



OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM

# OPENGATE OPERATIONS MONTHLY PORTFOLIO REVIEW

JANUARY 29<sup>TH</sup> 2020



# 1 | Operations Enablement OG<sup>x</sup> and Portfolio Wide Initiatives

# OG<sup>x</sup> Update

## Cross-Portfolio Enablement Efforts:

- Workbench Data Request has been issued targeting a Feb 2nd response from the portfolio companies. Efforts moving forward at CoreMedia, and evaluating next steps and deployment at EverZinc
- Pricing, Logistics, and sourcing data request have been issued
- Working to leverage a GPO for portfolio wide non direct spend
- Lean training course in partnership with the University of Wisconsin has been developed. First cross-portfolio yellow belt training secured from Feb 3 – 5 with Duraco, Hufcor, S&G, Delaney, and Premier participants identified.
- MIT contract has been signed, we are waiting on counter signature from MIT and terms of payment. Working with Matt Pearlson to identify resources to assist at EverZinc, Fiven, Duraco and Energi

## Portfolio Companies Activities:

- Hufcor USA integration is on track with Sirius supporting Data engineering and integration of the ERP system into the platform, and Sirius is developing a proposal to provide similar support across the portfolio
- Hufcor is kicking off an effort to include smart automated sensors into the manufacturing equipment starting 6 Jan. Work is being performed at cost as a pilot by Beckway. Expecting data feeds to be live by 1 Feb and will be targeting preventative maintenance
- Delaney is engaging XponentialWorks to solicit input on the multifamily smart lock in development
- Everzinc industrialization tests for ZANO to take place in North America and Europe now in December
- Everzinc industrialization tests for ZANO progressing in January (Canada) and planned for Q2 in Europe depending on results. Workbench data request received and being dealt by the team
- Fiven has completed the strategic review with Nexant and Avi and 3 main initiatives were identified at this stage. Final conclusions expected for the end of the month:
  - Re-brand Fiven as Industry Leader
  - Brainstorming about CO2 footprint decrease
  - New product development process leveraging on an Open Innovation Program

## 2 | North America Portfolio Update

# 2019-2020 North American Portfolio Summary

\$/€ millions



## 2019

AOP Revenue	\$170	\$143.1	\$42.5	\$48.1	\$53.7	\$41.9	\$11.0	NA
<b>Act Revenue</b>	<b>\$158</b>	<b>\$149.3</b>	<b>\$42.0</b>	<b>\$42.1</b>	<b>\$54.2</b>	<b>\$41.8</b>	<b>\$10.7</b>	<b>€21.1</b>
% of Bud	93%	104%	99%	88%	101%	99%	95%	
AOP Adj EBITDA <sup>1</sup>	\$11.3	\$13.1	\$1.7	\$11.9	\$11.1	\$9.7	\$685k	NA
<b>Act Adj EBITDA<sup>1</sup></b>	<b>\$8.7</b>	<b>\$8.5</b>	<b>\$1.4</b>	<b>\$9.3</b>	<b>\$11.3</b>	<b>\$9.2</b>	<b>\$785k</b>	<b>(€2.74)</b>
% of Bud	76%	65%	78%	78%	101%	95%	91%	

## 2020

<b>AOP Revenue</b>	<b>\$164.5</b>	<b>\$161.3</b>	<b>\$63.5</b>	<b>\$45.4</b>	<b>TBD</b>	<b>\$43.7</b>	<b>\$11.6</b>	<b>TBD</b>
% of 2019 Act	104%	108%	151%	108%		105%	110%	
<b>AOP Adj EBITDA<sup>1</sup></b>	<b>\$14.0</b>	<b>\$10.4</b>	<b>\$3.5</b>	<b>\$10.5</b>	<b>TBD</b>	<b>\$8.9</b>	<b>\$(1.7)</b>	<b>TBD</b>
% of 2019 Act	162%	122%	265%	114%		97%		

### AOP Key Strategic Focus Areas

- Strengthen sales team
- Woodbridge operational improvement
- Freight cost reduction
- Strengthen and rehire team
- Solidify domestic ops
- Improve international ops
- Begin to scale commercially
- Expanded sales coverage
- Launch of Solstice Active Learning
- Launch of Solstice Video Conference Integration
- Launch of new digital keypad
- Brand refresh
- Hiring of Customer Relationship Director
- Continued improvement in sales team and processes
- Geographic expansion
- MF smart lock
- New product development
- Back office integration with S&G (marketing, finance, IT, HR)
- Commercial salesforce buildout
- Churn reduction
- New market growth in transit packaging
- Build SAAS / cloud offering
- Build channel and customers success platforms
- Refine marketing
- Implement innovation and cost control platforms
- Commercial growth of USA
- Restructure of Europe go to market
- Reduction of sales costs
- Product innovation and cost control


1. PF Adj EBITDA for Hufcor, S&G, and Duraco

## Executive Summary




- December results: continued volume softness
  - Revenue lower than plan by \$965k (9.4% unfavorable vs. budget)
  - EBITDA unfavorable vs. budget by \$174k (\$390k including bonus) – results driven by continued softness in extrusion sales
- Full year results: volume softness vs. budget
  - Revenue is \$158MM (11% off budget)
  - EBITDA is \$8.7MM including partial bonus accrual vs. \$11.3MM budget (22% off budget).
- Woodbridge performance improvement: DB&A project in first month with focus on driving expectations, KPI tracking and accountability – current focus areas is scheduling development / adherence and tool room productivity. Cost savings plan / tracking in development during month of January.
- Freight & logistics savings: (1) ECS rail supply savings in-progress; in negotiations for additional savings on west coast transload, (2) FTL rate reduction sourcing initiative in-progress with results expected 1/31 and (3) preliminary proposals received for railcar spots at ECS (utilizing ECS' open capacity for storage)

	Dec 2019		YTD	
Period	Rev	Adj EBITDA	Rev	Adj EBITDA
19A	\$9.2	(0.6)	\$158	8.7
19B	\$10.2	(0.4)	\$178	11.3
19A % of 19B	90%	(150%)	88%	76%
18A	\$8.8	(0.7)	\$170	10.1
19A % of 18A	104%	115%	92%	86%

## Status Update: Project Details

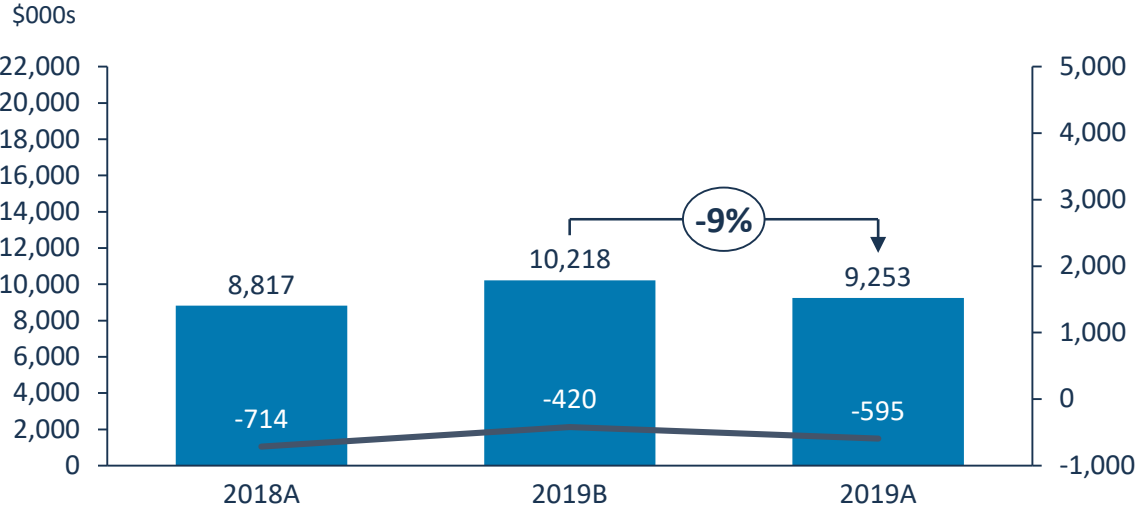
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>A: Project Panther / 2020 Sales Process</b>		<ul style="list-style-type: none"> <li>CIM / data-book development in-progress over balance of January and early February</li> </ul>	Jan – May 2020	N/A	N/A
<b>B: Commercial/GTM turnaround</b> <i>(SmartVentures)</i>		<ul style="list-style-type: none"> <li>Hired 1 West Coast sales manager; offers given to two other potential sales managers</li> </ul>	March 2020	TBD	TBD
<b>C: Woodbridge Ops Improvement</b> <i>(DB&amp;A)</i>		<ul style="list-style-type: none"> <li>Implementation of DBA project in-progress. Focus on scheduling – developing long-range schedule, holding teams accountable to adhere to this schedule, and tool room productivity – focusing on setting up and managing against metrics that drive more productive tool room</li> </ul>	1/6 – 7/31	\$1MM	TBD

## Status Update: Project Details

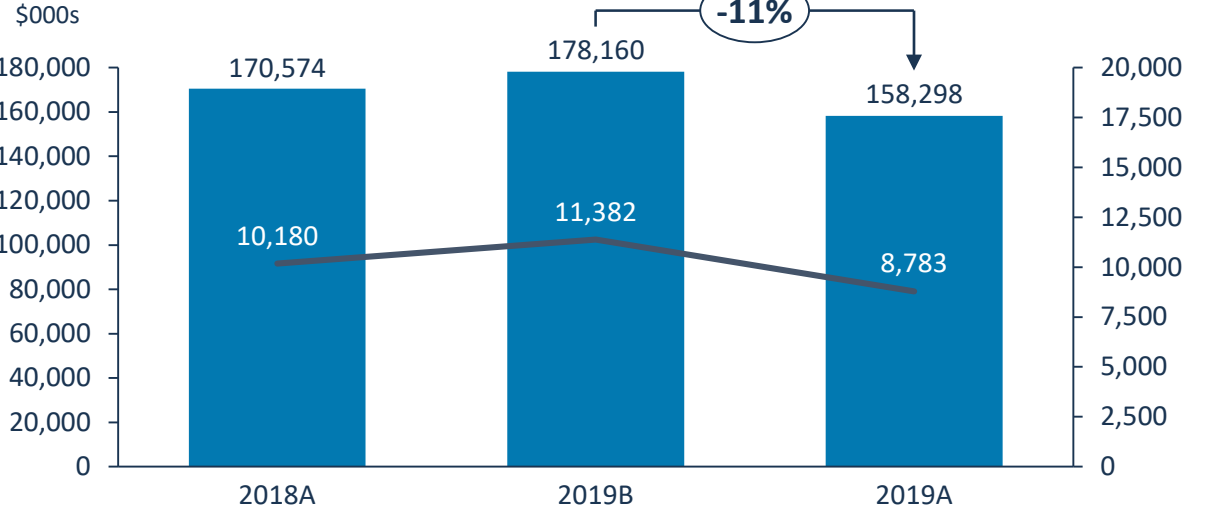
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>D: Freight &amp; Logistics Cost Reduction</b> <i>(SmartVentures)</i>		<ul style="list-style-type: none"> <li>Team secured ~\$300k in savings due to rail lane optimization (&gt;\$4k reduction per car). Routing through Westminster BC (vs. Chicago); resulting in “turnkey” \$300k in savings with first rail car on new provider as of 1/7. Identifying potential further savings via transloading on West Coast.</li> <li>Additional significant savings expected from FTL RFP for top 30 lanes (results expected 1/31) – savings to come from combination of brokers and direct negotiations with carriers</li> <li>Updated proposal for ECS railcar load spots received from Trimac for \$13/car/day for 25 stats (~\$85k/annually). Parallel tracking additional market test to see if there is upside to Trimac’s proposal</li> <li>Flatbed vs. dry van mode optimization in-progress with pilot in Delmont in mid-January</li> </ul>	February 2020	\$1MM	TBD
<b>E: Patio Door Pricing</b> <i>(BWG)</i>		<ul style="list-style-type: none"> <li>Tracking set-up / quantification in-progress to understand impact of November pricing analysis &amp; implementation</li> </ul>	Analysis complete Implementation: 12/15	\$0.7MM	TBD
<b>F: OGx</b>		<ul style="list-style-type: none"> <li>MIT: Early stage discussions with VP of Manufacturing &amp; Matt Pearson to develop additive manufacturing applications to reduce tooling costs. Early focus area are short-run tools which have high costs to Energi</li> </ul>	May 2020	TBD	TBD

# Monthly Financial Metrics

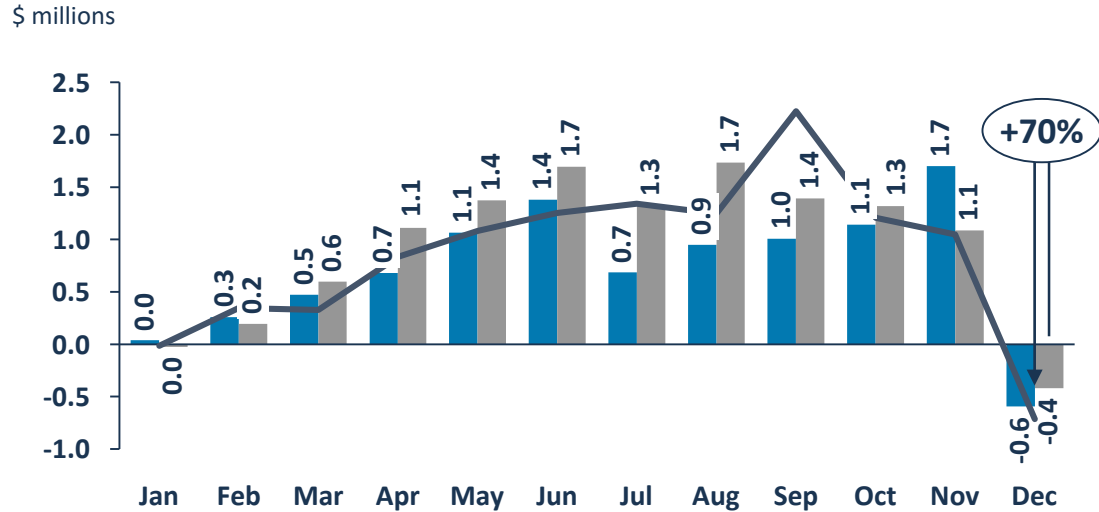
## December MTD



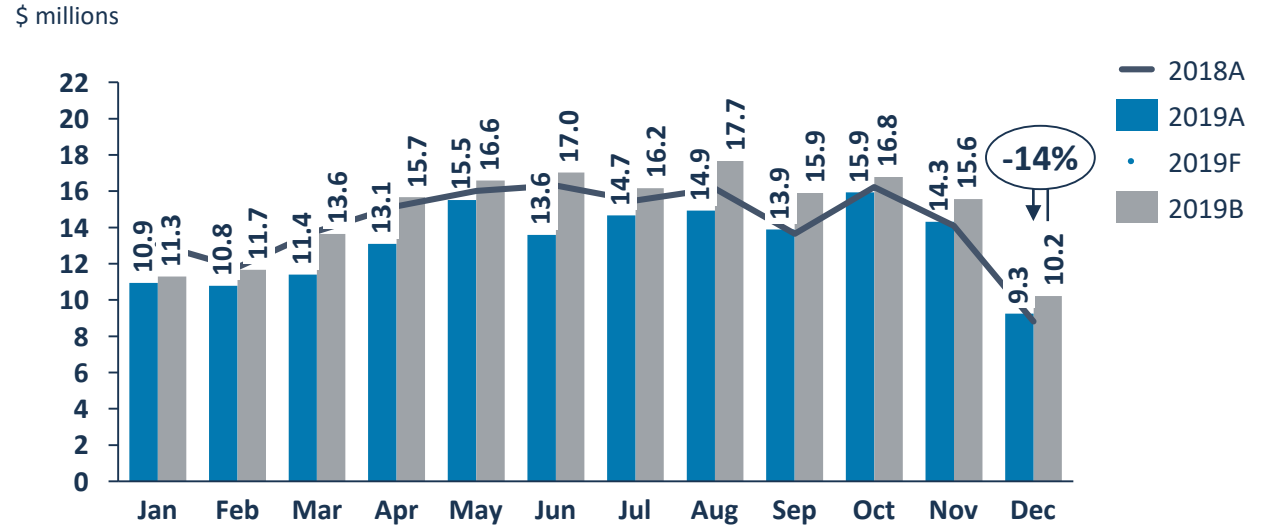
## December YTD



## Monthly EBITDA



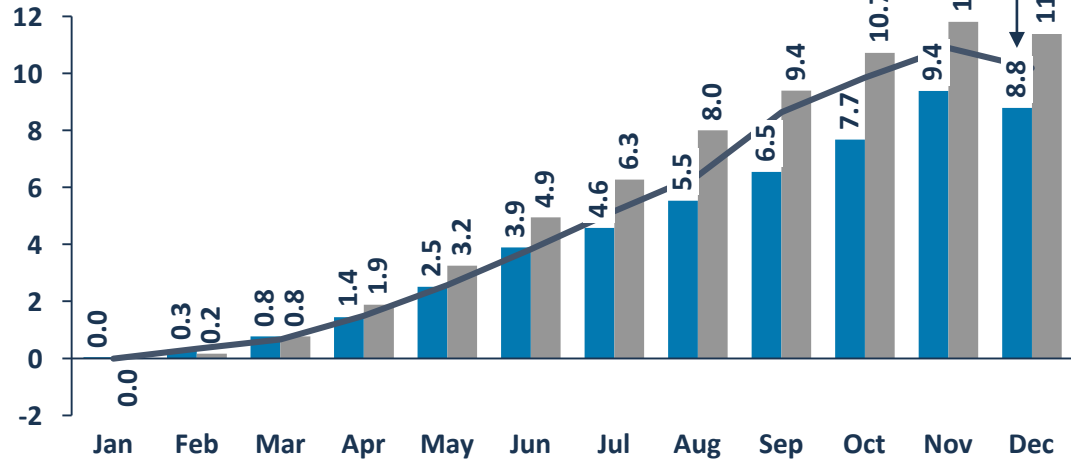
## Monthly Net Revenue





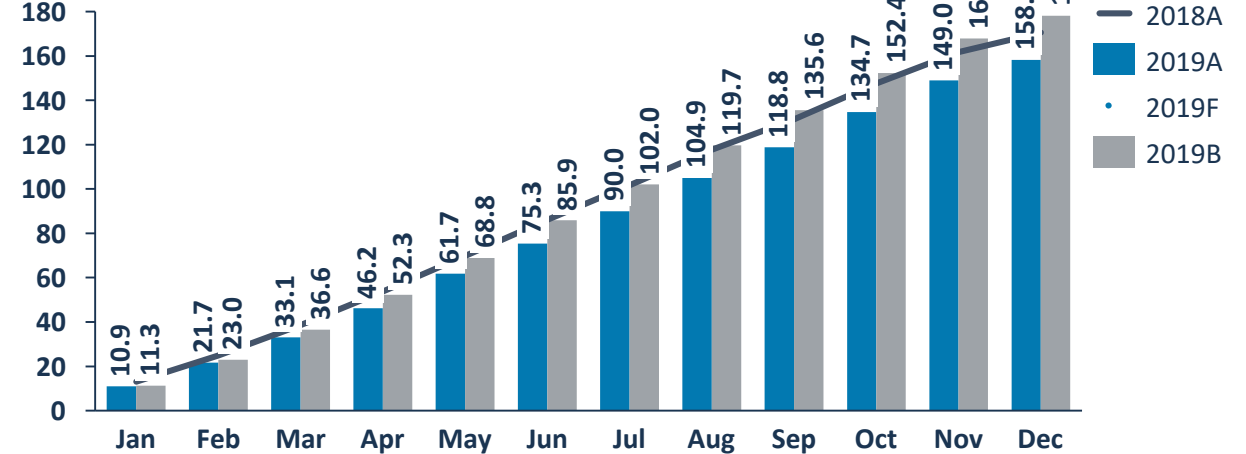
## YTD EBITDA

\$ millions



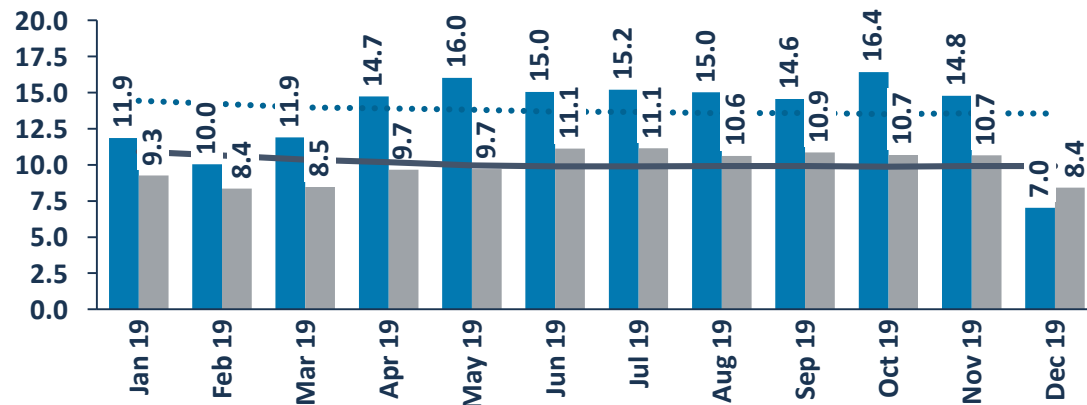
## YTD Revenue

\$ millions



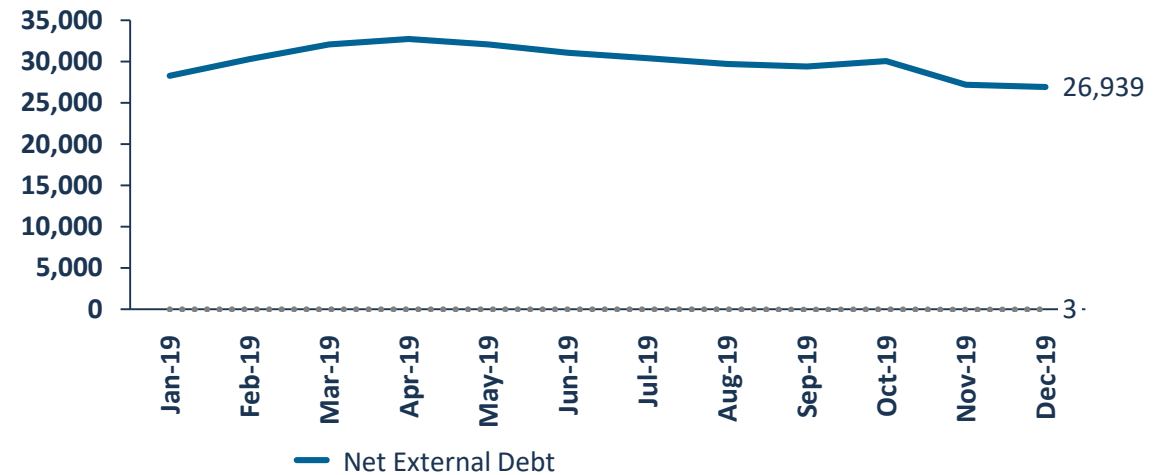
## Order Intake

\$ millions



## Liquidity

\$ millions



• TTM Avg Bookings MTD Bookings — TTM Avg Backlog MTD Backlog






OPENGATE CAPITAL 1. YTD actuals + remaining year forecast

### Executive Summary






- Hufcor full year results
  - Revenue \$149.3mm vs budget of \$143.1mm (104% of plan) vs \$137.8mm 2018A
  - Proforma Adjusted EBITDA of \$8.5mm vs budget of \$13.1mm (65% of plan) vs \$6.8mm 2018A
- Hufcor Dec results: Revenue \$11.2mm vs budget of \$10.9mm; EBITDA \$0.78mm vs budget of 0.3mm
- Hufcor 2020 Plan
  - Revenue: \$161.3mm up 8% from 2019
  - EBITDA \$10.5mm up 13% from 2019
- Hufcor 2023 vision is to contribute organically \$10.9mm in improvement to the business and arrive at a \$17.3mm EBITDA
  - Commercial Growth: \$4.4mm of EBITDA impact
  - Cost efficiencies: \$2.9mm internationally, \$3.4mm domestically in cost improvements

	Dec 2019		2019	
Period	Rev	Pf. Ad. EBITDA	Rev	Pf. Ad. EBITDA
19A	11.2M	0.78M	149.3M	8.5M
19B	10.9M	0.3M	143.1M	13.1M
19A % of 19B	102%	260%	104%	65%
18A	12.7M	0.7M	137.8M	6.8M
19A % of 18A	88%	111%	108%	125%

### Status Update: Project Details

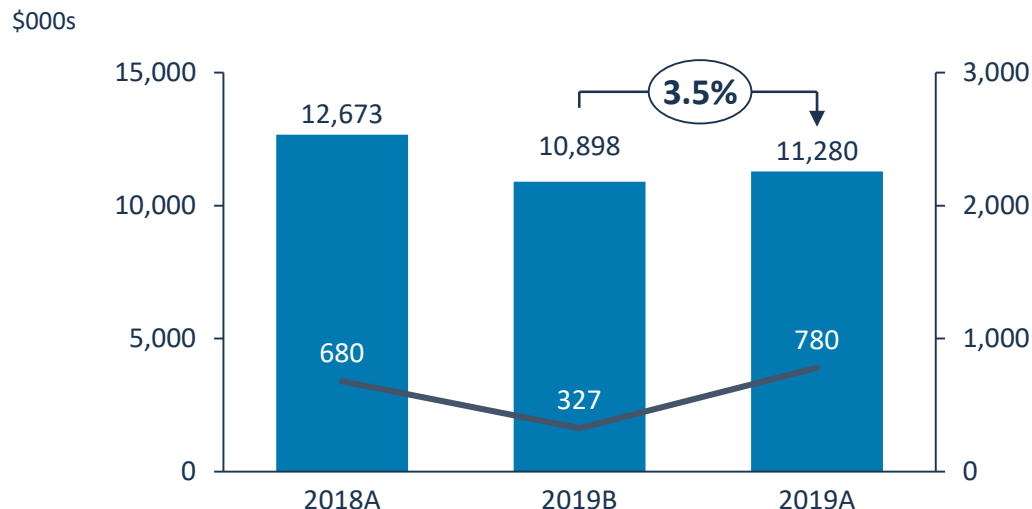
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>A: Production Efficiency</b> (VP Domestic Operations)		<ul style="list-style-type: none"><li>603 Line project estimated to complete for Feb 10 production week; will add roughly ~25% capacity in JVL</li><li>“ME Blitz” commencing Feb 10 led by KP and Beckway engineering team (3 month duration)</li><li>SIM Board digitization effort at 90% complete; final demo this week</li><li>BI-based Operational Scorecard in early innings</li><li>Yellow Belt training (Rd 1) scheduled for Feb 3-5 (Madison, WI)</li></ul>	Underway	\$1.5mm	In Process
<b>B: Quality</b> (Ackley)		<ul style="list-style-type: none"><li>Quality database to track and manage the program is being stood up in Power BI; will incorporate internal, external, and scrap defects</li><li>NCF process to launch start of February; intended to quarantine and investigate defects before or during production</li><li>Root Cause Investigation Team waiting on panels returning from Wynn and Crown jobs to determine cause of twisted verticals (\$200K+ warranty)</li></ul>	Underway – Financial impact start in Dec	\$400k	In Process
<b>C: Inventory</b> (Jordan, Gioia)		<ul style="list-style-type: none"><li>Physical Inventory was a success (first in 30+ years at JVL facility); final count still pending w/ Baker Tilly but should end up close to \$6.3M (down from \$7.4M in Sep)</li><li>Supply Chain Director recruitment underway via Beckway; will manage SIOP &amp; Sourcing (includes inventory, scheduling, and procurement)</li></ul>	Underway	n/a	n/a

## Status Update: Project Details

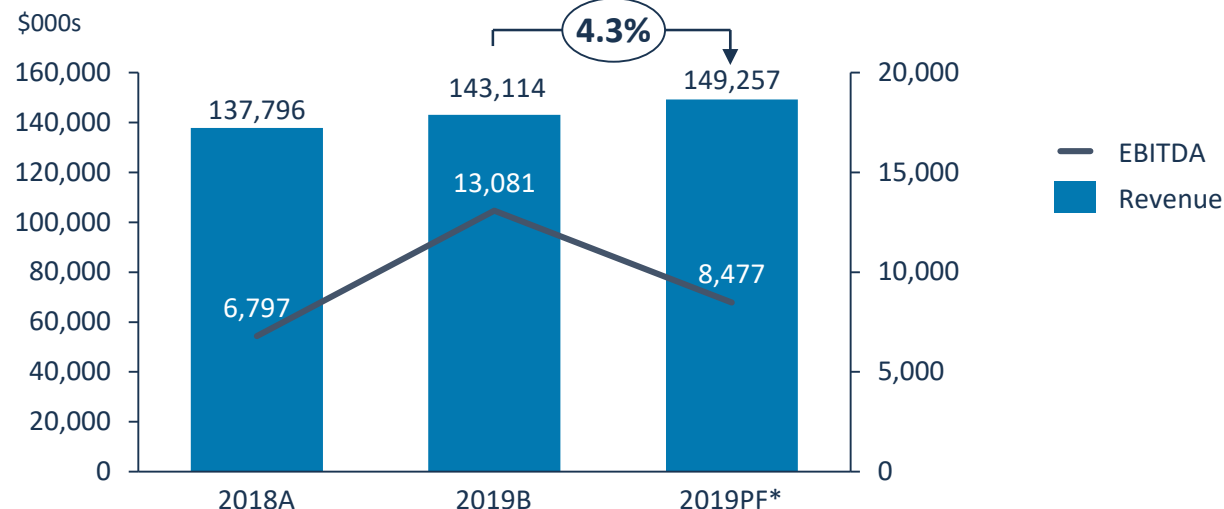
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>D: Safety</b> (Bahr)		<ul style="list-style-type: none"> <li>2019 TRIR estimated to be ~6.3 (27 recordable injuries, 12 of 27 were lost time incidents)</li> <li>2020 TRIR goal: 4.0</li> <li>2020 TRIR: 0.0</li> </ul>	Underway	\$200k	In Process
<b>E: Logistics</b> (Schwanke)		<ul style="list-style-type: none"> <li>Met with SCS CEO who has offered significantly reduced costs and terms to maintain the contract claiming \$500k cost reduction.</li> <li>Wayne will vet and provide a recommendation to Scott. Expecting resolution by mid Feb</li> <li>Rock Valley fleet analysis ongoing</li> </ul>	Underway	In Process	In Process
<b>F: Germany Pricing</b> (Long)		<ul style="list-style-type: none"> <li>Europe backlog GM has improved from an average of 9.5% to ~15%. Backlog value up to €3.5mm from €3.1mm, but down from April 2019 which was €4.7mm</li> <li>German Margin target 15.5%: Jan (MTD) 15.5%, Dec 15.6%; Nov 15.3%; Oct 16%</li> <li>Europe margin target 16%: Jan (MTD) 13.4%, Dec 14.5%; Nov 13.2%; Oct 21.1%</li> </ul>	Underway – Financial impact in Dec	\$500k	\$0
<b>G: OGx</b> (Andrews,, Long)		<ul style="list-style-type: none"> <li>Smart devices have been rolled out to supervisors, and electronic boards are active</li> <li>Mobile app for PM will require tablet replacement; timing TBD on mobile launch</li> <li>Smart sensors live in sub assembly areas; investigating RFID tags to manage job flow</li> <li>PSA platform implementation is being scoped, expecting completion mid year</li> <li>Facility cameras in process; Dobak and Patterson to meet and socialize rollout with union leadership</li> </ul>	Underway	In Process	In Process
<b>J: Hiring</b> (Tokarz)		<ul style="list-style-type: none"> <li>Hires: Patterson in as VP of Operations; Franz as Domestic controller</li> <li>Active: (Ops) Supply Chain Director, multiple Production Supervisors, Manufacturing Engineering Manager, Quality Engineer</li> </ul>	Immediately	NA	NA

# HUFCOR Monthly financial metrics

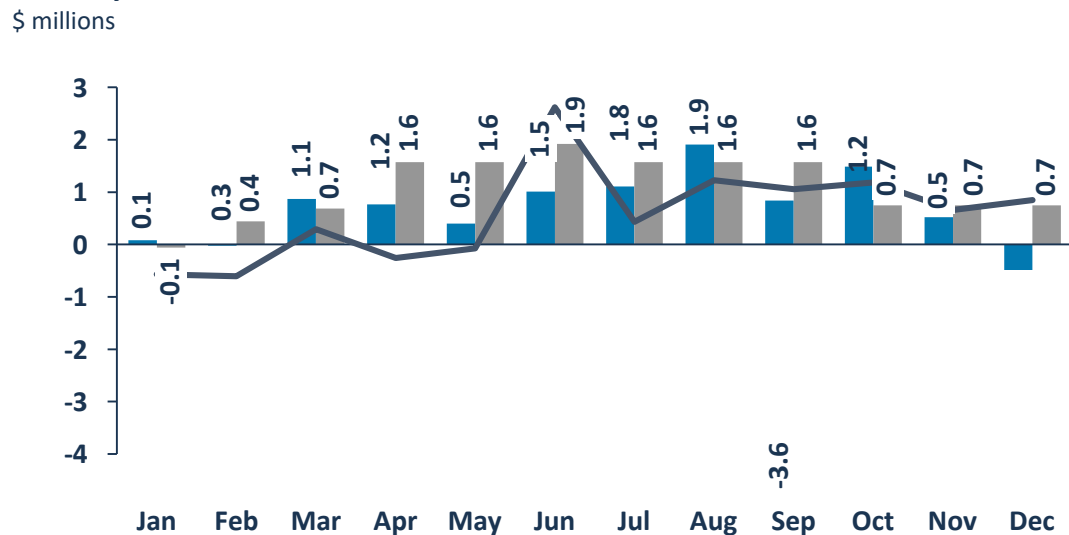
## December MTD



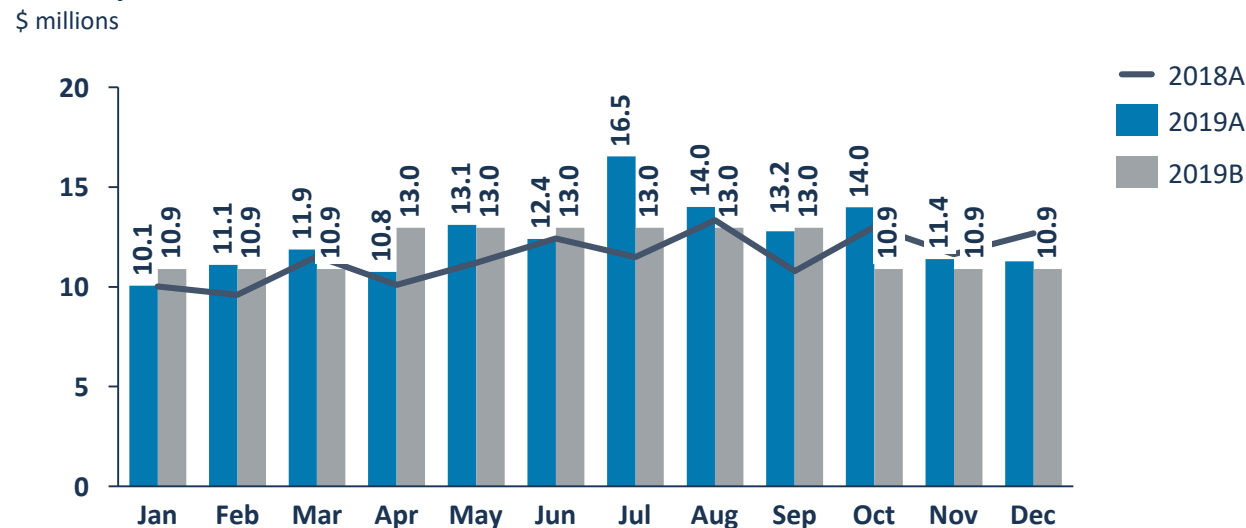
## FYE December



## Monthly EBITDA



## Monthly Net Revenue

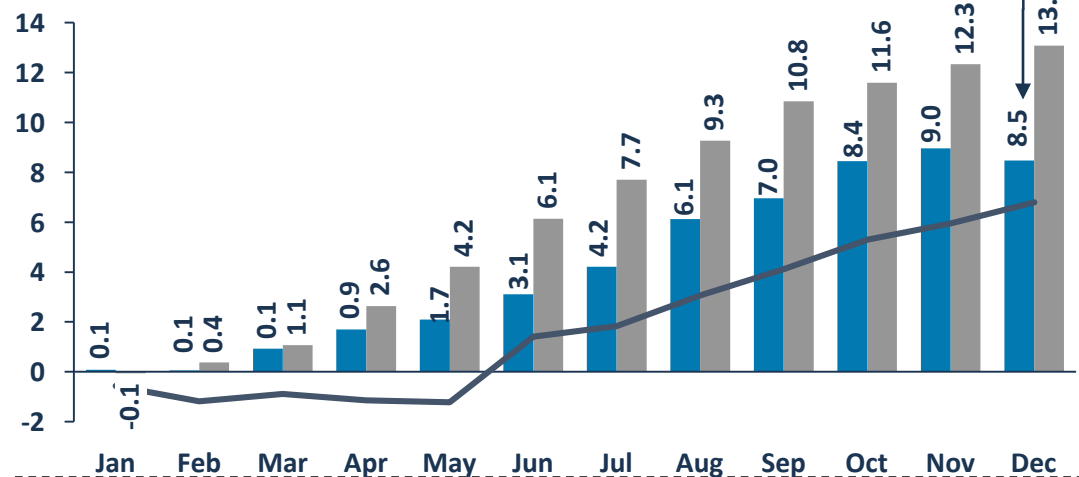




# HUF COR Monthly financial metrics

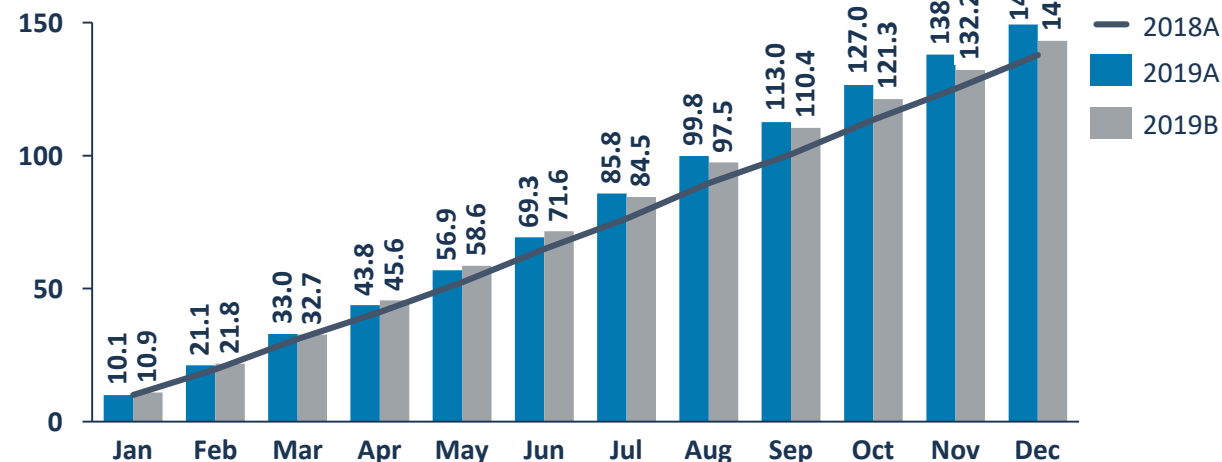
## YTD EBITDA

\$ millions

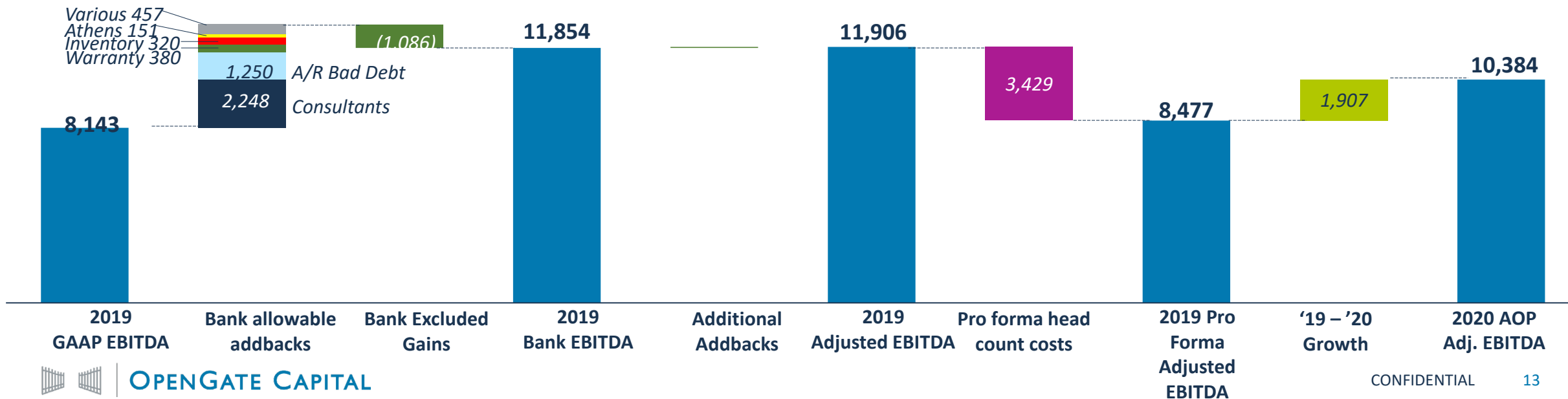


## YTD Revenue

\$ millions



Various 457  
Athens 151  
Inventory 320  
Warranty 380  
A/R Bad Debt 1,250  
Consultants 2,248



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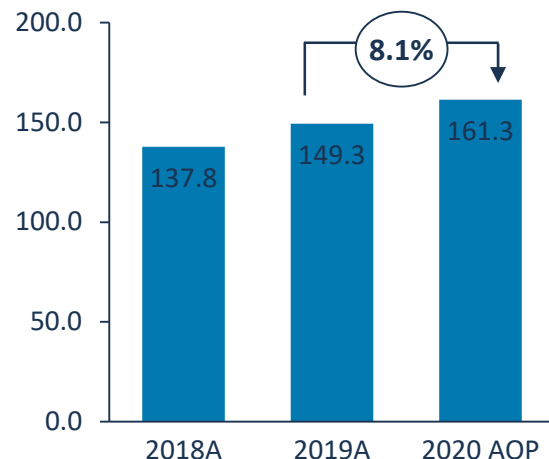
13

# HUFCOR™ 2020 AOP SUMMARY: CONSOLIDATED

2019F adjusted by the pro forma addition of FTE's assumed in 2020 AOP in Engineering, Operations, Safety, Finance, IT and other Admin areas that prior management RIF'd / staffed with 1099's, but which we believe are needed to adequately staff & position Hufcor for growth into 2021 & beyond.

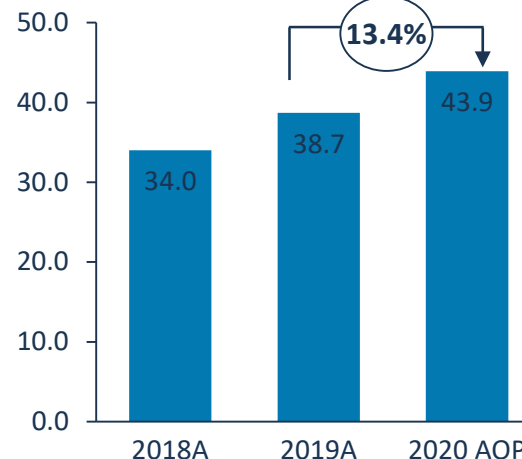
## Revenue

\$'s millions



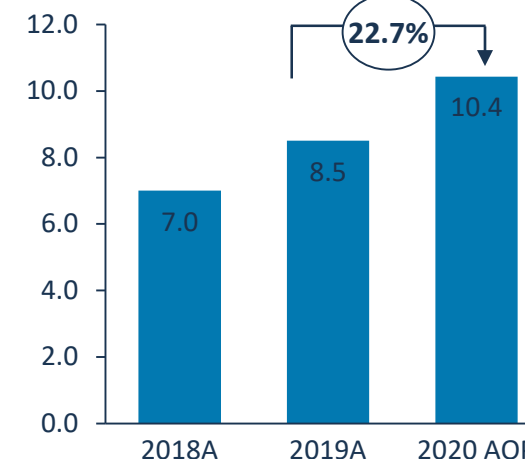
## Gross Profit

\$'s millions



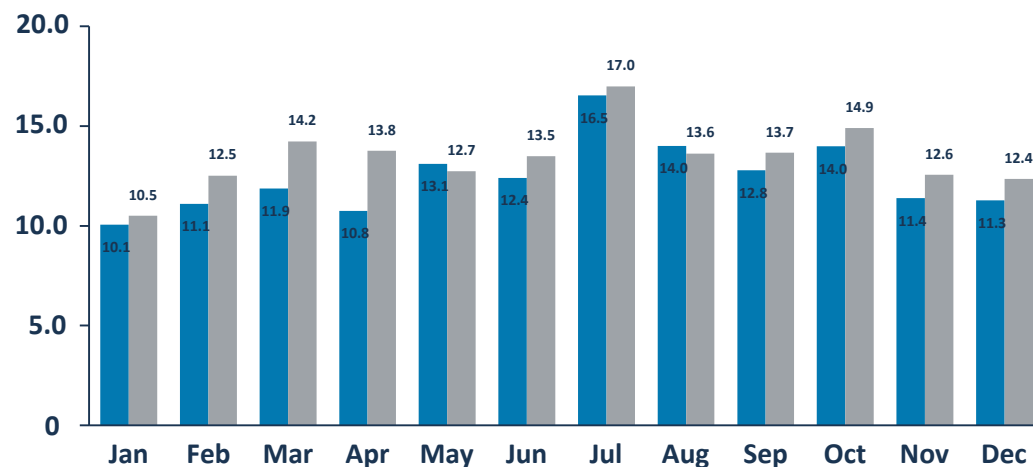
## Pro Forma Adj. EBITDA<sup>1</sup>

\$'s millions



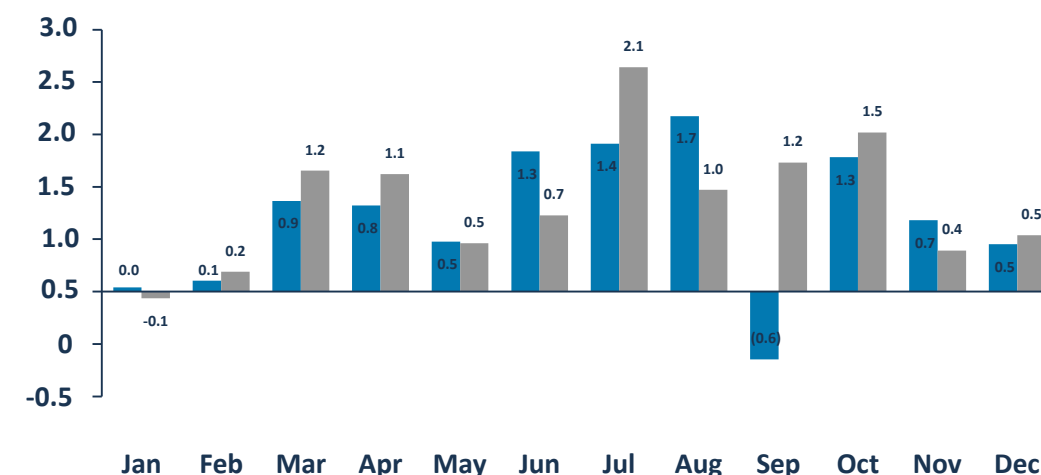
## Monthly Net Revenue

\$ millions



## Monthly Pro Forma Adj. EBITDA

\$ millions








## Executive Summary

- Mersive ended 2019 with revenue at \$42.0M (99% of Plan) and Adj EBITDA at \$1.4M (78% of Plan); 2020 AOP reflects revenue of \$63.5M (51% growth) and Adj EBITDA of \$3.5M (265% growth)
- Dec 2019 ended the month with ARR at \$11.6M (100% of Plan), revenue at \$4.3M (88% of Plan) and Adj EBITDA at (\$25K) vs. Plan of \$756K
- At 1/23 (73% through the month), Jan MTD invoiced sales were at \$2.7M (59% of Plan) and bookings were at \$3.0M (65% of Plan)
  - Jan 2019 invoiced sales and bookings target of \$4.6M, down from \$5.5M in Dec 2019, given seasonality
- Management continuing to work through historical maintenance revenue recognition issues related to the 2019 audit
  - Data collection/analysis will enable comprehensive historical reporting of recurring revenue metrics beginning Jan 2017 (may not pursue 2016 analysis, due to messy data)

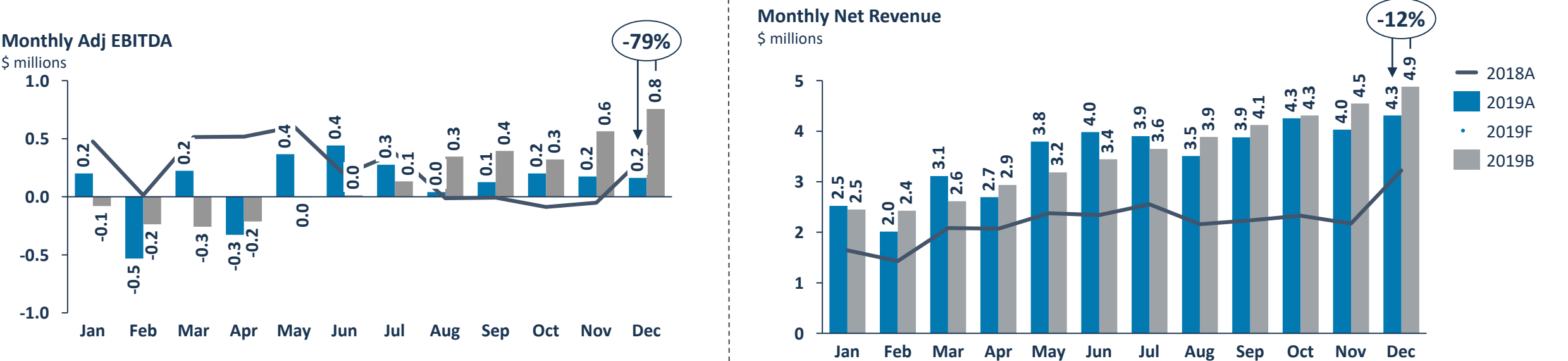
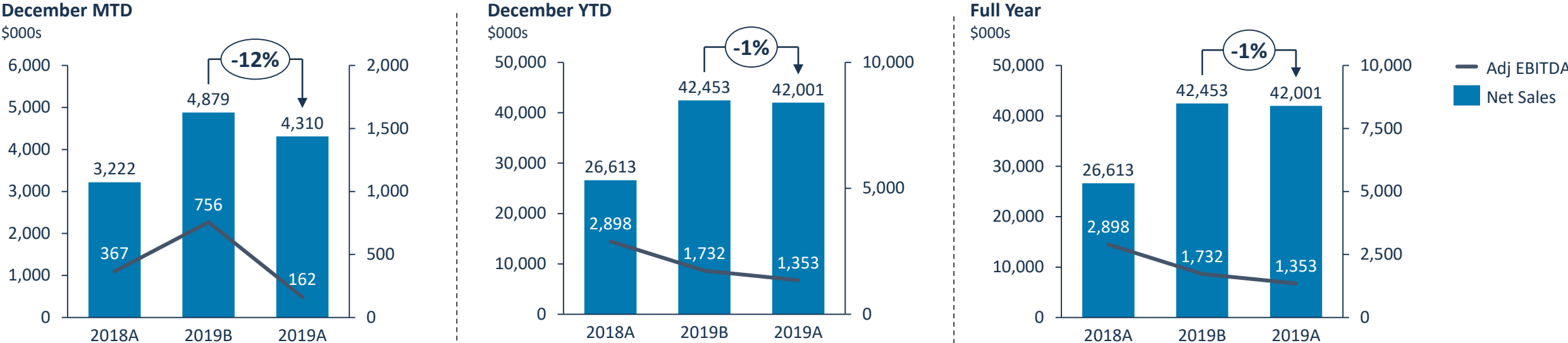
	Dec MTD			Dec YTD	
Period	ARR <sup>1</sup>	Rev	Adj EBITDA	Rev	Adj EBITDA
19A	11.6M	4.3M	162K	42.0M	1,353K
19B	11.6M	4.9M	756K	42.5M	1,732K
19A % of 19B	100%	88%	21%	99%	78%
18A	7.2M	3.2M	367K	26.6M	2,898K
19A % of 18A	162%	134%	44%	158%	47%

1. Annual Recurring Rev = Monthly Recurring Rev \* 12

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Expand Product Offering</b> (Chris Jaynes, Jon Burns) 	Gen 3 hardware and Solstice 4.0 has launched; Mgmt has paused launch of Solstice Solo (low-cost enterprise) pod at half-priced ASP (\$699), with significantly deprecated feature set, but ability to upgrade to full-capability pod	Gen 3 / v4.0 complete	TBD	TBD
<b>B: Develop VTC Strategy</b> (Chris Jaynes) 	Solstice Video Conference Integration (formerly referred to as RoomLink) on track to launch at ISE in Feb; prototype demo'd June 12-14 at Infocom, with very positive feedback; mgmt. provided demo to OGC at Q3 QOR	Feb 2020 in Amsterdam at ISE Conference	TBD	TBD
<b>C: Expand Sales Coverage</b> (Rick Emery) 	Recent hires in US; interviews ongoing in US and EMEA	Ongoing	TBD	TBD
<b>D: Drive Recurring Revenue</b> (Rick Emery) 	Achieved Dec subscription revenue Plan of \$0.9M	Ongoing	TBD	TBD
<b>E: Enable Recurring Revenue Reporting</b> (Dan Hudspeth) 	Mgmt developing algorithms to analyze NetSuite data within Tableau to deliver recurring revenue reporting; initial reporting expected in late Feb 2020, with additional refinement / data scrubbing expected thereafter	Feb 2020	Enabler	Enabler

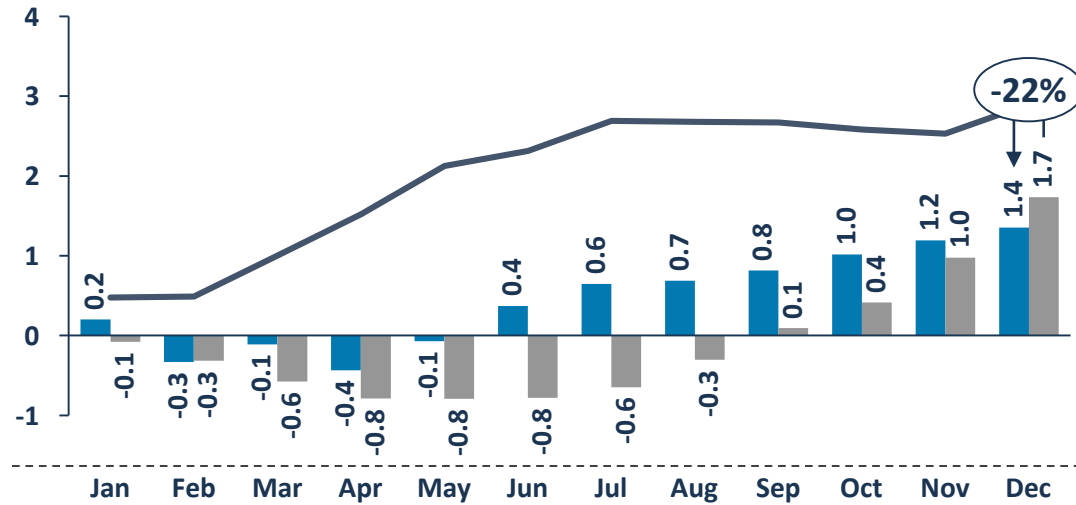
# Monthly Financial Metrics





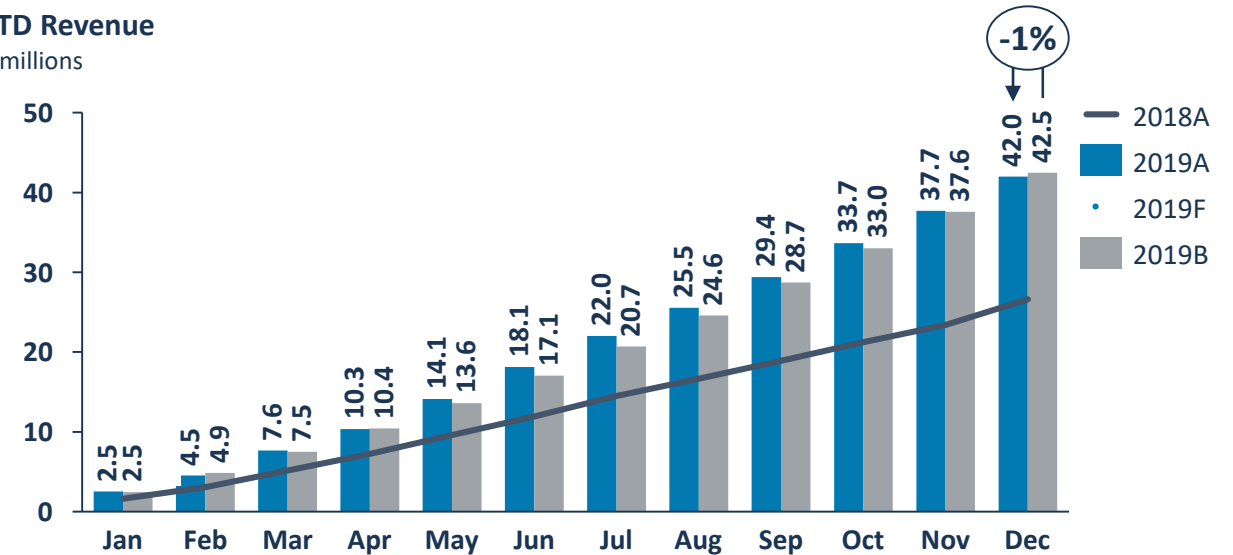
## YTD Adj EBITDA

\$ millions



## YTD Revenue

\$ millions



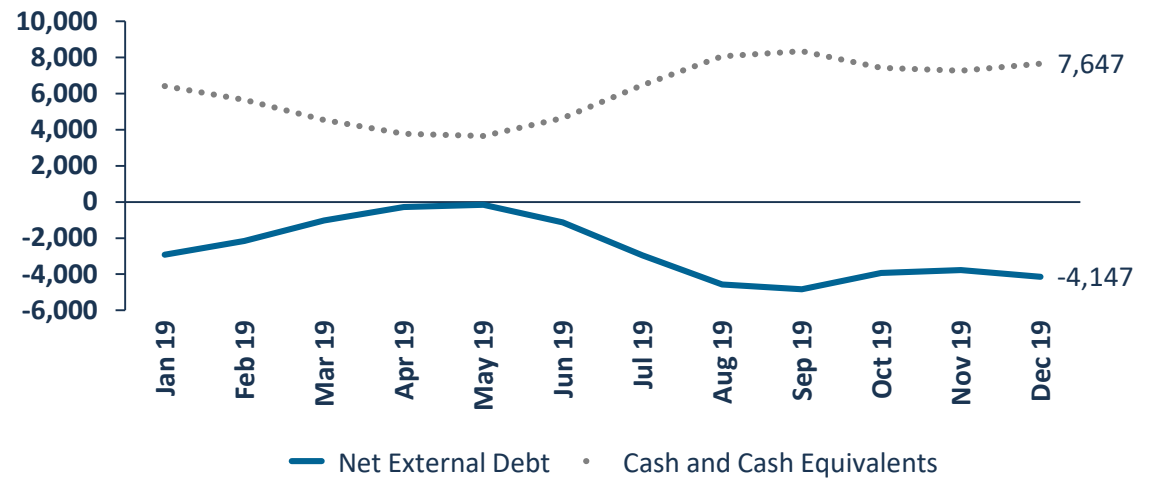
## Order Intake

\$ millions



## Liquidity

\$ millions







## Executive Summary

- December results: higher softness vs. re-forecast during last two weeks
  - Revenue at \$2.9MM (3% unfavorable to re-forecast).
  - December EBITDA at \$0.45 (flat to re-forecast)
- Full year results: EBITDA performance largely driven by open roles
  - Revenue is \$41.7MM (flat / \$32k off vs. re-forecast).
  - Full year EBITDA at \$9.23MM (109% favorable to re-forecast largely due to open roles).
- Add-on acquisitions: Confirmatory diligence for Infinity Tapes. Confirmatory meetings to occur over next 2-3 weeks to drill into 1) rooftop consolidation planning, 2) day 1 commercial opportunities / synergies and 3) assess next level of management



	Dec 2019		YTD	
Period	Rev	PF ADJ EBITDA	Rev	PF ADJ EBITDA
19A	0.45	2.9	41.7	9.23
19F*	0.44	3.0	41.7	8.42
19A % of 19B	100%	97%	100%	109%
18A	0.78	2.9	43.6	9.68
19A % of 18A	58%	100%	95%	95%

\*19F = 2019 re-forecast

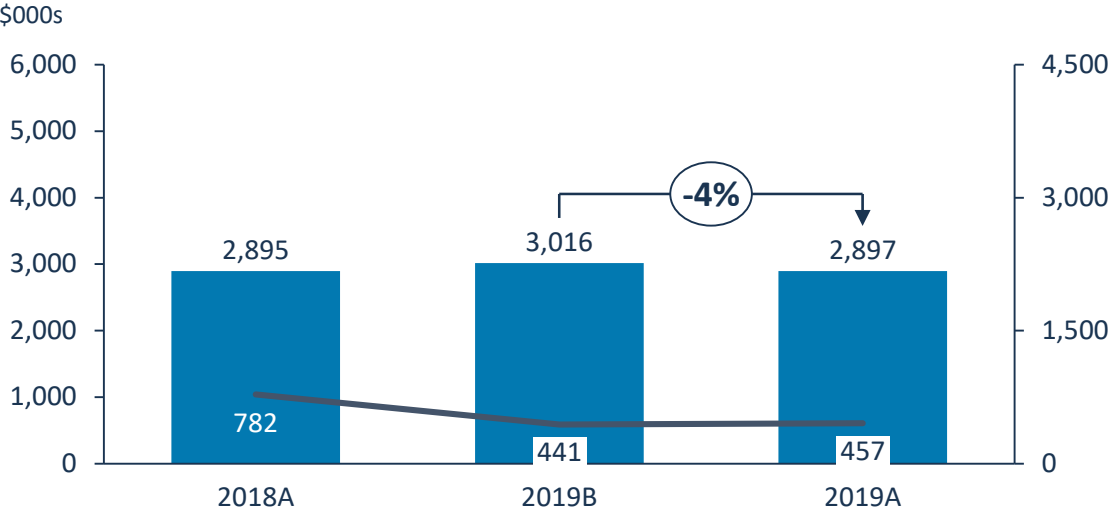
## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>A: Commercial growth -- inside sales</b>		• Inside sales manager setting up daily call tracking and targets via manual tracking / spreadsheets. Inside sales team now fully staffed with manager and team.	January 2020	Daily call targets to be determined in Jan	TBD
<b>B: Commercial growth – outside sales</b>		• New outside sales coverage model to be deployed as of February. New Southwest RSM started on 1/27 with ~3 weeks on onboarding. Additional recruiting channels kicked-off for Southwest RSM.	February 2020	Enabler	Enabler
<b>C: Sales compensation model</b>		• New compensation model to be deployed in February 2020. In addition, working with management team to develop re-occurring sales incentives plans (i.e., SPIFFs) for outside / inside team; outside team to focus on growth and inside team to focus on churn reduction	February 2020	Enabler	Enabler
<b>D: New Market Entry (Beckway Group)</b>		• Completed Phase I of new market entry strategy which prioritized transit packaging and industrials as key growth verticals outside PoP / appliance. Analysis drills into the critical segments and GTM implications within these verticals	Q1 2020	TBD	TBD

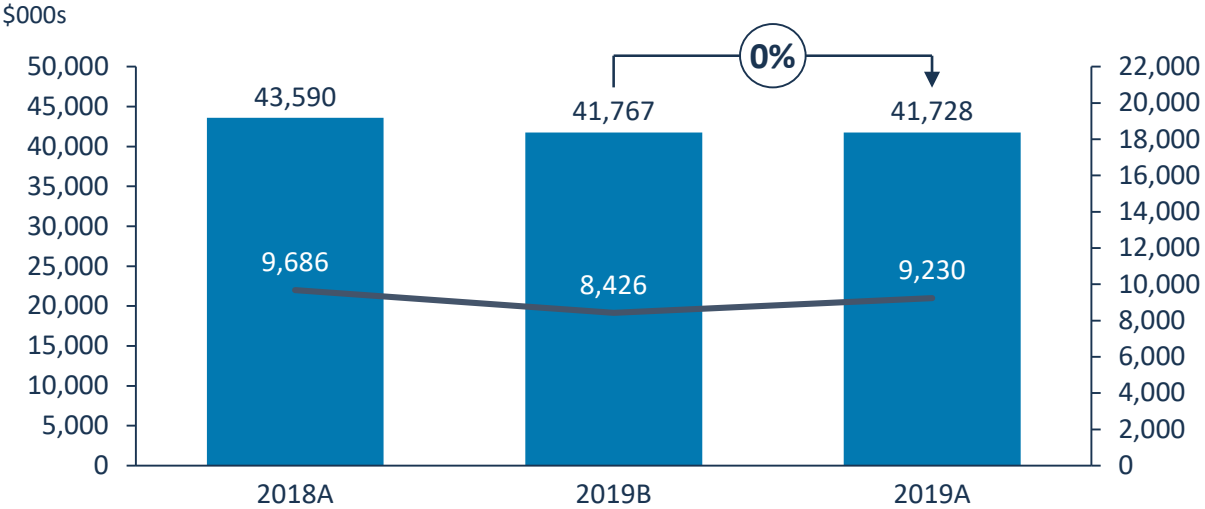
## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>E: Continuous Improvement</b> <i>(Phil, Randy Aardema)</i>		<ul style="list-style-type: none"> <li>6 Duraco attendees finalized for inaugural University of Wisconsin led yellow belt training. Training to continue over balance of year as certain candidates will progress to green belt.</li> <li>2020 kaizen events to kick-off in February (converter workcenter changover) with additional events in March and April</li> </ul>	February – October 2020	\$100k	TBD
<b>F: Sourcing / Spend Reduction</b>		<ul style="list-style-type: none"> <li>Kicking off RFQs for key direct materials categories (e.g., liner, adhesives, silicone)</li> <li>GPOs (CoreTrust / Procurement Advisors) focused on small spend, indirect materials categories</li> </ul>	Timing dependent on category	\$345k	TBD
<b>G: OGx</b>		<ul style="list-style-type: none"> <li>MIT: Early stage discussions on leveraging robotic process automation to automate order entry (80%+ of orders come via email)</li> <li>XponentialWorks: Serving as commercial advisor to develop co-product development agreement with MixTiles</li> </ul>	February 2020 (MixTiles) April 2020 (RPA)	TBD	TBD

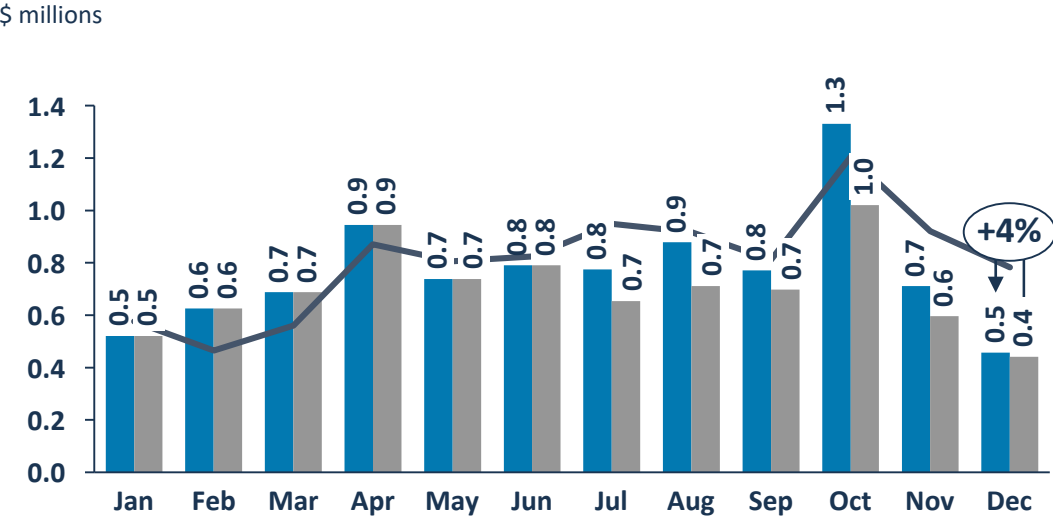
### December MTD



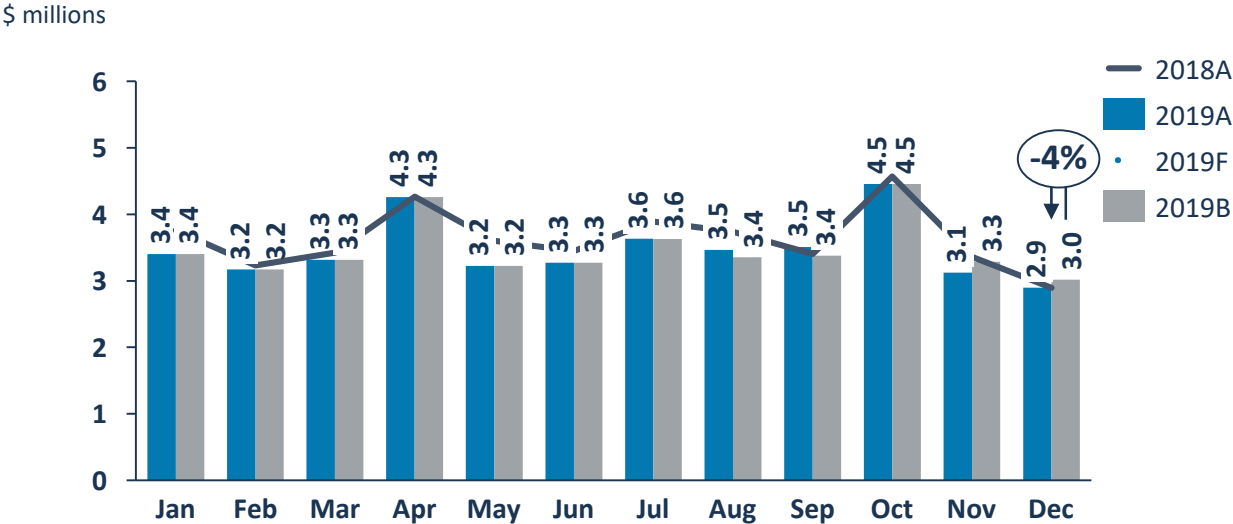
### December YTD



### Monthly EBITDA

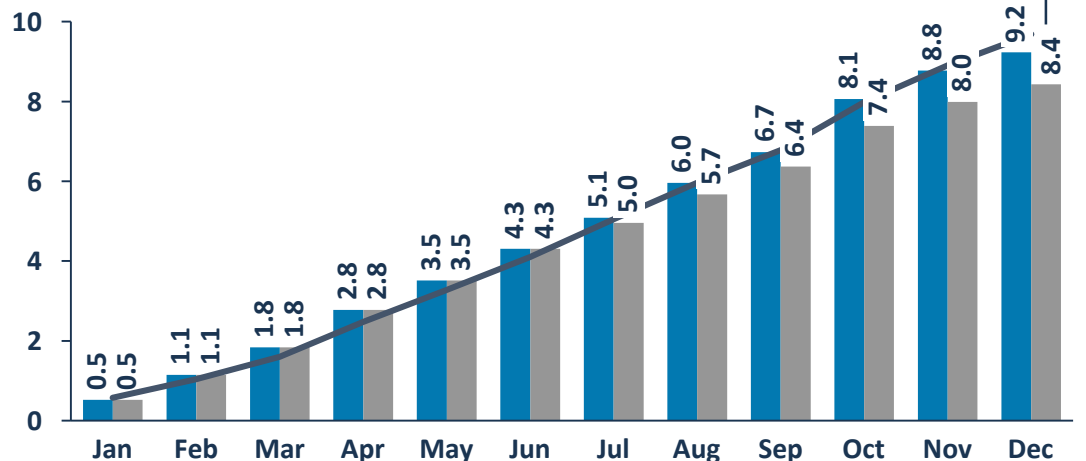


### Monthly Net Revenue



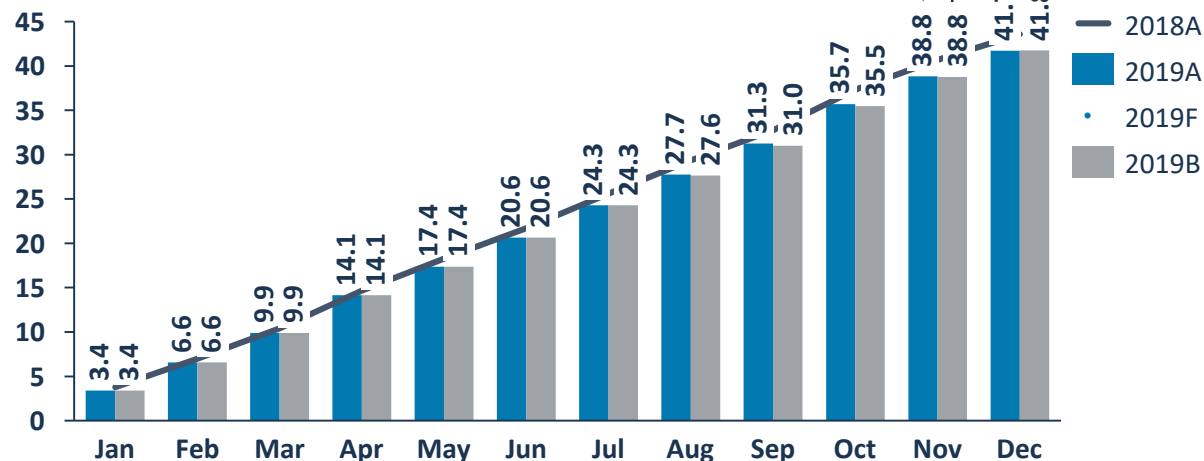
## YTD EBITDA

\$ millions



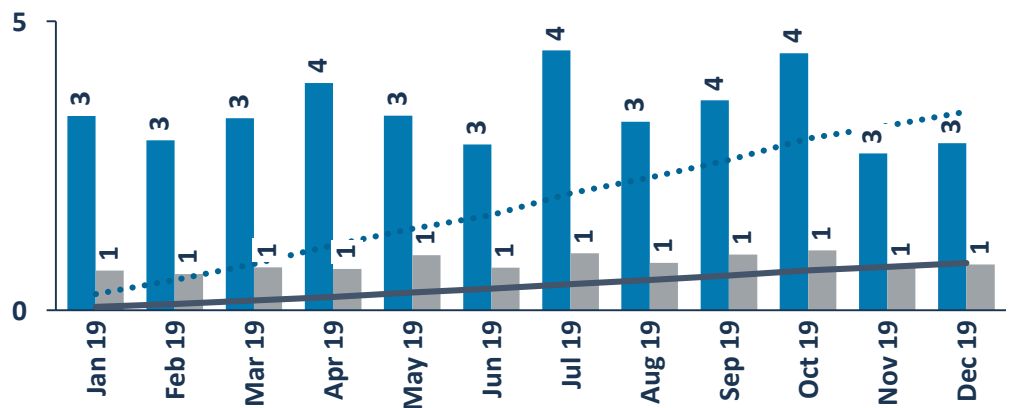
## YTD Revenue

\$ millions



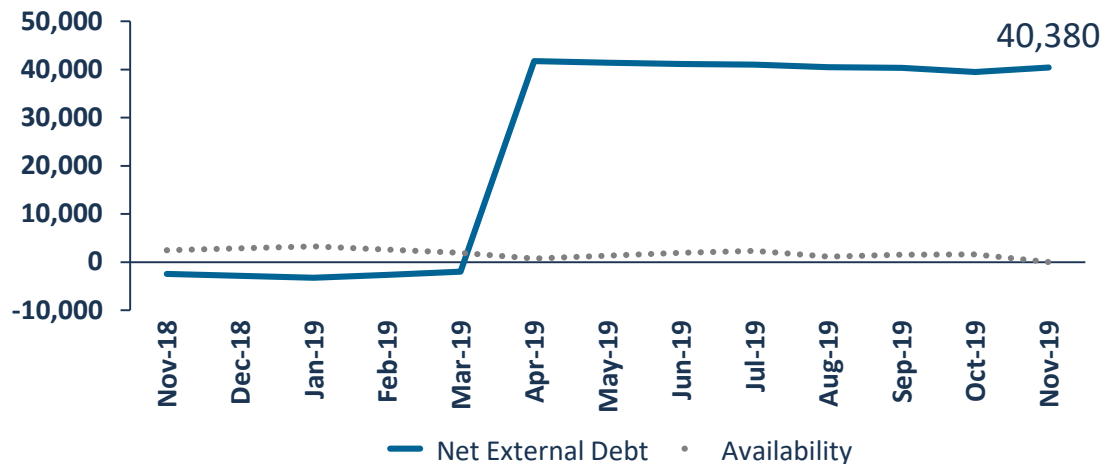
## Order Intake

\$ millions



## Liquidity

\$ millions



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





## Executive Summary

- S&G ended 2019 with revenue at \$42.1M (88% of Plan) and PF Adj EBITDA at \$9.3M (\$78% of Plan); 2020 AOP reflects revenue of \$45.4M (8% growth) and PF Adj EBITDA of \$10.5M (14% growth)
- S&G ended Dec 2019 with sales at \$1.8M (51% of Plan, 57% of PY) and PF Adj EBITDA at (\$0.2M) vs. Plan of \$0.7M and PY of \$0.5M
  - Mgmt is breaking past practice of giving significant price discounts at year end to pull in revenue from the subsequent year
- At 1/23 (75% through the fiscal month), S&G Jan MTD sales were at \$2.5M (62% of Plan, 144% of PY MTD), bookings were at \$4.9M (123% of Plan, 180% of PY MTD), and backlog was at \$9.1M (103% of Jan 2019 ending backlog of \$8.9M)
  - Bookings includes a \$1.6M blanket order from TimeMaster, with \$1.3M expected to hit in 2020, including \$0.2M in Jan 2020
- 6 S&G executives participating in Lean Six Sigma yellow belt training from Mon 2/3 through Wed 2/5




	Dec MTD		Dec YTD	
Period	Rev	PF <sup>1</sup> Adj EBITDA	Rev	PF <sup>1</sup> Adj EBITDA
19A	1.8M	(0.2M)	42.1M	9.3M
19B	3.4M	0.7M	48.1M	11.9M
19A % of 19B	51%	(134%)	88%	78%
18A	3.1M	0.5M	43.9M	10.1M
19A % of 18A	57%	(141%)	96%	92%

1. PF for unincurred standalone costs

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A. Address quality issues</b> (Don Cinnamond, Craig Saunders, Mark LeMire, Andrew Martinez) 	<ul style="list-style-type: none"> <li>Removed Don (new Quality Mgr) on Wed 1/15 after 2 months in the role due to lack of ability to drive comprehensive cultural and process change</li> <li>Re-engaged Beckway to source new Quality Mgr</li> <li>Rick Melito and Aaron Olmsted (quality consultants) will be onsite at Nicholasville Thu 1/30 and Fri 1/31 to conduct quality assessment and discuss longer-term project to develop a Quality Mgmt System and support hiring of new Quality Mgr</li> </ul>	Q1 2020	TBD	TBD
<b>B. Establish globally consistent pricing strategy</b> (Andrew Martinez, Mary Cox, Steve Tonkel, Matt Williams) 	<ul style="list-style-type: none"> <li>Mgmt holding weekly calls to accelerate data mining and identify current list pricing, avg sale price, discount levels by customer segment/region, avg margin by customer segment/region</li> <li>Data cube development complete; in process of conducting pricing analysis</li> <li>Later, will explore using Simon Kucher (or another consultant) to conduct analysis to further optimize pricing levels and build model for ongoing pricing optimization</li> </ul>	Announcement to market by 3/1/2020 New pricing implemented as of 4/1/2020	TBD	TBD

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>C. Launch refreshed brand and digital market presence (i.e., website)</b> <i>(Kelly Edney, OGx)</i> 	<ul style="list-style-type: none"> <li>Completed IP-infringement review; no issues found in key countries, so will be moving forward with current new logo</li> <li>Targeting Apr launch, with announcement of new keypad available to order with 6-week lead time for delivery</li> <li>Kelly (S&amp;G Mktg Mgr) working with Kathryn (Delaney VP Marketing) to incorporate Delaney and Premier into S&amp;G brand refresh</li> <li>Working with web developer to build backend pages of new website; will incorporate new corporate messaging as well as Delaney where appropriate (e.g., residential page)</li> </ul>	New website and rebranding launch in Apr 2020 (delayed to accommodate May 2020 keypad launch timing)	Enabler	Enabler
<b>D. Develop new industrial design aesthetic for existing and new products</b> <i>(Devon Ratliff, Kelly Edney, Patrick Cunningham, OGx)</i> 	<ul style="list-style-type: none"> <li>Working with engineering and manufacturing partner in Asia (Willie Wu)</li> <li>Willie visited Nicholasville in early Jan</li> <li>Willie's team has provided multiple product concepts building off the industrial engineering work completed by OGx to-date</li> <li>Working to bring cost in-line with target (\$50/unit); Willie's initial quote was \$70/unit</li> <li>Work will be slow during Chinese New Year (until Feb 8)</li> </ul>	May 2020	Enabler	Enabler
<b>E. Improve installation instructions for key product lines</b> <i>(Patrick Cunningham, Kelly Edney, OGx)</i> 	<ul style="list-style-type: none"> <li>Completed quick start guide for new keypad (basic questions for residential customers)</li> <li>Includes a QR code to take you to the full instruction set; will add video instructions in the future</li> <li>Working on lock installation instructions</li> </ul>	May 2020	TBD	TBD
<b>F. Develop new core products</b> <i>(Patrick Cunningham, Devon Ratliff)</i> 	<ul style="list-style-type: none"> <li>Prioritized product development pipeline through Q2 2020, focused on opportunities that are highly strategic, large and highly certain, and high ROI</li> <li>Liberty has indicated they are largely satisfied with Securam electronic lock quality (warranty issues reduced 60%+ vs. S&amp;G); will have to compete on new features to win back business</li> <li>Business Case (ROC) models for potential 3Q/4Q 2020 products complete. Financials being developed to validate prioritization and inclusion in 2020 AOP</li> </ul>	Commercialization dates from Nov 2019 through Dec 2020	\$1.6M	\$0



Complete



Just started



On Track



At Risk



Behind Schedule

CONFIDENTIAL



## Status Update: Project Details

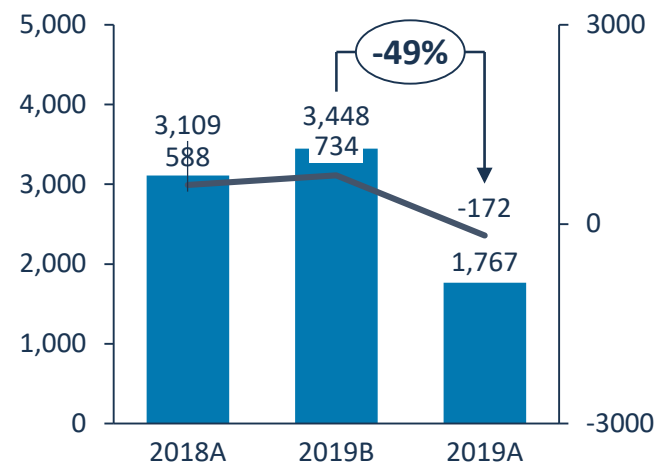
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>G. Develop SIOP process using historical data analytics</b> <i>(Michael Rose, Craig Saunders, OGx)</i> 	<ul style="list-style-type: none"> <li>Complete as of Jan 2020</li> <li>This new tool enables regional view of SIOP data, which allows sales directors to provide input on their region</li> <li>PowerBI tool allows nimble changes to data visualization</li> <li>Mgmt using Nov as the first true forecast run. Forecast accuracy for Nov will be provided in Dec.</li> <li>Mgmt using Power BI to display data within the SIOP presentation, which will include forecast by region, inventory metrics, and on time delivery metrics</li> <li>Utilization of new CRM tool for sales opportunities will be critical to improving forecast accuracy, which is expected to reduce lead times, improve OTD, and enable inventory reduction. New CRM tool will be in place during phase 1 of NetSuite (March 2020). Will begin using opportunities from the weekly sales call in the interim.</li> </ul>	Jan 2020 (delayed from Sep 2019)	TBD	TBD
<b>H. Outsourcing project</b> <i>(Mark LeMire, Oliver Wyman)</i> 	<ul style="list-style-type: none"> <li>In process of scoping a project to assess potential outsourced manufacturing of full S&amp;G product portfolio</li> </ul>	Apr 2020	TBD	TBD



# Monthly Financial Metrics

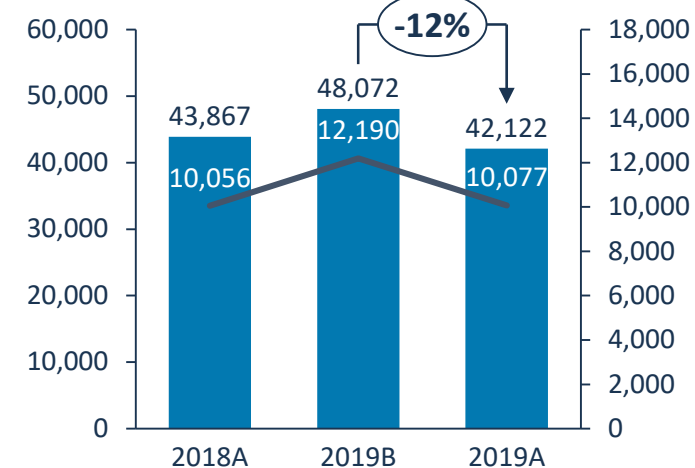
## December MTD

\$000s



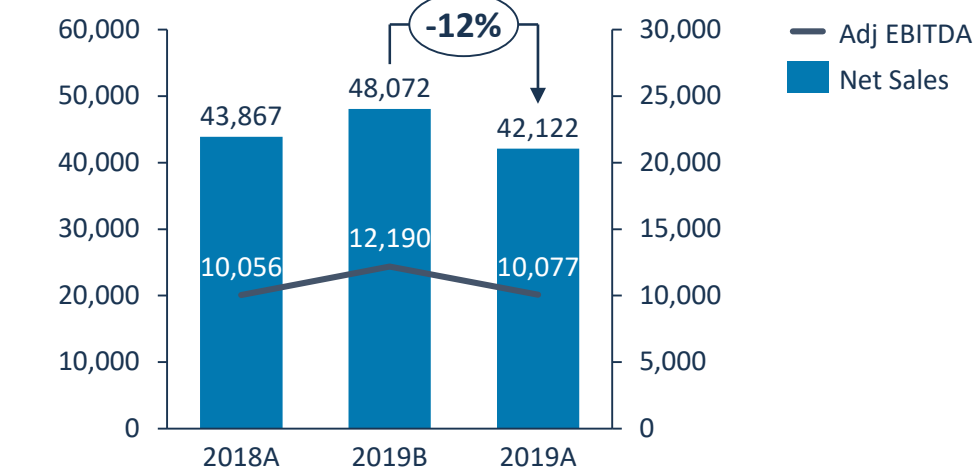
## December YTD

\$000s



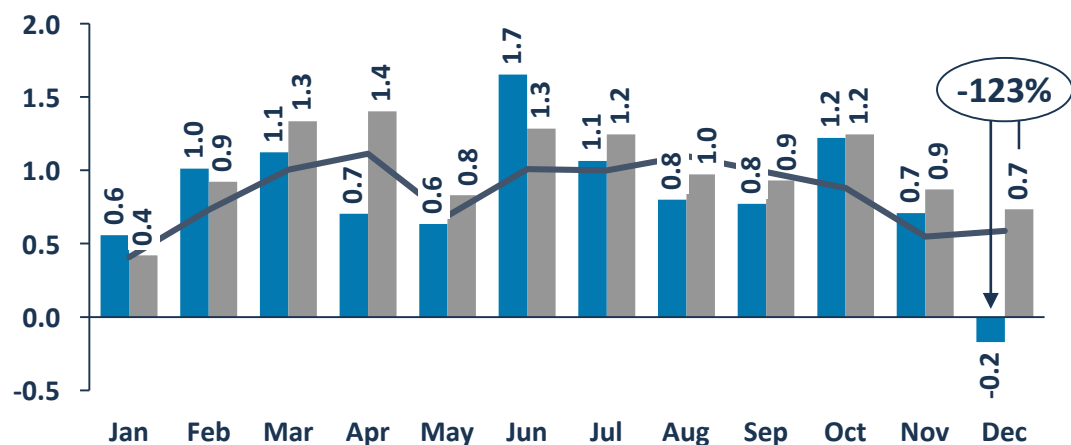
## Full Year

\$000s



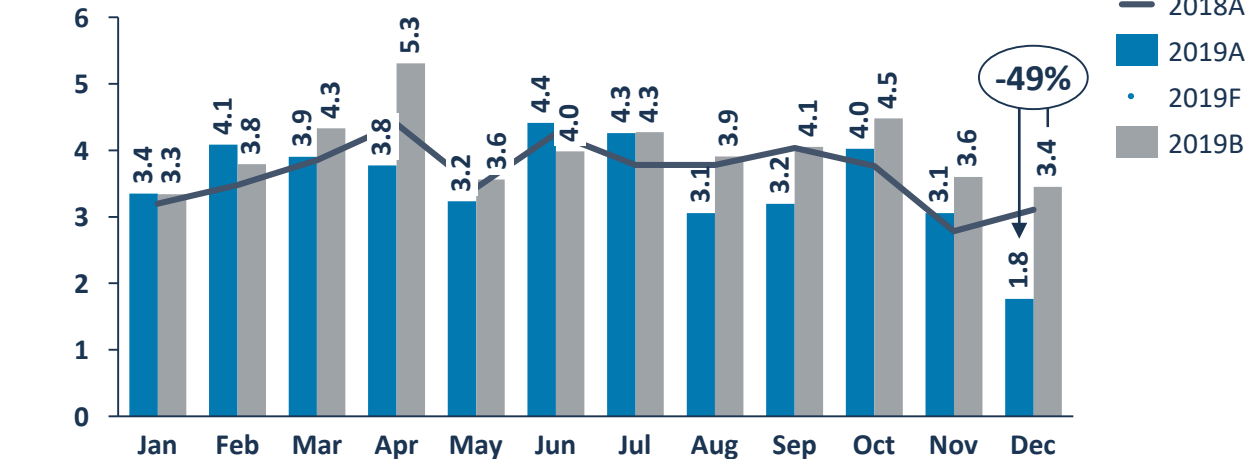
## Monthly Adj EBITDA

\$ millions



## Monthly Net Revenue

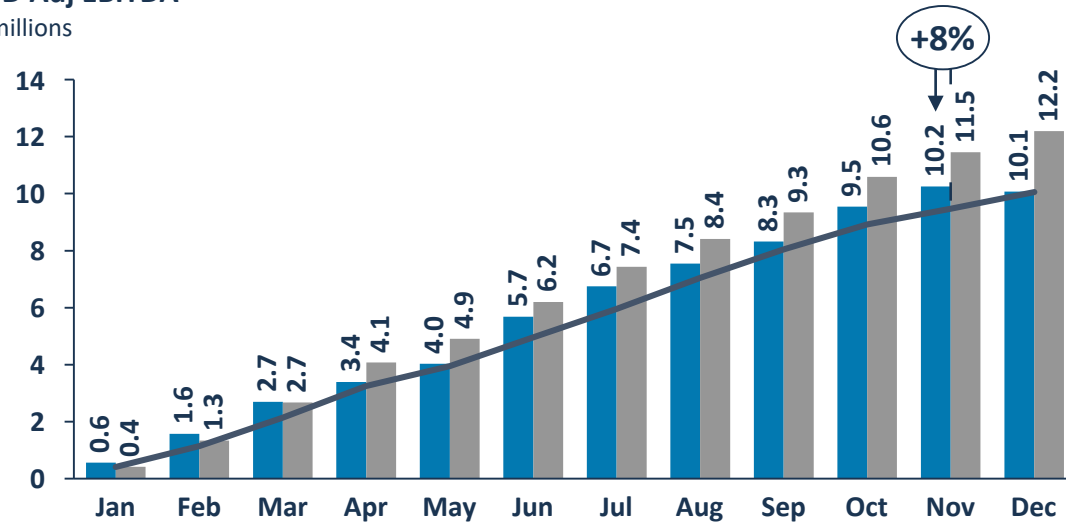
\$ millions



# Monthly Financial Metrics

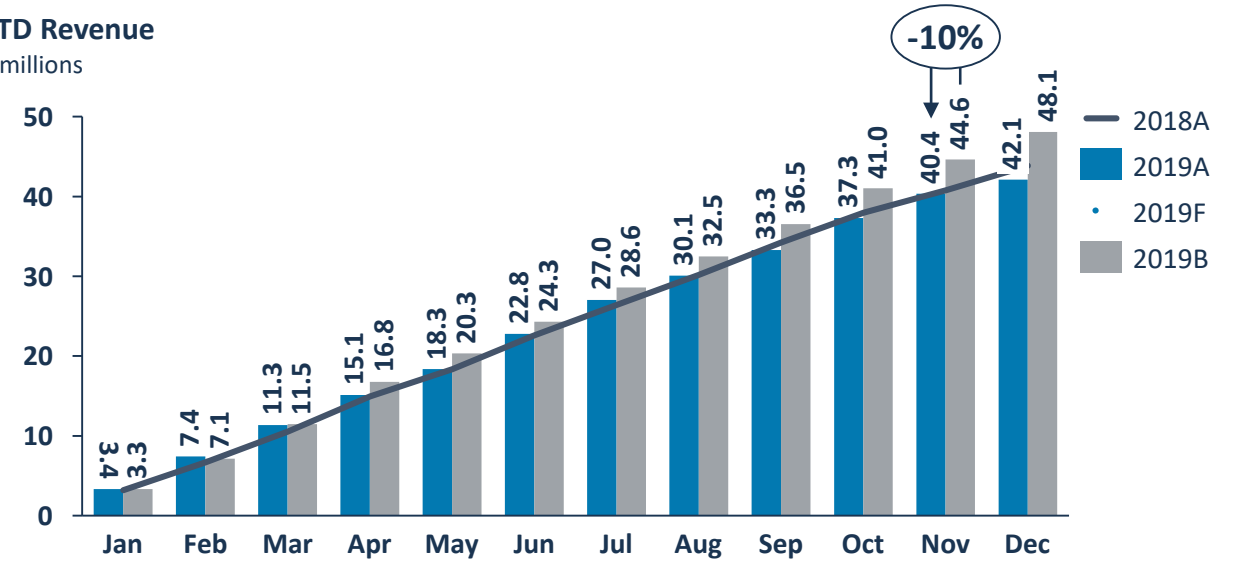
## YTD Adj EBITDA

\$ millions



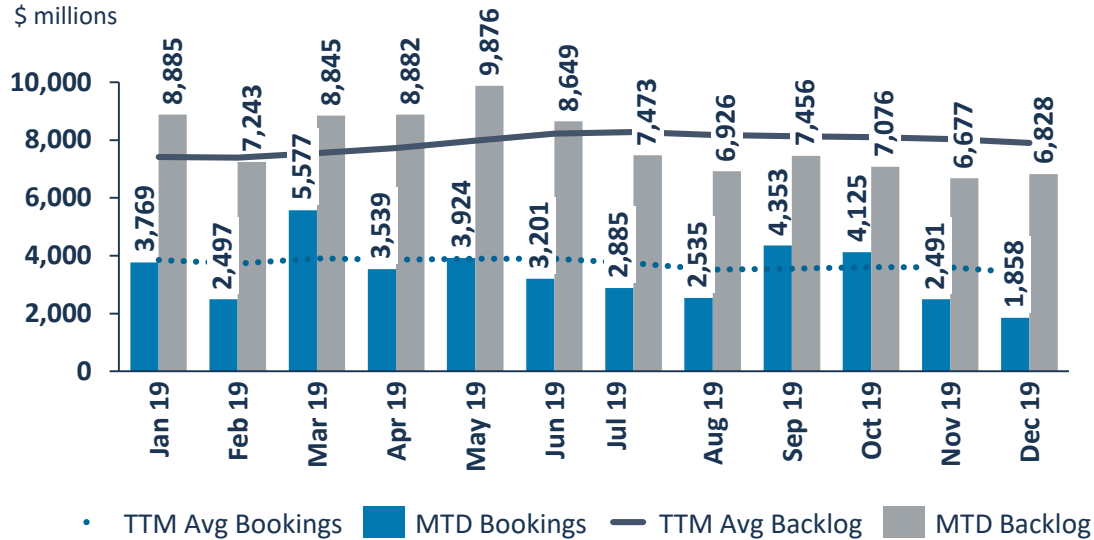
## YTD Revenue

\$ millions



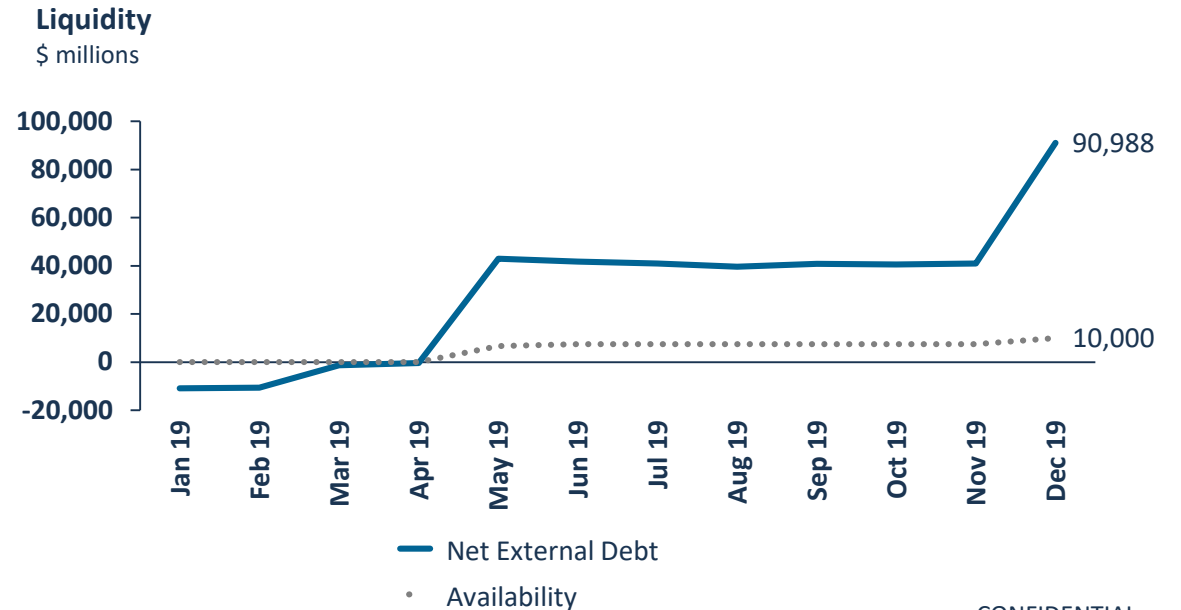
## Order Intake

\$ millions



## Liquidity

\$ millions



## Executive Summary

- Delaney/Premier ended 2019 with revenue at **\$54.2M (101% of Plan)** and **Adj EBITDA at \$11.3M (101% of Plan)**; 2020 AOP in development
- Delaney/Premier ended Dec 2019 with sales at \$4.1M (106% of Plan, 116% of PY) and Adj EBITDA at \$0.8M (110% of Plan)
- At 1/23 (73% through the month), Delaney/Premier Jan MTD sales were at \$3.5M (100% of PY)
- AM will be working with management through mid-Feb to develop Strategic Initiative charters and workplans
- 8 Delaney and Premier executives participating in Lean Six Sigma yellow belt training from Mon 2/3 through Wed 2/5
- AM traveling to Monroe on Wed 2/12 to work with Premier management to develop long-term growth plan and investment requirements
- Gray conducting onsite IT assessment at Cumming, Monroe, and Austell during the second week of Feb
- Randy Aardema conducting white belt training at Nicholasville, Cumming, Monroe, Austell, and Houston during the third and fourth weeks of Feb
- AM kicked off Delaney and Premier transition the week of Mon 1/6
  - Positive responses from employees at all three divisions during Thu 1/9 Delaney and Premier townhalls and Fri 1/10 S&G townhall
  - Executed integration of S&G and Delaney marketing team on Fri 1/10; will incorporate Delaney and Premier into S&G brand refresh
  - Developing job description for Smart Lock Product Mgr based on initial discussion Fri 1/10 with S&G and Delaney stakeholders
  - Held call to introduce HR leaders from all three divisions and kick off exploration of combined benefits program

	Dec MTD		Dec YTD	
Period	Rev	Adj EBITDA	Rev	Adj EBITDA
19A	4.1M	0.8M	54.2M	11.3M
19B	3.9M	0.7M	53.7M	11.1M
19A % of 19B	106%	110%	101%	101%
18A	3.6M	0.4M	50.0M	9.3M
19A % of 18A	116%	188%	108%	122%

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A. Sourcing savings project</b> <i>(Libby Zappala, Dennis James, Oliver Wyman)</i>	<ul style="list-style-type: none"> <li>• In process of scoping a project to shift Delaney's Chinese suppliers to other low-cost countries and explore other supplier changes to drive cost savings</li> </ul>	Jun 2020	\$700-1,000K	TBD
<b>B. TBD</b> <i>(TBD)</i>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	TBD	TBD	TBD

**OTHER PROJECTS TO BE DEVELOPED AS PART OF STRATEGIC PLANNING PROCESS**



## Executive Summary

- **InRule full year results**
  - Net revenue \$10.741mm vs budget of \$11.0mm (98% of plan) vs \$9.34mm 2018A
  - Adjusted EBITDA of \$785k vs budget of \$685k (115% of plan) vs (\$1.07)mm 2018A
- InRule Dec results:
  - ARR \$10.0mm vs plan of \$10.2mm (98%)
  - Net Revenue \$1.07mm vs budget of \$1.07mm
  - Adjusted EBITDA \$76k vs budget of \$88k 86% and a prior year of (\$33k)
- InRule 2020 Plan
  - Revenue: \$11.6mm up from 2019, 108% of 2019
  - EBITDA (\$1.7) due to investment
- InRule focus on developing channel and cloud-based product in 2020







	Dec MTD			Dec YTD	
Period	ARR <sup>1</sup>	Rev	Adj EBITDA	Rev	Adj EBITDA
19A	10.0M	1.07M	\$76k	\$10.7M	\$785k
19B	\$10.2m	1.07M	\$88k	\$11M	\$685k
19A % of 19B	98%	100%	86%	97%	115%
18A	\$8.4M	\$1.05M	(\$33k)	\$9.34M	(\$1.07M)
19A % of 18A	119%	102%	NA	115%	NA

1. Annual Recurring Rev = Monthly Recurring Rev \* 12

## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>A. Restructure the product machine organization</b> <i>(Loren Goodman)</i>		<ul style="list-style-type: none"> <li>• New product machine organization documentation finalized Thu 11/7 and presented to the full company Thu 11/14</li> <li>• Chief Product Officer has verbally accepted offer as of Tue 12/10</li> </ul>	Dec 2019	TBD	TBD
<b>B. Deliver decision services product feature</b> <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> <li>• Released Tue 12/10</li> </ul>	Dec 2019	TBD	TBD

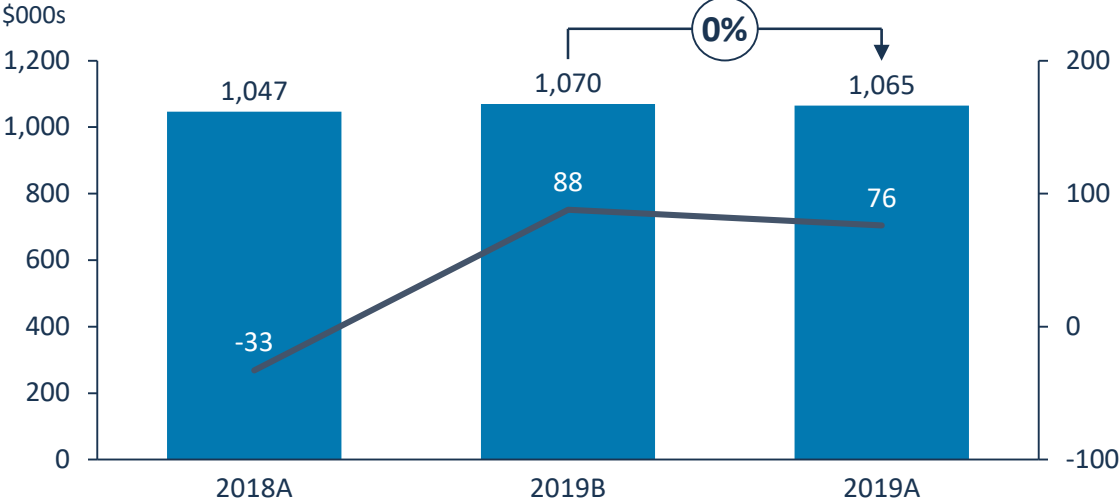
## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>C. Deliver centralized authentication capability</b> <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> <li>Released week of 10/21</li> </ul>	Oct 2019	TBD	TBD
<b>D. Develop integrations team strategy and roadmap</b> <i>(Mark Lonsway, Dan Reynolds)</i>		<ul style="list-style-type: none"> <li>Beginning proof of concept research for Microsoft Dynamics PowerApp Portal integration; factoring in feedback from American Airlines</li> <li>Signed Microsoft AppSource ISV (Independent Software Vendor) contract; avoided InRule being removed from AppSource platform; management expects revenue share agreement to cost us ~\$30-60K/year for existing customers, and increase to ~\$100-200K/year by the end of 2020 (reflecting additional customer growth)</li> </ul>	Mar 2019	TBD	TBD
<b>E. Develop services strategy</b> <i>(Mark Lonsway)</i>		<ul style="list-style-type: none"> <li>Setup tracking process in CRM</li> <li>Early prototype of Time Entry in segmentation in PowerBI</li> <li>Next steps: Establish back office reporting, utilization, and metrics tracking</li> </ul>	Dec 2019	TBD	TBD
<b>F. Develop recruiting strategy to fill key ongoing positions</b> <i>(Beth Worthem, Functional Leaders)</i>		<ul style="list-style-type: none"> <li>Accounting Manager: Candidate started Tue 11/12</li> <li>IT Manager: IT Mgr started on Mon 12/9</li> <li>Sales Development Rep: First new SDR started Mon 12/2; moving forward with second new SDR hire</li> <li>Chief Product Officer: Verbal offer acceptance received as of Tue 12/10</li> </ul>	Acct Mgr: Nov 2019 IT Mgr: Dec 2019 SDR: Dec 2019 CPO: Jan 2020	TBD	TBD
<b>G. Develop embedded authoring services</b> <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> <li>In process of iterating on usability and UI; working through the bug list</li> <li>Loren and Dan are incorporating feedback from demo to Microsoft</li> <li>On track to release by mid- to late-Dec</li> </ul>	Dec 2019	TBD	TBD
<b>H. OGx</b>		<ul style="list-style-type: none"> <li>Investigating opportunity to include InRule technology into the workbench</li> </ul>	Q2	TBD	TBD

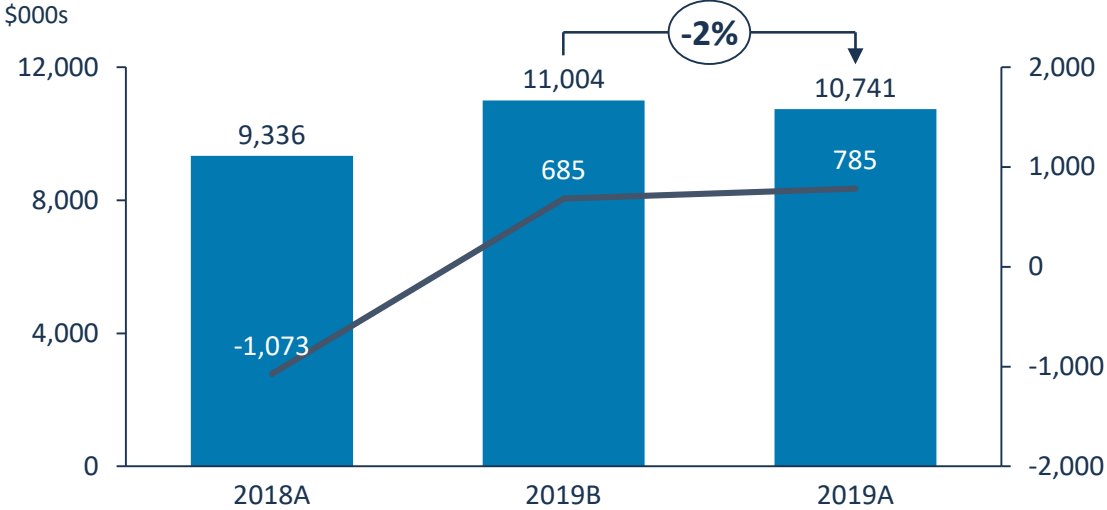
## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>I. Develop channel strategy</b> <i>(Michael Bonner)</i>		<ul style="list-style-type: none"> <li>Kicking off recruiting process for Alliance Manager (channel manager)</li> <li>Next steps: continue to gather existing alliance data and organize in CRM, define success metrics for channel</li> </ul>	Jan 2020	TBD	TBD
<b>J. Develop sales team strategy</b> <i>(Michael Bonner)</i>		<ul style="list-style-type: none"> <li>First new Sales Development Rep starts in Dec</li> <li>Will be moving forward with an additional SDR hire by Jan 2019</li> </ul>	Jan 2020	TBD	TBD

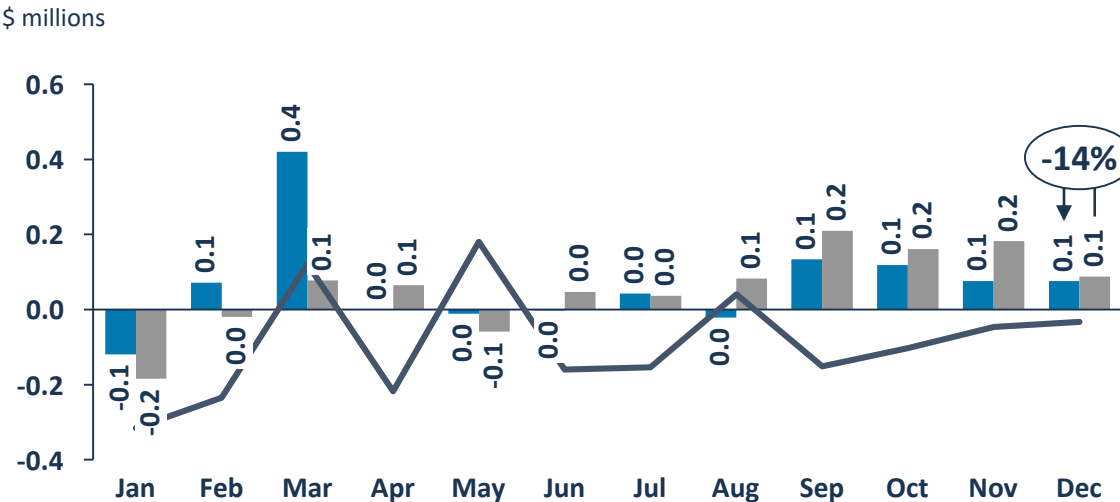
## Dec MTD



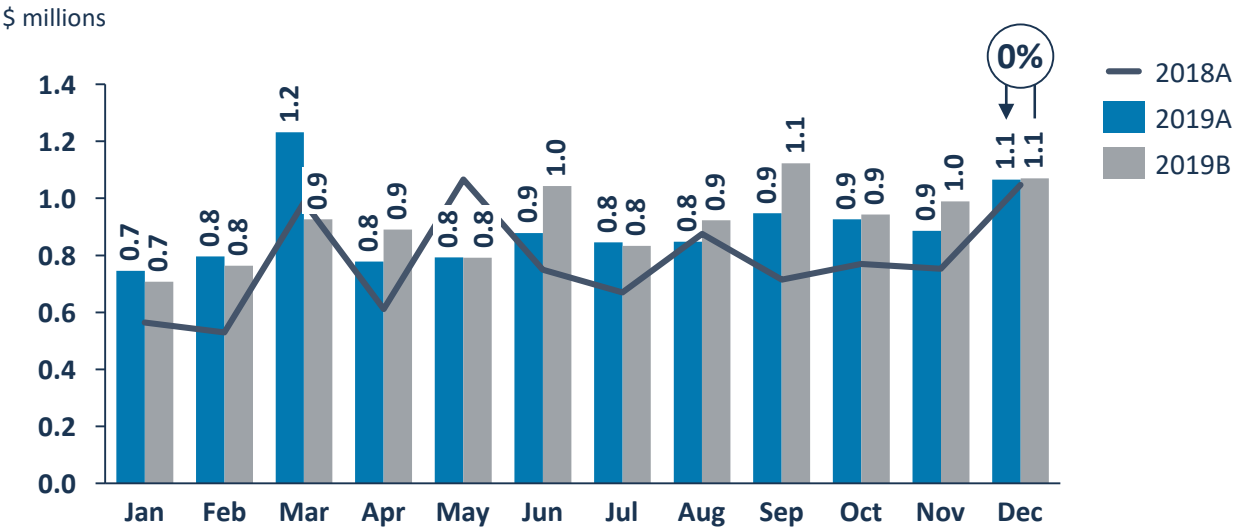
## 2019 YTD



## Monthly EBITDA

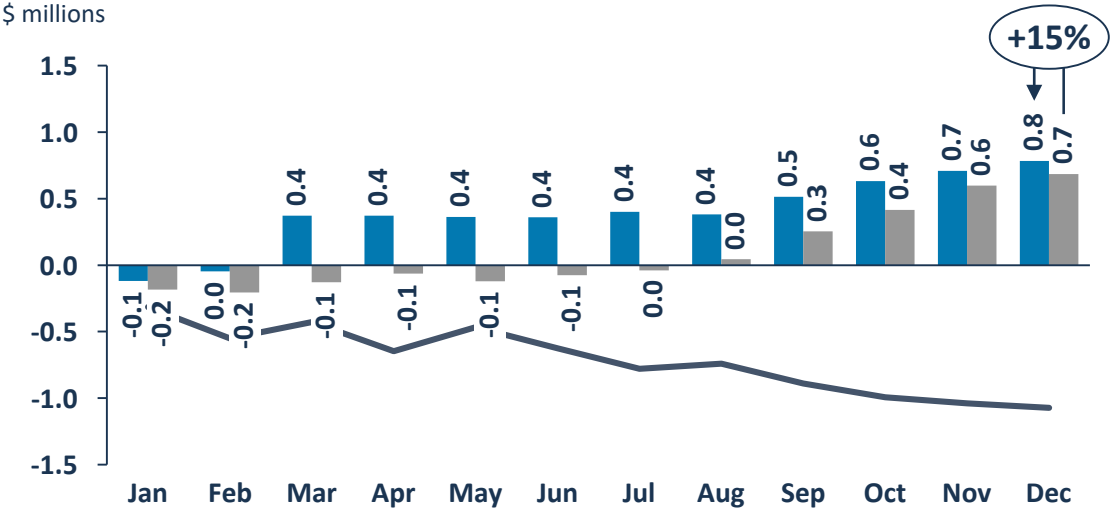


## Monthly Net Revenue



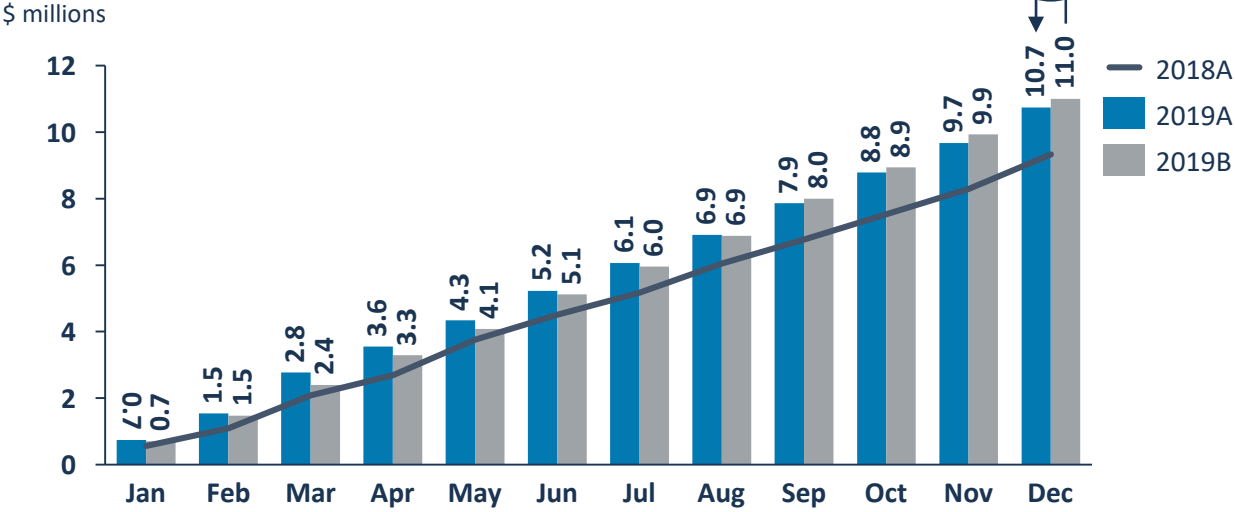
YTD EBITDA

\$ millions



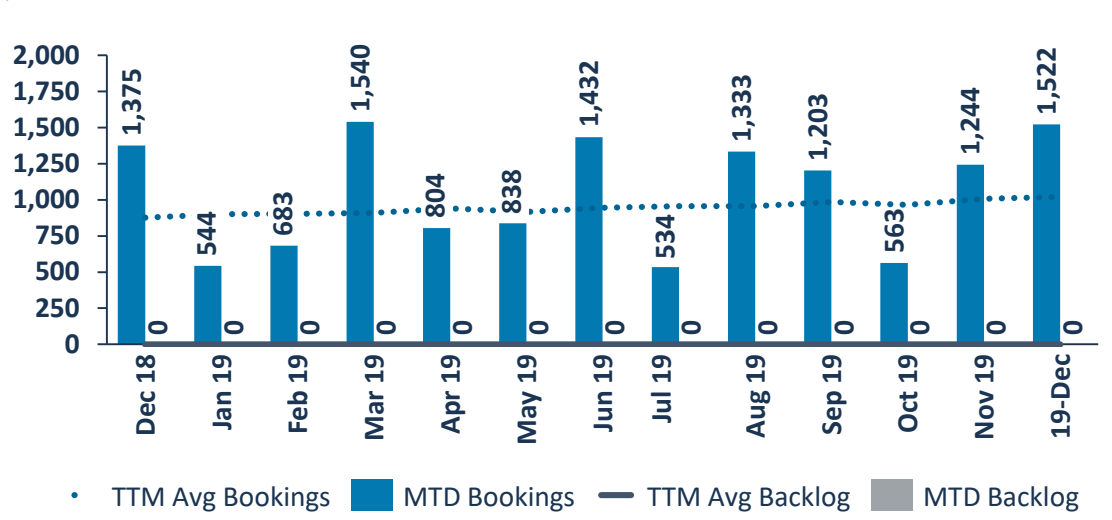
YTD Revenue

\$ millions



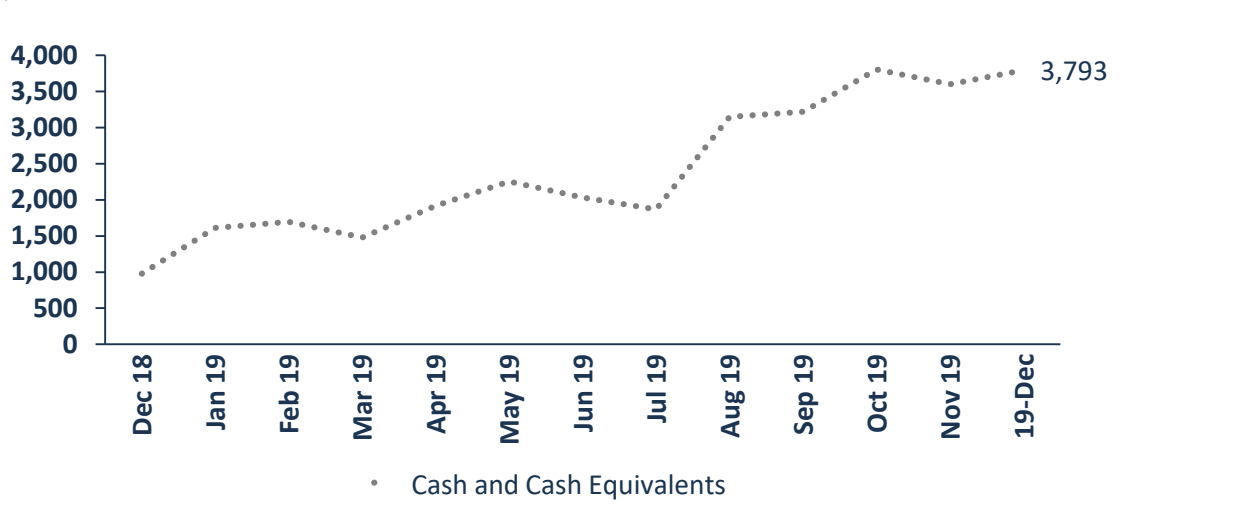
Order Intake

\$ millions



Ending Cash

\$ millions



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

• Cash and Cash Equivalents



Executive Summary

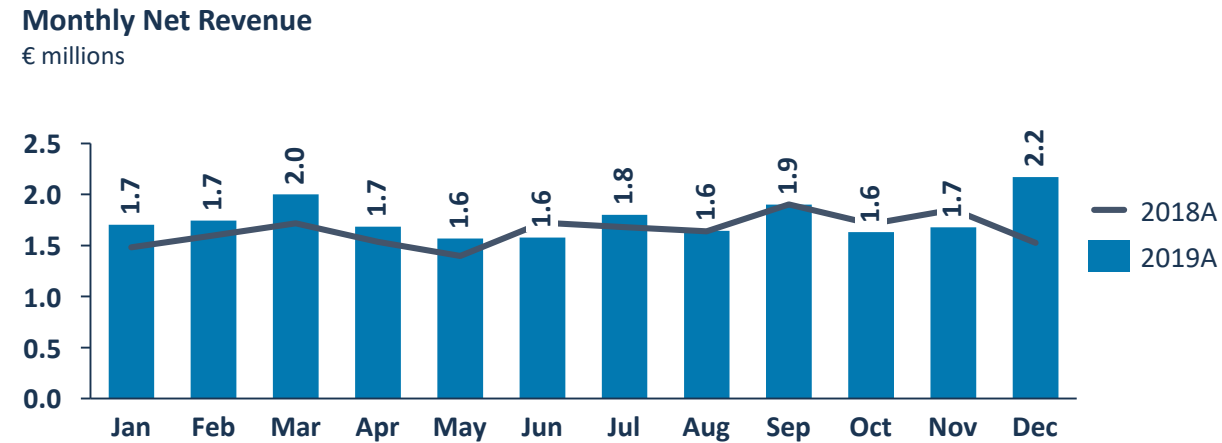
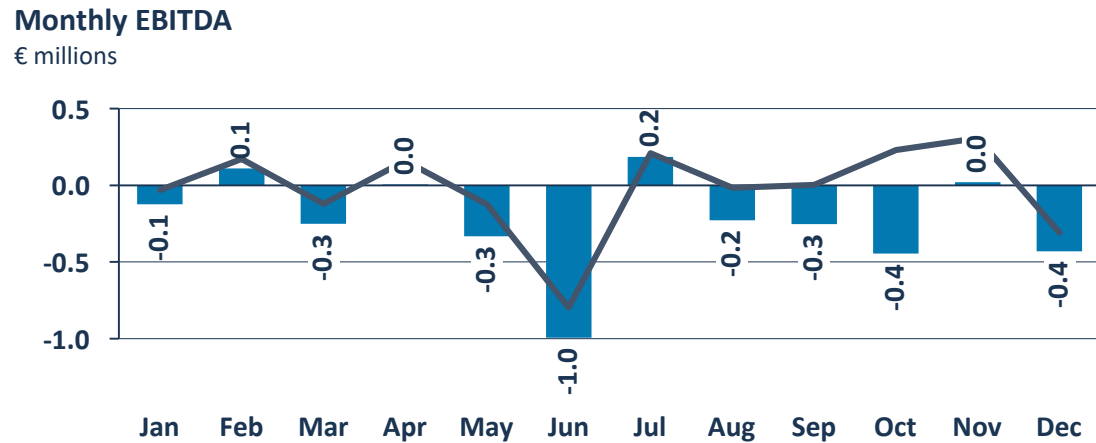
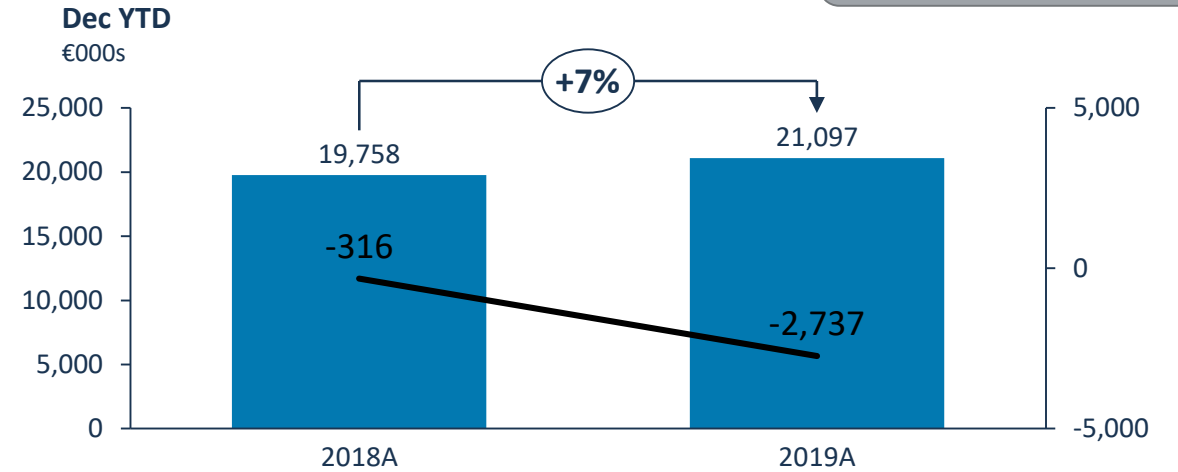
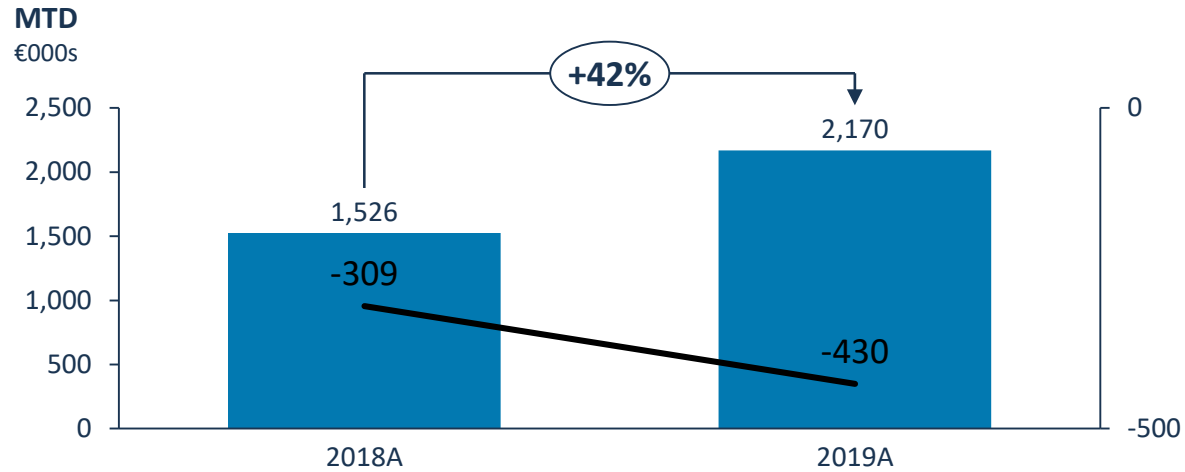
- CoreMedia has been on a 6/30 financial close. Starting in 2020 we are resetting the fiscal year to CY. CM close process used a 13th period<sup>1</sup> for adjustments
- Preliminary December and CY 2019 close is being finalized to include e13th period. Without adjustment
- CoreMedia
  - Revenue \$21.1mm vs \$19.8mm 2018A
  - Adjusted EBITDA of (€2.74mm) vs (€0.32mm) 2018A
- CoreMedia Dec results:
  - ARR up 11% from 12/31 2018 to 2019. €14.0mm to €15.5mm
  - Net Revenue €2.17mm vs €1.53 2018A
  - Adjusted EBITDA of (€430k) vs (€309k) 2018A
- CoreMedia 2020 Plan
  - AOP and budgeting underway, expected in Feb

M €	Dec		2019	
Period	Rev	Adj. EBITDA	Rev	Adj. EBITDA
19A	2.17	(430)	21.1	(2.74)
19B	NA	NA	NA	NA
19A % of 19B	NA	NA	NA	NA
18A	1.53	(309)	19.8	(0.32)
19A % of 18A	142%	NA	107%	NA

Status Update: Project Details

Projectar		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. 2020 Budget and strategy <i>(Soren, Jim, Klemens)</i>		<ul style="list-style-type: none"><li>• Strategy workshop complete, preliminary 2020 focus on product features/cost, sales capability/cost</li><li>• Targeting end of Feb approval of budget. Restructuring of sales team needed to finalize</li></ul>	Jan-Feb 20	TBD	TBD
B. Implementation of reporting <i>(Klemens, Patrick)</i>		<ul style="list-style-type: none"><li>• Patrick Loekman will be onsite next week</li></ul>	Q1 2020	TBD	TBD
C. Sales restructuring <i>(Jim)</i>		<ul style="list-style-type: none"><li>• Sales kick off next week. CRO (Jim) has assumed overall management for sales team</li><li>• New commissions plans and inclusions of services is the next tep</li></ul>	First week of Feb	TBD	TBD
D. Ogx <i>(Karsten)</i>		<ul style="list-style-type: none"><li>• Kicked off efforts to integrate into the workbench</li><li>• Initial architecture and ETL underway and expecting completion in two weeks.</li></ul>	Feb	TBD	TBD

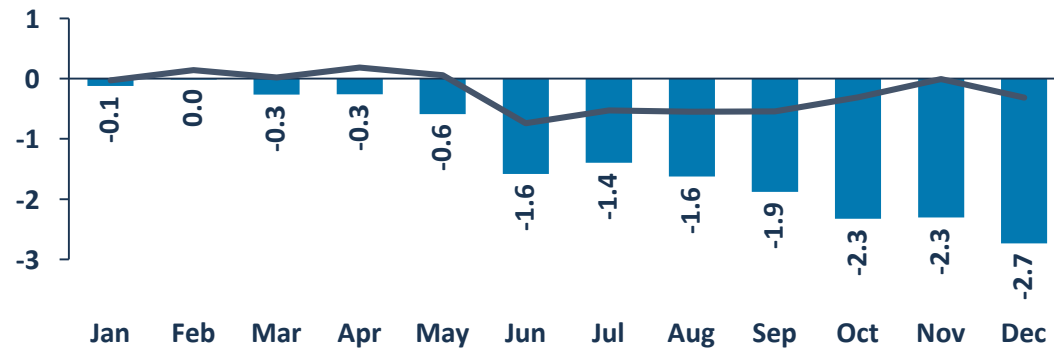
Preliminary, before  
13th period



Preliminary, before  
13th period

## YTD EBITDA

€ millions



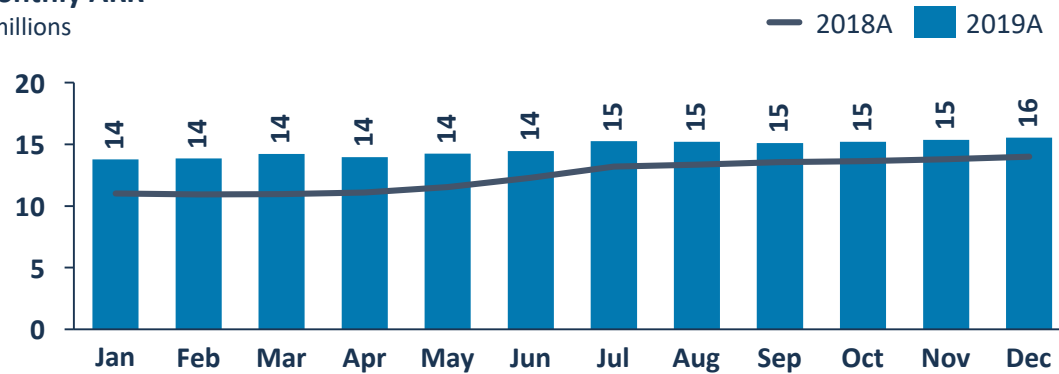
## YTD Revenue

€ millions



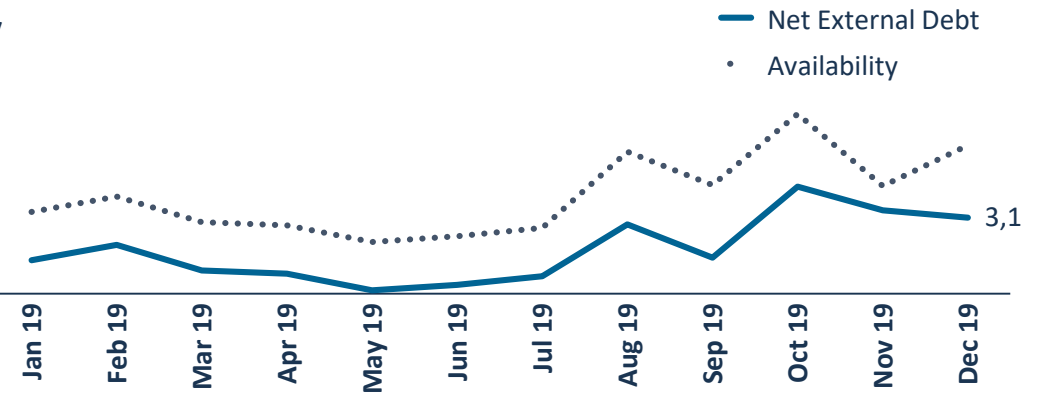
## Monthly ARR

€ millions



## Liquidity

€ millions



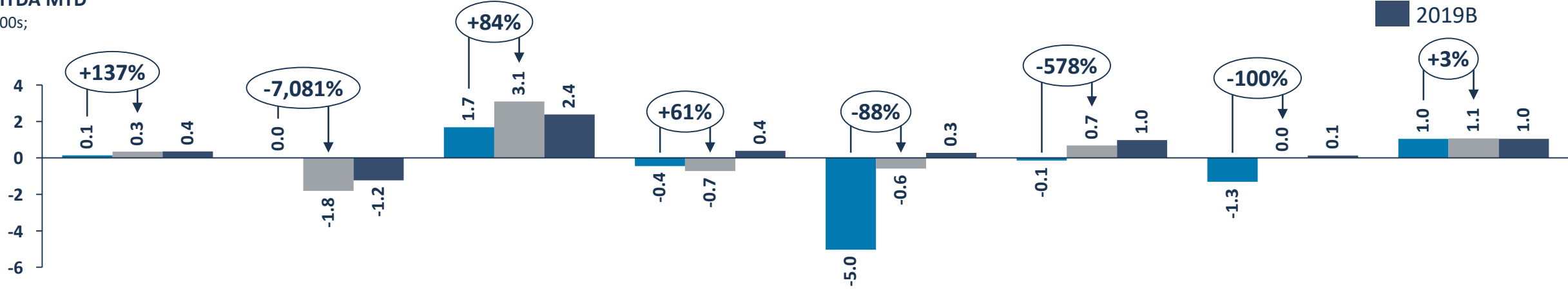
### 3 | Europe Portfolio Update

# Consolidated Europe portfolio EBITDA performance (without IFRS16)

## EBITDA MTD

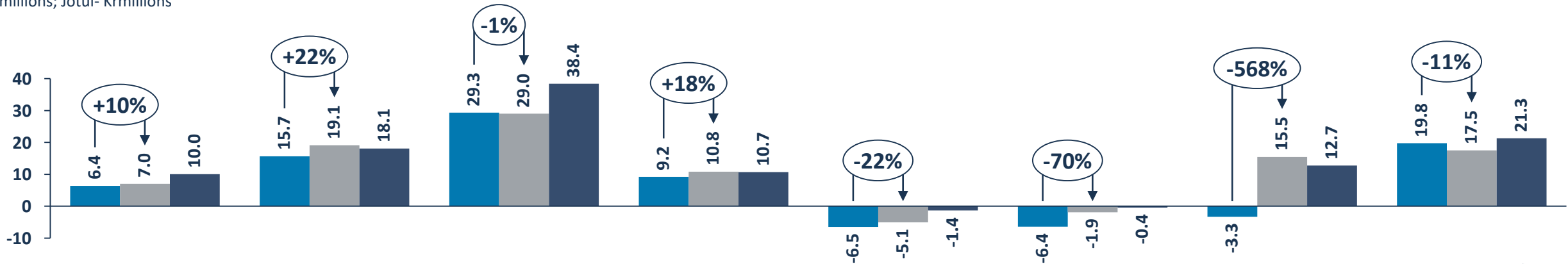
€ 000s;

2018A  
2019A  
2019B



## EBITDA YTD

€ millions; Jotul- Krmillions

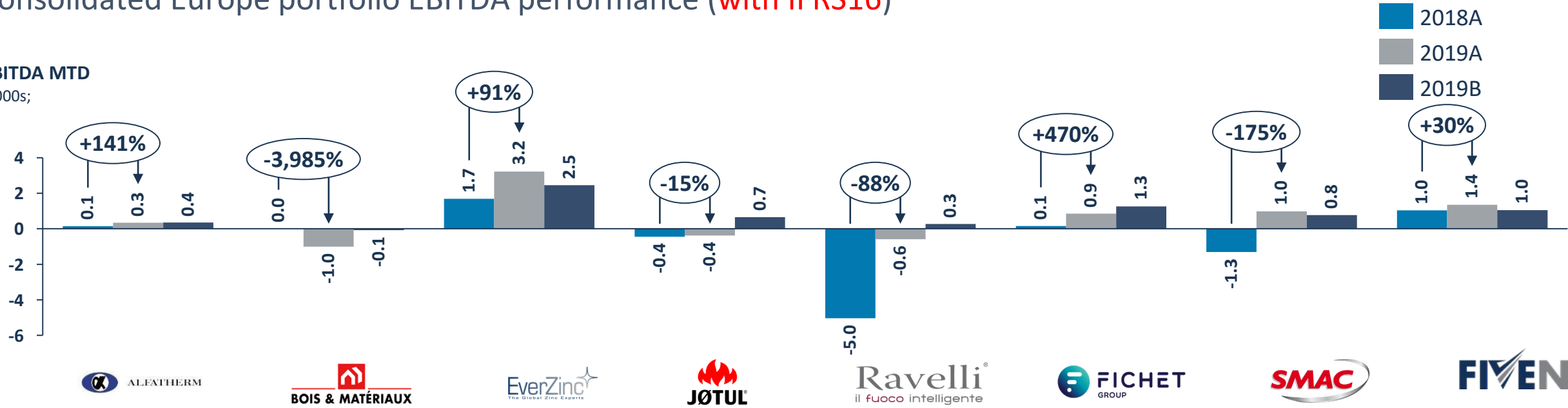


OPENGATE CAPITAL

# Consolidated Europe portfolio EBITDA performance (with IFRS16)

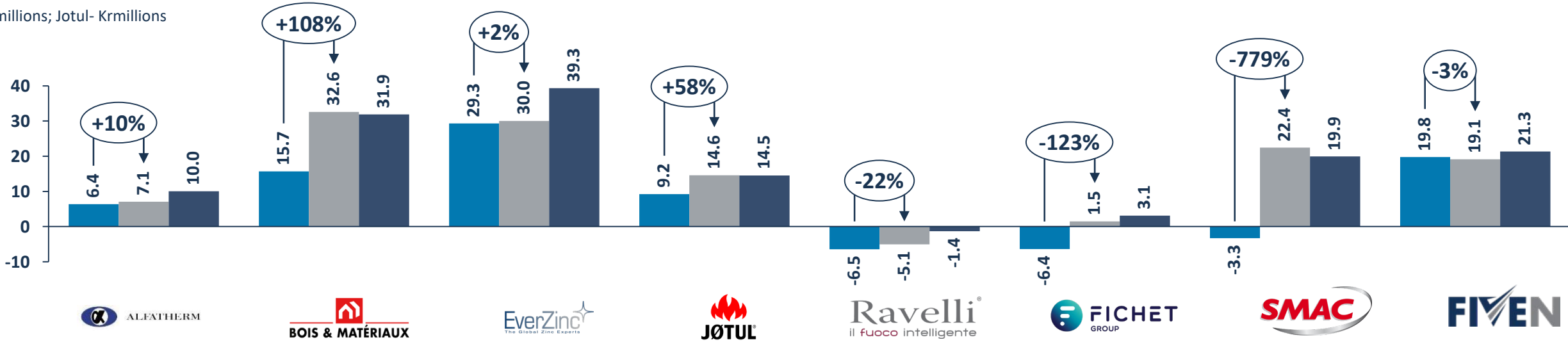
## EBITDA MTD

€ 000s;



## EBITDA YTD

€ millions; Jotul- Krmillions



### 3.a | Alfatherm

## Executive Summary: December 2019

- December Sales reached €4.5M which is below both Budget (-16%) and PY (-3%), with Capsules & Sleeves (-46% vs. Budget) and furniture (-13% vs. Budget)
- Like-for-like EBITDA in December is €0.3M, lower than Budget (-2% or €-8k) but €+0.2M better than PY; Accounting adjustment (IFRS 16) of €+5k inflated EBITDA
- Like for like FY 2019 EBITDA reached €7.0M or 10.3% of sales as forecasted vs PY at €6.4M and a budget at €10M; full year IFRS 16 impact is €+31k favorable
- Operational turnaround team activity started with Quality workshops, classification of scrap root cause hired and SMED
- Financial turnaround team already met twice (14<sup>th</sup> and 21<sup>th</sup> January) to review all options and assess best route to debt haircut. Next meeting on 28<sup>th</sup> January
- Profit Velocity: next workshop to be scheduled in February

M €	Dec MTD		Dec YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	4,5	0,3	68,3	7,1	68,3	7,1
19B	5,3	0,4	79,4	10,0	79,4	10,0
19A % of 19B	84%	98%	86%	70%	86%	70%
18A	4,6	0,1	72,1	6,4	72,1	6,4
19A % of 18A	97%	241%	95%	110%	95%	110%

## Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (€MM)	
			Projected	Actual
A. Operational Turnaround	●	<ul style="list-style-type: none"> <li>On-going SMED activities</li> <li>Quality record analysis</li> </ul>	tbd	
B. Financial Turnaround	●	<ul style="list-style-type: none"> <li>Team meetings organized 14<sup>th</sup> and 21<sup>st</sup> January</li> <li>Next meeting 28<sup>th</sup> January including contact</li> </ul>		
C. Factoring	●	<ul style="list-style-type: none"> <li>Meeting with General Finance on 29<sup>th</sup> January</li> </ul>		
D. Production efficiency	●	<ul style="list-style-type: none"> <li>Recruitment of 2 new plant managers (Gorla 1&amp;2) and 1 production consultant for Gallarate</li> </ul>	tbd	
E. OGx initiatives	●	<ul style="list-style-type: none"> <li>Following 1<sup>st</sup> pricing workshop with Profit Velocity, Price increases for specific customers and product segments put forward and applicable 01/01/20</li> <li>Next pricing workshop to be scheduled in February</li> </ul>		

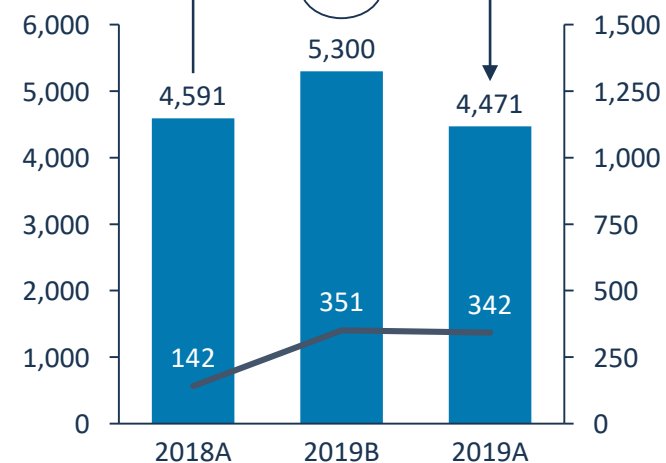




## Monthly Financial Metrics

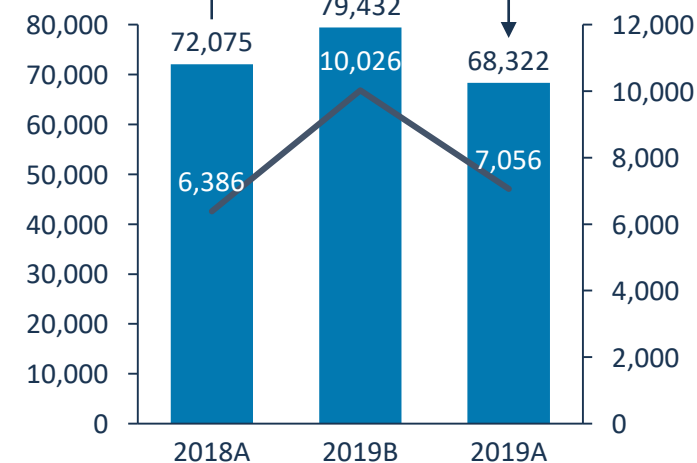
## Dec MTD

€000s



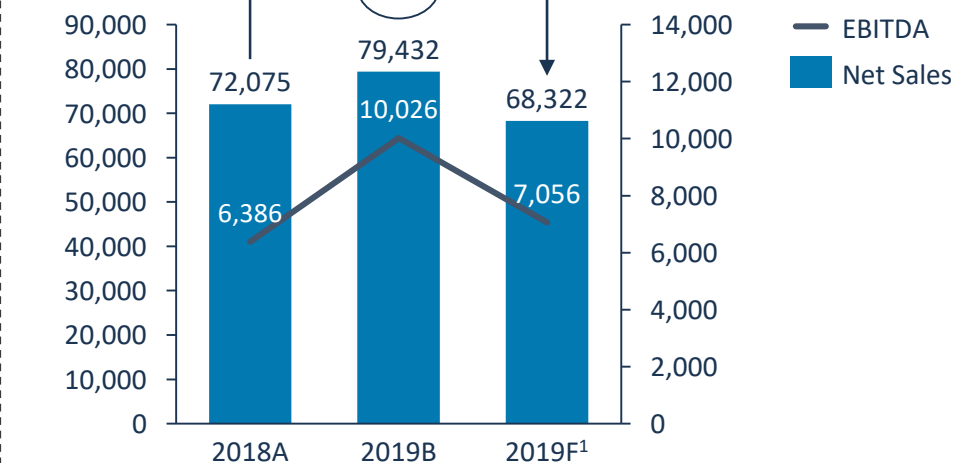
## Dec YTD

€000s



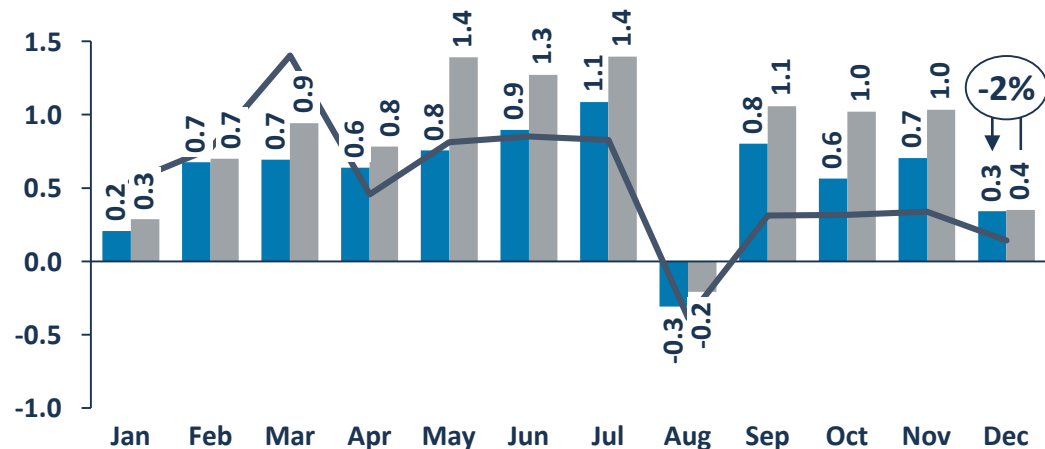
## Full Year

€000s



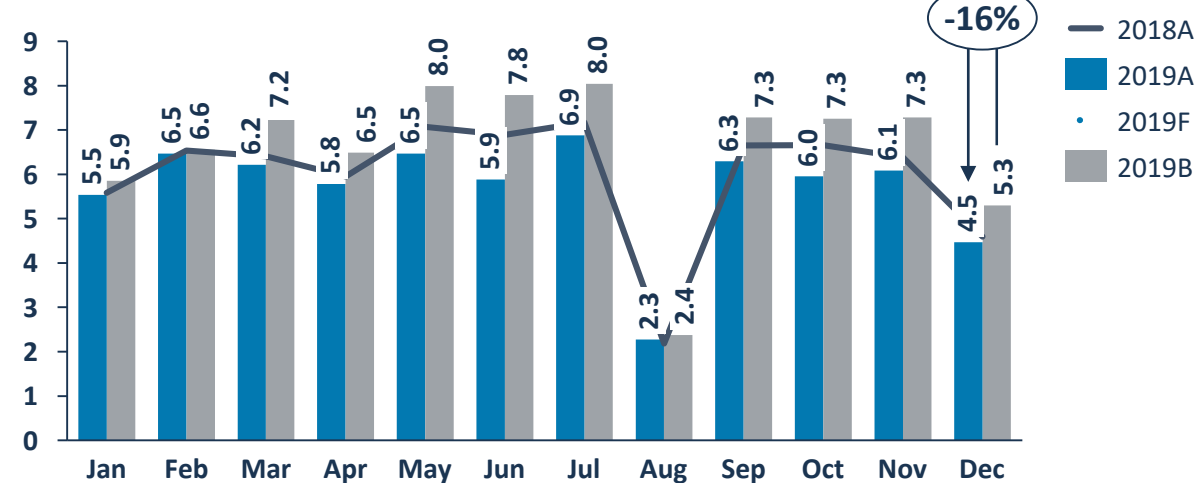
## Monthly EBITDA

€ millions



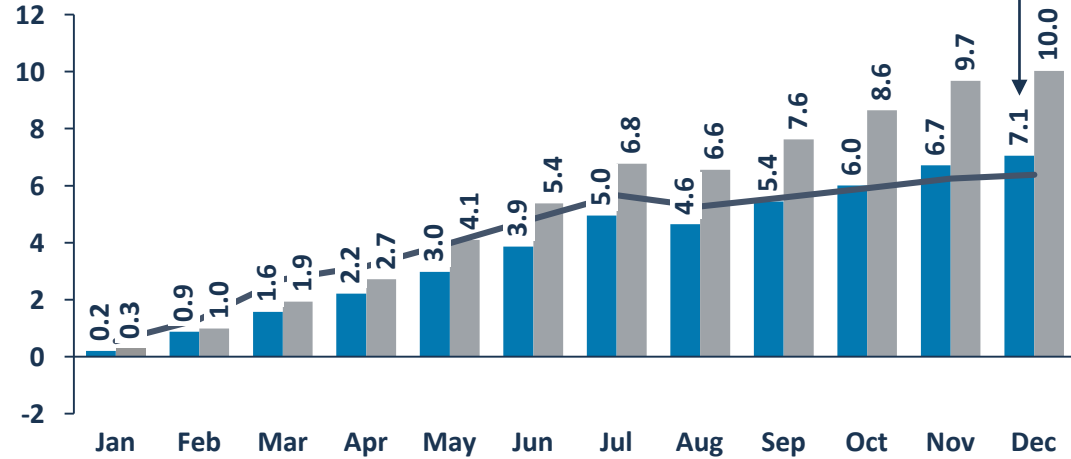
## Monthly Net Revenue

€ millions



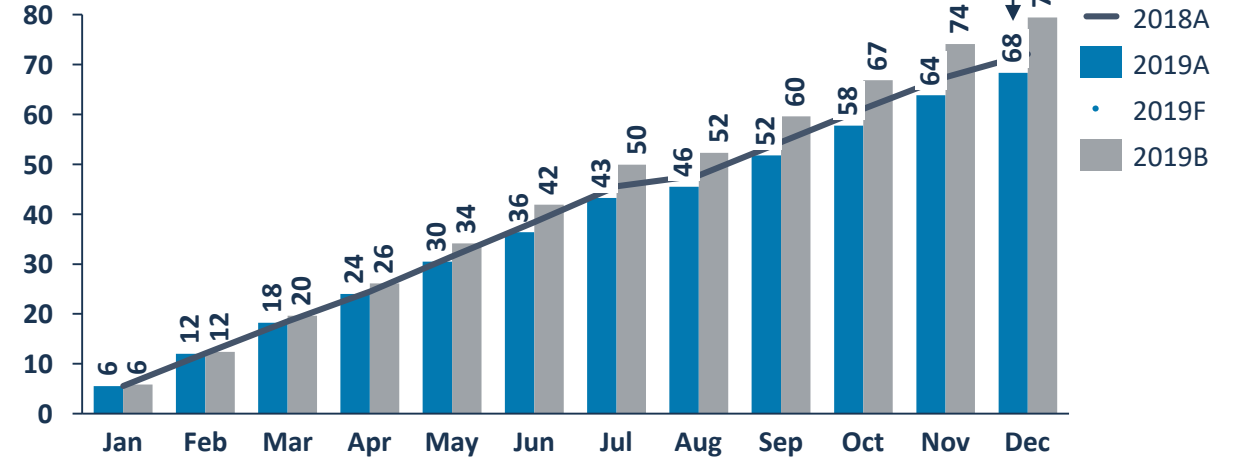
## YTD EBITDA

€ millions



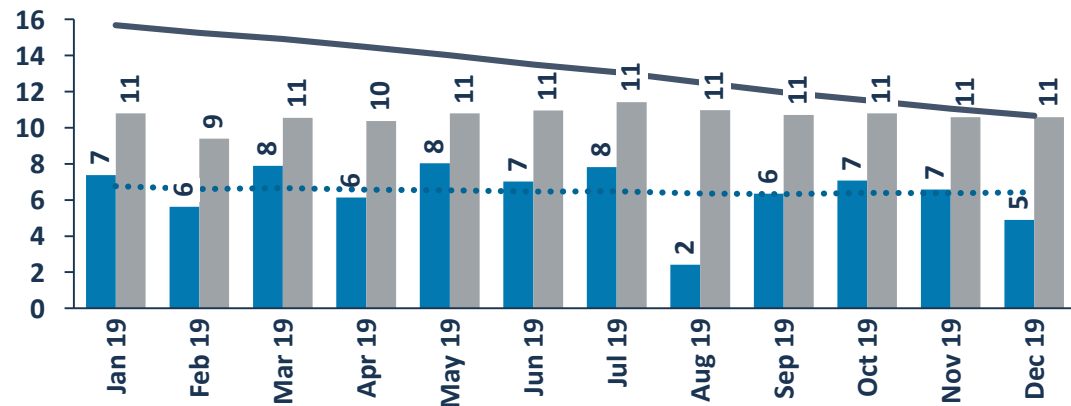
## YTD Revenue

€ millions



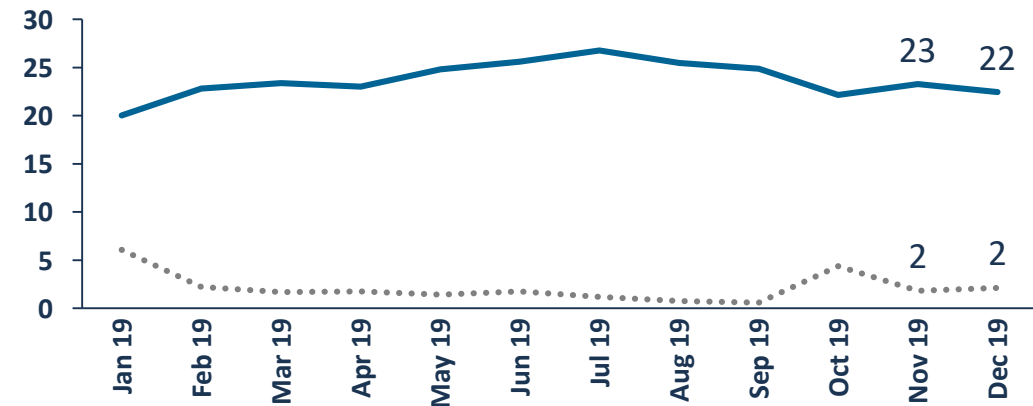
## Order Intake

€ millions



## Liquidity

€ millions



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

— Net External Debt • Availability



3.b | B&M

# 2019 EBITDA in line with forecast and above budget; Blackstone provided a strong non – binding offer

## Executive Summary: December 2019

- Dec sales with €43.3 was +4.2% above PY and +2.3% above budget with 1 additional day of sales versus 2018; market conditions remained stable in December; FY Sales with € 632.3M is +2% above PY and +2.2% above budget, benefitting from better performance in the first semester of 2019
- B&M's market share remained stable in 2019, while overall market conditions were positive; 2020 market conditions are expected to decline versus 2019 but there is no clear outlook at this stage
- Dec like-for-like EBITDA with -€1.8M was -€1.9M below PY and -0.6M worse than budget; lower performance was predominantly driven by year end provisions on cost of organization relating to business risks (legal, bonuses, maintenance etc.); IFRS 16 impact pushed reported EBITDA by +€0.8M to -€1.0M
- FY like-for-like EBITDA with +€19.2M was +€3.4M above PY and +€1.1M above budget; IFRS 16 impact pushed reported YTD EBITDA by +€13.5M to €32.6M
- Sales in January after 16 days out of 22 is at € 35.5M which is -1.9% below PY and -6.7% below budget; Commercial margin level at 20.3% versus 19.1% in PY and 19.1% in budget
- Exit: confirmatory non binding offer (PNF only) received from St Gobain @ €46.8M based on a 7.1x multiple on EBITDA; offer requested exclusivity
- Exit: Blackstone provided a non binding offer on Jan 24 for the total of B&M for €150M – 160M; next steps to be discussed

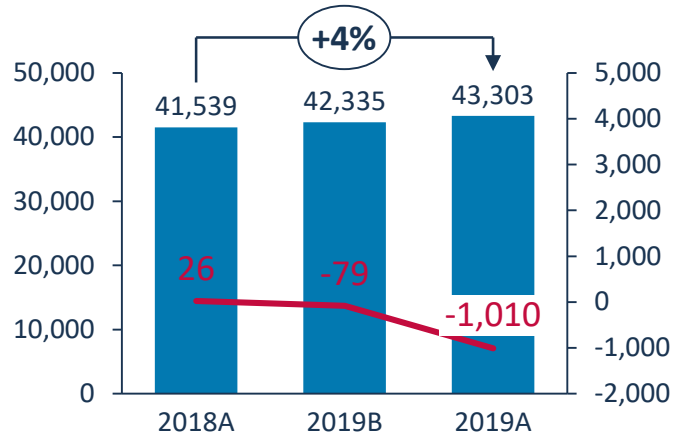
M €	MTD		YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	43.3	(1.0)	632.3	32.6	632.3	32.6
19B	42.3	(0.1)	618.9	31.9	618.9	31.9
19A % of 19B	102%	na	102%	102%	102%	102%
18A	41.5	0.0	619.7	15.7	619.7	15.7
19A % of 18A	104%	Na	102%	208%	102%	208%

## Status Update: Project Details

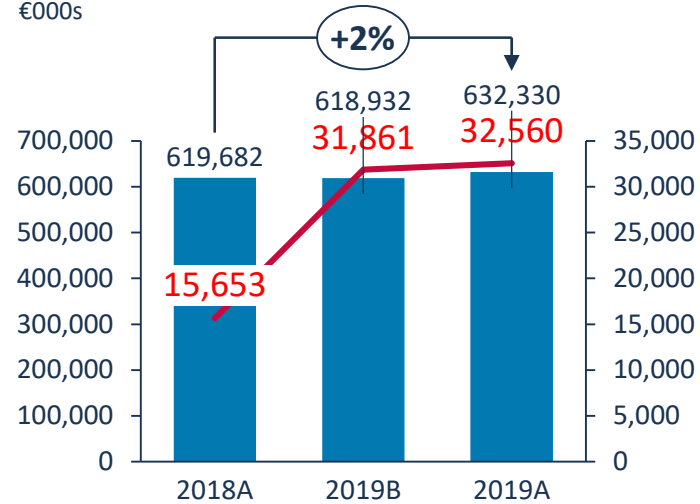
Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Exit process	<ul style="list-style-type: none"> <li>confirmatory non binding offer received from St Gobain @ €46.8M based on a 7.1x multiple on EBITDA; offer requested exclusivity</li> <li>Blackstone provided a non binding offer on Jan 24 for the total of B&amp;M for €150M – 160M; next steps to be discussed</li> </ul>	TBD	TBD
B. Split of PanoFrance network to increase exit options	<ul style="list-style-type: none"> <li>Announcement done on October 31 without major issues; workers council requested an external specialist to analyze the carve out implications</li> <li>workers council provided a positive response on the carve out project; project progressing as per plan</li> <li>Legal carve out expected for May 31<sup>st</sup>, 2020</li> </ul>	TBD	TBD
C. OGx initiatives	<ul style="list-style-type: none"> <li>Pricing: Implementation of proprietary Big Data solution to optimize pricing of 20/80 products at branch level; Optimal pricing proposal based on the combination of past transactions &amp; price sensitivity levels; Solution implemented in 55 branches by year-end 2019; early results of +0.15 pp in gross margin</li> <li>Digitalization: Search engine &amp; web traffic optimized (+40% natural referencing); Online catalog with real-time product availability; cross-selling &amp; alternative product functionalities</li> </ul>	TBD	TBD

# Monthly Financial Metrics

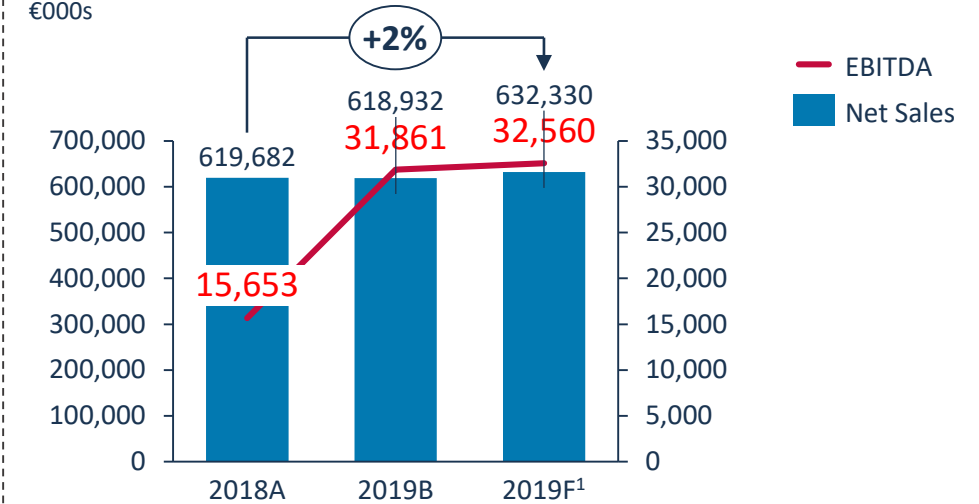
**MTD**  
€000s



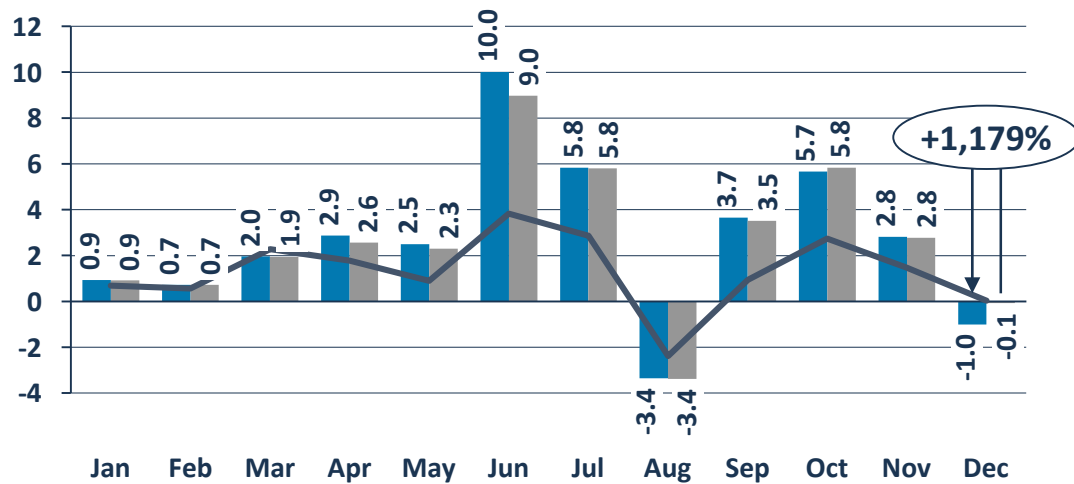
**YTD**  
€000s



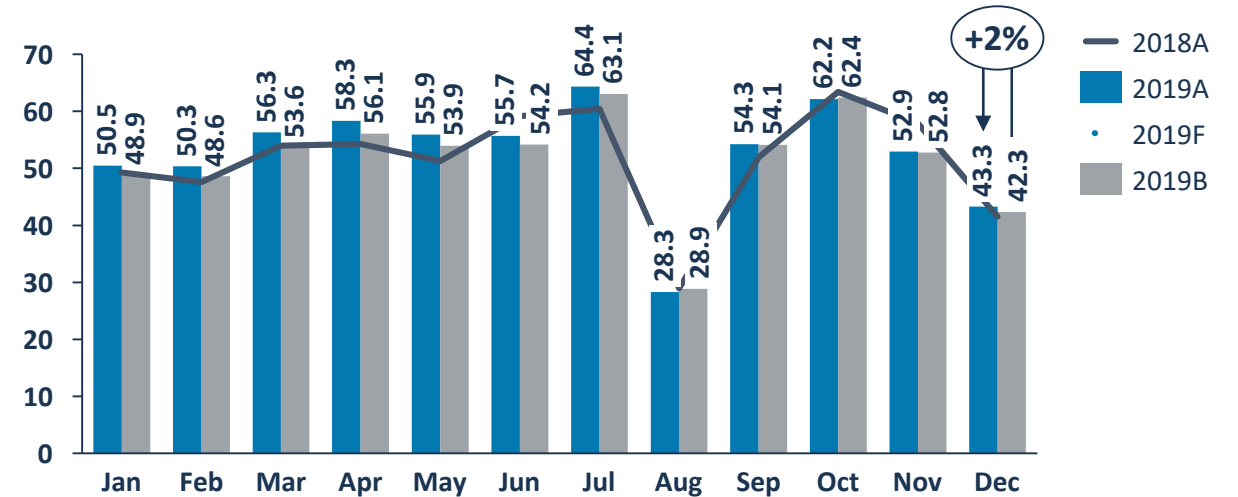
**Full Year**  
€000s



**Monthly EBITDA**  
€ millions

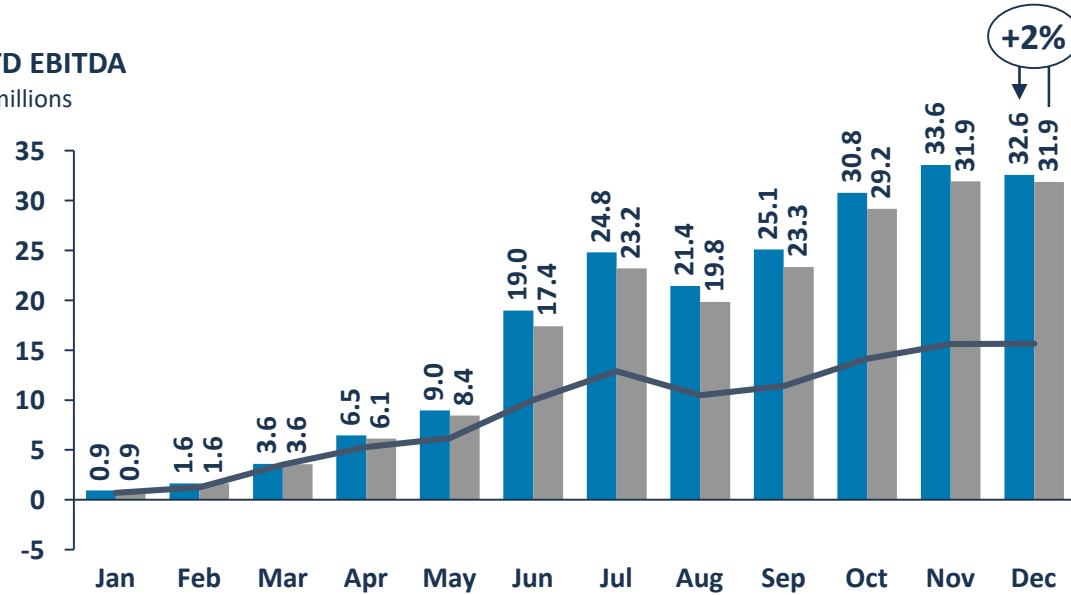


**Monthly Net Revenue**  
€ millions



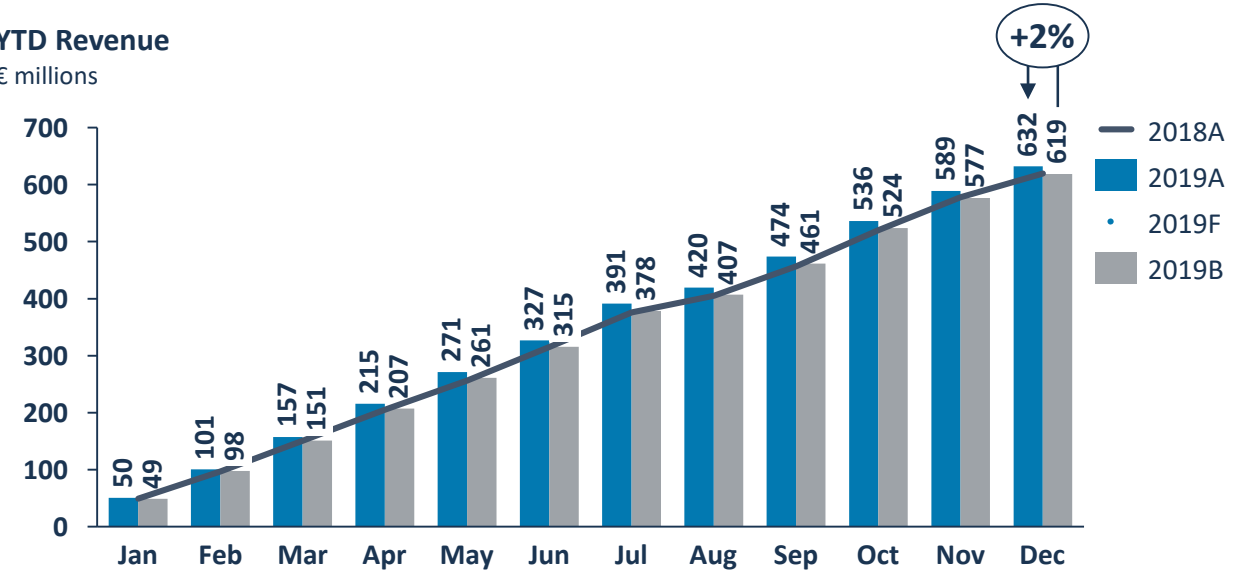
## YTD EBITDA

€ millions



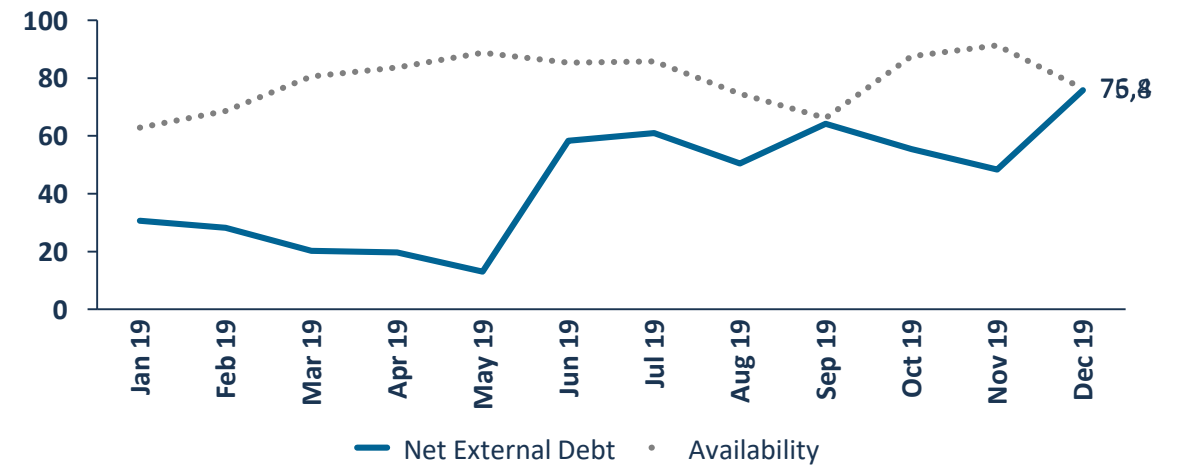
## YTD Revenue

€ millions



## Liquidity

€ millions



### 3.c | Everzinc

# December performance broadly in line with forecast and above BP, leading to a full-year EBITDA of €30M. Wind-down of LBP payables puts strong pressure on Q1 2020 liquidity

## Executive Summary: December 2019

- December sales reached €38.1M vs. BP of €40.3M and LY of €35.8M. Variance to BP was driven by the lower volumes (14.5 vs. 15.3kt, mostly in FZP) and lower LME (USD\$2,274 vs. 2,700/ton), while variance to LY was driven by higher volumes (14.5 vs. 11.4kt, mainly ZNO/ZBM), despite the lower LME (USD\$2,274 vs. 2,626/ton)
- Similarly, full year sales were also impacted by the volume and LME effects, reaching €511M vs. €571M in BP and €565M LY (volumes: 190.7kt vs. 215.9kt in BP and 177.9kt LY / LME USD\$2,546 vs. 2,700 in BP and 2,468 LY)
- EBITDA reached €3.2M and included €124k related to IFRS 16, as well as €1.1M from the pension provision update. This is above LY (€1.7M) and BP (€2.5M), mostly due to the volume/mix effect explained above and the pension provision review
- Full year EBITDA at €30M was broadly in line with LY at €29.3M and below budget at €39.4M (IFRS 16 impact of €992k adjusted within the reported EBITDA as of December 2019)
- Cash position reached €42.7M at year-end, but the year-end seasonality and the wind-down of payables to La Banque Postale (end of reverse factoring) will put a strong pressure on liquidity during Q1
- Refinancing discussions progressing as expected, with the review of legal documentation and CPs currently in progress (no major pending items). Documentation and CPs expected to be cleared by January 27th, with funding expected to take place between January 29th and February 3rd

M €	Dec MTD		Dec YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	38.1	3.2	511.1	30.0	511.1	30.0
19B	40.3	2.5	571.2	39.4	571.2	39.3
19A % of 19B	94.5%	132%	89.5%	76%	89.5%	76%
18A	35.8	1.7	565.2	29.3	565.2	29.3
19A % of 18A	101%	194%	90.4%	102%	90.4%	102%

## Status Update: Project Details

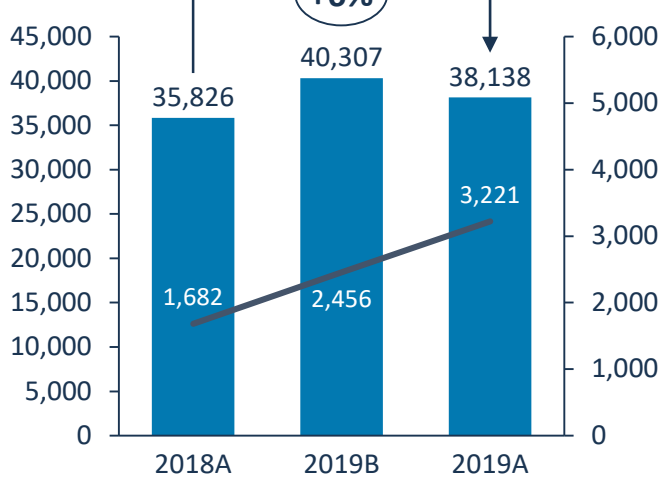
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
Refinancing	●	Documentation and CPs to be cleared by Jan 27th, with funding expected to take place between Jan 29th / Feb 3rd	...	...
Zano Carve-Out	●	Carve-out completed in BE and NL. Final step (sale to US entity and to Everzinc Holding) to be completed within Q1	...	...
OGx Initiatives	●	Operational Excellence: ZANO industrialization tests progressing. New trials expected in Q1 and Q2 2020 with O2 injection in the crucibles to accelerate oxidation prior to cool-down	...	...
	●	Workbench/Data Analytics: data request received and being completed. Next steps to be defined		
Add-Ons	●	Gunther: financials received. Follow-up call scheduled for Feb 4 <sup>th</sup>	...	...
	●	Grillo: visit scheduled for Jan 30 <sup>th</sup>		



# Monthly Financial Metrics

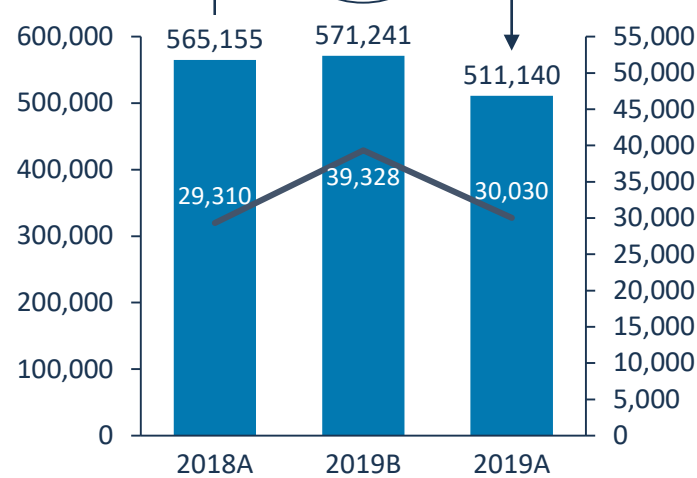
## Dec MTD

€000s



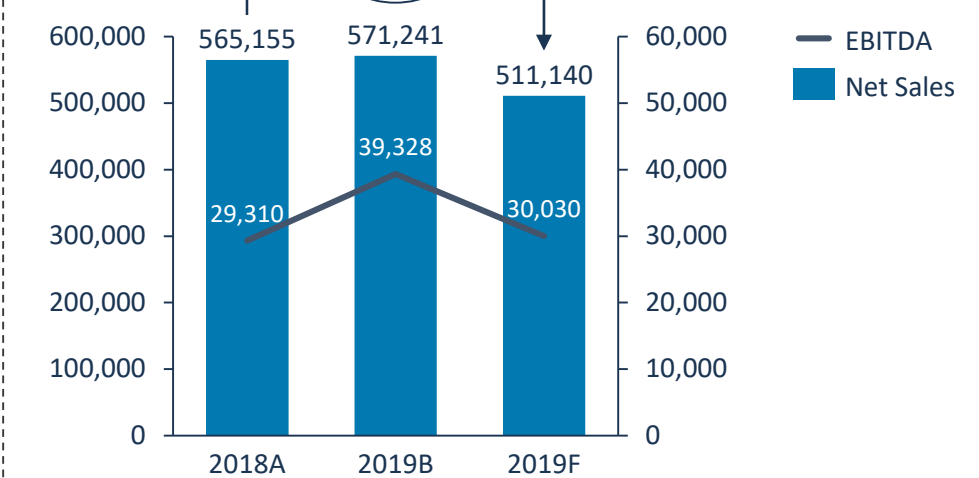
## Dec YTD

€000s



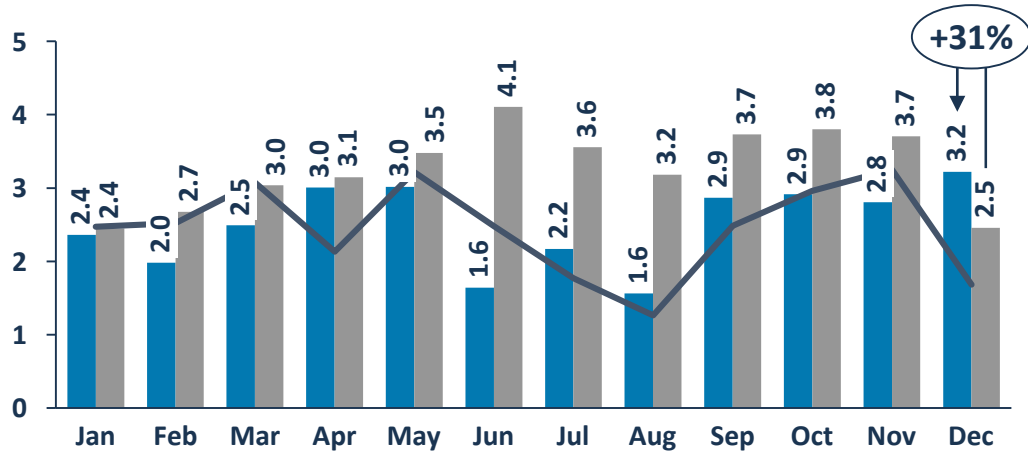
## Full Year

€000s



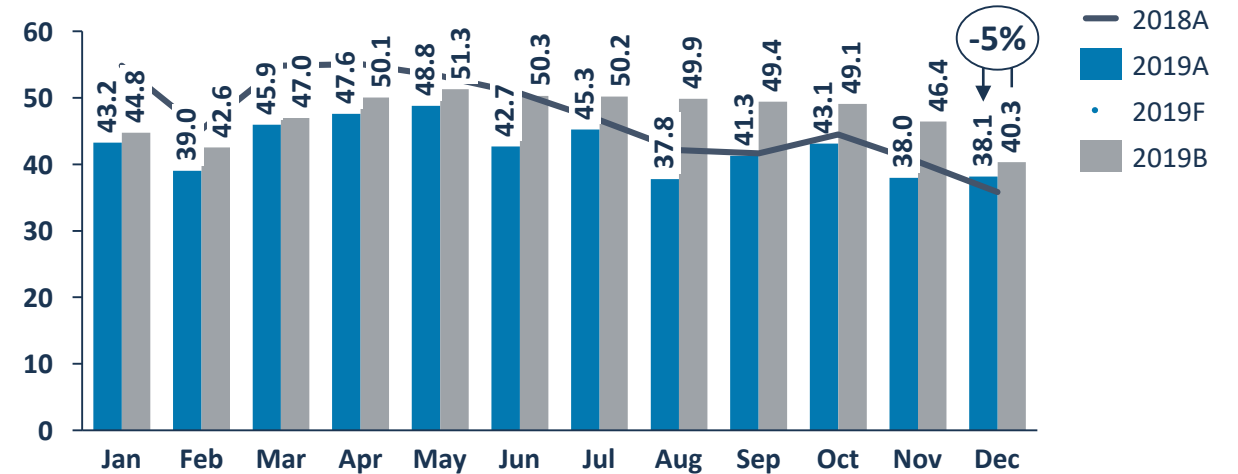
## Monthly EBITDA

€ millions



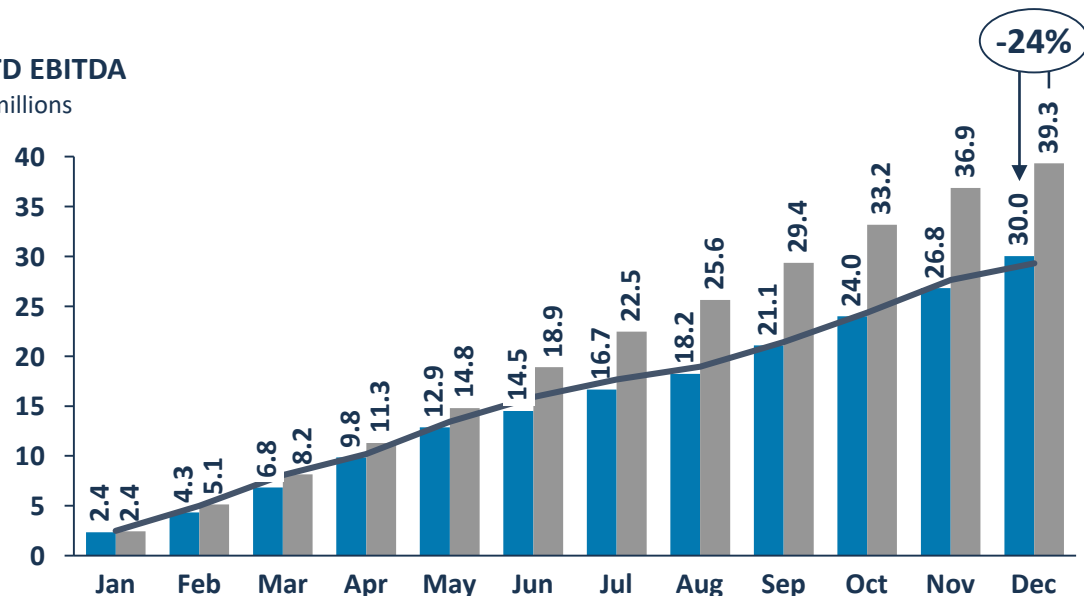
## Monthly Net Revenue

€ millions



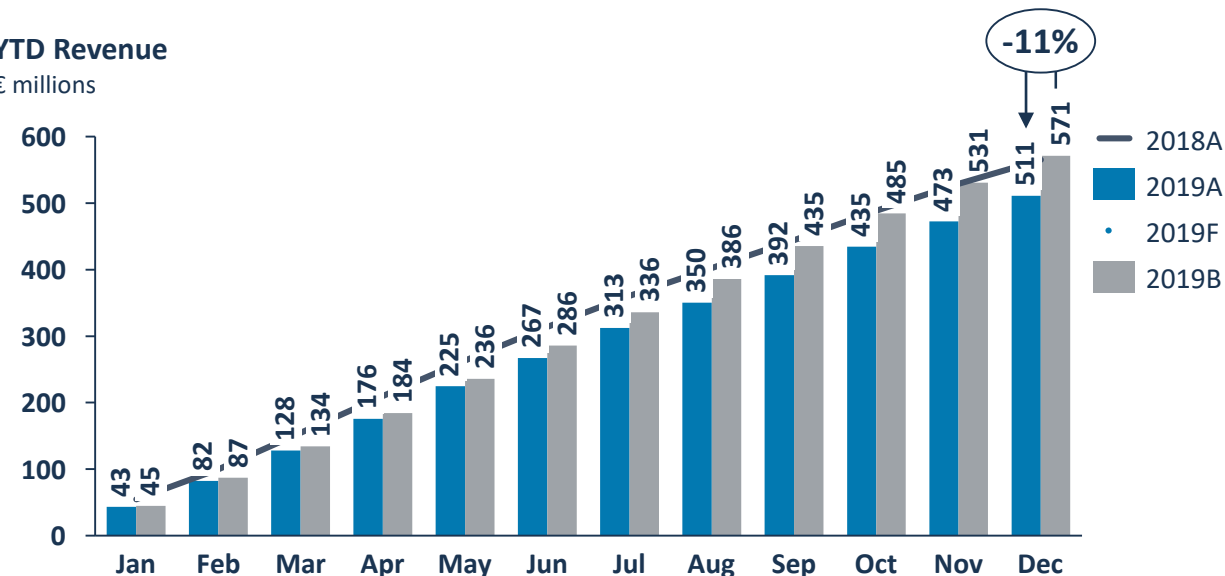
## YTD EBITDA

€ millions



## YTD Revenue

€ millions

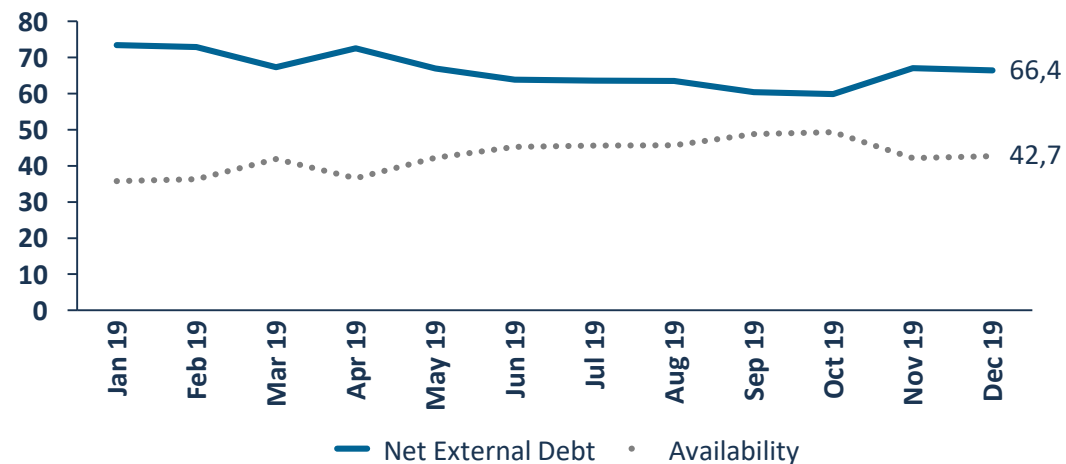


## Order Intake

€ millions

## Liquidity

€ millions



3.d | Jotul



# 2019 EBITDA in line with budget; finalization of installations in Polish factory by end Jan

## Executive Summary: December 2019

- Financial information are preliminary as closing process was slowed down due to large movements of financial positions resulting from the relocation project; final numbers expected by early February
- Dec net sales with NOK 80.1M were -1.5% below PY and in line with budget; Gross margin at 15.7% was below PY at 27.5% and budget at 24.3%; lower margin in the month due to sales mix and inventory build-down effects; FY sales at NOK 959.3M 5.2% above PY and in line with budget
- Like-for-like EBITDA in Dec with NOK -7.2M was below PY by -2.7M due to lower margin rates; Accounting adjustment (IFRS 16) of +NOK 3.4M inflated EBITDA to a reported EBITDA of NOK -3.8M
- Like-for-like FY EBITDA at NOK 108.2M better than PY at NOK 92.1M and budget at NOK 107.1M; accounting IFRS 16 impact of NOK +37.7M boosted reported EBITDA to 145.9M
- Current trading in January after 11 days out of 21 shows a slow start of activities with sales at NOK 37.7M being -11% below PY and -11% below budget mainly due to weakening demand in Norway
- HR: CFO resigned this week but will stay on for 6 months, search for a replacement started immediately
- Polish production ramp up: all machinery expected to be installed by end of January

M NOK	MTD		YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	80	(3.8)	959	145.9	959	145.9
19B	81	6.6	956	145.2	956	145.2
19A % of 19B	98%	Na	100%	101%	100%	101%
18A	60	(4.5)	912	92.1	912	92.1
19A % of 18A	135%	Na	105%	159%	105%	159%

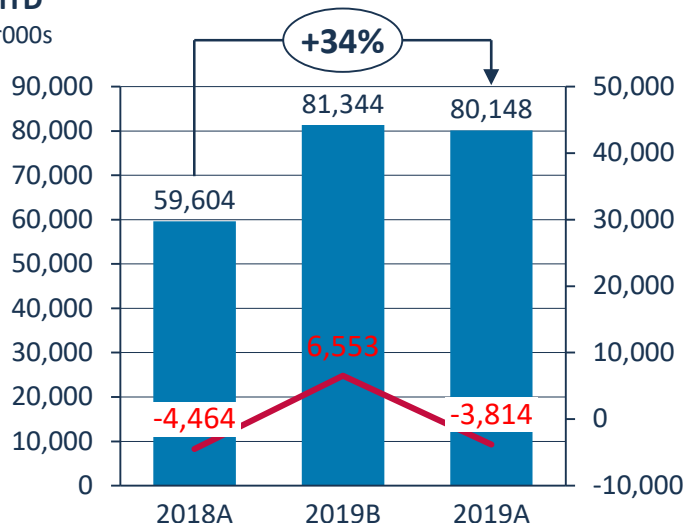
## Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Relocation of production from Norway & Denmark to Poland		<ul style="list-style-type: none"> <li>all machinery expected to be installed by end of January</li> </ul>	0 in 2019 NOK 50M in 2020	0
B. OGx		<ul style="list-style-type: none"> <li>3 AICO stoves have been redesigned for Jotul and will be launched in France in November 2019 for the winter season; production has started (see Ravelli slides)</li> <li>7 new stove models to be presented in February 2020 at the Verona fair</li> </ul>	TBD	0

# Monthly Financial Metrics

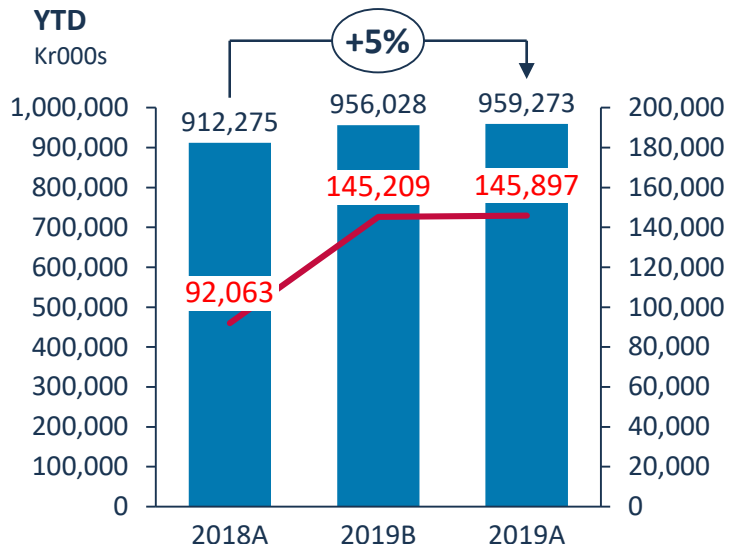
## MTD

Kr000s



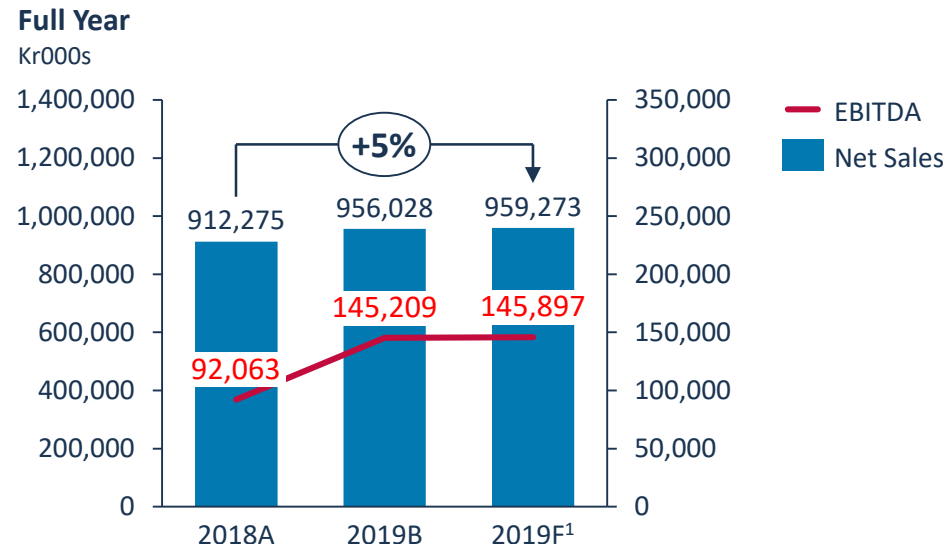
## YTD

Kr000s



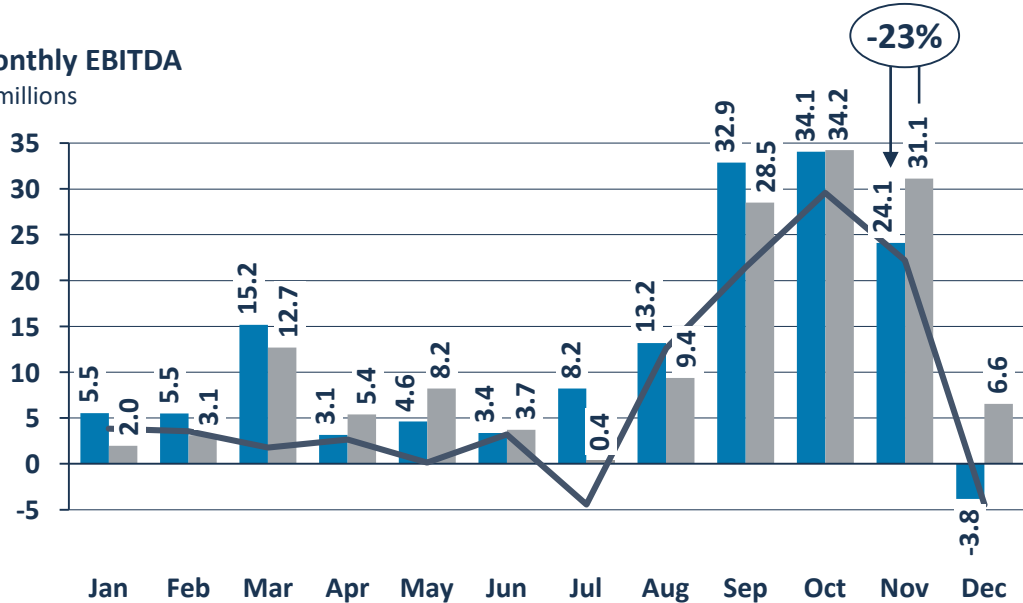
## Full Year

Kr000s



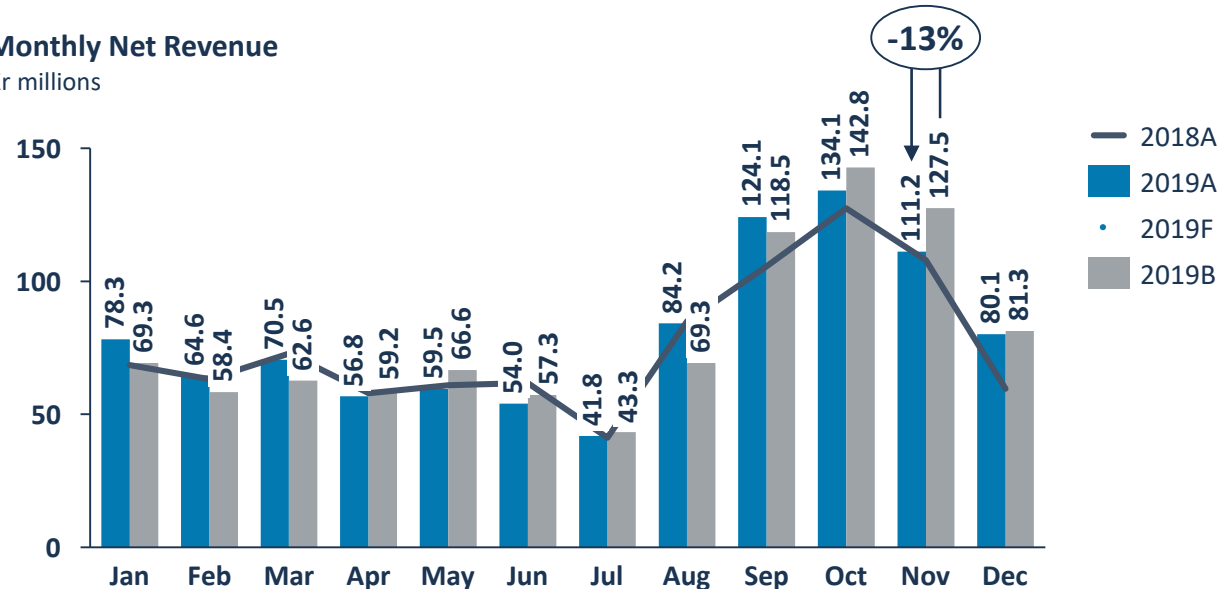
## Monthly EBITDA

Kr millions



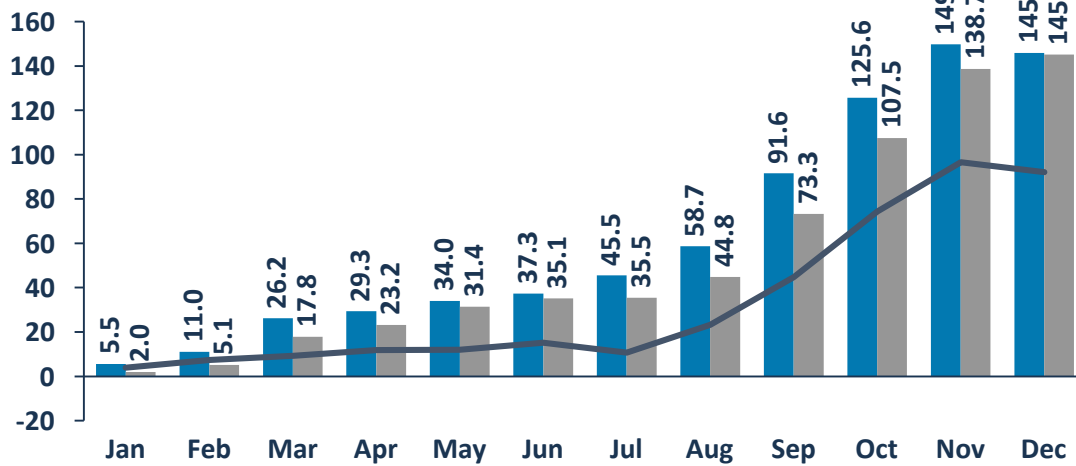
## Monthly Net Revenue

Kr millions



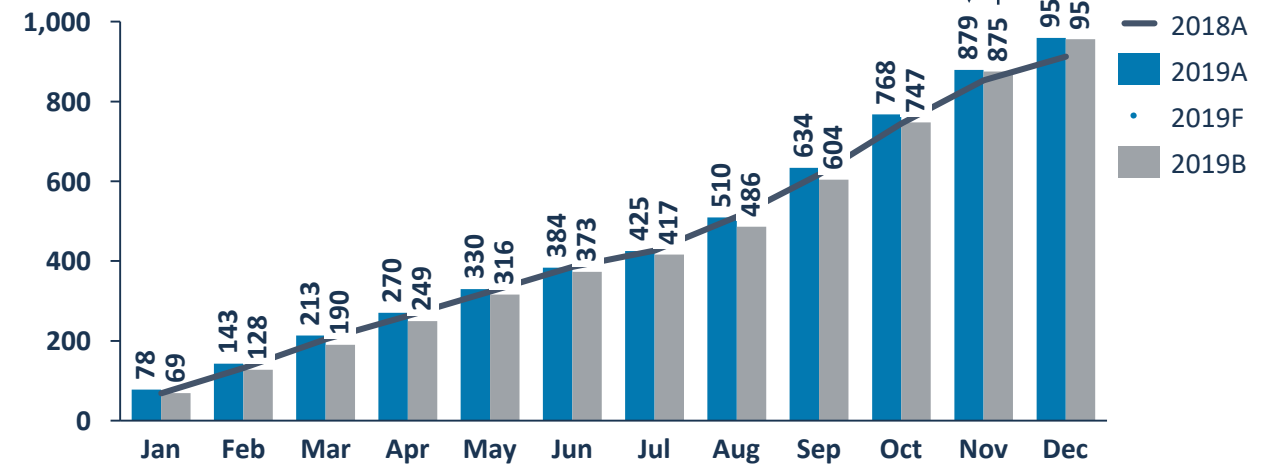
## YTD EBITDA

Kr millions



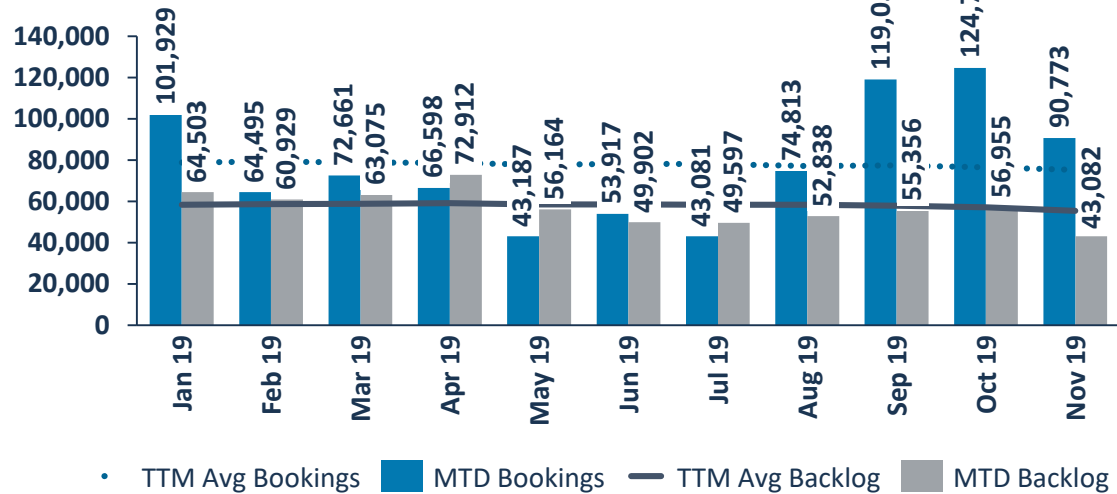
## YTD Revenue

Kr millions



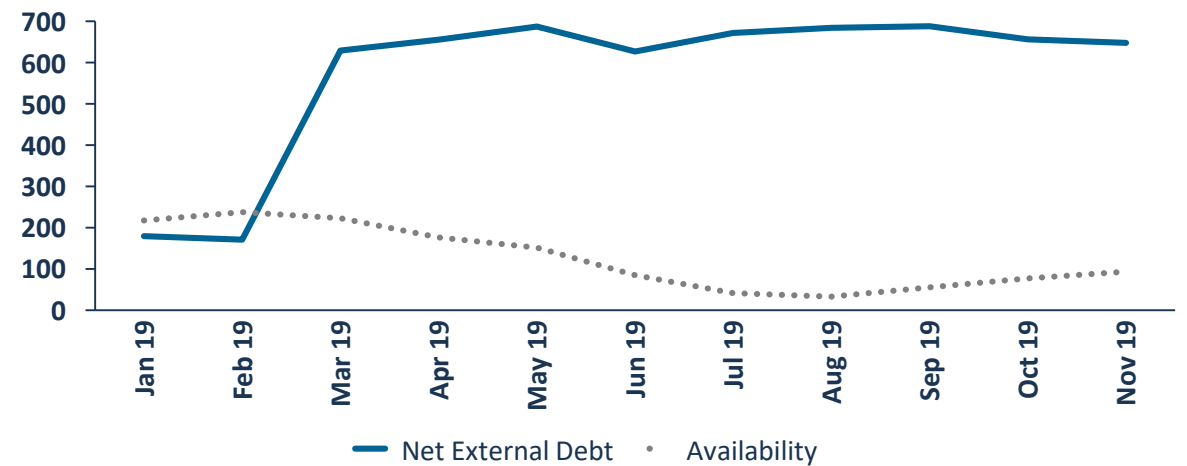
## Order Intake

Kr millions



## Liquidity

Kr millions



3.e | Ravelli

## Executive Summary: December 2019

- December results were effected by inventory cleanup and sale out of old stoves (exit of several product ranges) at low margins
- Dec net sales at €2.6M were +33% above PY and -33% below budget; higher sales due to sale out of old stoves hence stock cleanup at low margin
- FY sales with €29.3M were -23% below PY and -23% below budget; ; Gross margin rate increased from 7.7% in 2018 to 13.2% in 2019
- EBITDA negative -0.6M due to low margin rate on the back of the cash conversion of old finished good inventory
- Headcount at 113 versus 157 in PY; lay off wave executed as promised
- Net debt at 0.4M at year end versus more than 5M in PY contributed by reductions in Working Capital and cash injections
- Integration planning into the Jotul group to kick off in February

M €	MTD		YTD		Full Year	
Period	Rev	EBITD A	Rev	EBIT DA	Rev	EBITD A
19A	2.6	-0.6	29.2	-5.1	29.2	-5.1
19B	3.9	0.3	38.2	-1.4	38.2	-1.4
19A % of 19B	67%	Na	76%	na	76%	Na
18A	2.0	-5.0	38.1	-6.5	38.1	-6.5
19A % of 18A	76%	Na	74%	Na	76%	na

## Status Update: Project Details

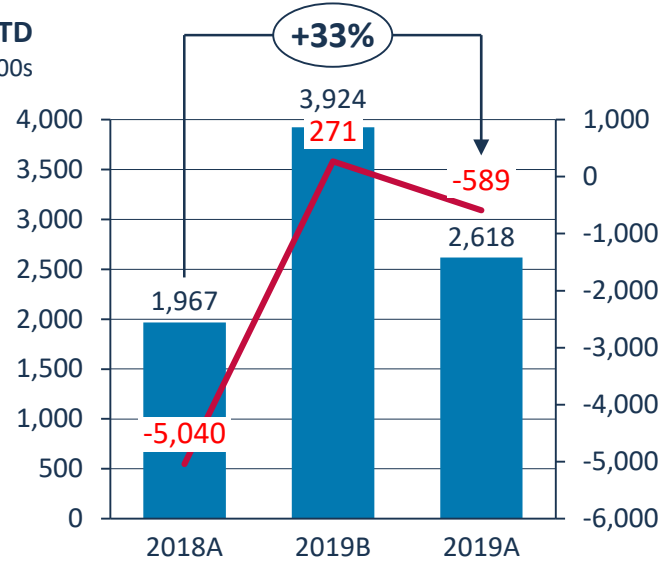
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Prepare revised turnaround plan with new CEO		<ul style="list-style-type: none"> <li>-25% Reduction of product portfolio (kill all products with contribution margin below 30%) by year-end 2019 to reduce business complexity</li> <li>Gradual headcount reduction to 113 FTE by end 2019 versus 157 in prior year</li> <li>Rationalization of distribution setup from 3 warehouses to one</li> <li>Resourcing of components (including casting from Jotul)</li> <li>Total annual cost reduction of app. €2.3M (full benefits for 2020); one of cost of approximately €600k (headcount reduction mainly on temps)</li> </ul>	€2.3M	TBD
B. OGx		<ul style="list-style-type: none"> <li>First batch of Jotul branded stoves for 2 models(see picture) have been successfully produced in beginning December</li> </ul>	TBD	TBD



# Monthly Financial Metrics

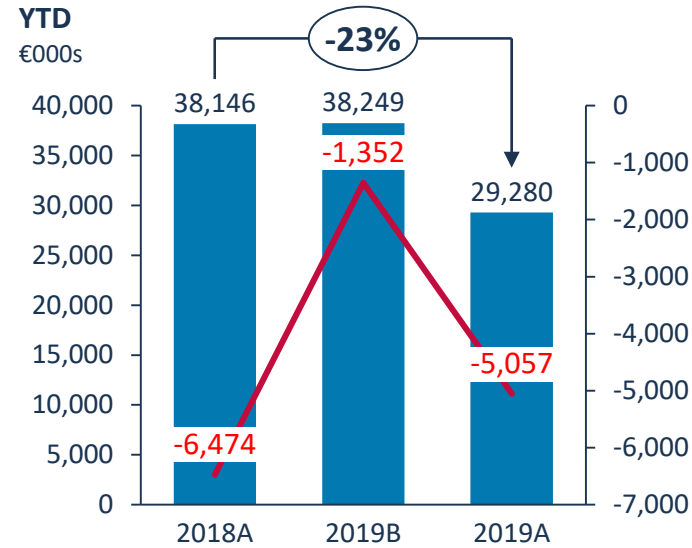
## MTD

€000s



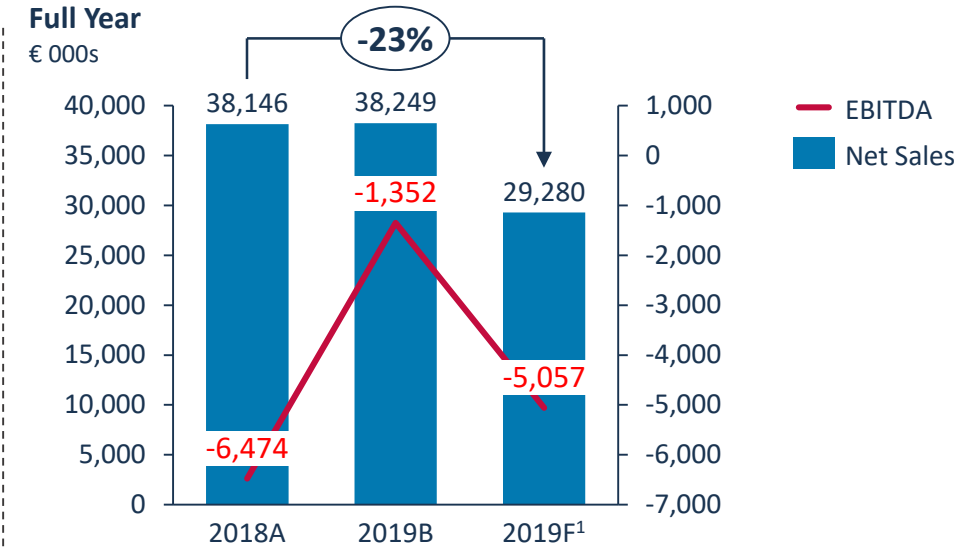
## YTD

€000s



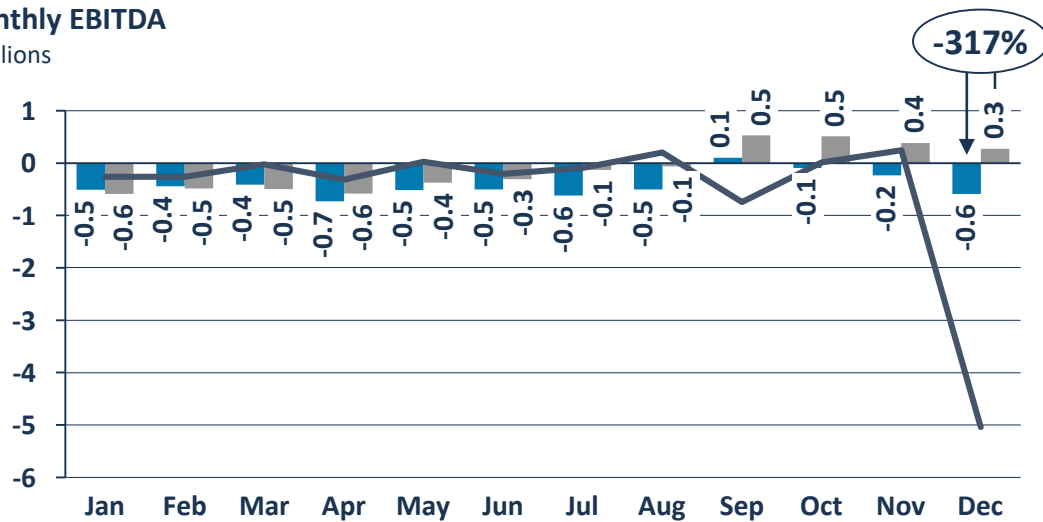
## Full Year

€ 000s



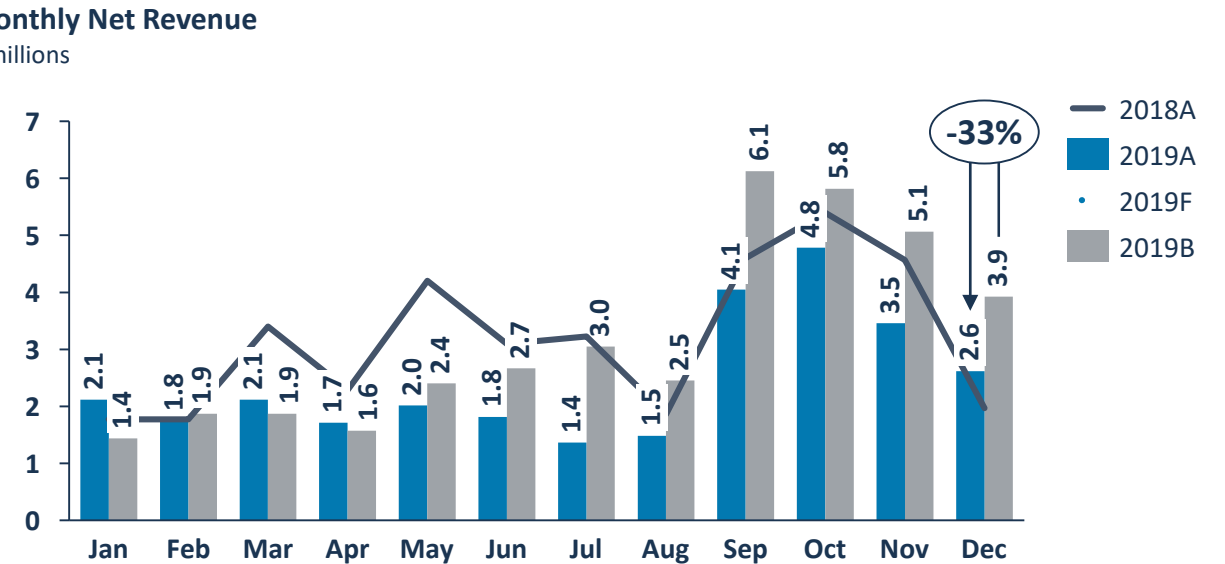
## Monthly EBITDA

€ millions



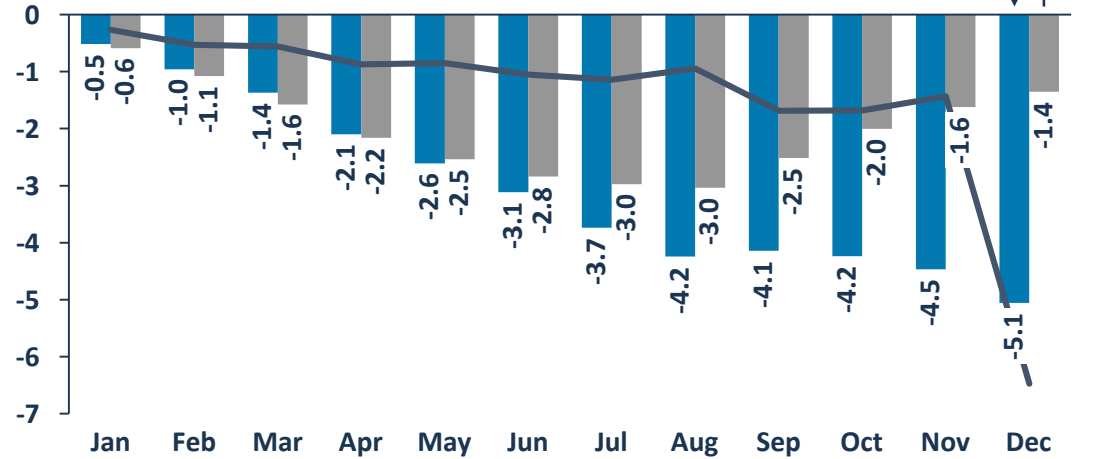
## Monthly Net Revenue

€ millions



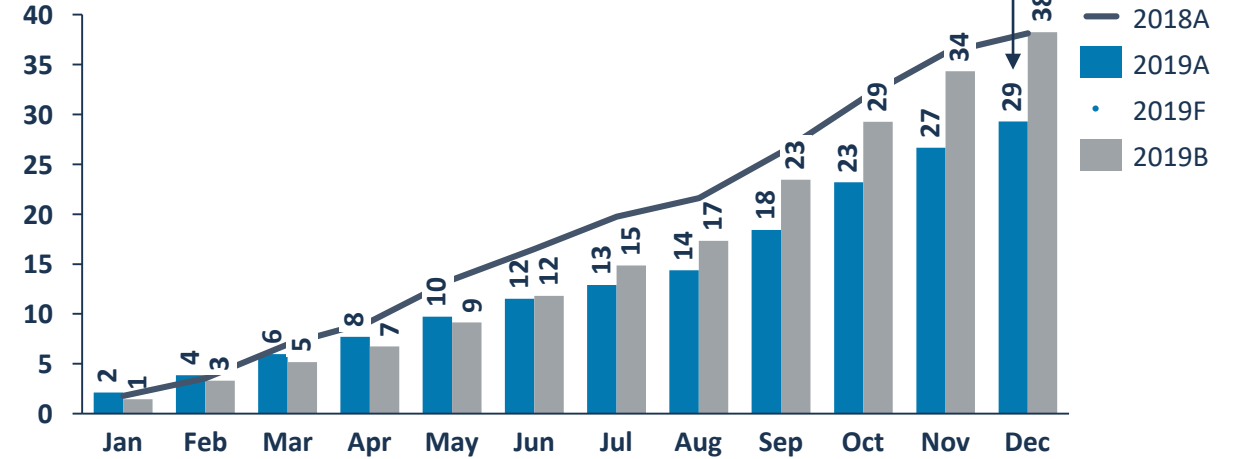
## YTD EBITDA

€ millions



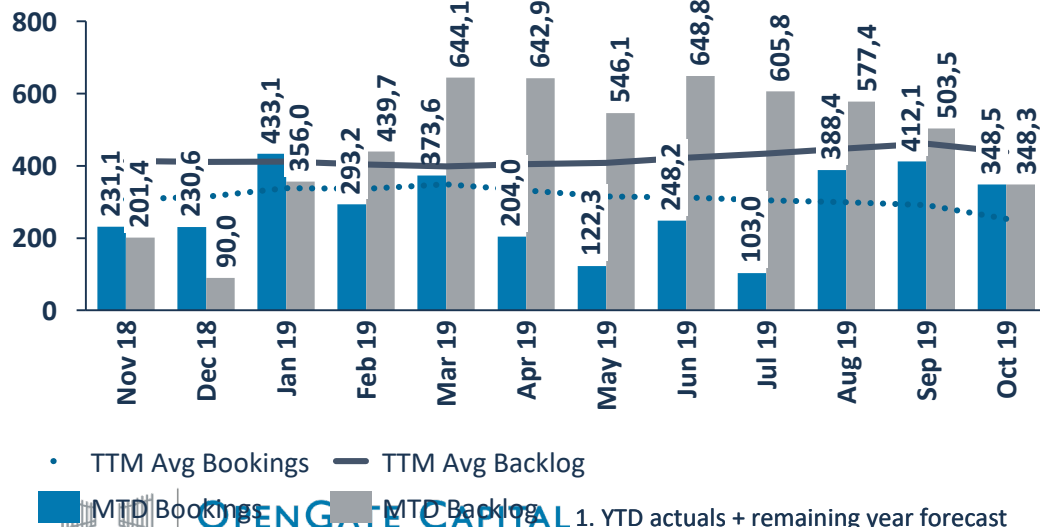
## YTD Revenue

€ millions



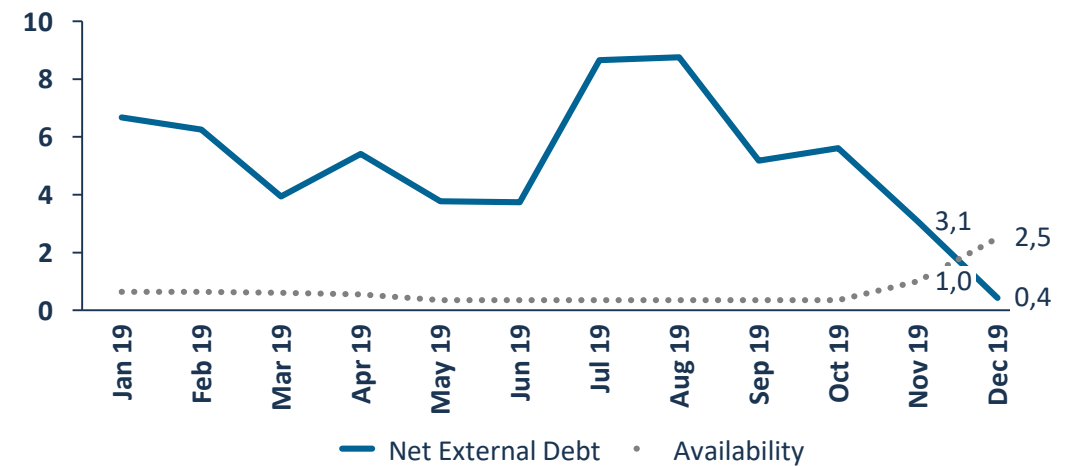
## Order Intake

€ millions



## Liquidity

€ millions



## 3.f | Fichet

## Executive Summary: December 2019

- December sales reached €11.7M in line with previous months, but is -8% below Budget and -2% below PY ; Variance with budget driven by Entrance control / Turnstiles, Safe & Vault and Service
- Like-for-like EBITDA in December was €0.7M which is lower than Budget (-30%) but better than PY (€+1.0M)  
Accounting adjustment (IFRS 16) of €0.2M inflated EBITDA to a reported EBITDA of €0.9M
- Like for like FY 2019 EBITDA is €-1.9M vs PY at €-6.4M and a budget at €-0.4M; full year IFRS 16 impact of €+3.4M will increase reported EBITDA to €1.5M in 2019
- “Fichet Next”: On-going transformation activities including definition of R&D processes and Markets roadmaps, manufacturing KPI definition and saving plan
- Successful completion of all redundancy plans. Currently focused on filling vacant position in Sales (11 positions)
- Group Sales Director, Stephan Metcalfe signed his contract and will start 20<sup>th</sup> January
- Recruitment of Belgium MD on hold due to Project Safety
- Project Safety: Phase 2: on going Due Diligence and sites visits
- On-going interviews for the CEO positions, 3 candidates short list to be issued end of January, final interviews in February
- Project planning to merge FSSF and Fichet Technologies (Baldenheim) expected to be concluded in June 20

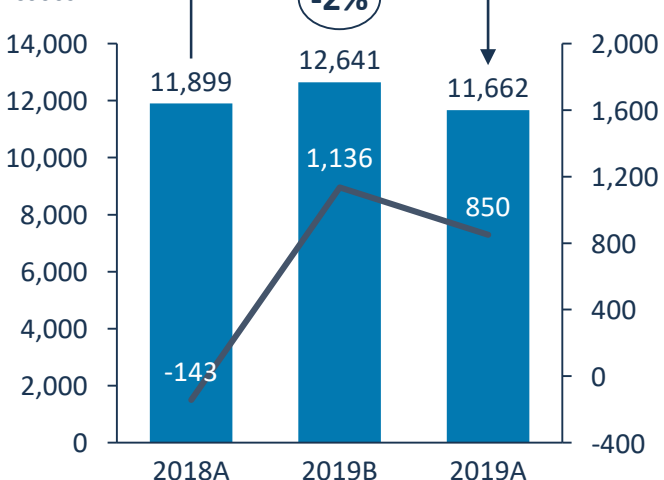
M €	Dec MTD		Dec YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	11,7	0,9	127,7	1,5	127,7	1,5
19B	12,6	1,1	133,9	3,0	133,9	3,0
19A % of 19B	92%	75%	95%	50%	95%	50%
18A	11,9	-0,1	124,9	-6,4	124,9	-6,4
19A % of 18A	98%	-595%	102%	-23%	102%	-23%

## Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Backlog cleansing	●	• 1.9M€ identified to be reviewed (7% of the backlog) including 1.0M€ prior to 2018		
B. Recruitment	●	• Group Sales Director, Stephan Metcalfe to start 20 <sup>th</sup> January • Benelux M.D. on hold due to project Safety • CEO: 3 candidates shortlist for end of January		
C. Cost reduction and cash program	●	• Overdue reduction target (from €6M down to €4M). €5.2M to date		
D. New commercial strategy implementation / Transformation	●	• “Fichet Next”: on-going transformation workshops • Main focus on Market strategy, R&D roadmaps and Export action plan		
E. Restructuring Plan	●	• All plans successfully completed	0.7	0.6
F. OGx initiatives	●	• Implementing digital processes (geolocalisation, Asset QR, E-procurement, ProFi), • Reorganizing R&D structure into an Agile organization	tbd	

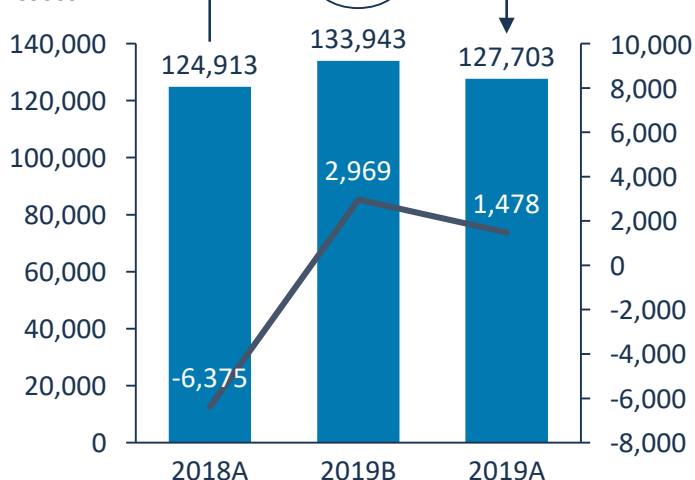
## Dec MTD

€000s



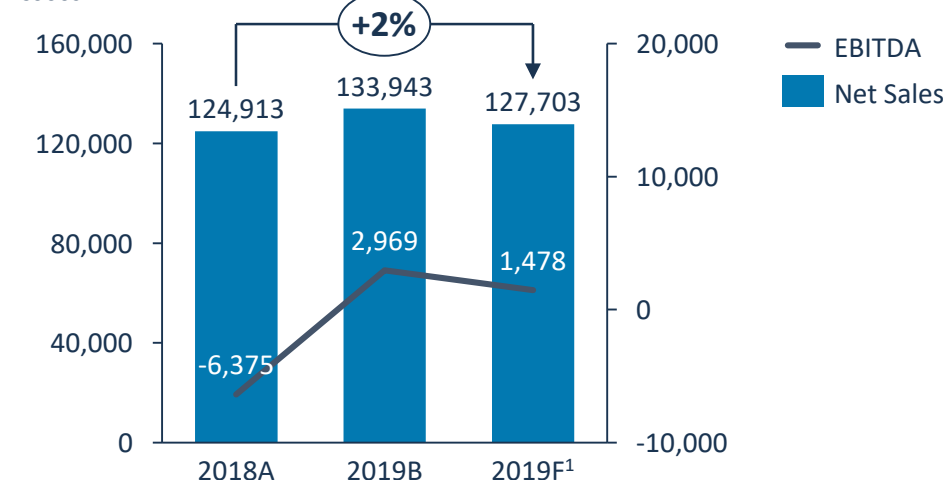
## Dec YTD

€000s



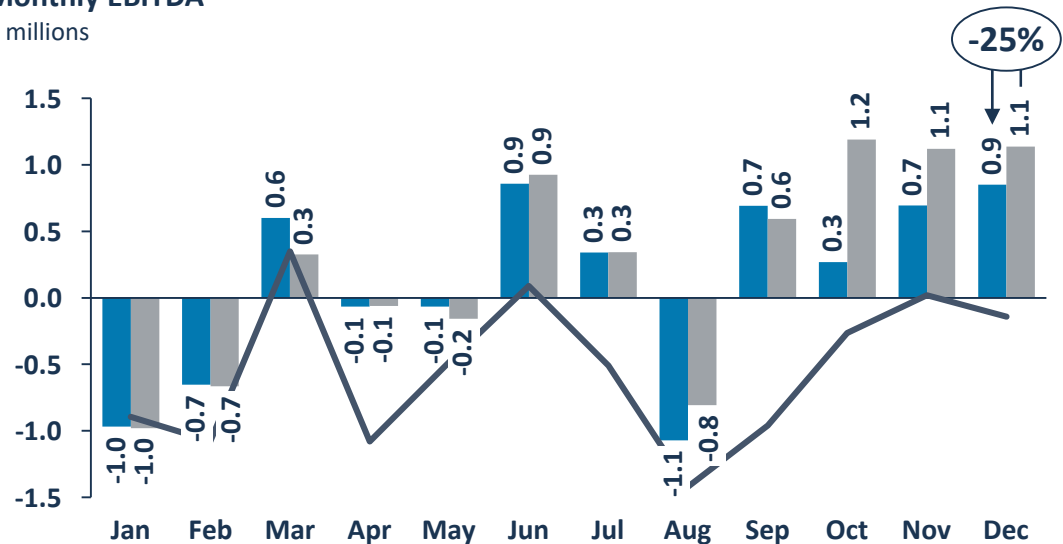
## Full Year

€000s



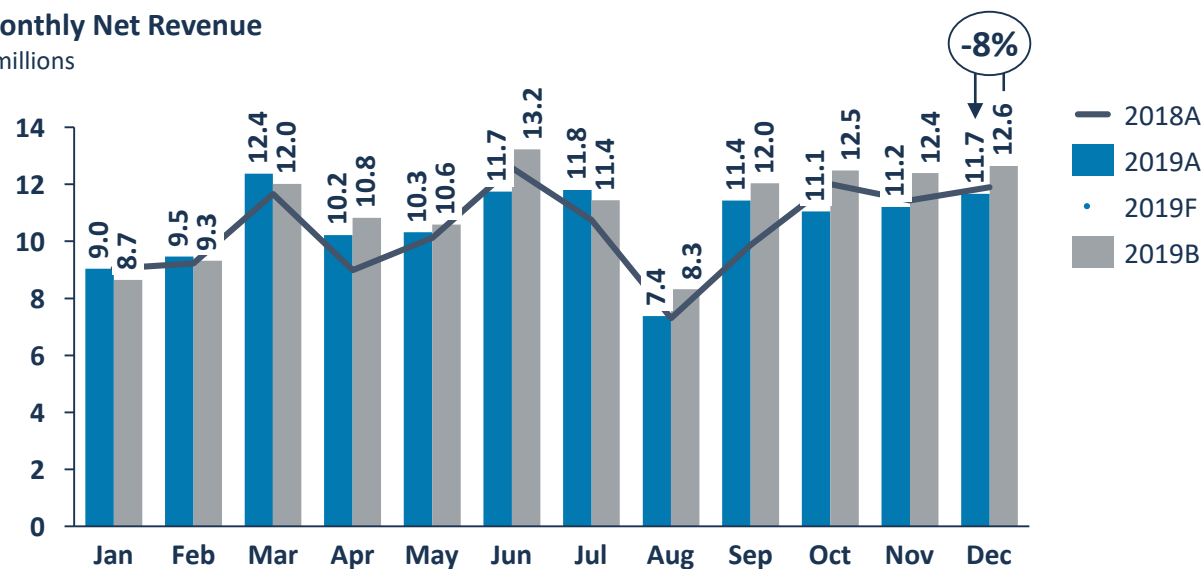
## Monthly EBITDA

€ millions



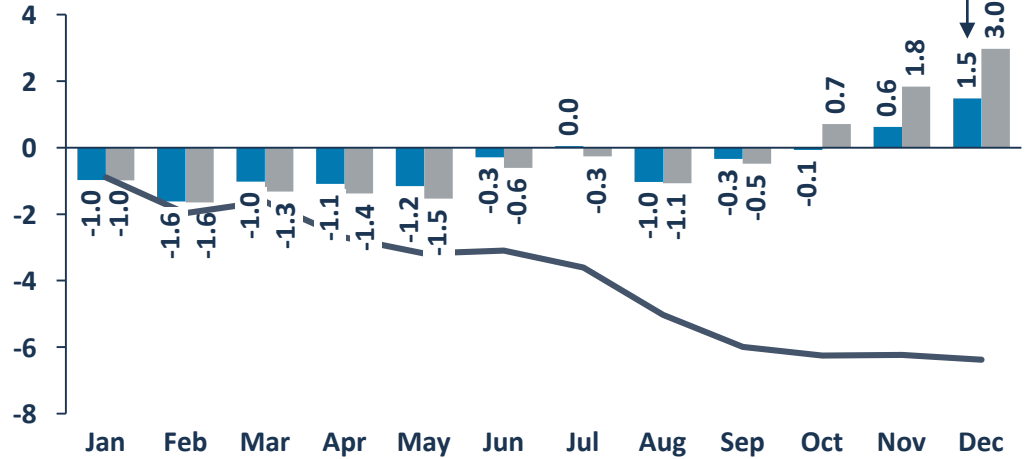
## Monthly Net Revenue

€ millions



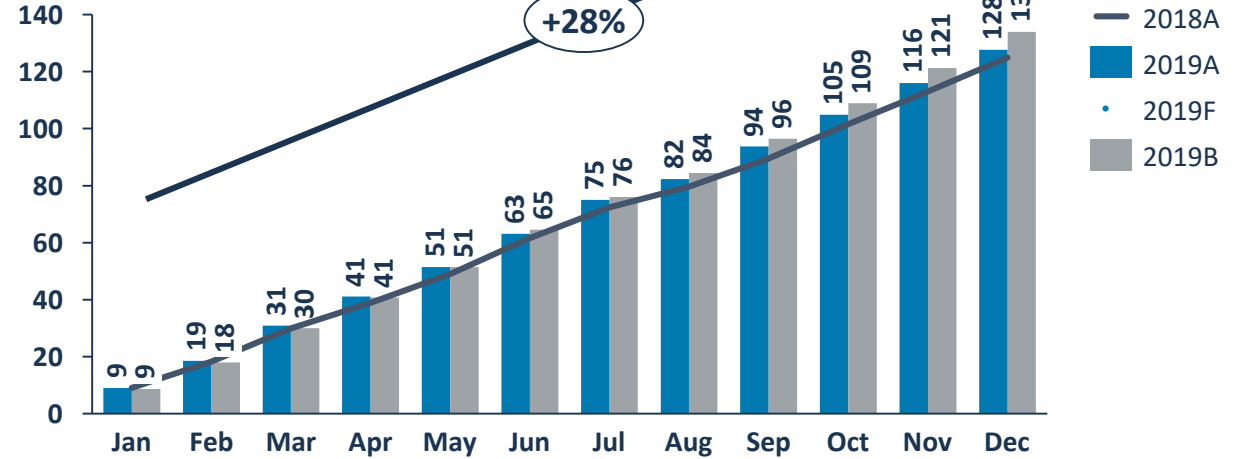
## YTD EBITDA

€ millions



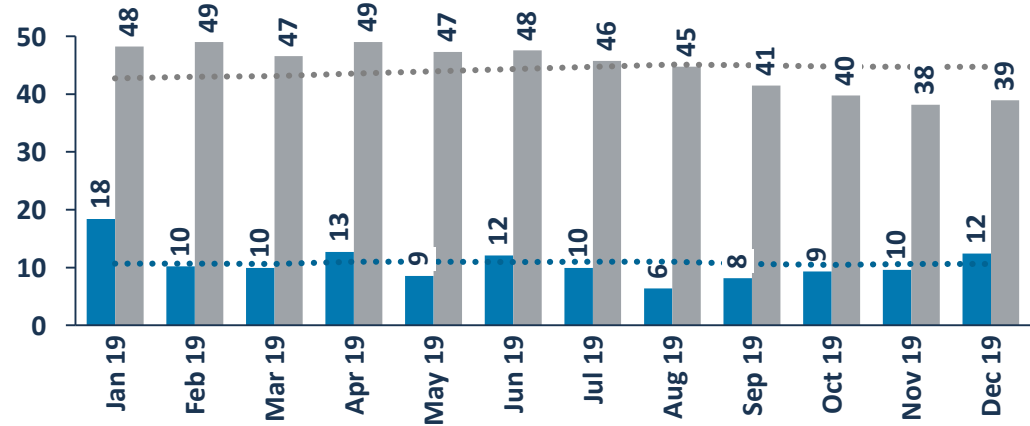
## YTD Revenue

€ millions



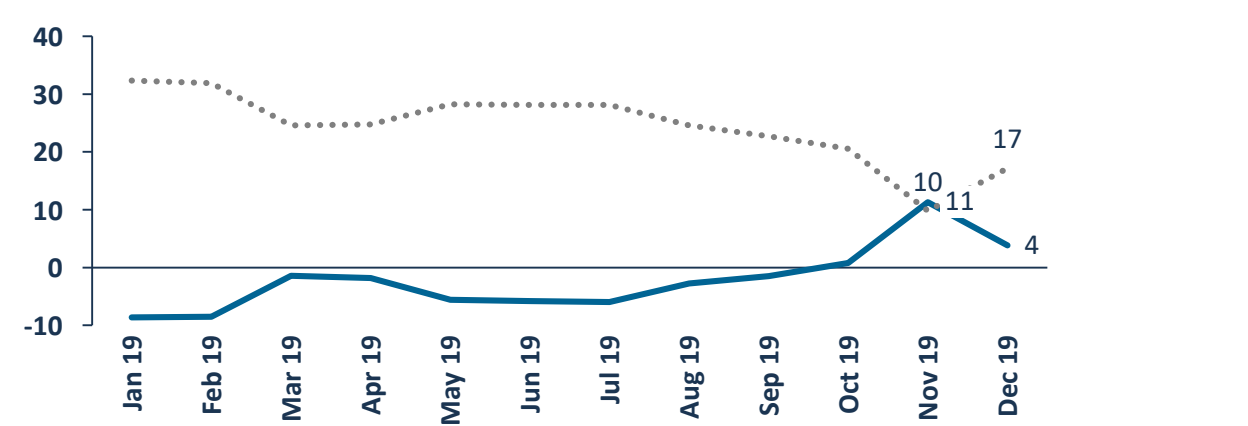
## Order Intake

€ millions



## Liquidity

€ millions



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

— Net External Debt • Availability



3.g | SMAC

## Executive Summary: December 2019

- Like for like December sales at € 37,1 m were +24% vs budget and +2,9% vs PY. Vs PY, sales are -12% on Works activity and +99% vs. on Industry activity. December is traditionally a month with reduced business activity as the plants and operations are generally interrupted the last 10 days of the year.
- Like for like YTD December sales at € 587,9 m were +0,5% vs budget and +5,8% vs PY. Vs PY, sales are +3,9% on Works activity and +11,6% vs. on Industry activity. On the industry part, most of the growth is a price / mix effect as volumes increased by 1% of volumes of membranes for Axter, decreased by – 1% variation in rooflights units (skydome) and increased by +25% in resins sales.
- Like-for-like EBITDA in December at € 0 m (of which € -1,4 m on Works and € +1,4 m on Industry) is lower than Budget (€ -0,1 m) and better than PY (€ +1,3 m). Low month on Works activity impacted by reduced top line activity. IFRS 16 impact of € + 1m increases reported EBITDA to € 1 m in December 2019.
- Like-for-like YTD EBITDA at € 15,5 m (of which € 6,2 m on Works and € 9,3 m on Industry) is better than Budget (+21,4%, or €+ 2,7m) and also PY (€+ 18,8m of which €+ 15 m on Works and € + 3,3 m on Industry), as 2018 included € +13 m of non-recurring items (EBITDA reported as € 9,7 m). Impact of top line growth (+3,9% on works and + 11,6% on Industry) and better execution on works done as well decreasing SG&A vs. 2018(+€ 8,4 m gain of which € +4,3 m from stop in Colas management fee from June onwards). YTD IFRS 16 impact of € +7 m increases reported EBITDA to € 22,4 m in 2019.
- Follow up of accident (fire) during waterproofing works early September in a medical center west of France. No individual injured. But direct damages and consequential losses estimated now at **€ 12 m** fully covered by civil liability insurances except 200 K€ deductible. Increase of insurance premiums to expect in 2020.
- 3 tax or social security audits / controls (2 for SMAC, 1 for Axter) have started or will start in February 2020. No conclusion at this stage

M €	DEC MTD		DEC YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	37,1	0,98	587,9	22,4	585.1	19.4
19B	29,9	0,77	585	19,9	585	19.9
19A % of 19B	124%	127%	100,5 %	112,6 %	100%	97,5%
18A	36,04	-1,3	555,7	-3,3	555.7	-3.3
19A % of 18A	103%	x	105,7 %	X	105.1 %	x

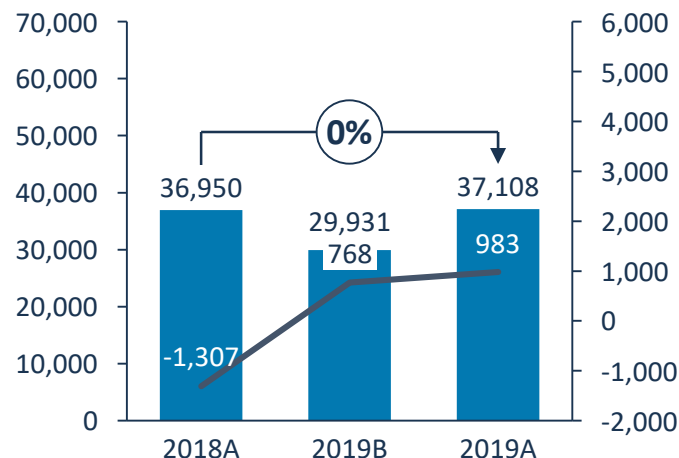
## Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Social Roadmap		• New framework agreements in place for internal mutual fund and social benefits including profit sharing agreement	€ + 2m	NA
B. Operational excellence implementation		• Test in 3 different local branches during next 3 months to test robustness of the standards identified. Debriefing early February about main conclusions.	+ [2] m€ min	NA
C. IT Carve-Out and definition of new ERP		• IT carve out on time as of today. No red flag. • ERP project : Decision taken to go with SAP S/4 Hana. Project launched in January 2020	+ [x] m€-TBD	NA
D. M&A Sale of Industry Division		• Work in progress on all VDD streams. Announcements to employees on Nov 18 • Teasers disclosure on-going. IM to be completed by end of January. • At the same time, willingness to explore tuck-in opportunities in Paris region for Works activity.	TBD	NA
E. OGx initiatives		• Actions ongoing to capture the growth potential of major development of Paris area (new subways line / Olympics 2024) • Reinforcement of sales team to boost export sales of industry division.	NA	NA



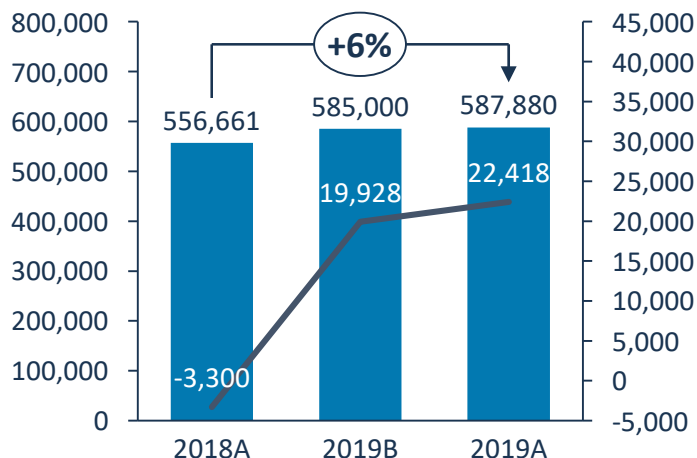
## DEC MTD

€000s



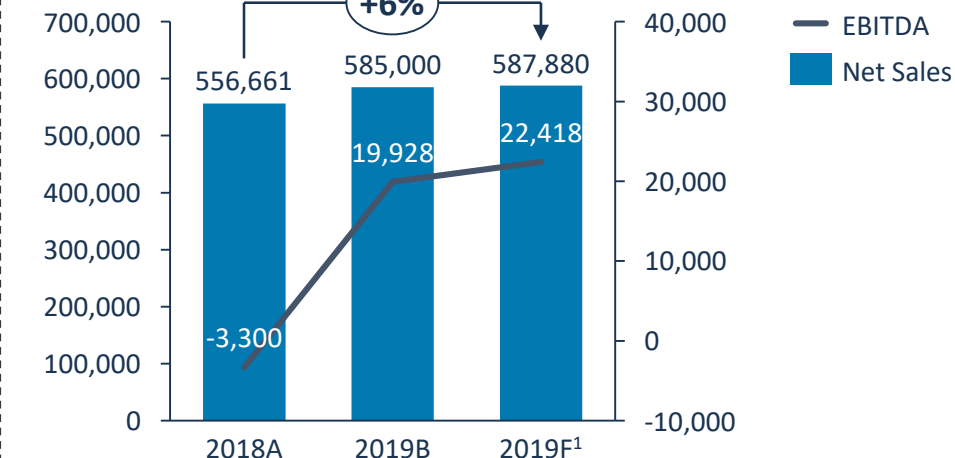
## DEC YTD

€000s



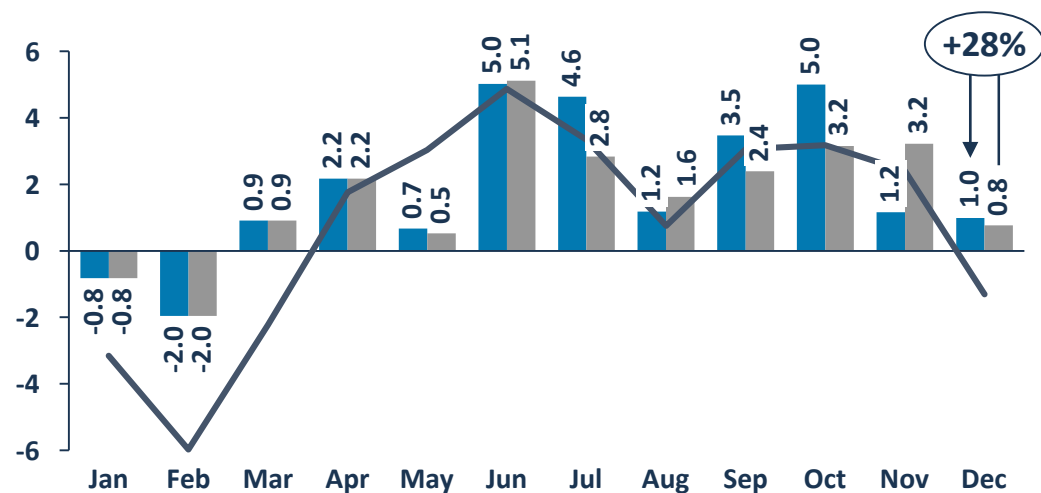
## Full Year

€000s



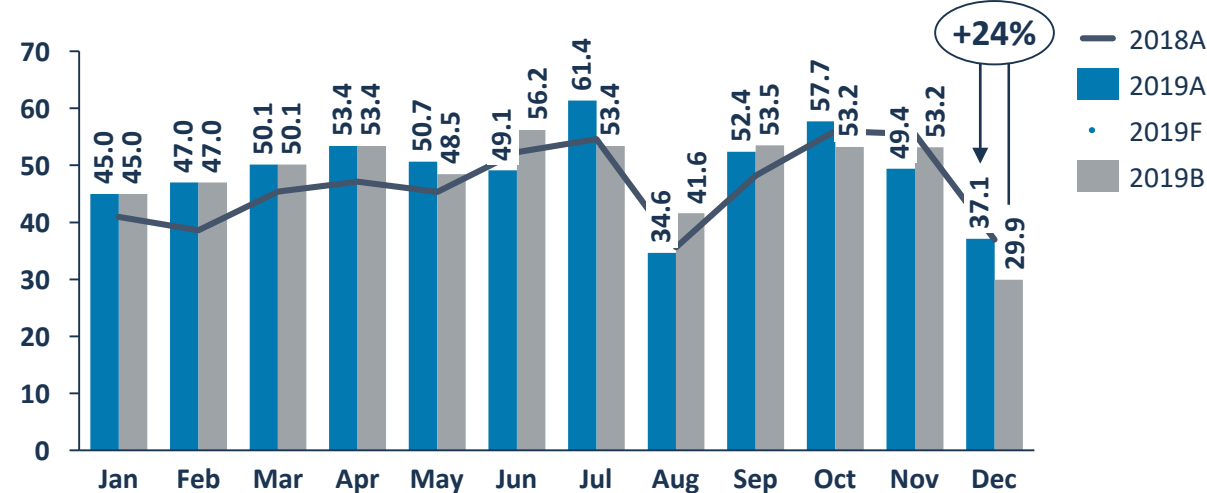
## Monthly EBITDA

€ millions



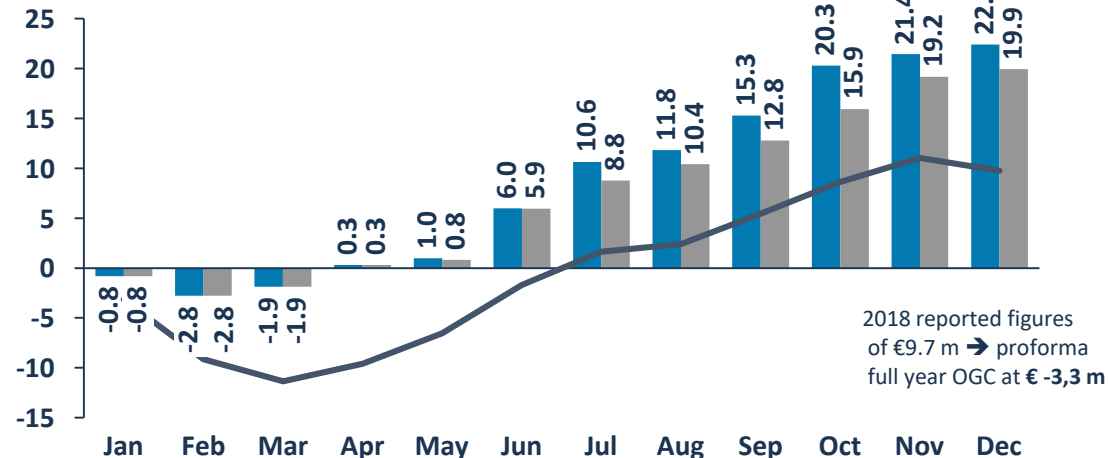
## Monthly Net Revenue

€ millions



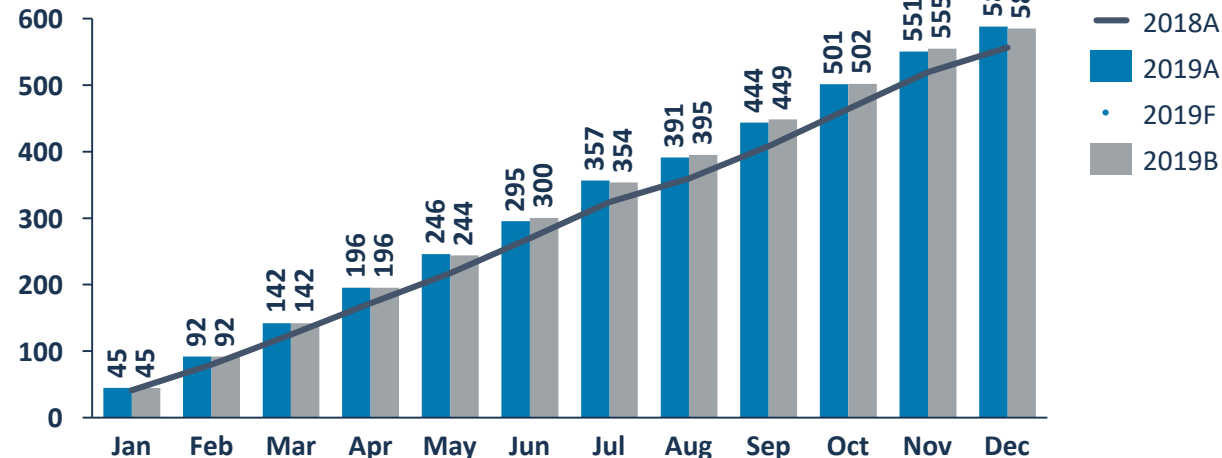
## YTD EBITDA

€ millions



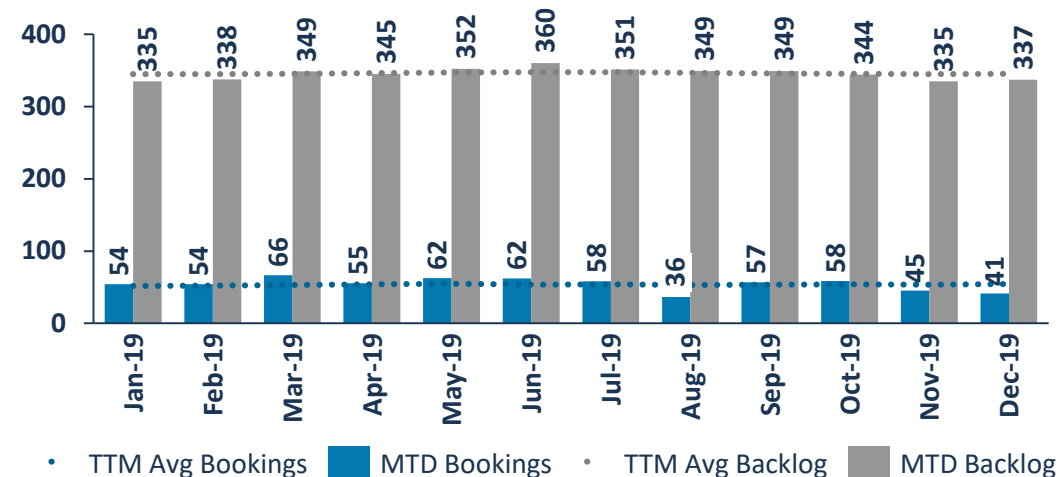
## YTD Revenue

€ millions



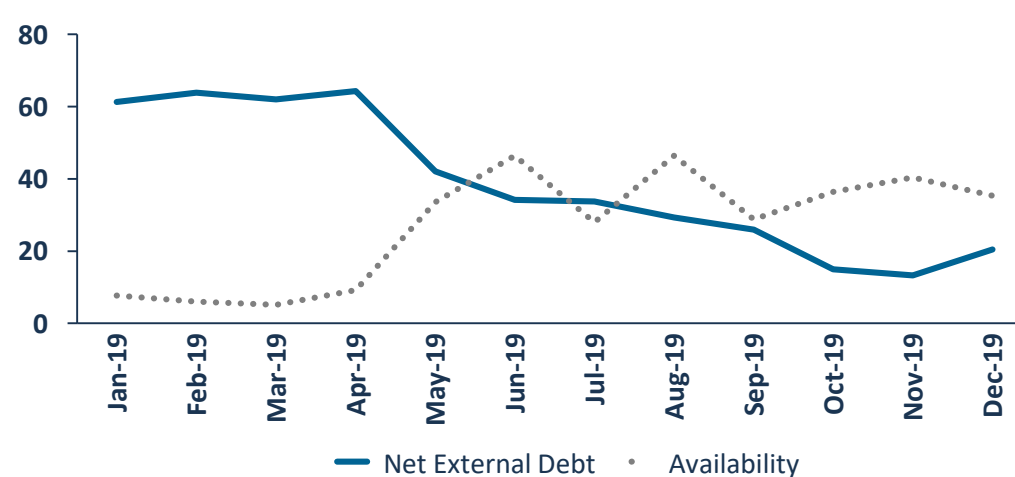
## Order Intake

€ millions



## Liquidity

€ millions



3.h | Fiven

## Executive Summary: December 2019

- December sales at € 7,1m were -19% below Budget , -18% vs. 2018 and -21% vs. latest reforecast. Vs 2018, decrease is mainly driven by Metallurgy end market by € -1,2 m, €-0,8m on refractories. Some orders / deliveries were pushed to 2020 by some clients.
- December YTD sales at € 119,1 m were -11% below Budget , -9% vs. 2018 and -3% vs. latest reforecast. Vs 2018, decrease is mainly driven by DPF end market by € -8,7 m, € - 2,2 on CRY, €- 2,1m on abrasives, € -1,8 m on refractories, € +2,5 m on MET. Please note a 15% decrease in sales with Saint Gobain. (audits to be launched in the coming weeks on the supply agreement once situation is cleared with closing accounts).
- Like-for-like EBITDA in December at € 1,1 m is higher than budget (+2%) and higher than LY (+3%) and above reforecast (+12%). significant decrease in top line is partly compensated by better sales mix with higher ASP and impact of lower raw materials costs for petcoke (€-0,2m), savings in energy in brazil (€ -0,2m) and SG&A one-offs due to R&D expenses refund by Norwegian government. Accounting adjustment (IFRS 16) of € 0.28 m inflates EBITDA to a reported EBITDA of € 1,35 m.
- Like-for-like YTD EBITDA at € 17,5 m is lower than Budget (-18%, or € - 3,8m) and also PY (-11%, € - 2,3m) and €+0,2 m vs. reforecast. Vs. 2018, Impact of decreasing sales on Diesel filters and decrease in sales with Saint Gobain not compensated by other activities such metallurgy, refractories or other specialty products even if Q4 generated a better mix. Negative impact as well of stop in production in Venezuela during Q2 impacting Q3 as well. Recent months positively impacted by lower costs of raw materials supply (petcoke). Impact of lower SG&A due to stop in management fee from Saint Gobain partly compensated by standalone costs (HQ in Norway). YTD IFRS 16 impact of € +1,6 m increases reported EBITDA to € 19,1 m in 2019.
- Impact below EBITDA of IFRS PPA including inventory step up of -1 m€, allocated goodwill depreciation for €-0,5m.
- Preparation for Bond listing in Nasdaq Stockholm in April 2020.

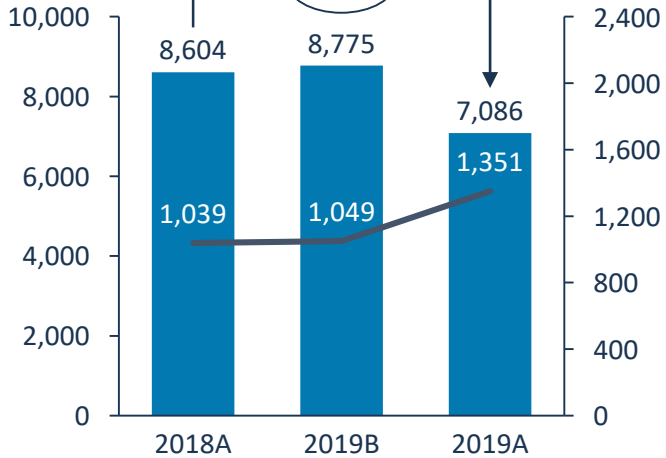
M €	DEC MTD		DEC YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	7,1	1,35	119,1	19,1	122.2	18.8
19B	8,78	1,05	133,9	21,3	133.9	21.3
19A % of 19B	80,8%	129%	88,9%	89,6%	91.3%	88.7%
18A	8,6	1,03	131,4	19,8	131.4	19.8
19A % of 18A	82,5%	131,1%	90,6%	96,4%	93%	95.4%

## Status Update: Project Details

Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Closing Accounts	<ul style="list-style-type: none"> <li>No agreement found with Saint Gobain. Mazars appointed as independent expert</li> <li>Submission of OGC memorandum on Jan 14. Process to take up to 3 months.</li> </ul>	TBD	NA
B. Management and HQ	<ul style="list-style-type: none"> <li>COO : identified person (ex senior manager from Imerys) finally stepped down from the process (other opportunity found). Actions ongoing with Korn Ferry to find a suitable plan B.</li> </ul>	NA	NA
D. IT Carve-Out	<ul style="list-style-type: none"> <li>TSA to be extended by one month with expected end in March 2020. No red flag but situation under monitoring by Fiven and Netsystems.</li> </ul>	NA	NA
E. Strategic Roadmap	<ul style="list-style-type: none"> <li>Debriefing of work done on Dec 19 identifying business development priorities, M&amp;A possibilities. Management roadmap to be completed by end of January. BP to be updated in January 2020.</li> </ul>	TBD	NA
F. Venezuela	<ul style="list-style-type: none"> <li>Increasing power costs ongoing locally impacting internal cost of supply of crude SIC for Belgium. Decision taken to cool down local production there vs. production in Brazil.</li> </ul>	+ [x] M€	NA
G. OGx initiatives	<ul style="list-style-type: none"> <li>Review of pricing policy to be engaged in Q1. brainstorming with Damian before engaging external consultants.</li> <li>Development of new product (e-SIC with purity at 99.999%). Investment of €1 m in 2020.</li> <li>Work with Xponential on branding items / CO2 among others (status to confirm in 2020)</li> </ul>	+ [x] M€	-1.m€

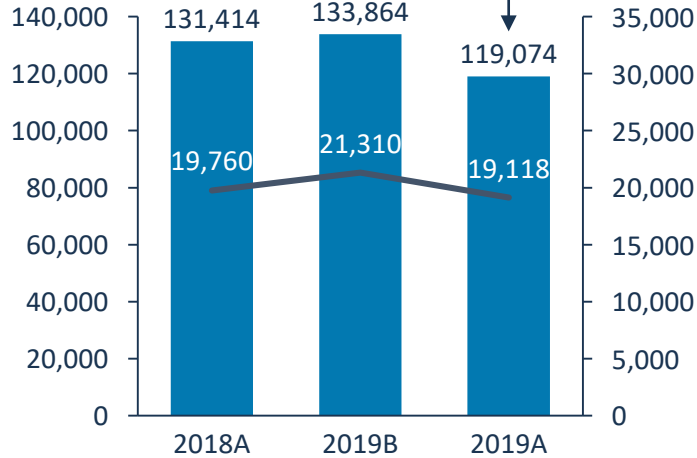
## DEC MTD

€000s



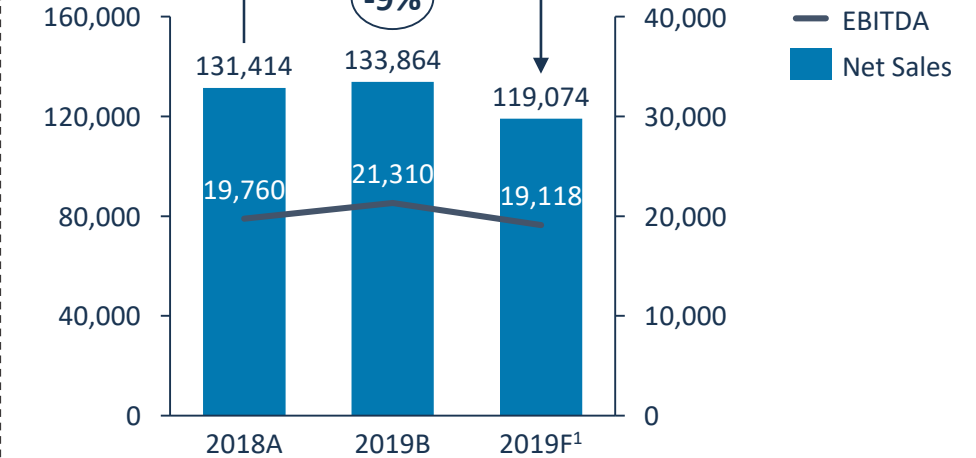
## DEC YTD

€000s



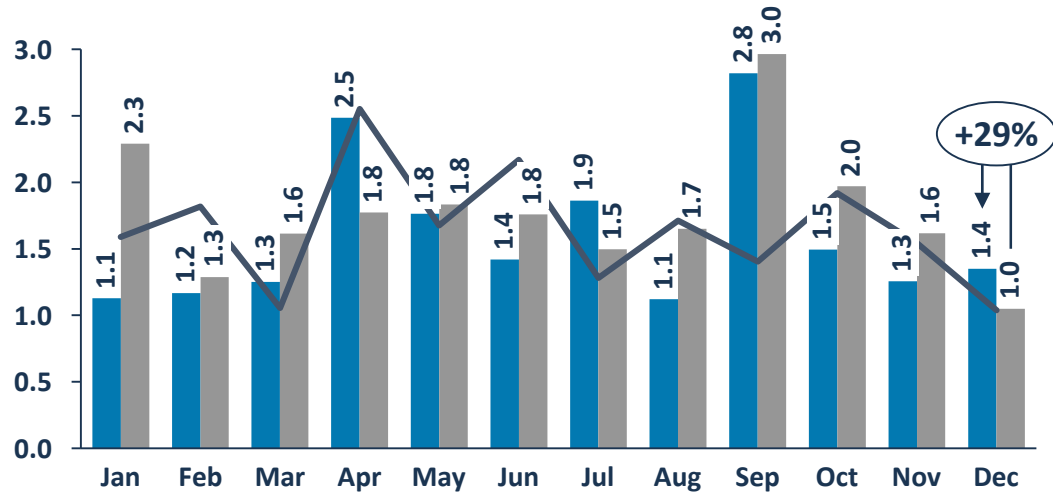
## Full Year

€000s



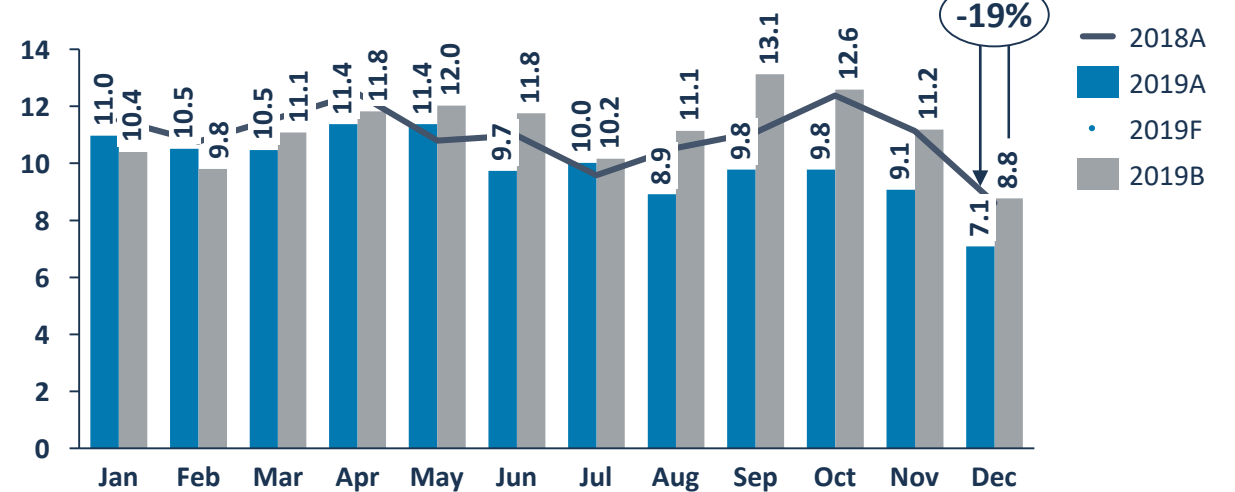
## Monthly EBITDA

€ millions



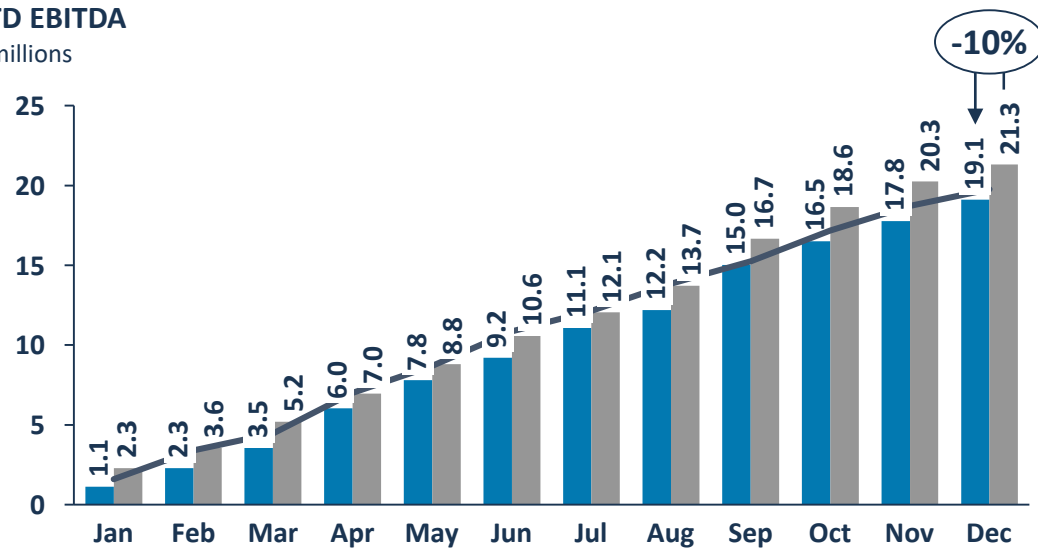
## Monthly Net Revenue

€ millions



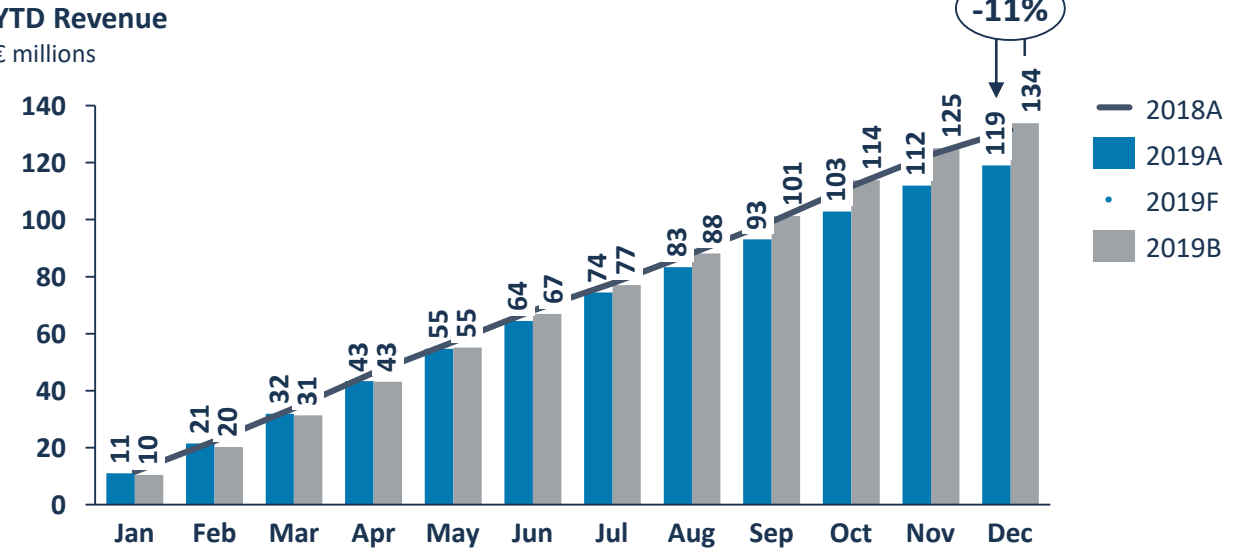
## YTD EBITDA

€ millions



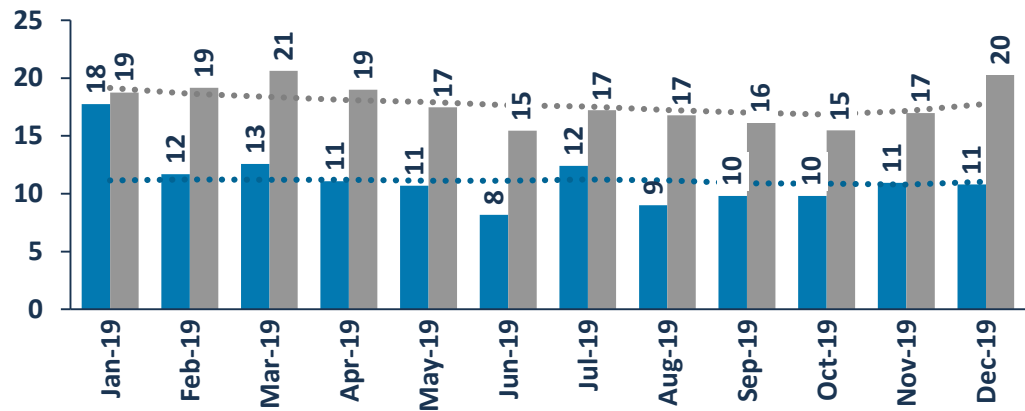
## YTD Revenue

€ millions



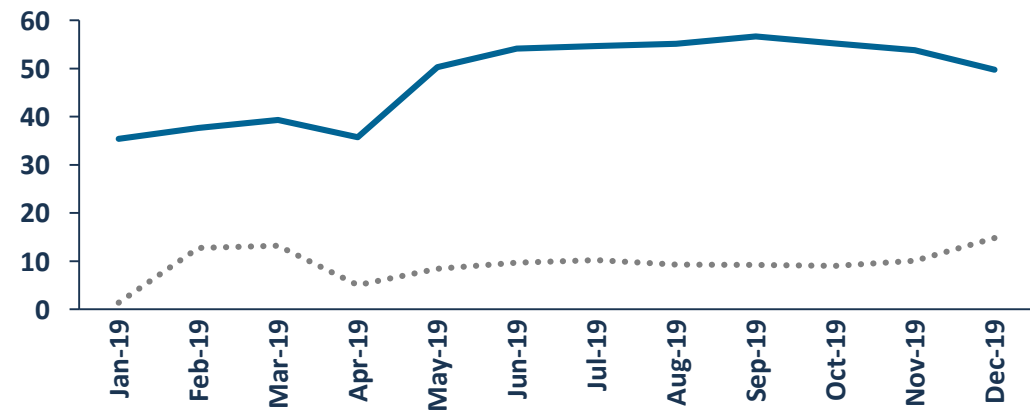
## Order Intake

€ millions



## Liquidity

€ millions



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

— Net External Debt • Availability



OPENGATE CAPITAL 1. YTD actuals + remaining year forecast

Liquidity = cash at bank at this stage. (undrawn lines of factoring not taken into account yet)  
Next external debt includes now the impact of the Bond issued by FIVEN AS and IFRS 16 debt for 4 m€

CONFIDENTIAL 70