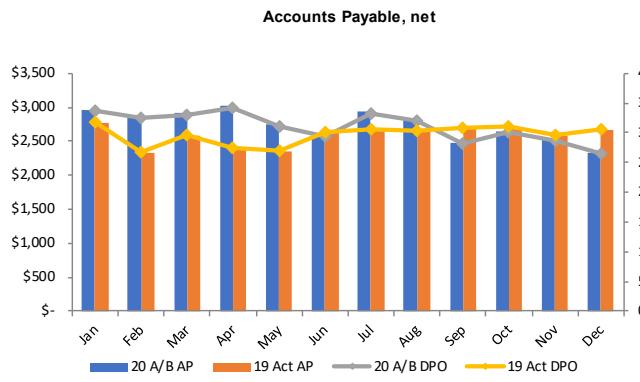
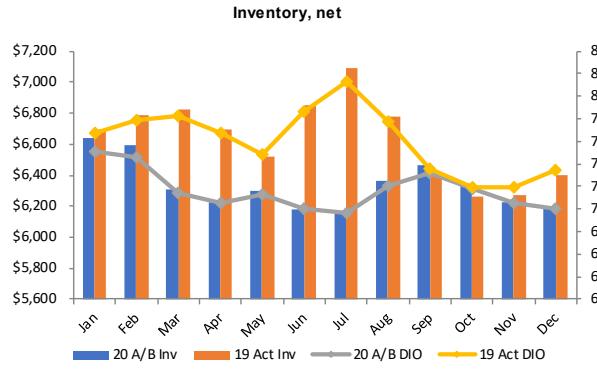
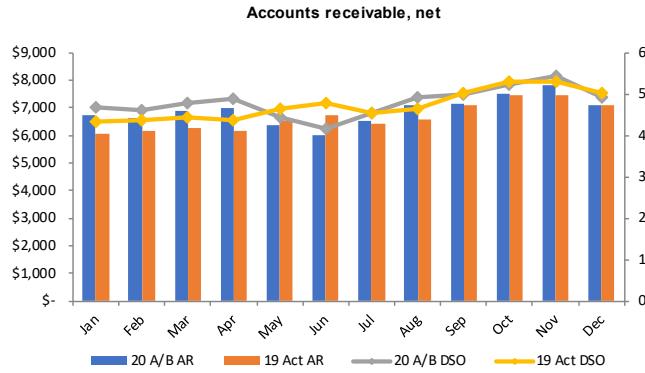
# Debt Leverage Ratios – July 2020

	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20
<b>Bank EBITDA Calculation</b>														
<b>Bank EBITDA</b>	\$868	\$945	\$1,062	\$999	\$1,629	\$971	\$533	\$713	\$825	\$864	\$841	\$700	\$976	\$940
Consolidated TTM Bank EBITDA	\$10,049	\$10,045	\$10,190	\$10,378	\$10,803	\$10,853	\$10,603	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950	\$11,058	\$11,053
<b>Fixed Charge Coverage Ratio (Section 6.1)</b>														
Bank EBITDA	\$868	\$945	\$1,062	\$999	\$1,629	\$971	\$533	\$713	\$825	\$864	\$841	\$700	\$976	\$940
i - Unfinanced Capital Expenditures	\$ 33	\$ 14	\$ 14	\$ 63	\$ 80	\$ 242	\$ 60	\$ 39	\$ 330	\$ 42	\$ 38	\$ 55	\$ 207	\$ 191
ii - Management Fees paid or incurred	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
iii - Income/franchise taxes paid or incurred	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv - Restricted Distributions paid in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v - Contingent Purchase Price Obligations paid in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow (Numerator)	\$751	\$848	\$965	\$853	\$1,465	\$646	\$389	\$591	\$411	\$739	\$719	\$561	\$685	\$666
Interest Expense	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 260	\$ 260	\$ 260	\$ 260
Less: Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a Net Cash Interest	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 260	\$ 260	\$ 260	\$ 260
b Regularly scheduled principal payments	\$ 278	\$ -	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278
Fixed Charges (Denominator)	\$ 563	\$ 285	\$ 285	\$ 285	\$ 563	\$ 285	\$ 563	\$ 285	\$ 285	\$ 563	\$ 260	\$ 260	\$ 538	\$ 260
TTM Numerator	\$ 8,362	\$ 8,387	\$ 8,561	\$ 8,729	\$ 9,117	\$ 8,968	\$ 8,701	\$ 8,943	\$ 8,900	\$ 9,123	\$ 9,042	\$ 8,939	\$ 8,873	\$ 8,691
TTM Denominator	\$ 4,240	\$ 4,240	\$ 4,240	\$ 4,240	\$ 4,518	\$ 4,518	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,505	\$ 4,480	\$ 4,455	\$ 4,431
<b>Fixed Charge Coverage Ratio</b>	N/A	N/A	N/A	2.06	2.02	1.99	1.92	1.97	1.96	2.01	2.01	2.00	1.99	1.96
Covenant Status	Pass			1.10 Pass			1.10 Pass			1.10 Pass			1.10 Pass	
<b>Total Debt to EBITDA Ratio (Section 6.2)</b>														
+ Outstanding amount of Revolving Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 7,000	\$ 7,000	\$ 4,000	\$ 2,700	\$ 2,700
+ Outstanding Principal Balance - Term Loan	\$42,474	\$42,474	\$42,474	\$42,474	\$41,359	\$41,359	\$41,099	\$41,099	\$43,099	\$42,679	\$42,397	\$42,397	\$42,122	\$42,122
+ Outstanding Principal Balance - Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
- Qualified Cash	(765)	(1,366)	(1,922)	(2,353)	(1,165)	(1,528)	(1,609)	(2,078)	(1,445)	(3,000)	(2,916)	(2,605)	(1,085)	(1,085)
Bank Debt	\$41,709	\$41,108	\$40,552	\$40,121	\$40,194	\$39,831	\$39,490	\$39,021	\$47,155	\$47,979	\$47,780	\$45,092	\$45,037	\$45,037
Consolidated TTM Bank EBITDA	\$10,049	\$10,045	\$10,190	\$10,378	\$10,803	\$10,853	\$10,603	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950	\$11,058	\$11,053
<b>Leverage Ratio</b>	4.15	4.09	3.98	3.87	3.72	3.67	3.72	3.61	4.29	4.29	4.33	4.12	4.07	4.07
Maximum Permitted Total Debt to EBITDA Ratio for the defined period.	6.25			6.25			6.00			5.75				
Status	Pass			Pass			Pass			Pass				

## Management Discussion:

- Duraco is well within all covenants.
- The line items have been annualized per page 10 of Exhibit C of the amended credit agreement.
  - Interest Payments
  - Scheduled payments of principal
  - Management Fees
  - Cash Taxes paid

# Consolidated Working Capital and Cash Conversion Cycle



## Management Discussion:

- 2020 CCC days have improved compared to PY due largely to lower inventory balances and higher A/P partially offset by higher A/R.
- 2020 A/P is higher than 2019 due largely to increased restructuring costs. This will begin to reduce when restructuring activities decline.
- Inventory has outperformed 2019 due to improvements in the stock model and an increased focus on reducing inventory.

# Information Systems and Technology

# Status of Key IT Initiatives

## STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
Infrastructure	<span style="color: red;">●</span>	<ul style="list-style-type: none"> <li>Essentra is handing over the Wi-Fi controller and plant switches the week of the 24th. The Century Link circuit has been transferred from Essentra. SD-WAN will be implemented Monday the 17<sup>th</sup>.</li> </ul>	Q1 2020	N/A	N/A
ERP	<span style="color: black;">●</span>	<ul style="list-style-type: none"> <li>Infor CSI is now live as of the 17th.</li> </ul>	Q2 2020	N/A	N/A
Enterprise applications (other than ERP)	<span style="color: green;">●</span>	<ul style="list-style-type: none"> <li>Bartender is completed and running in conjunction with the ERP. The search for a CRM has been started with the two leading programs being Salesforce and Zendesk. The search for a RPA vendor has started.</li> </ul>	Q4 2020	N/A	N/A
Telephony	<span style="color: black;">●</span>	<ul style="list-style-type: none"> <li>The new phone system is set to go live Tuesday the 18<sup>th</sup>. The new Verizon phones with mobile device software have been distributed and is live.</li> </ul>	Q1 2020	N/A	N/A
End-points	<span style="color: red;">●</span>	<ul style="list-style-type: none"> <li>The office desktops have been replaced. Plant desktops will be replaced as the replaced office desktops are refreshed.</li> </ul>	Q2 2020	N/A	N/A

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

## Consolidated Full year outlook and P&L

\$'000	YTD		Variance		FY		PY		Variance		TTM
	Act	Bud	\$	%	Act	Act	\$	%	\$		
Gross Revenue	\$ 29,447	\$ 30,449	\$ (1,002)	(3.3%)	\$ 52,726	\$ 51,606	\$ 1,120	2.2%	\$ 51,265		
Net Revenue	29,305	30,269	(965)	(3.2%)	52,445	51,414	1,031	2.0%	51,079		
Material	10,752	10,684	(67)	(0.6%)	18,925	18,990	(66)	(0.3%)	18,788		
	36.7%	35.3%	(0)	(3.9%)	36.1%	36.9%			36.8%		
Labor	3,307	3,436	129	3.8%	5,749	5,671	78	1.4%	5,670		
	11.3%	11.4%	0	0.6%	11.0%	11.0%			11.1%		
Other COGS	4,277	4,499	222	4.9%	7,568	7,144	424	5.9%	7,235		
Total COGS	18,336	18,619	284	1.5%	32,242	31,806	436	1.4%	31,693		
Gross Margin	10,969	11,650	(681)	(5.8%)	20,203	19,608	595	3.0%	19,386		
Gross Margin %	37.4%	38.5%			38.5%	38.1%			38.0%		
R&D	96	244	148	60.7%	259	313	(54)	(17.2%)	231		
Sales & Marketing	2,475	3,112	637	20.5%	4,760	4,490	271	6.0%	4,410		
Administrative	2,861	3,242	380	11.7%	5,167	5,732	(566)	(9.9%)	4,794		
Other Opex	77	—	(77)	0	77	31	47	152.7%	108		
Total Opex	5,509	6,598	1,089	16.5%	10,263	10,565	(302)	(2.9%)	9,542		
EBITDA	5,460	5,052	408	8.1%	9,940	9,043	896	9.9%	9,844		
EBITDA %	18.6%	16.7%			19.0%	17.6%			19.3%		
Bank allowable EBITDA add-back	400	147	253	172.2%	460	1,727	(1,267)	(73.4%)	1,211		
Bank EBITDA	5,860	5,199	661	12.7%	10,400	10,770	(371)	(3.4%)	11,054		

\$'000	YTD		Variance		PY		Variance		TTM
	Act	Bud	\$	%	Bud	Act	\$	%	
<b>Opex Overview:</b>									
Payroll (Payroll, OT, SS & Taxes, \$	2,265	\$ 2,816	551	19.6%	\$ 4,323	\$ 3,638	\$ 685	18.8%	\$ 3,938
Benefits (Medical, Dental, Life, i	405	477	72	15.1%	768	649	118	18.2%	697
Bonus	516	602	86	14.3%	946	548	398	72.6%	804
Marketing	355	556	200	36.0%	752	898	(145)	(16.2%)	729
Commissions	219	110	(109)	(98.3%)	343	233	110	47.0%	322
Travel and Entertainment	63	191	128	67.1%	303	233	71	30.3%	161
Rent and Facilities	150	231	81	35.2%	228	312	(85)	(27.1%)	241
Insurance	115	119	4	3.4%	200	124	76	61.2%	192
Professional Fees	456	439	(17)	(3.8%)	723	453	270	59.6%	762
Utilities, Repairs, Maint. & Secu	18	25	7	26.3%	36	49	(13)	(27.2%)	32
Office Supplies	80	65	(15)	(23.3%)	129	155	(26)	(16.9%)	148
IT	315	522	208	39.7%	666	389	277	71.2%	471
Bad Debt	25	26	2	6.4%	42	51	(9)	(17.5%)	51
Real Estate Taxes	108	108	0	0.0%	176	209	(32)	(15.5%)	187
Other Expenses	420	311	(109)	(34.9%)	629	2,624	(1,996)	(76.1%)	808
<b>Total Opex</b>	<b>\$ 5,509</b>	<b>\$ 6,598</b>	<b>\$ 1,089</b>	<b>16.5%</b>	<b>\$ 10,263</b>	<b>\$ 10,565</b>	<b>\$ (302)</b>	<b>(2.9%)</b>	<b>\$ 9,542</b>



# Consolidated Monthly P&L

\$'000													FY (7+5)	FY	Var	
	20-Jan	20-Feb	20-Mar	20-Apr	20-May	20-Jun	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec				
Gross Revenue	\$ 4,317	\$ 3,997	\$ 4,304	\$ 4,499	\$ 3,356	\$ 4,337	\$ 4,638	\$ 3,502	\$ 3,612	\$ 4,620	\$ 3,647	\$ 3,247	\$ 48,074	\$ 53,728	\$ (5,654)	(10.5%)
Net Revenue	4,301	3,973	4,279	4,489	3,338	4,314	4,610	3,479	3,589	4,592	3,621	3,225	47,811	53,410	(5,599)	(10.5%)
Material	1,564	1,369	1,526	1,641	1,181	1,698	1,772	1,321	1,354	1,704	1,378	1,177	17,686	18,858	(1,172)	(6.2%)
Labor	36.4%	34.5%	35.7%	36.6%	35.4%	39.4%	38.4%	38.0%	37.7%	37.1%	38.1%	36.5%	37.0%	35.3%	20.9%	
12.5%	11.1%	10.5%	12.2%	10.3%	10.6%	11.5%	10.8%	10.7%	11.9%	10.6%	11.2%	11.2%	11.0%	9.3%		
Other COGS	649	603	631	658	550	551	636	541	564	701	550	587	7,219	7,790	(571)	(7.3%)
Total COGS	2,751	2,415	2,607	2,846	2,075	2,706	2,938	2,237	2,303	2,950	2,313	2,127	30,270	32,526	(2,256)	(6.9%)
Gross Margin	1,550	1,558	1,673	1,643	1,263	1,608	1,672	1,242	1,286	1,642	1,308	1,098	17,541	20,884	(3,343)	(16.0%)
Gross Margin %	36.0%	39.2%	39.1%	36.6%	37.8%	37.3%	36.3%	35.7%	35.8%	35.8%	36.1%	34.0%	36.7%	39.1%		
R&D	27	13	13	18	9	8	9	16	27	33	27	30	229	407	(178)	(43.7%)
Sales & Marketing	377	365	412	423	173	333	391	357	374	451	377	398	4,431	5,398	(966)	(17.9%)
Administrative	442	377	431	472	376	358	405	364	361	420	366	387	4,760	5,547	(787)	(14.2%)
Other Opex	—	(2)	1	—	100	(22)	79	—	(16)	(16)	(32)	(16)	76	—	76	
Total Opex	846	753	857	913	658	677	884	737	747	888	737	799	9,497	11,352	(1,856)	(16.3%)
EBITDA	704	805	816	730	605	930	788	504	540	754	571	298	8,045	9,532	(1,487)	(15.6%)
EBITDA %	16.4%	20.3%	19.1%	16.3%	18.1%	21.6%	17.1%	14.5%	15.0%	16.4%	15.8%	9.2%	16.8%	17.8%	(1.0%)	
Bank allowable EBITDA add-backs	9	20	48	111	94	45	73	19	19	19	19	19	496	207	289	139.4%
Bank EBITDA	713	825	864	841	700	976	940	540	559	774	558	302	8,593	9,739	(1,146)	(11.8%)
(Standalone Costs)	(129)	(115)	(80)	(140)	(127)	(145)	(144)	(59)	(37)	(33)	(30)	(30)	(1,068)	(13)	(1,055)	8148.2%
PF Adjusted EBITDA	584	710	785	701	573	831	796	481	522	740	529	272	7,525	9,726	(2,201)	(22.6%)
Indicative %													0			
Net Income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (208)	\$ (337)	\$ (487)	\$ (393)	\$ (186)	\$ (393)	\$ (688)	\$ (5,103)	\$ (3,128)	\$ (1,975)	63.1%

\$'000													FY (2+11)	FY	Var	
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Act	Bud	\$	%
<b>Opex Overview:</b>																
Payroll (Payroll, OT, SS & Taxes, Temp)	368	317	304	361	250	298	366	347	371	451	367	432	4,231	\$ 4,874	\$ (643)	(13.2%)
Benefits (Medical, Dental, Life, AD&D)	54	63	68	65	51	41	64	55	55	65	55	55	690	840	(149)	(17.8%)
Bonus	86	86	86	86	86	86	—	—	—	—	—	—	516	1,031	(516)	(50.0%)
Marketing	79	79	79	17	1	33	66	66	66	66	66	66	687	953	(265)	(27.8%)
Commissions	15	15	31	39	22	43	53	19	20	38	26	13	335	234	101	43.0%
Travel and Entertainment	23	10	26	(4)	1	2	4	24	26	33	28	25	198	344	(146)	(42.4%)
Rent and Facilities	18	18	21	23	23	23	23	33	33	33	33	33	317	396	(79)	(19.9%)
Insurance	18	15	17	21	17	8	19	16	16	20	16	16	200	204	(4)	(2.0%)
Professional Fees	36	46	91	130	15	83	55	51	51	54	51	51	713	706	7	1.0%
Utilities, Repairs, Maint. & Security	3	1	1	3	0	1	9	3	3	4	3	3	36	42	(7)	(15.5%)
Office Supplies	11	10	16	15	7	11	10	10	10	10	10	10	129	114	15	13.4%
IT	46	41	51	44	38	30	64	56	56	60	56	56	599	874	(275)	(31.5%)
Bad Debt	12	(3)	3	16	4	(2)	(5)	3	3	4	3	3	42	44	(2)	(3.8%)
Real Estate Taxes	20	16	13	16	13	13	16	13	13	16	13	13	176	176	(0)	(0.0%)
Other Expenses	55	39	48	80	128	7	62	41	39	48	41	40	629	520	109	20.9%
Total Opex	\$ 846	\$ 753	\$ 857	\$ 913	\$ 658	\$ 677	\$ 805	\$ 737	\$ 763	\$ 904	\$ 769	\$ 815	\$ 9,498	\$ 11,352	\$ (1,854)	(16.3%)

# Consolidated 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	Rfc	Rfc	Rfc	Rfc	Rfc	7 m Act + 5 Rfc	Rfc	\$	%	Act	\$	%						
EBITDA - as reported	\$ 704	\$ 805	\$ 816	\$ 730	\$ 605	\$ 931	\$ 867	\$ 521	\$ 540	\$ 755	\$ 539	\$ 283	\$ 8,097	\$ 7,840	\$ 257	3.3%	\$ 9,043	\$ (946)	(10.5%)
Depreciation and amortization	(569)	(570)	(560)	(560)	(560)	(560)	(555)	(560)	(560)	(560)	(560)	(560)	(6,735)	(6,740)	5	(0.1%)	(4,668)	(2,067)	44.3%
Interest and amortization	(281)	(277)	(296)	(257)	(272)	(314)	(271)	(268)	(260)	(266)	(259)	(266)	(3,287)	(3,431)	143	(4.2%)	(1,784)	(1,503)	84.2%
Other financial income/expense	(0)	(1)	(0)	(0)	0	(0)	–	–	–	–	–	–	(2)	(2)	–	–	31	(33)	(106.9%)
Non-financial income/expense	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	(8)	8	(100.0%)
Monitoring fees (including expenses)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(1,000)	(1,000)	–	–	(500)	(500)	100.0%
Restructuring costs	(171)	(360)	(440)	(229)	(255)	(182)	(289)	(96)	(30)	(30)	(30)	(60)	(2,172)	(2,067)	(104)	5.1%	(1,452)	(720)	49.6%
Non-recurring items	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,067)	2,067	(100.0%)	(0)	0	(100.0%)
Taxes	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	0	(0)	(100.0%)
<b>GAAP Net Income (Loss)</b>	<b>\$ (400)</b>	<b>\$ (485)</b>	<b>\$ (563)</b>	<b>\$ (399)</b>	<b>\$ (564)</b>	<b>\$ (208)</b>	<b>\$ (332)</b>	<b>\$ (487)</b>	<b>\$ (393)</b>	<b>\$ (186)</b>	<b>\$ (393)</b>	<b>\$ (688)</b>	<b>\$ (5,099)</b>	<b>\$ (7,467)</b>	<b>\$ 2,368</b>	<b>(31.7%)</b>	<b>\$ 662</b>	<b>\$ (5,760)</b>	<b>(870.7%)</b>

## Management Discussion

# Consolidated Monthly Balance Sheet

\$'000	20-Jan Act	20-Feb Act	20-Mar Act	20-Apr Act	20-May Act	20-Jun Act	20-Jul Act	20-Aug Rfc	20-Sep Rfc	20-Oct Rfc	20-Nov Rfc	20-Dec Rfc	FY Rfc	PY Act
<b>Current Assets</b>														
Cash and cash equivalents	2,206	1,659	5,513	4,579	2,605	1,085	1,101	1,236	1,777	422	778	170	170	1,675
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accounts receivable, gross	6,805	6,731	7,330	6,992	6,048	6,244	7,087	5,887	5,626	6,533	6,660	6,325	6,325	6,924
Accounts receivable, reserves	(142)	(140)	(142)	(159)	(163)	(160)	(156)	(152)	(152)	(152)	(152)	(152)	(152)	(130)
Accounts receivable, net	6,663	6,592	7,187	6,834	5,885	6,084	6,932	5,735	5,474	6,381	6,508	6,173	6,173	6,793
Inventory, gross	7,724	7,503	7,189	7,366	7,367	7,098	7,114	7,175	7,370	6,970	6,920	6,870	6,870	7,570
Inventory, reserves	(1,017)	(1,026)	(1,041)	(1,061)	(1,076)	(1,026)	(882)	(1,041)	(1,056)	(1,071)	(1,086)	(1,101)	(1,101)	(1,005)
Inventory, net	6,707	6,477	6,148	6,305	6,290	6,072	6,231	6,134	6,314	5,899	5,834	5,769	5,769	6,565
Prepaid expenses and other current assets	474	385	327	561	421	444	631	595	488	739	616	492	492	333
Current portion of deferred taxes	5,612	5,579	5,583	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	—
Other current assets	285	331	222	—	—	—	—	—	—	—	—	—	—	—
<b>Total Current Assets</b>	<b>16,049</b>	<b>15,113</b>	<b>19,175</b>	<b>18,278</b>	<b>15,201</b>	<b>13,685</b>	<b>14,895</b>	<b>13,700</b>	<b>14,053</b>	<b>13,442</b>	<b>13,736</b>	<b>12,605</b>	<b>12,605</b>	<b>15,366</b>
<b>Non-Current Assets</b>														
Property, plant & equipment, gross	15,328	14,564	14,605	14,643	14,698	14,906	15,097	15,336	15,392	15,457	15,542	15,607	15,607	15,359
Accumulated depreciation	(2,549)	(2,298)	(2,378)	(2,459)	(2,540)	(2,621)	(2,697)	(2,784)	(2,865)	(2,947)	(3,028)	(3,110)	(3,110)	(2,524)
Property, plant & equipment, net	12,779	12,266	12,227	12,184	12,158	12,284	12,399	12,552	12,527	12,511	12,514	12,498	12,498	12,834
Identifiable intangible assets, gross	700	4,694	4,694	4,606	4,694	4,606	—	—	—	—	—	—	—	—
Accumulated amortization	(3,701)	(3,831)	(4,310)	(4,789)	(5,268)	(5,747)	(6,226)	(6,705)	(7,184)	(7,663)	(8,142)	(8,621)	(8,621)	(3,217)
Identifiable intangible assets, net	54,470	58,333	57,854	57,375	56,896	56,417	55,959	55,460	54,981	54,502	54,023	53,544	53,544	54,954
Deferred financing cost	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other non-current assets	—	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	—
<b>Total Non-Current Assets</b>	<b>67,249</b>	<b>75,834</b>	<b>75,315</b>	<b>74,794</b>	<b>74,289</b>	<b>73,936</b>	<b>73,593</b>	<b>73,246</b>	<b>72,742</b>	<b>72,247</b>	<b>71,772</b>	<b>71,276</b>	<b>71,276</b>	<b>67,788</b>
<b>Total Assets</b>	<b>\$ 83,298</b>	<b>\$ 90,947</b>	<b>\$ 94,490</b>	<b>\$ 93,071</b>	<b>\$ 89,490</b>	<b>\$ 87,621</b>	<b>\$ 88,488</b>	<b>\$ 86,947</b>	<b>\$ 86,795</b>	<b>\$ 85,689</b>	<b>\$ 85,508</b>	<b>\$ 83,881</b>	<b>\$ 83,881</b>	<b>\$ 83,155</b>
<b>Current Liabilities</b>														
Current portion of long-term debt	1,462	1,462	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,462
Notes Payable	261	3,318	7,794	7,237	4,488	2,700	2,951	3,195	3,434	2,946	3,184	2,700	2,700	—
Accounts payable	3,016	2,736	3,084	2,954	2,525	2,661	3,200	2,490	2,413	2,400	2,288	2,036	2,036	2,921
Accrued liabilities	2,564	2,542	2,247	2,197	2,360	2,626	3,041	2,604	2,683	2,540	2,627	2,700	2,700	2,289
Accrued compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Income taxes payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	(233)	263	263	263	263	263	263	263	263	263	263	263	263	(233)
<b>Total Current Liabilities</b>	<b>\$ 7,070</b>	<b>\$ 10,321</b>	<b>\$ 14,488</b>	<b>\$ 13,751</b>	<b>\$ 10,736</b>	<b>\$ 9,350</b>	<b>\$ 10,555</b>	<b>\$ 9,651</b>	<b>\$ 9,895</b>	<b>\$ 9,250</b>	<b>\$ 9,463</b>	<b>\$ 8,799</b>	<b>\$ 8,799</b>	<b>\$ 6,440</b>
<b>Long-term liabilities</b>														
Long-term debt less current maturities	39,638	41,638	41,579	41,297	41,297	41,022	41,022	41,022	41,022	40,747	40,747	40,472	40,472	39,638
Deferred income taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other non-current liabilities	(795)	967	966	965	964	963	962	961	960	959	957	956	956	(814)
<b>Total Long-Term Liabilities</b>	<b>38,843</b>	<b>42,605</b>	<b>42,546</b>	<b>42,262</b>	<b>42,261</b>	<b>41,985</b>	<b>41,984</b>	<b>41,983</b>	<b>41,981</b>	<b>41,706</b>	<b>41,705</b>	<b>41,429</b>	<b>41,429</b>	<b>38,824</b>
<b>Total Liabilities</b>	<b>45,913</b>	<b>52,926</b>	<b>57,033</b>	<b>56,013</b>	<b>52,996</b>	<b>51,335</b>	<b>52,539</b>	<b>51,634</b>	<b>51,876</b>	<b>50,955</b>	<b>51,167</b>	<b>50,228</b>	<b>50,228</b>	<b>45,263</b>
<b>Shareholders' Equity</b>														
Common stock	39,389	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	39,392
Capital in excess of stated value	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Retained earnings	(3,094)	(5,481)	(6,044)	(6,443)	(7,007)	(7,215)	(7,552)	(8,189)	(8,582)	(8,768)	(9,161)	(9,848)	(9,848)	(2,694)
Accumulated other comprehensive income	1,636	—	—	—	—	—	—	—	—	—	—	—	—	1,678
Other equity transactions	(545)	—	—	—	—	—	—	—	—	—	—	—	—	(485)
<b>Total Shareholders' Equity</b>	<b>37,385</b>	<b>38,021</b>	<b>37,457</b>	<b>37,058</b>	<b>36,494</b>	<b>36,286</b>	<b>35,949</b>	<b>35,313</b>	<b>34,919</b>	<b>34,734</b>	<b>34,341</b>	<b>33,653</b>	<b>33,653</b>	<b>37,891</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 83,298</b>	<b>\$ 90,947</b>	<b>\$ 94,490</b>	<b>\$ 93,071</b>	<b>\$ 89,490</b>	<b>\$ 87,621</b>	<b>\$ 88,488</b>	<b>\$ 86,947</b>	<b>\$ 86,795</b>	<b>\$ 85,689</b>	<b>\$ 85,508</b>	<b>\$ 83,881</b>	<b>\$ 83,881</b>	<b>\$ 83,154</b>

# Consolidated Balance Sheet – Year on Year Comparison

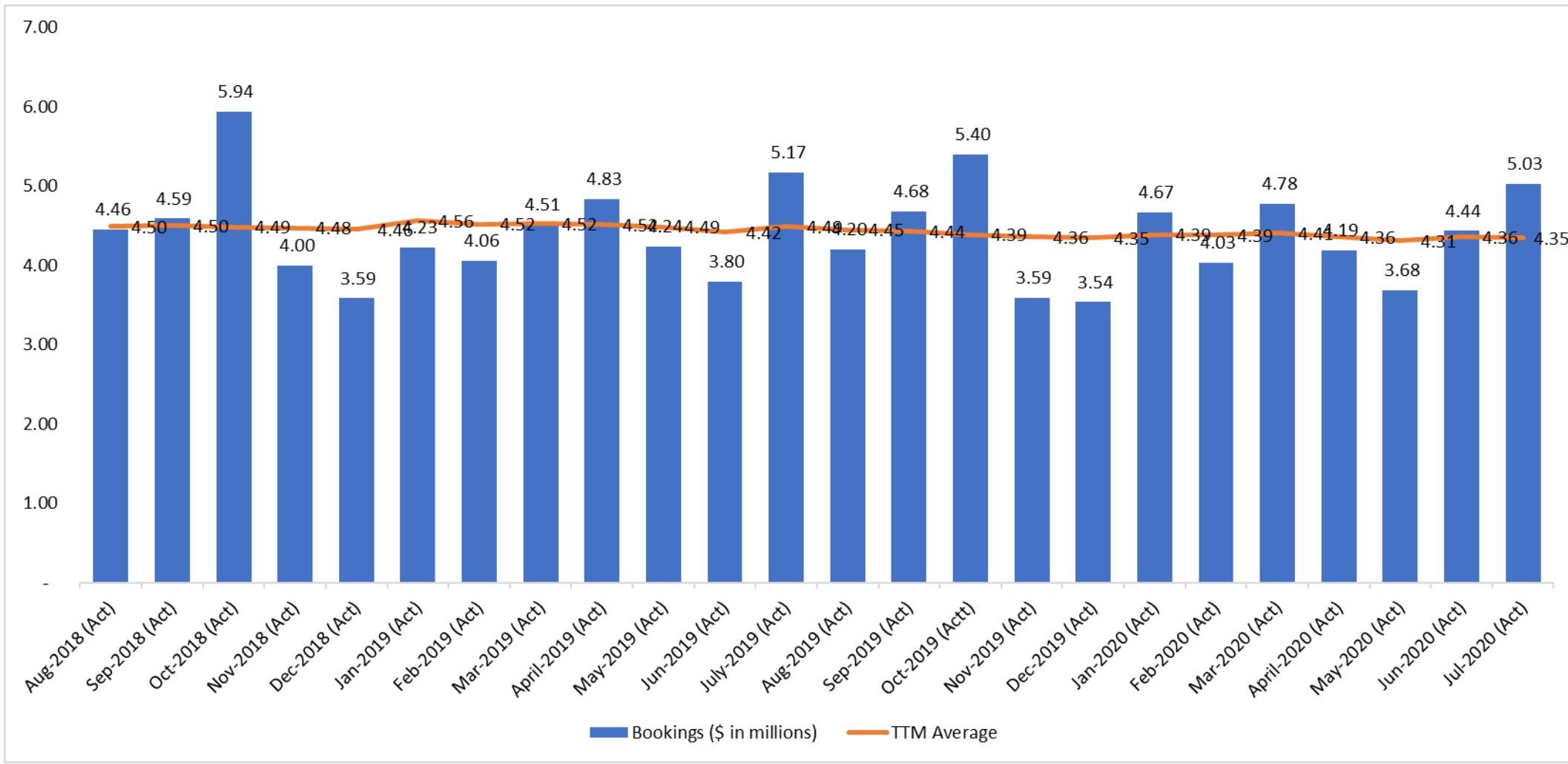
\$'000	YTD		Variance	
	CY	Dec-19	\$	%
<b><u>Current Assets</u></b>				
Cash and cash equivalents	\$ 1,101	\$ 1,675	\$ (574)	(34.2%)
Short term investments	–	–	–	–
<i>Accounts receivable, gross</i>	7,087	6,924	163	2.4%
<i>Accounts receivable, reserves</i>	(156)	(130)	(25)	19.4%
<i>Accounts receivable, net</i>	6,932	6,793	138	2.0%
<i>Inventory, gross</i>	7,114	7,570	(456)	(6.0%)
<i>Inventory, reserves</i>	(882)	(1,005)	122	(12.2%)
<i>Inventory, net</i>	6,231	6,565	(334)	(5.1%)
Prepaid expenses and other current assets	631	333	298	89.4%
Current portion of deferred taxes	–	–	–	–
Other current assets	–	–	–	–
<b>Total Current Assets</b>	<b>14,895</b>	<b>15,366</b>	<b>(471)</b>	<b>(3.1%)</b>
<b><u>Non-Current Assets</u></b>				
Property, plant & equipment, gross	15,097	15,359	(262)	(1.7%)
Accumulated depreciation	(2,697)	(2,524)	(173)	6.9%
Property, plant & equipment, net	12,399	12,834	(435)	(3.4%)
Identifiable intangible assets, gross	–	–	–	–
Accumulated amortization	(6,226)	(3,217)	(3,009)	93.6%
Identifiable intangible assets, net	55,959	54,954	1,005	1.8%
Deferred financing cost	–	–	–	–
Other non-current assets	5,234	–	5,234	–
<b>Total Non-Current Assets</b>	<b>73,593</b>	<b>67,788</b>	<b>5,805</b>	<b>8.6%</b>
<b>Total Assets</b>	<b>\$ 88,488</b>	<b>\$ 83,155</b>	<b>\$ 5,334</b>	<b>6.4%</b>
<b><u>Current Liabilities</u></b>				
Current portion of long-term debt	\$ 1,100	\$ 1,462	\$ (362)	(24.7%)
Notes Payable	2,951	–	2,951	–
Accounts payable	3,200	2,921	279	9.5%
Accrued liabilities	3,041	2,289	752	32.8%
Accrued compensation	–	–	–	–
Income taxes payable	0	0	0	0.0%
Other current liabilities	263	(233)	496	(213.2%)
<b>Total Current Liabilities</b>	<b>10,555</b>	<b>6,440</b>	<b>4,116</b>	<b>63.9%</b>
<b><u>Long-term liabilities</u></b>				
Long-term debt less current maturities	41,022	39,638	1,384	3.5%
Deferred income taxes	–	–	–	–
Other non-current liabilities	962	(814)	1,776	(218.2%)
<b>Total Long-Term Liabilities</b>	<b>41,984</b>	<b>38,824</b>	<b>3,160</b>	<b>8.1%</b>
<b>Total Liabilities</b>	<b>52,539</b>	<b>45,263</b>	<b>7,276</b>	<b>16.1%</b>
<b><u>Shareholders' Equity</u></b>				
Common stock	43,501	39,392	4,109	10.4%
Capital in excess of stated value	–	–	–	–
Retained earnings	(7,552)	(2,694)	(4,858)	180.3%
Accumulated other comprehensive income	–	1,678	(1,678)	(100.0%)
Other equity transactions	–	(485)	485	(100.0%)
<b>Total Shareholders' Equity</b>	<b>35,949</b>	<b>37,891</b>	<b>(1,942)</b>	<b>(5.1%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 88,488</b>	<b>\$ 83,154</b>	<b>\$ 5,334</b>	<b>6.4%</b>

# Consolidated Monthly Cash Flow

\$'000	2020												FY (7+5)		FY		Variance		PY		Variance	
	20-Jan Act	20-Feb Act	20-Mar Act	20-Apr Act	20-May Act	20-Jun Act	20-Jul Act	20-Aug Rfc	20-Sep Rfc	20-Oct Rfc	20-Nov Rfc	20-Dec Rfc	Act	Bud	\$	%	Act	\$	%	Act	\$	%
<b>Cash flow from operations</b>																						
Net Income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (208)	\$ (337)	\$ (452)	\$ (391)	\$ (186)	\$ (393)	\$ (688)	\$ (5,067)	\$ (3,128)	\$ (1,938)	62.0%	\$ (438,690)	\$ 433,623	(98.8%)	\$ 433,623	\$ (563,052)	(98.8%)
Depreciation, amortization and other	569	570	560	560	560	560	555	560	560	560	560	560	6,735	6,743	(8)	(0.1%)	569,786	(563,052)	(98.8%)			
Capitalized fees & expenses	19	21	21	21	21	21	21	21	21	21	21	21	246	233	13	5.6%	19,384	(19,138)	(98.7%)			
Gain (loss) on sale of fixed assets	—	8	—	—	—	—	—	—	—	—	—	—	8	—	8		—	—	8	—	—	
Non-cash interest expense	261	256	276	237	251	293	251	247	239	246	238	246	3,042	3,198	(156)	(4.9%)	246,325	(243,284)	(98.8%)			
Non-cash dividends	—	—	—	—	—	—	(21)	—	—	—	—	—	(21)	—	(21)		—	—	(21)	—	—	
Deferred income tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		—	—	—	—	—	
<b>Change in operating assets and liabilities:</b>																					\$ —	\$ —
Accounts receivable	130	72	(596)	354	948	(198)	(848)	35	275	(907)	(127)	335	(526)	(60)	(466)	779.7%	584,160	(584,687)	(100.1%)			
Inventory	(142)	230	329	(157)	14	218	(159)	2	415	65	65	796	379	417	110.0%	(336,896)	337,692	(100.2%)				
Prepaid expenses and other current assets	(141)	89	58	(233)	140	(23)	(187)	108	108	(251)	123	124	(87)	13	(100)	(782.1%)	87,266	(87,353)	(100.1%)			
Accounts payable	94	(279)	347	(129)	(429)	136	539	(86)	(43)	(13)	(112)	(252)	(228)	(448)	219	(49.0%)	513,086	(513,314)	(100.0%)			
Accrued expenses	275	(22)	(295)	(50)	163	266	415	4	64	(143)	87	73	836	481	355	73.9%	306,762	(305,926)	(99.7%)			
Accrued income taxes	—	—	—	—	—	(0)	0	—	—	—	—	—	—	(897)	897	(100.0%)	(330,478)	330,478	(100.0%)			
Other changes in operating assets and liabilities	—	(63)	—	—	—	—	—	—	—	—	—	—	(63)	—	(63)		—	—	(63)	—	—	
Other cash flow from operations	—	(2)	1	—	—	—	—	—	—	—	—	—	(1)	—	(1)		—	—	(1)	—	—	
<b>Total Cash Flow from Operations</b>	<b>\$ 666</b>	<b>\$ 394</b>	<b>\$ 137</b>	<b>\$ 202</b>	<b>\$ 1,102</b>	<b>\$ 1,065</b>	<b>\$ 229</b>	<b>\$ 438</b>	<b>\$ 748</b>	<b>\$ (259)</b>	<b>\$ 462</b>	<b>\$ 484</b>	<b>\$ 5,669</b>	<b>\$ 6,514</b>	<b>\$ (845)</b>	<b>(13.0%)</b>	<b>\$ 1,220,705</b>	<b>\$ (1,215,037)</b>	<b>(99.5%)</b>			
<b>Cash flow from investing</b>																						
Additions to property, plant and equipment	\$ (25)	\$ (330)	\$ (42)	\$ (38)	\$ (55)	\$ (207)	\$ (191)	\$ (187)	\$ (56)	\$ (85)	\$ (65)	\$ (1,348)	\$ (1,347)	\$ (0)	0.0%	\$ —	—	(1,348)				
Acquisitions of companies, net of cash acquired	—	(5,095)	—	—	—	—	—	—	—	—	—	(5,095)	—	(5,095)	—	(5,095)	—	(5,095)	—	(5,095)		
Investment in intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Earnout payments	—	—	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(217)	(217)	—	0.0%	—	—	(217)	—	—		
Other cash flow from investing (goodwill)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(51,066)	51,066	(100.0%)			
<b>Total Cash Flow from Investing</b>	<b>\$ (25)</b>	<b>\$ (5,426)</b>	<b>\$ (64)</b>	<b>\$ (60)</b>	<b>\$ (77)</b>	<b>\$ (229)</b>	<b>\$ (213)</b>	<b>\$ (209)</b>	<b>\$ (78)</b>	<b>\$ (87)</b>	<b>\$ (107)</b>	<b>\$ (87)</b>	<b>\$ (6,660)</b>	<b>\$ (1,564)</b>	<b>\$ (5,096)</b>	<b>325.8%</b>	<b>\$ —</b>	<b>\$ (6,660)</b>	<b>\$ —</b>	<b>\$ (6,660)</b>	<b>\$ —</b>	<b>\$ (6,660)</b>
<b>Cash flow from financing</b>																						
Proceeds from the issuance (repayment) of ST	\$ —	\$ 2,800	\$ 4,200	\$ —	\$ (3,000)	\$ (1,300)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,700	\$ 0	\$ 2,700	N/A	\$ —	—	2,700				
Proceeds from the issuance of debt	—	2,000	—	—	—	—	—	—	—	—	—	2,000	0	2,000	N/A	—	—	2,000				
Repayment of debt	—	—	(420)	(1,076)	—	(1,056)	—	—	(1,009)	—	(1,005)	(4,566)	(4,658)	92	(2.0%)	(1,050,937)	1,046,371	(99.6%)				
Capital lease	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Common stock issued (repurchased)	(3)	—	—	—	—	—	—	—	—	—	—	(3)	—	(3)	—	—	—	—	—	—	(3)	—
Common stock cash dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Preferred stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other cash flow from financing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total Cash Flow from Financing</b>	<b>\$ (3)</b>	<b>\$ 4,800</b>	<b>\$ 3,780</b>	<b>\$ (1,076)</b>	<b>\$ (3,000)</b>	<b>\$ (2,356)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1,009)</b>	<b>\$ —</b>	<b>\$ (1,005)</b>	<b>\$ 131</b>	<b>\$ (4,658)</b>	<b>\$ 4,789</b>	<b>(102.8%)</b>	<b>\$ (1,050,937)</b>	<b>\$ 1,051,068</b>	<b>(100.0%)</b>				
<b>Effect of FX rates on cash and cash equivalents</b>	<b>\$ (108)</b>	<b>\$ (314)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (422)</b>	<b>\$ (200)</b>	<b>\$ (222)</b>	<b>111.0%</b>	<b>\$ (74,915)</b>	<b>\$ 74,493</b>	<b>(99.4%)</b>				
<b>Net change in cash</b>	<b>\$ 531</b>	<b>\$ (546)</b>	<b>\$ 3,854</b>	<b>\$ (934)</b>	<b>\$ (1,974)</b>	<b>\$ (1,520)</b>	<b>\$ 16</b>	<b>\$ 229</b>	<b>\$ 670</b>	<b>\$ (1,354)</b>	<b>\$ 355</b>	<b>\$ (607)</b>	<b>\$ (1,281)</b>	<b>\$ 92</b>	<b>\$ (1,374)</b>	<b>(1488.9%)</b>	<b>\$ 43,788</b>	<b>\$ (45,069)</b>	<b>(102.9%)</b>			
Beginning cash	1,675	2,206	1,659	5,513	4,579	2,605	1,085	1,101	1,331	170	(1,184)	(829)	1,675	7,666	(5,991)	(78.2%)	911,150	\$ (909,475)	(99.8%)			
Change in cash	531	(546)	3,854	(934)	(1,974)	(1,520)	16	229	670	(1,354)	355	(607)	(1,281)	92	(1,374)	(1488.9%)	43,788	\$ (45,069)	(102.9%)			
<b>Ending cash</b>	<b>\$ 2,206</b>	<b>\$ 1,659</b>	<b>\$ 5,513</b>	<b>\$ 4,579</b>	<b>\$ 2,605</b>	<b>\$ 1,085</b>	<b>\$ 1,101</b>	<b>\$ 1,331</b>	<b>\$ 2,000</b>	<b>\$ (1,184)</b>	<b>\$ (829)</b>	<b>\$ (1,437)</b>	<b>\$ 394</b>	<b>\$ 7,758</b>	<b>\$ (7,365)</b>	<b>(94.9%)</b>	<b>\$ 954,938</b>	<b>\$ (954,545)</b>	<b>(100.0%)</b>			

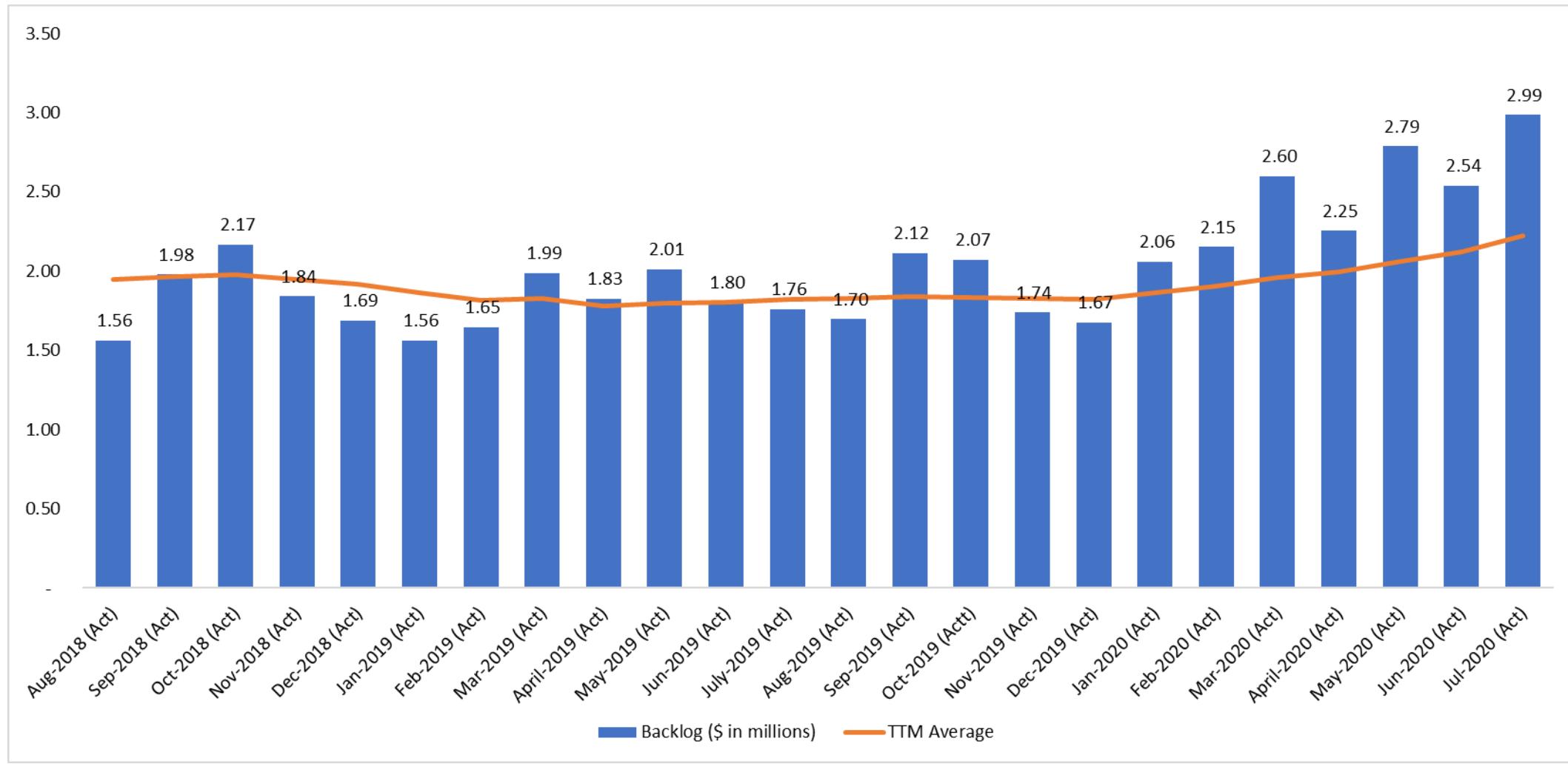
# Consolidated Trended Monthly Bookings (24 month act)

\$ in millions



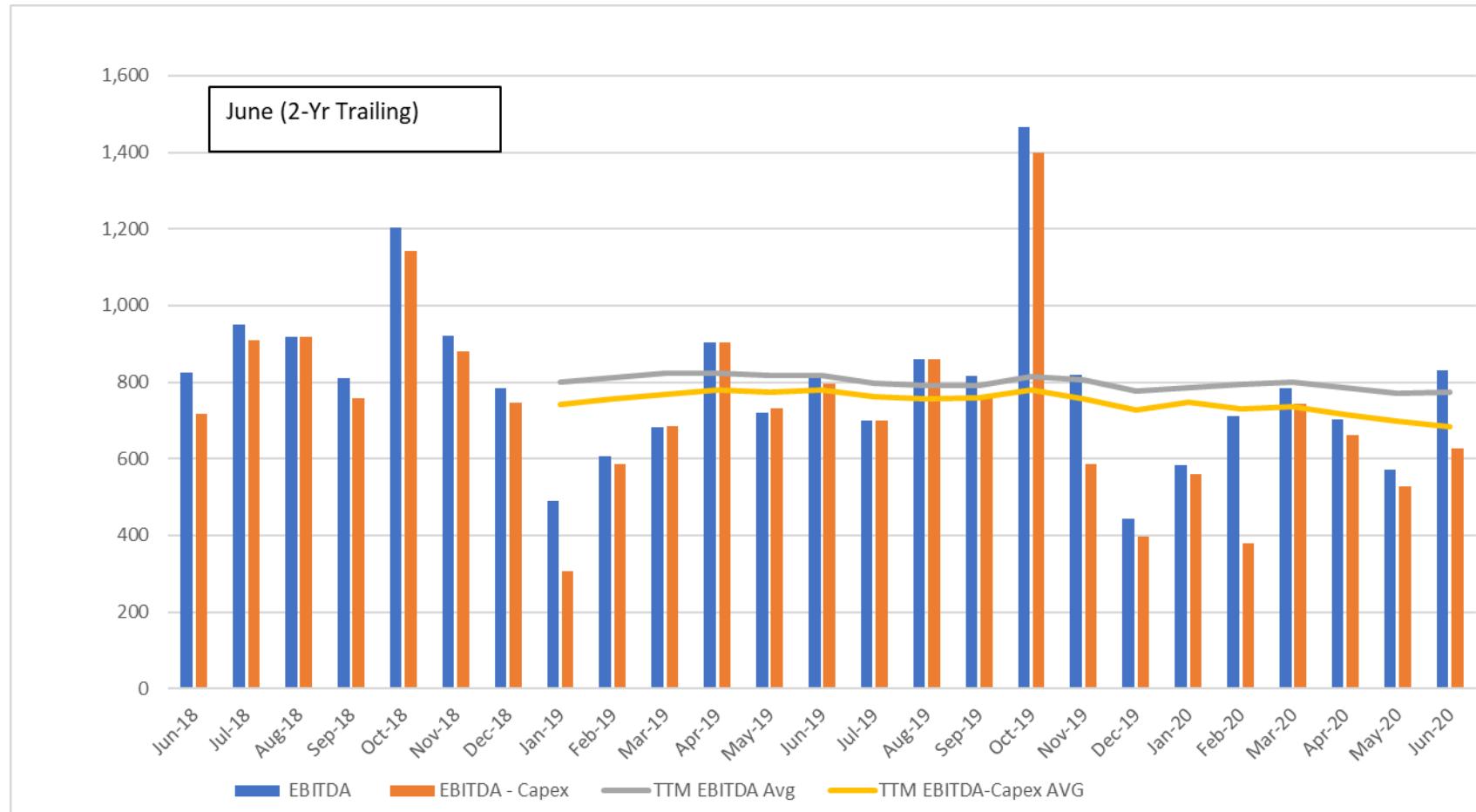
# Consolidated Trended Monthly Backlog (24 month actual)

\$ in millions



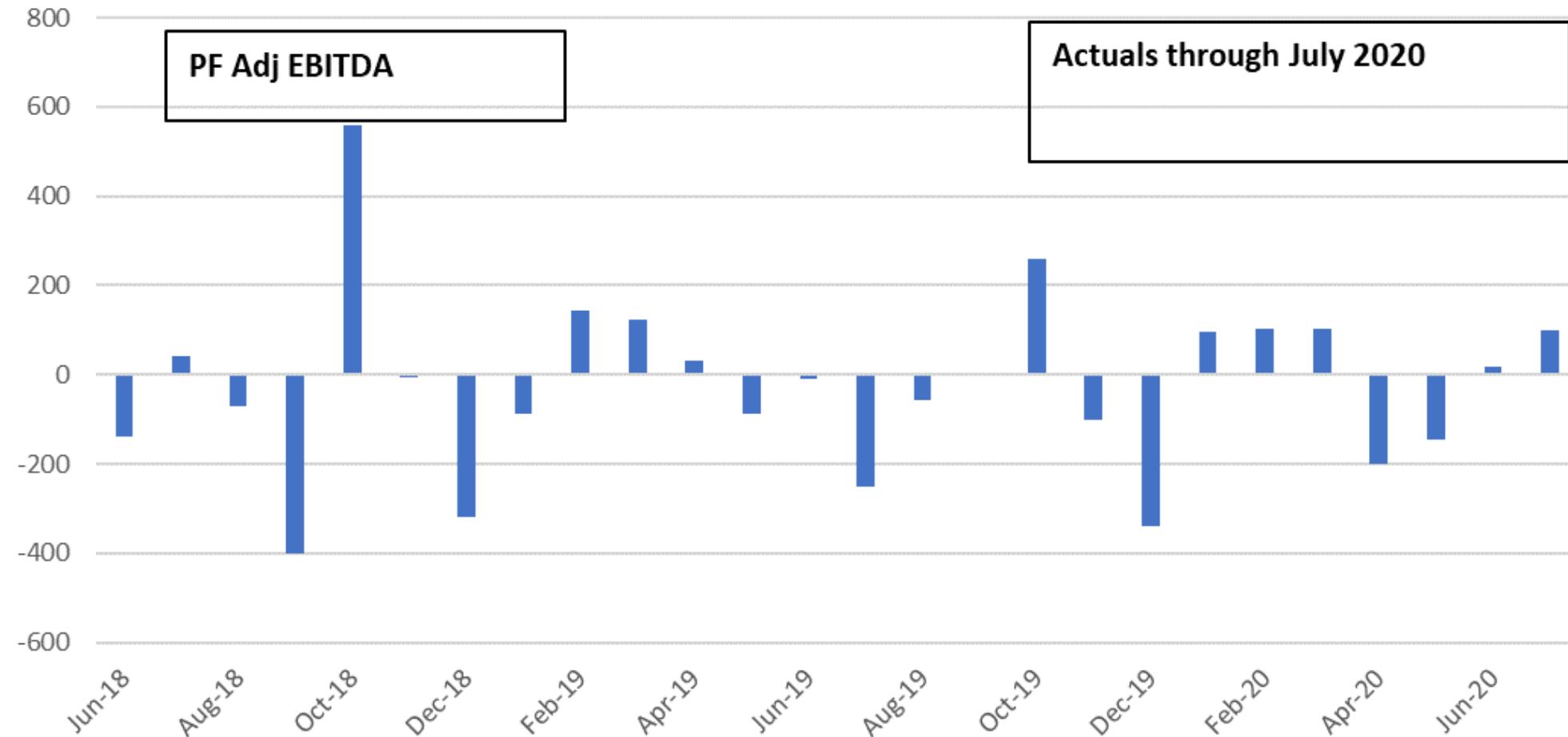
# EBITDA and EBITDA-CapEx

\$ in millions



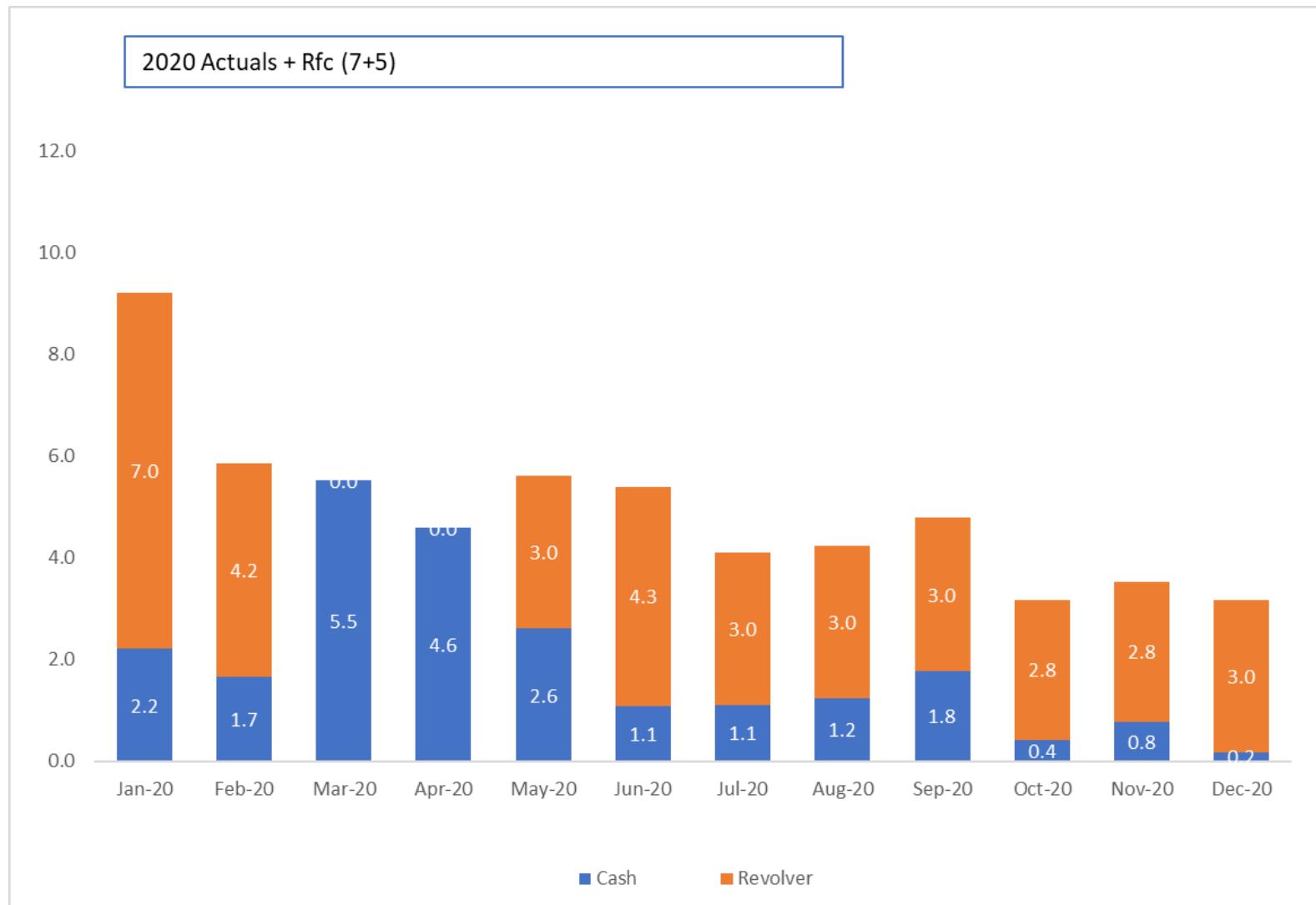
# Consolidated Y-o-Y \$ EBITDA Change

\$ in thousands



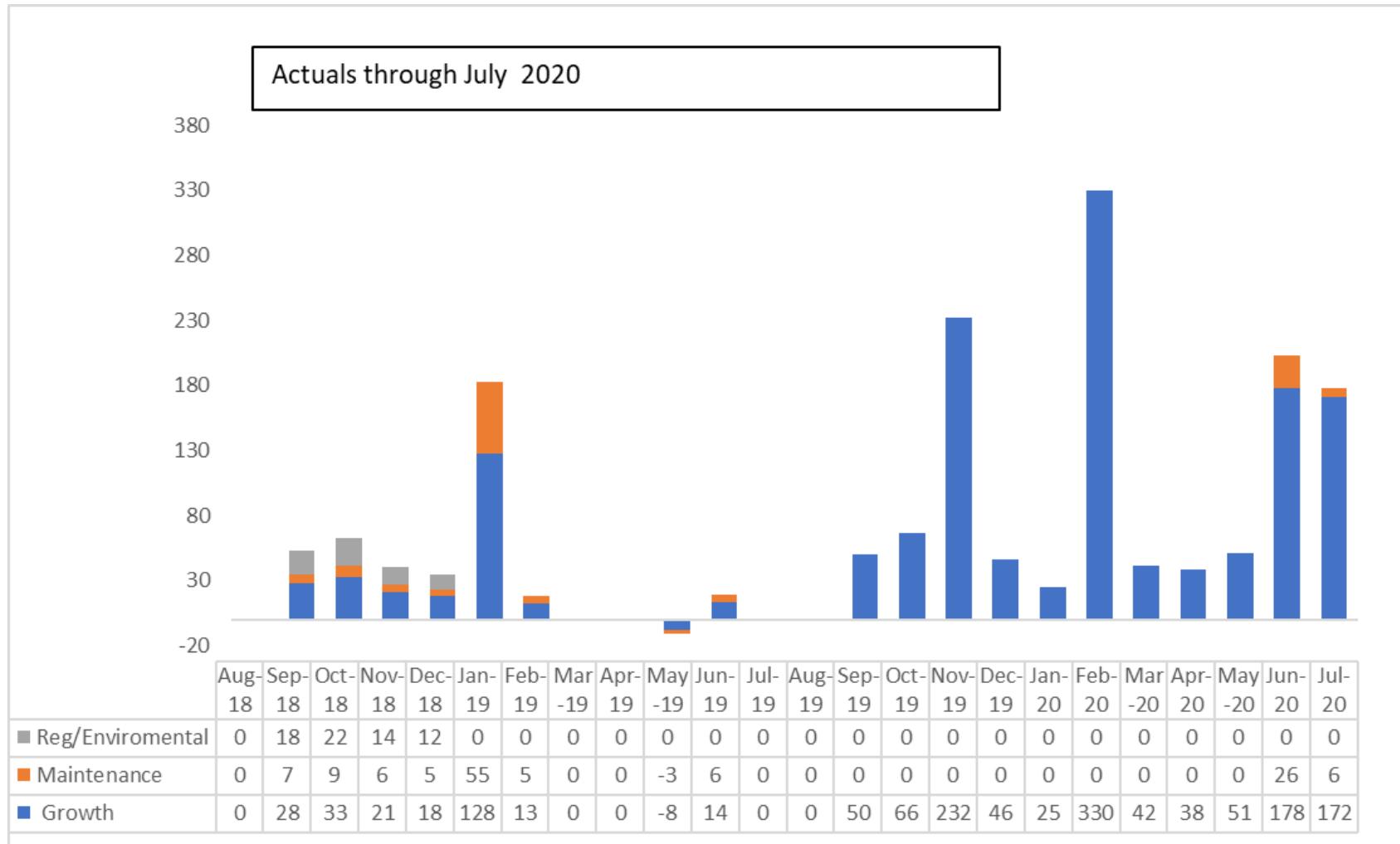
# Consolidated Liquidity Forecast

\$ in millions



# Capital Expenditures

\$ in thousands



# Management and Governance

# Governance Organization

## Board of Managers

- Andrew Nikou
- Paul Bridwell
- Vinay Menon
- David Danelz

## Audit Committee

- Shawn Haghghi
- Paul Bridwell
- Brad Schechtman

## 2020 Auditors

- Baker Tilly
- Yunis Altahami – Partner

## Anonymous Hotline

- Navex is live via Duraco.ethicspoint.com

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.	

# Duraco Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	HIRES	INVOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	71	-	-	-	71
Operations - Hourly	7	-	-	-	7
Operations - Salary	19	-	-	-	19
Research & Development	2	-	-	-	2
Sales & Marketing	25	1	-	-	26
Administrative	13	-	-	-	13
Other	-	-	-	-	-
Agency FTE & Temps	1	-	1	-	-
<b>Total Headcount</b>	<b>138</b>	-	-	-	<b>138</b>

# Infinity Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	Hires	IN VOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	20	-	-	-	20
Operations - Hourly	10	-	-	-	11
Operations - Salary	2	-	-	-	2
Research & Development	-	-	-	-	-
Sales & Marketing	2	-	-	-	2
Administrative	4	-	-	-	4
Other	-	-	-	-	-
Agency FTE & Temps	2	-	-	-	1
<b>Total Headcount</b>	<b>40</b>	-	-	-	<b>40</b>

## Notes

- Headcount has remained the same MTD

# Headcount Trending by Month

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
Direct Labor	78	78	77	78	77	76	75	75	74	73	71	71	71
Operations - Hourly	7	7	7	7	7	7	7	7	7	7	7	7	7
Operations - Salary	20	20	20	20	20	20	20	20	20	19	19	19	19
Research & Development	2	2	2	2	2	2	2	2	2	2	2	2	2
Sales & Marketing	24	24	26	27	23	23	23	23	24	24	24	25	26
Administrative	7	8	10	10	10	11	11	12	12	12	13	13	13
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency FTE & Temps	1	-	-	-	-	-	-	1	1	1	1	1	-
<b>Total Headcount</b>	<b>139</b>	<b>139</b>	<b>142</b>	<b>144</b>	<b>139</b>	<b>139</b>	<b>138</b>	<b>140</b>	<b>140</b>	<b>138</b>	<b>137</b>	<b>138</b>	<b>138</b>

## Management Discussion

### Duraco Open Positions:

- Active Recruits: Regional Sales Manager MW (1), Senior Process Engineer, Material Scientist, Associate Product Manager
- Positions on Hold Indefinitely: CS Supervisor, Machine Op (2)



Thank You

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