Quarterly Operating Review – Q1

APRIL 2020

COVID-19 Implications & Commercial Review

Executive Summary

Executive Summary

Good news / positives to business and plan

- Consolidated Q1 revenue, GM, and PF EBITDA all exceeded plan and prior year
- Infinity demand is strong; exceeded March revenue plan by $79k, PY by $117k and Q1 plan by $180k or 7.4%
- Appliance delivered 3.5% Q1 growth versus plan and previous year – pandemic affecting Q2 revenue expectations
- Ampac view is growing, recently qualified Infinity Tapes as a second source to protect future volume
- COVID-19 face shields – high activity, daily calls, and winning business – Key Interiors ($200k+ in April)
- VP Sales – interviewing 2 candidates brought forward from JM Search

Risks / challenges to business and plan

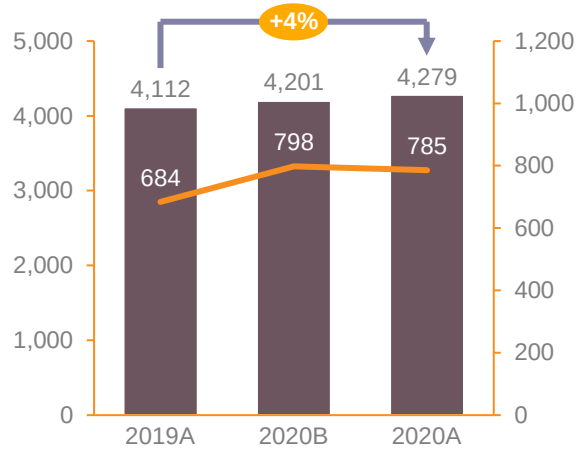
- POP poor sales performance in March, down 20%, caused Q1 miss, down 4.5%
- Industrial sales continue to underperform, Stay at Home order limiting ability expand customer base
- Customers are reluctant to switch from current supplier during this time
- Paroc claim has begun to progress, although they have decided not to use the existing inventory which increases our exposure. We are working with Essentra to get permission on a settlement.

Other material items

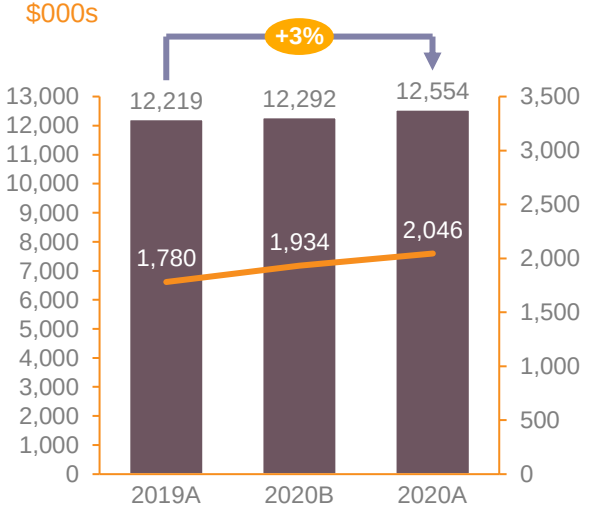
- 0 safety incidents in March

Consolidated Monthly Financial Metrics

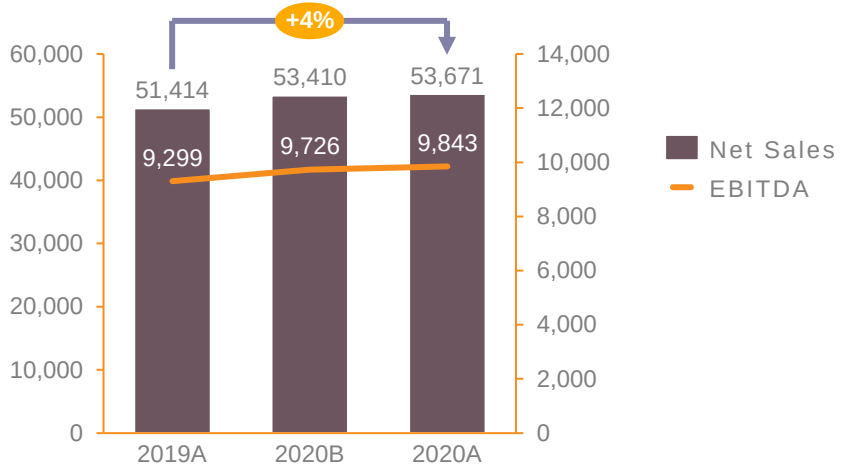
Mar MTD
$000s



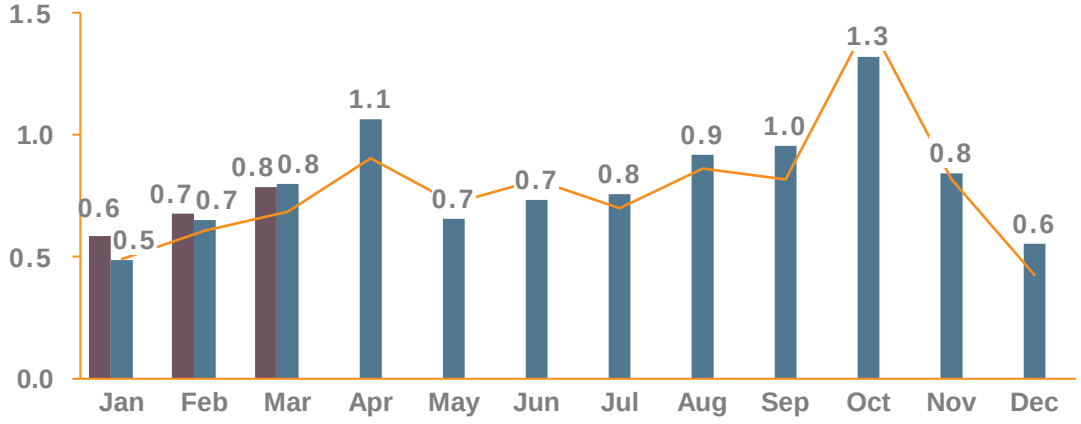
Mar YTD
$000s



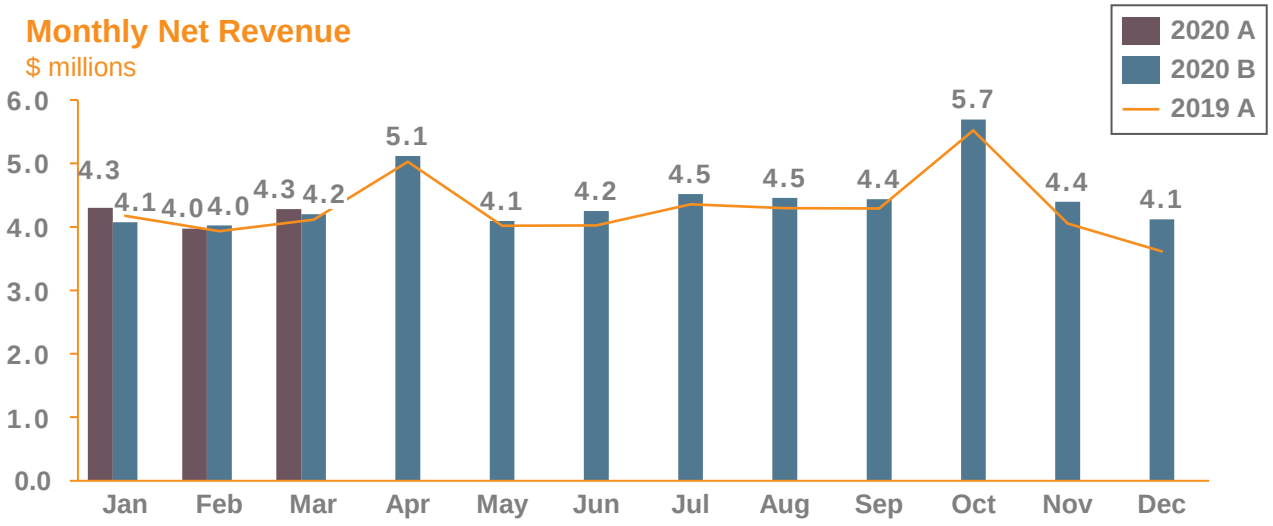
FY (3+10)
$000s



Monthly EBITDA
$ millions



Monthly Net Revenue
$ millions



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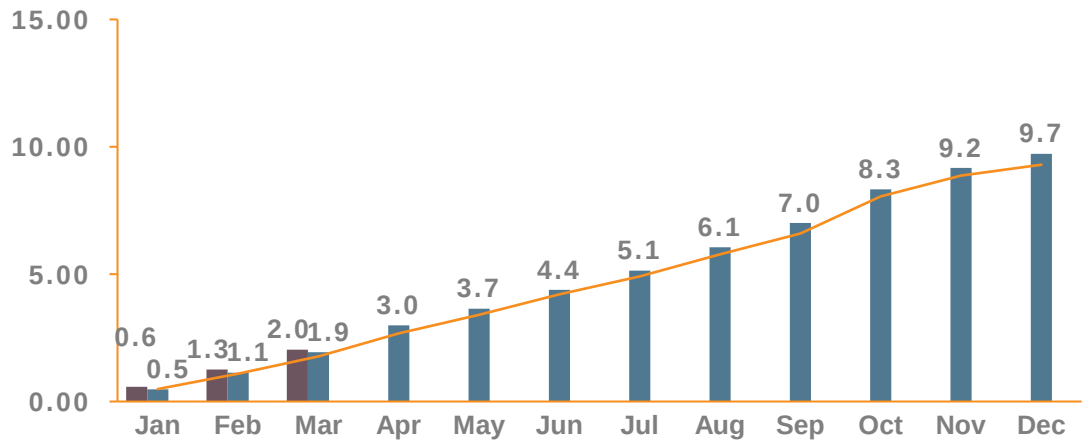
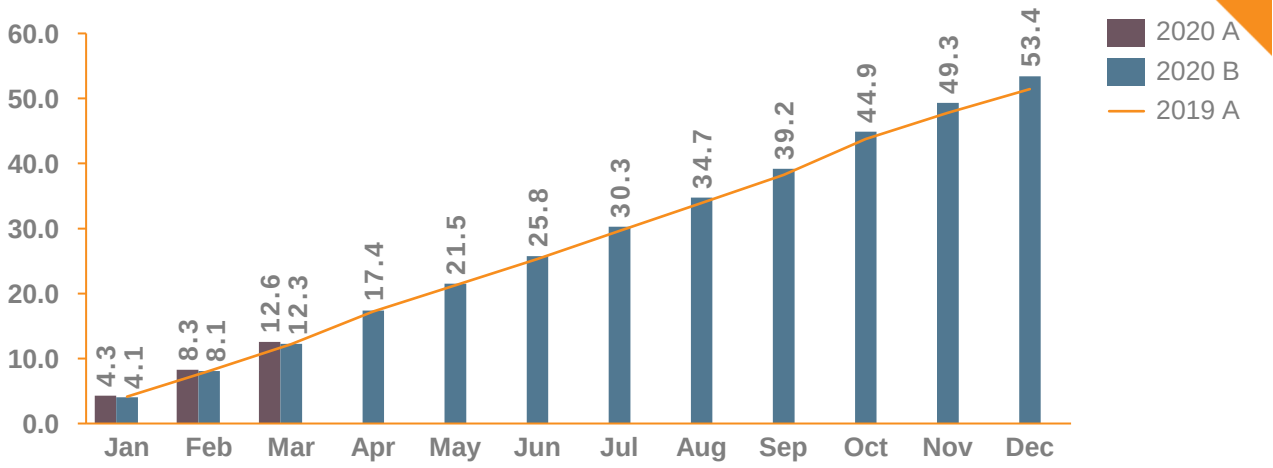
Consolidated Monthly Financial Metrics – con't

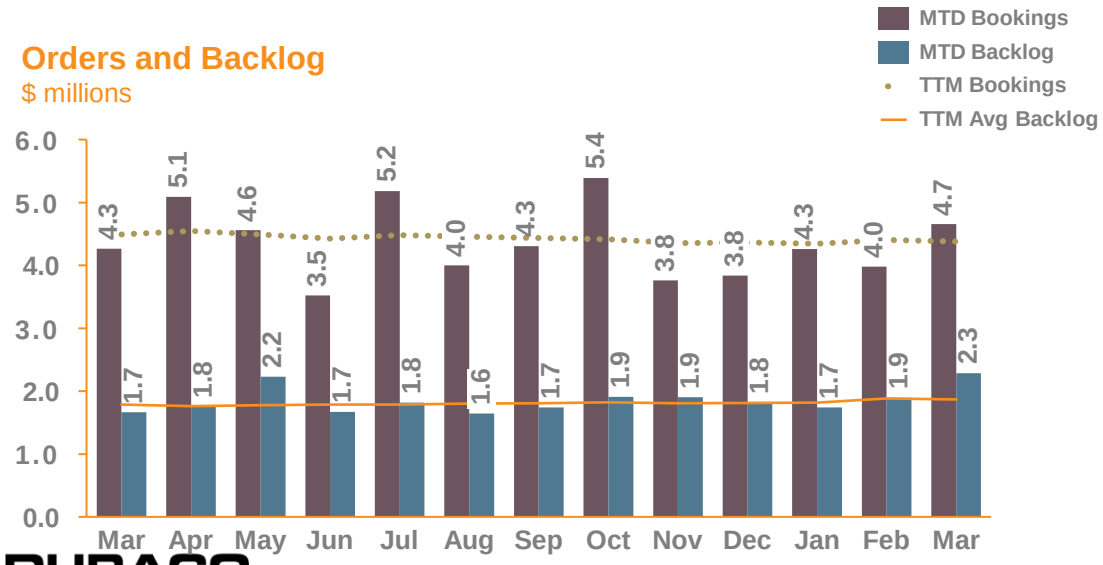
YTD EBITDA
$ millions



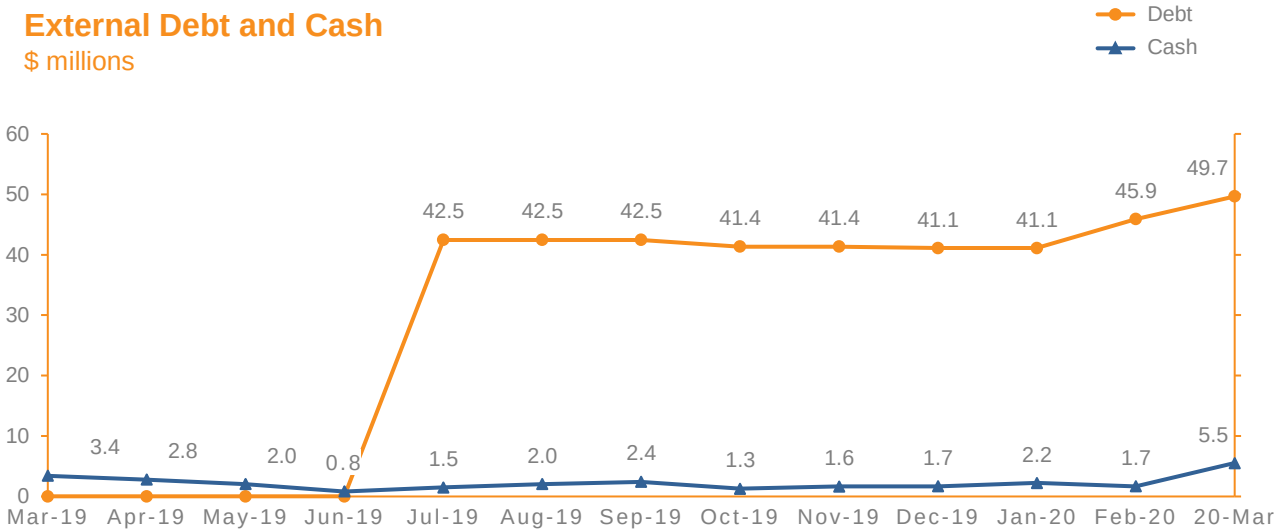
YTD Revenue
$ millions



Orders and Backlog
$ millions



External Debt and Cash
$ millions



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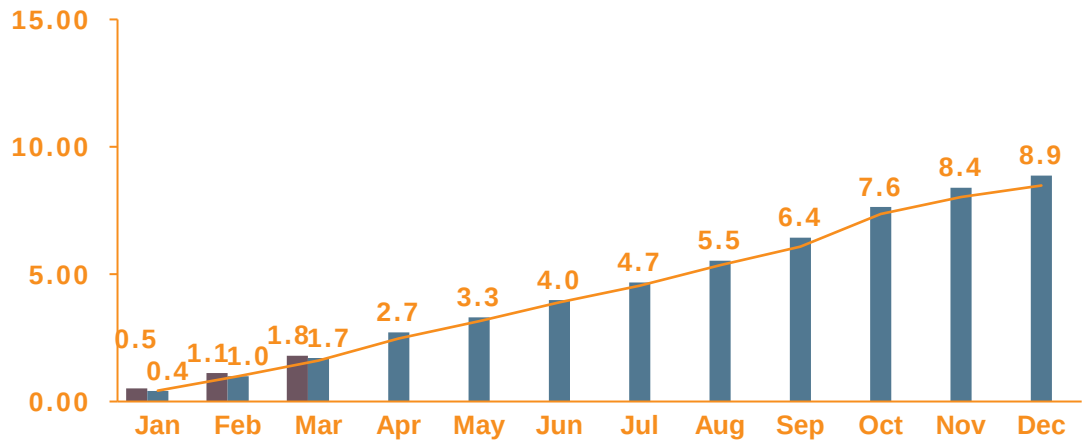
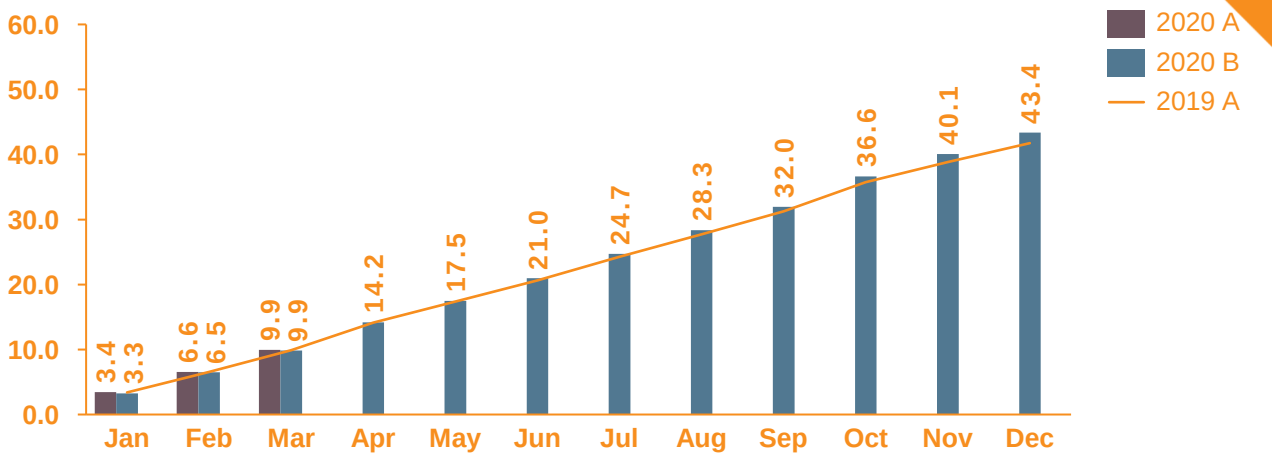
Duraco Monthly Financial Metrics

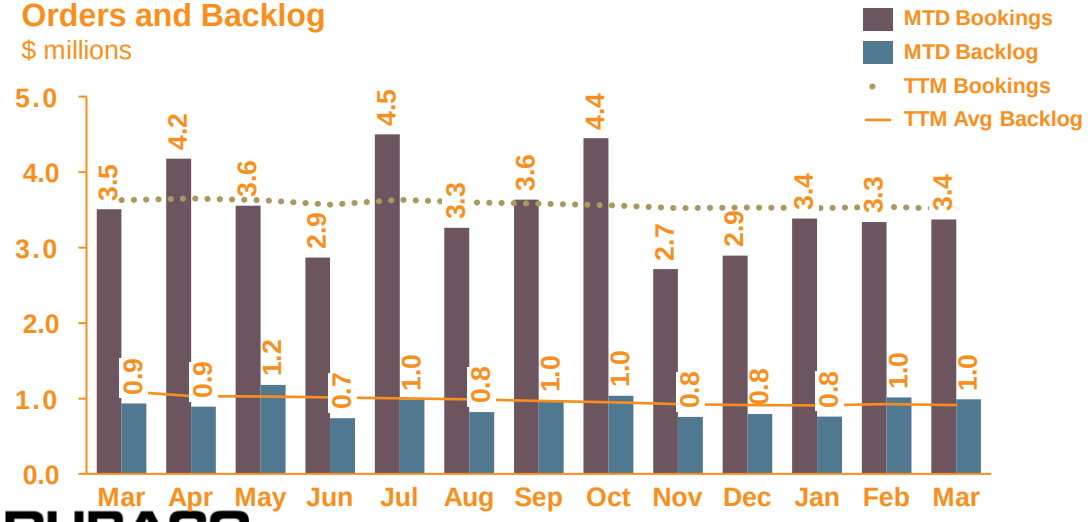
YTD EBITDA
$ millions



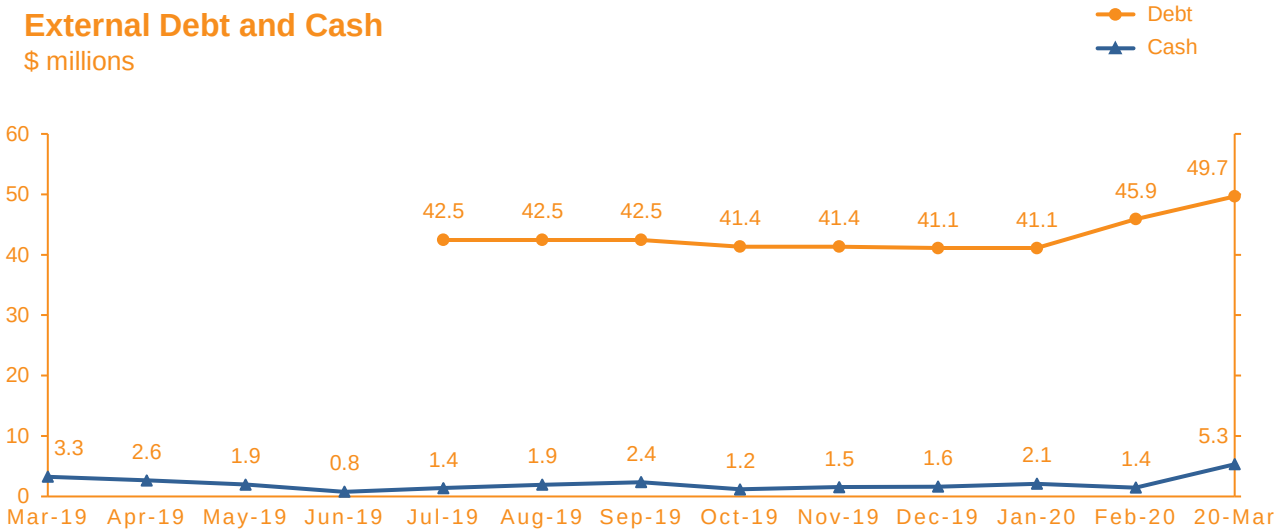
YTD Revenue
$ millions



Orders and Backlog
$ millions



External Debt and Cash
$ millions



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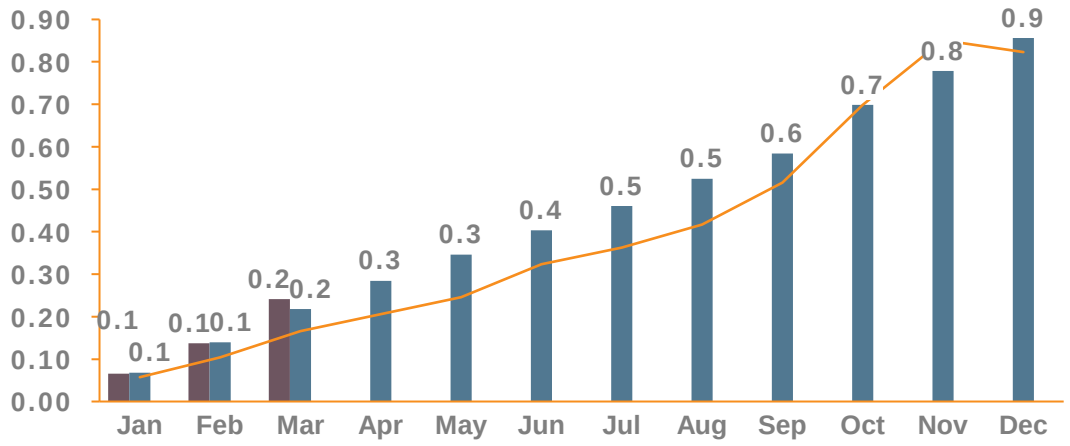
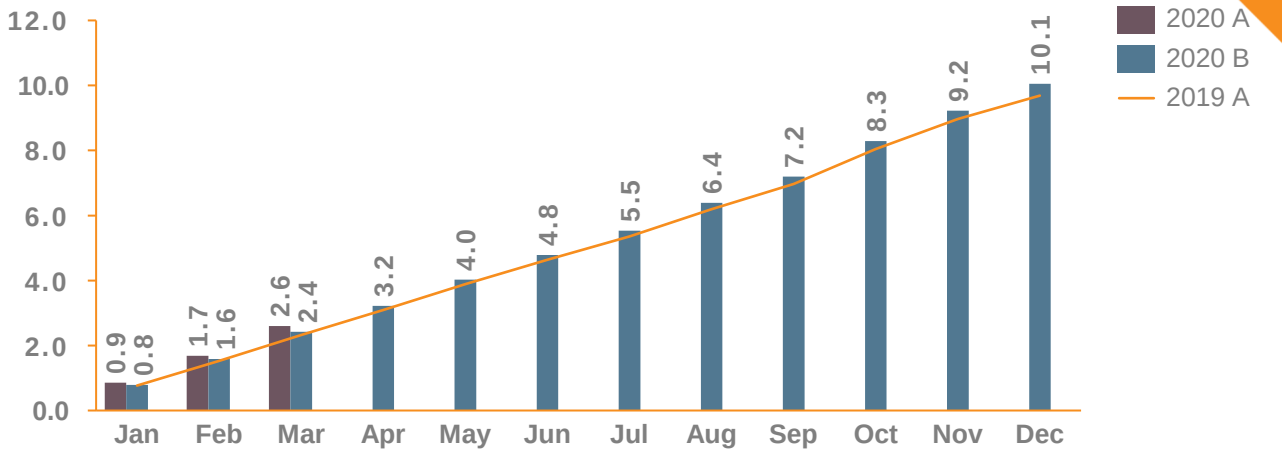
Infinity Monthly Financial Metrics – con't

Chart Complete

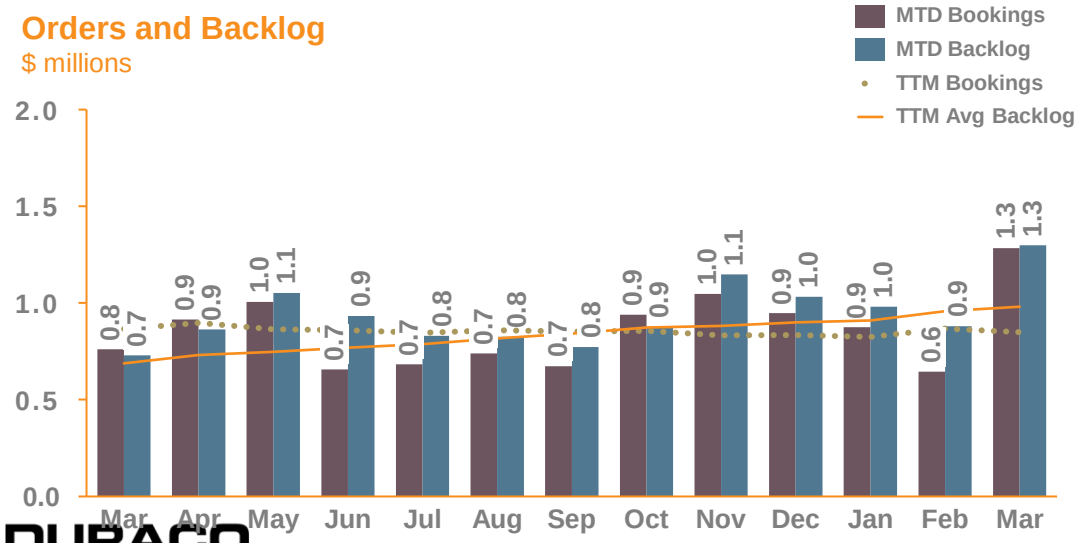
YTD EBITDA
$ millions



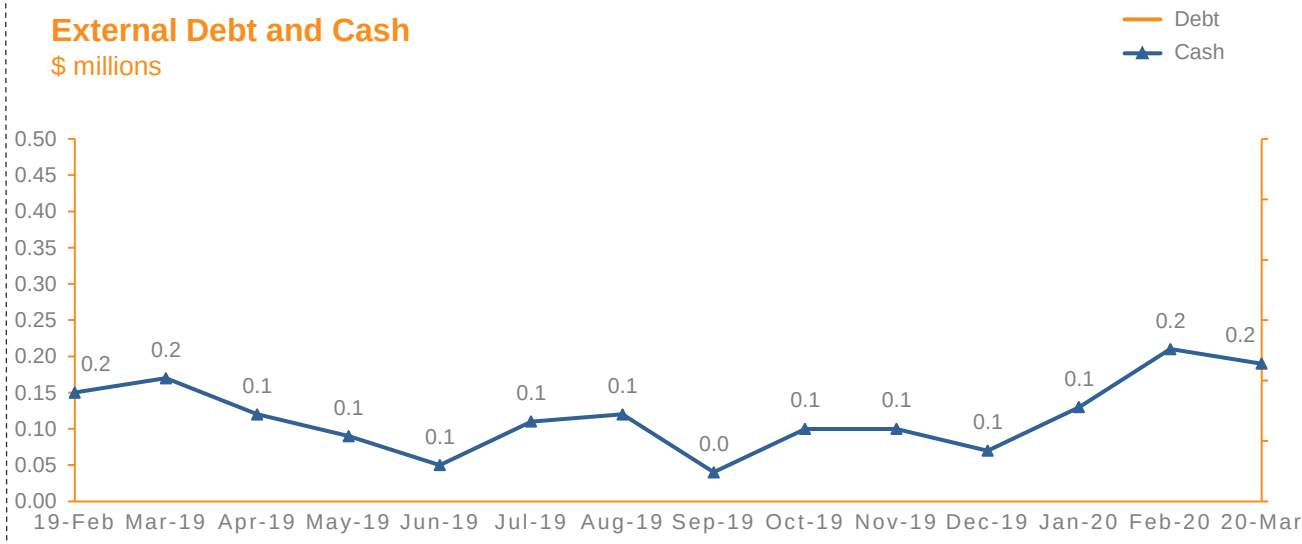
YTD Revenue
$ millions



Orders and Backlog
$ millions



External Debt and Cash
$ millions



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Carveout

STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact ($MM)	
				Projected	Actual
IT Carveout		• Network carveout was completed in March. • Work on ERP is ongoing. Target go-live is June 29. BPCS has been extended by one month. • Phone system implementation is scheduled to be completed in May	Q2 2020	N/A	N/A
Ceridian/HR		• Ceridian project kickoff is scheduled for the end of April. Go live by the end of June	Q2 2020	N/A	N/A
Service Centers		• Have exited NJ. • Plan to close LA Service Center and open LA 3PL by the end of May. At risk due to Covid-19.	Q1 2020	N/A	N/A
Treasury		• Delayed due largely to Essentra although TSA has been terminated. • Have a standalone Duraco treasury platform up and running. • All steps are complete, bank paperwork is in process.	Q1 2020	N/A	N/A
Finance Shared Services		• On schedule for end of June when TSA expires • A/R and A/P roles are on track for hiring at the end of April • All other financial services have been terminated	Q2 2020	N/A	N/A

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

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

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Q2 Update

- **Current view for Q2 for Duraco (excluding Infinity) is:**
  - Revenue - $8,750k - down $2.3m from plan. If this is achieved, HY revenue would be 12% below plan.
  - EBITDA down $979k from plan after adjusting for $597k of cost actions in the quarter (this excludes adjusting bonus and commission accruals)
  - Operating cash flow of $2m based largely on $1.5m of working capital improvement (A/R and Inventory) and EBITDA, partially offset by restructuring costs
    - This assumes that customers do not withhold payment or stretch us by more than a couple of weeks.
  - Total cash outflow of $1,050k compared to outflow of $1,147k in the plan (excluding any revolver paydown).
- Bookings have slowed in April, with the average daily bookings dropping 25% from plan levels
- April revenue will likely finish ~$200k better than we were expecting in the Q2 forecast, but with depressed margins due to the mix change.
- Current view for Infinity is that it will meet or exceed plan Revenue and EBITDA of $2.4m and $186k, respectively.
- Total cash flow will be in line with plan of $295k inflow.

COVID-19 Cash Preservation Plan

Summary of Actions for Cash Savings

Action #	Description	Action Description	Weekly Cash Savings	Cash Savings for 2020	Annualized Cash Savings	Trigger Point
1	Wage Increases	Cancelling 2020 Merit Increases	$ 3,308	$ 129,000	$ 172,000	Already Triggered
2	Salary Reductions	>$60k = 5% reduction	$ 5,000		$ 260,000	
		Exec Team - 10% Temporary Reduction	$ 1,347	$ 48,475	$ 69,500	
3	Production Cost Actions	Travel	$ 615	$ 23,985	$ 31,980	Already Triggered
		Overtime	$ 1,795	$ 70,000	$ 93,333	5% Revenue decline
		Overhead Costs	$ 1,618	$ 63,102	$ 84,136	Already Triggered
4	SG&A Cost Actions	Reduce Marketing Spend	$ 6,410	$ 250,000	$ 250,000	Already Triggered
		Reduce Marketing Spend	$ 3,846	$ 150,000	$ 150,000	30% Revenue Decline
		Curtail Travel until all clear	$ 7,177	$ 279,907	$ 373,209	Already Triggered
5	Indefinite Hiring Freeze for certain open positions	Engineer Assoc Product Manager Quality Manager Receptionist Customer Service Supervisor Material Scientist	$ 9,249	$ 360,724	$ 480,965	Already Triggered
6	Indefinite Hiring Freeze for open DL positions	2 Open Positions	$ 1,938		$ 100,760	Already Triggered
		3 Upcoming Retirements	$ 1,895		$ 98,521	As retirements occur
7	Furloughs	Level 1 Furlough	$ 13,900			
		Level 2 Furlough (not incremental to level 1)	$ 17,400			
		Level 3 Furlough				
		Union Hours Reduction				
8	RIF - Level 1	Eliminate 3 Indirect Headcount	$ 3,117		$ 162,072	Only after a prolonged slowdown
		Eliminate 5 Direct Headcount	$ 4,707		$ 244,760	
9	RIF - Level 2	Eliminate 6 Indirect Headcount	$ 12,370		$ 643,225	Only after a prolonged slowdown
		Eliminate 7 Direct Headcount	$ 8,951		$ 465,464	
		Eliminate 1 Indirect (after ERP Implementation)	$ 1,719		$ 89,381	
10	RIF - Level 3	Eliminate 6 Indirect Headcount	$ 9,821		$ 510,693	Only after a prolonged slowdown
		Eliminate 7 Direct Headcount	$ 8,656		$ 450,130	
	Infinity	Reduce DL in line with Revenue Decline	$ 1,346		$ 70,000	10% Revenue Decline
12	Freeze CAPEX	Hold CAPEX with the exception of 3 projects	$ 13,087	$ 510,400	$ 510,400	Already Triggered
13	Freeze Rent Payments	Stop paying Rent at Infinity	$ 3,942		$ 205,000	
14	Restructuring Costs	Defer strategic spending	$ 2,564	$ 100,000		Already Triggered
15	Accounts Receivable	Weekly A/R Action Call				Already Triggered
		Drasticly curtail credit releases when past due				Already Triggered
16	Accounts Payable	Balance A/P payments with incoming cash				Already Triggered
17	Defer Payroll Tax Payments	Begins April 13th	$ 7,500	$ 135,000	$ 135,000	Already Triggered
18	410k Match	Begins April 27	$ 4,000	$ 140,000		Already Triggered
			Per Week	Per Month		
		Current Weekly Cash Savings	$ 55,361	$ 221,444.01		
		Level 1 Savings (includes Current Savings)	$ 74,608	$ 298,430.09		
		Level 2 Savings	$ 78,108	$ 312,430.09		

Current weekly cash savings compared to plan

- Level one savings plan generating an average of $75k of savings per week (compared to plan) has been implemented and are all on track.
- Additional marketing spend and additional furloughs are the next options for cash savings should revenue fall more than it has.
- Further options are being evaluated based on incoming volume.

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Cash Collections

- **General Update**
  - Cash collections have generally been stable and in line with forecast and history
  - Last week was the first down week falling about $275k short of the recent average and forecast
  - This week started well with 42% of the week's cash forecast being deposited in the bank on Monday which makes up for the shortfall in the previous week
  - We have seen the Duraco past dues increase slightly in the last couple of weeks.
  - Some of our customers have requested extended terms; we are handling these on a one-off basis as they come through.
- **Actions in place:**
  - Order releases have been tightened substantially for customers with a past due balance
  - Weekly A/R status update calls are being driven by the Controller.
    - Attendees include Erie Shared Service, Duraco Customer Service, Staff Accountant
    - Actions are agreed and then reported on.
  - We have challenged the Erie team to improve their collections and implement additional KPIs.
    - They have implemented a daily call log and are starting to report on several KPIs daily.
  - Customer service and inside sales have been trained to ask customers for payment on past due invoices when they are placing a new order.
  - We are putting additional metrics in place to measure our A/R collections performance. These will be included in the next MOR.
    - Collections Effectiveness Index
    - Best Possible DSO vs DSO
    - Number of collections calls placed, people talked to, voice mails left
    - Number and amount of promises for payment received

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Consolidated 13 Week Cash Forecast (stress test)

13 Week Cash Flow Forecast	W/E	4/18/20	Act 4/18/20	4/25/20	5/2/20	5/9/20	5/16/20	5/23/20	5/30/20	6/6/20	6/13/20	6/20/20	6/27/20	7/4/20	7/11/20	7/18/20	7/25/20
Beginning Cash Balance		**4,764,529**	**4,764,529**	**4,713,221**	**4,812,650**	**1,719,879**	**1,901,526**	**1,952,675**	**2,288,327**	**2,157,458**	**2,280,456**	**2,356,897**	**2,626,455**	**2,481,498**	**1,074,029**	**897,709**	**979,705**
Total Cash Inflow		827,088	877,466	691,945	941,241	860,004	901,076	902,259	939,125	754,900	993,200	818,665	682,248	683,847	665,513	617,476	643,500
Cash Outflow																	
Accounts Payable		435,000	497,864	424,450	502,058	484,807	449,307	429,307	454,415	454,107	420,007	411,807	454,414	391,807	442,307	391,807	391,807
Payroll		293,000	282,776	106,000	266,600	97,600	263,600	96,600	262,600	96,600	263,600	96,600	262,600	96,600	263,600	96,600	262,600
Union Benefits		-	62,865	-	-	-	-	-	62,000	-	-	-	-	-	-	-	-
Non-Union Benefits		-	2,598	5,000	71,000	5,000	5,000	5,000	71,000	5,000	5,000	5,000	5,000	71,000	5,000	5,000	5,000
401K		26,700	1,800	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700
Deferred Comp		-	-	21,366	-	-	-	-	21,366	-	-	-	21,366	-	-	-	21,366
Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPEX		-	-	-	38,320	20,250	38,320	-	42,578	25,495	154,452	-	10,125	-	77,226	6,373	3,375
Term Loan Interest Payments		-	-	-	-	-	-	-	-	-	-	-	-	772,000	-	-	-
Term Loan Payments		-	-	-	-	-	-	-	-	-	-	-	-	275,000	-	-	-
Revolver Interest Payments		-	-	-	-	-	-	-	-	-	-	-	-	81,875	-	-	-
Revolver Payments		-	-	-	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Unused Line Fee Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OGC Quarterly Management Fee Payment		-	-	-	-	-	-	-	-	-	-	-	-	250,000	-	-	-
One Time Costs		35,000	80,871	35,000	137,334	70,000	75,000	35,000	137,334	50,000	55,000	35,000	55,000	152,334	35,000	35,000	55,000
Total Cash Outflow		789,700	928,774	592,516	4,034,012	678,357	849,927	566,607	1,069,993	631,902	916,759	549,107	827,205	2,091,316	841,833	535,480	757,848
Net Cash Flow from Operations		37,388	(51,308)	99,429	(54,451)	201,897	89,469	335,652	(88,291)	148,493	230,893	269,557	(134,832)	(278,594)	(99,094)	88,369	(110,973)
Net Cash Flow from Investing		-	-	-	(38,320)	(20,250)	(38,320)	-	(42,578)	(25,495)	(154,452)	-	(10,125)	-	(77,226)	(6,373)	(3,375)
Net Cash Flow from Financing		-	-	-	(3,000,000)	-	-	-	-	-	-	-	-	(1,128,875)	-	-	-
Weekly Cash Inflow/(Outflow)		**37,388**	**(51,308)**	**99,429**	**(3,092,771)**	**181,647**	**51,149**	**335,652**	**(130,869)**	**122,998**	**76,441**	**269,557**	**(144,957)**	**(1,407,469)**	**(176,320)**	**81,996**	**(114,348)**
Ending Cash Balance		**4,801,917**	**4,713,221**	**4,812,650**	**1,719,879**	**1,901,526**	**1,952,675**	**2,288,327**	**2,157,458**	**2,280,456**	**2,356,897**	**2,626,455**	**2,481,498**	**1,074,029**	**897,709**	**979,705**	**865,357**
Outstanding Checks		(480,000)	(312,809)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
Net Available Cash		**4,321,917**	**4,400,412**	**4,332,650**	**1,239,879**	**1,421,526**	**1,472,675**	**1,808,327**	**1,677,458**	**1,800,456**	**1,876,897**	**2,146,455**	**2,001,498**	**594,029**	**417,709**	**499,705**	**385,357**
Term Loan Balance		**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,338**	**42,679,339**	**42,679,340**
Revolver Balance		**7,000,000**	**7,000,000**	**7,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**
Total Debt - LBC		**49,679,337**	**49,679,337**	**49,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,338**	**46,679,339**	**46,679,340**
Available Revolver		**-**		**-**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**

- Cash forecast is conservative and assumes >$1m of cash will not be collected over the forecast period. This is likely the worst case assuming Duraco achieves $8.75m of revenue in Q2.
- April will likely finish ~$200k better than what is in our Q2 forecast ($2.3m below plan).

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Paroc Claim Update

- Written claim for ~$900k was received on 1/2/2020; Has since been reduced to ~$750k based on Paroc not being able to support the entirety of their claim
- Paroc has provided all the evidence of their claim and we are pushing Essentra to come to the table with a settlement offer. Call is scheduled with Essentra for May 1st.
- Duraco's exposure is for the first $385k of the settlement that relates to pre-sale activity and 100% of post sale activity.
- We are legally protected by our T&C for the lost sales which explain that consequential damages are not our responsibility, but there is a larger commercial question at play.
- Worst case is that the claim is settled for the full amount they are requesting excluding the lost sales is $438k, of which Essentra will likely need to pay $0 as the pre-sale activity will not meet the $385k deductible.
- Shawn and ML are involved and will be on the call with Essentra on May 1st.
- A letter was received from Essentra's counsel on the evening of April 29th which is being reviewed.
- **This settlement is not reflected in our plan, or cashflow forecast.**

Commercial Outlook – Industry Segments

CURRENT ORDER BOOK IS SAFE, NOT EXPECTING ANY CANCELATIONS, SOME ORDERS GETTING PUSHED OUT

INDUSTRY SEGMENTS	SHORT TERM	CURRENT STATUS & NEXT STEPS
POP	🔴	• WestRock's core business continues to be strong - $256k, up 18% & having good April, starting to see softness • Majority of large accounts production levels off 20%, Freeman Expo down 45%, many supplementing with Face Shields • RRD – Running at 75% of pre-COVID-19 activity, 5% order/project cancelations, May will be slow, but expects July to be above forecast • Menasha – sites servicing grocery and essential care items are busy; ie bulk packaging going into COSTCO • Imagine Print – Seeing 70% of pre-COVID-19 activity, forecasting business will be down 30-40% over the next 30 days
Transit Packaging	🟢	• Ampac volume increasing and Duraco qualified Infinity as a second source • TMS & Amazon mailers stays strong as new Georgia Pacific location (Phoenix) comes online • Bluff City – new account, packaging for record albums $100k / year • Finalizing Transit Packaging mailer to launch week of May 4th, Duraco starting to offer Infinity Bag Sealing & Security Tapes
Appliance	🔴	• Whirlpool focused on making ventilators as production order volumes remain quite low, WP has implemented social distancing on the production lines which has dramatically reduced output levels. A few plants have also shut down for cleaning due to confirmed COVID cases in the workforce. • GE furloughed for 1 week reopening at a reduced capacity implementing social distancing on the production lines. Demand horizon for our laundry is down 40%, demand for cooking is up 30%. New DHB parts first 2 weeks of shipments were off the demand horizon as GE works through surplus. • Alliance Laundry completed a precautionary 2-week shutdown on April 19, overall volumes not expected to be reduced and they anticipate making up lost production now that they have returned • Neither Whirlpool or GE have an indication of when they will begin to see pre-COVID levels return, Appliance tiers are slow due to the low Whirlpool volumes
Industrial	🔴	• RV initiative making good progress – most companies closed down today for COVID-19, received notice that Elkhart County, IN, is beginning to work again, confirmed that Barletta Boats is in operation today (April 27) and that many RV companies will begin production the week of May 4 • Larger accts such as Stoughton, Bada and Donaldson have slowed but not shut down, orders still coming through but at lower levels • Others have had shutdowns for 1 or 2 weeks like Hoshizaki, Alliance Landry and Harman. However, they just pushed orders out for that time, and some are beginning to come back online now. • Kicking off segment work after Beckway completed their VOC
Wall Hanging	🟢	• Mixtiles still committed to Duraco and YTD very strong • PlanetArt large $50k order in April • Circle Graphic forecasting strong holiday season with new products • Adventa – new account, similar to other Wall Hanging customers
Other	🔴	• New Customer acquisition is slow – feedback from potential new customers is they want to stay where they are, for now • Inside Sales focused on churn accounts – many were 1x buys or reclassification of accounts

Duraco 2020 Growth Program

THE BELOW ACTIVITIES – ORIENTED AROUND BUILDING THE DURACO SALES ENGINE – ARE OCCURRING OVER THE NEXT QUARTER TO IMPROVE OUR SALES CAPABILITIES

	Phase I: Territory Re-alignment & New Compensation Model	Phase II: Territory Education & Coverage Transition	Phase III: Regional Territory Planning	Phase IV+: Increased Salesforce Effectiveness
Objective	Institute regional focus and incentivize salesforce with new 'favorable' comp model (downside protection + upside carrot)	Enable RSMs to develop understanding and relationships of new territories	Translate new coverage model into tangible, granular growth plans / go-do's by region	Increase effectiveness of salesforce (i.e., larger pipelines, higher win rate, etc.)
Key Activities	• Implementation of new comp model • Implementation of new coverage model	• Complete visits to new accounts and/or transitioned accounts • Complete Industrial training to 'learn to sell' to industrial accounts (for legacy PoP reps) • Leverage new sales tools that bring account-level visibility into new territories	• Develop highly granular / actionable account-level territory growth plans (w/external support)	• Sales process training? • Sales coaching / Ride-alongs? • Increased sales tools? • Sales motivations / contests?
Owner	David Danelz	David Danelz	David Danelz	VP Sales
Timing	February 2020	March 2020	April 2020	June 2020+
Outside Resources	SmartVentures	TBD	BeckWay Group (TBD)	BeckWay Group (TBD), Sales Training Consultants e.g., Miller-Heiman

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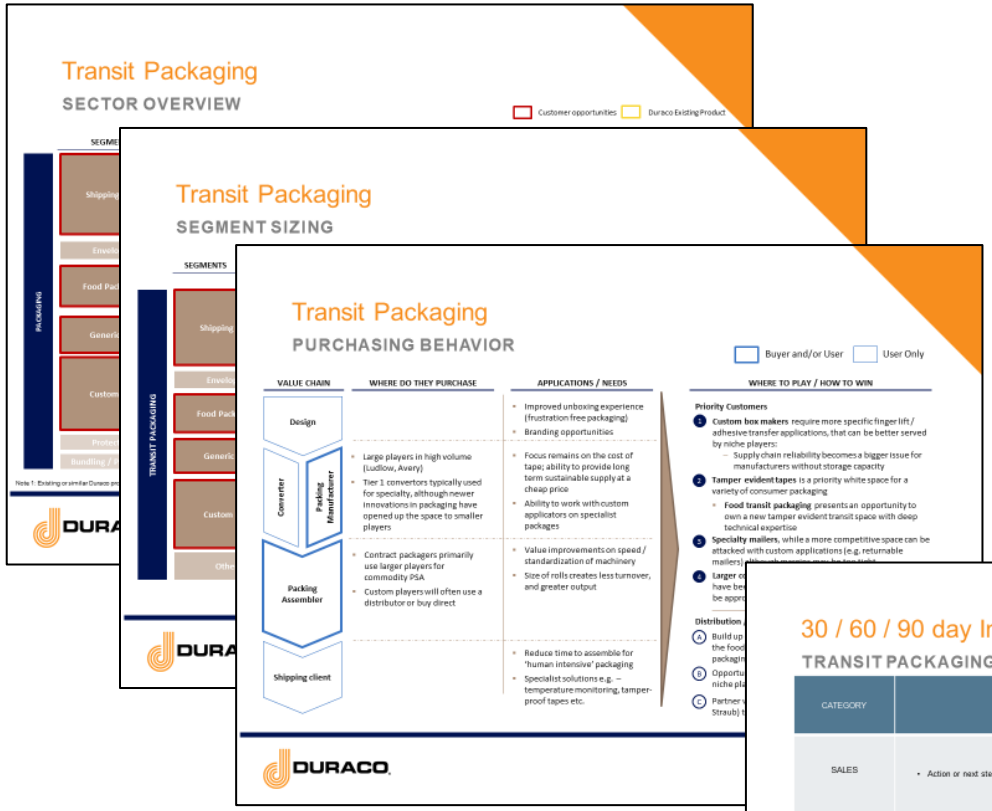
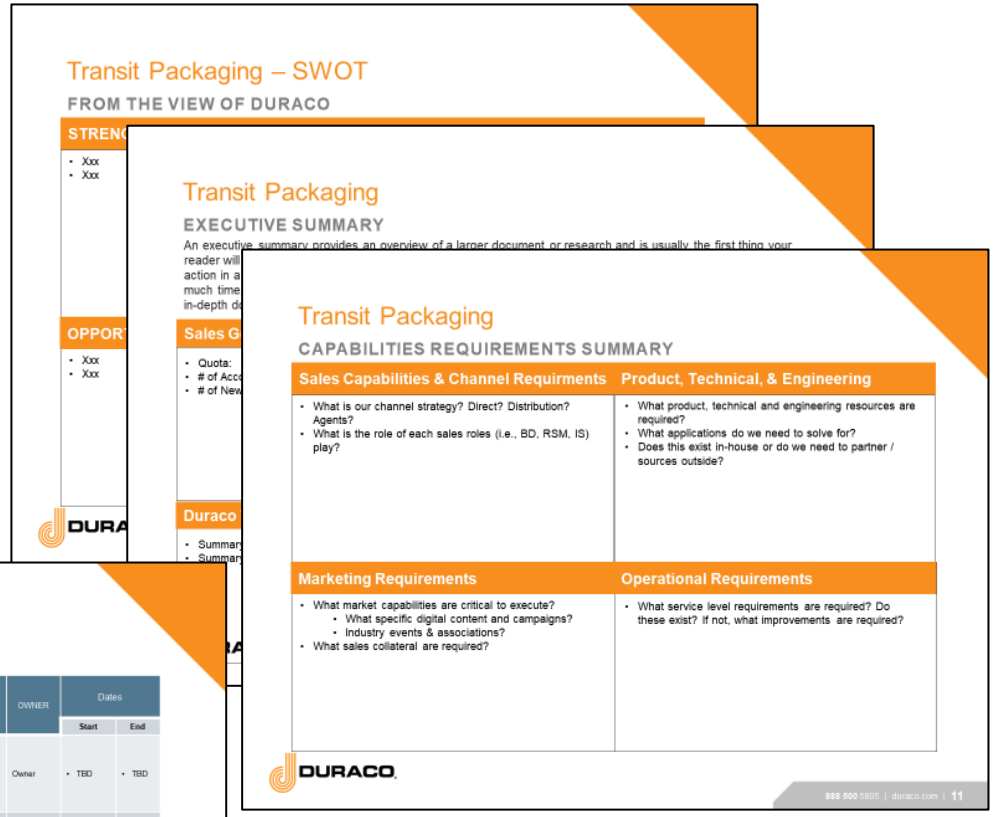
Commercial Growth & Industry Segment Strategy

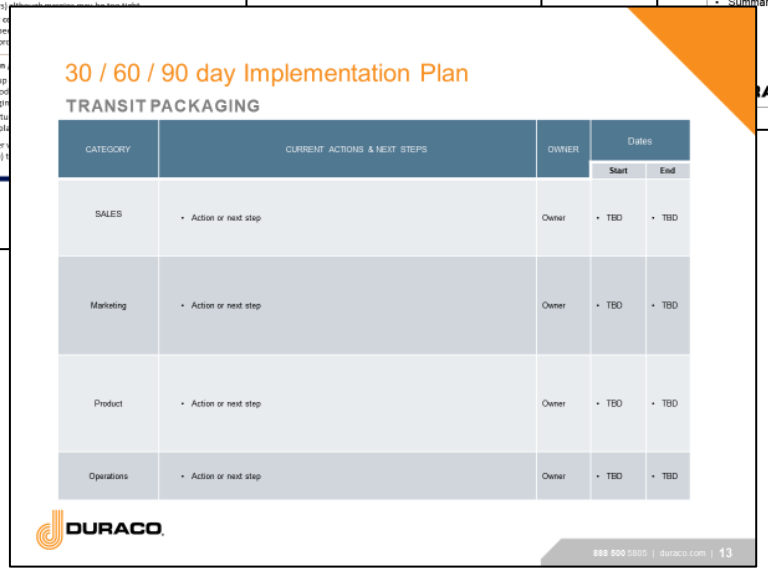
MARKET & SEGMENT SUMMARY



GO-TO-MARKET & REQUIREMENTS



30/60/90 DAY PLAN



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Infinity Tapes

UPDATE

- Overall increase in orders and demand stemming from medical and food segment users
  - Demand is seen across broad customer base producing plastic bags
  - Supply of plastic bags from China has reduced
- Not expecting any significant changes to the order book by customers
  - Classic Packaging has blanket orders out through August for Chick-fil-A Table Topper, April shipped $50k / 350 spools, May releases pushed out two weeks
- As of 4/23, order bookings for May and June are already, 50% and 40% respectively, of the forecasted sales for the month
- Capacity concerns;
  - Printing Press is slow and requires 2 shifts primarily feeding the Silicone Coater. Plan is to implement an inexpensive upgrade to the oven increasing its run speed
  - Silicone Coater is running full utilization Monday through Friday, and initiating several actions to increase the machine speeds including formulation changes
  - Duraco to begin manufacturing paper liner tissue tape to offload capacity for higher volume plastic bag sealing tape

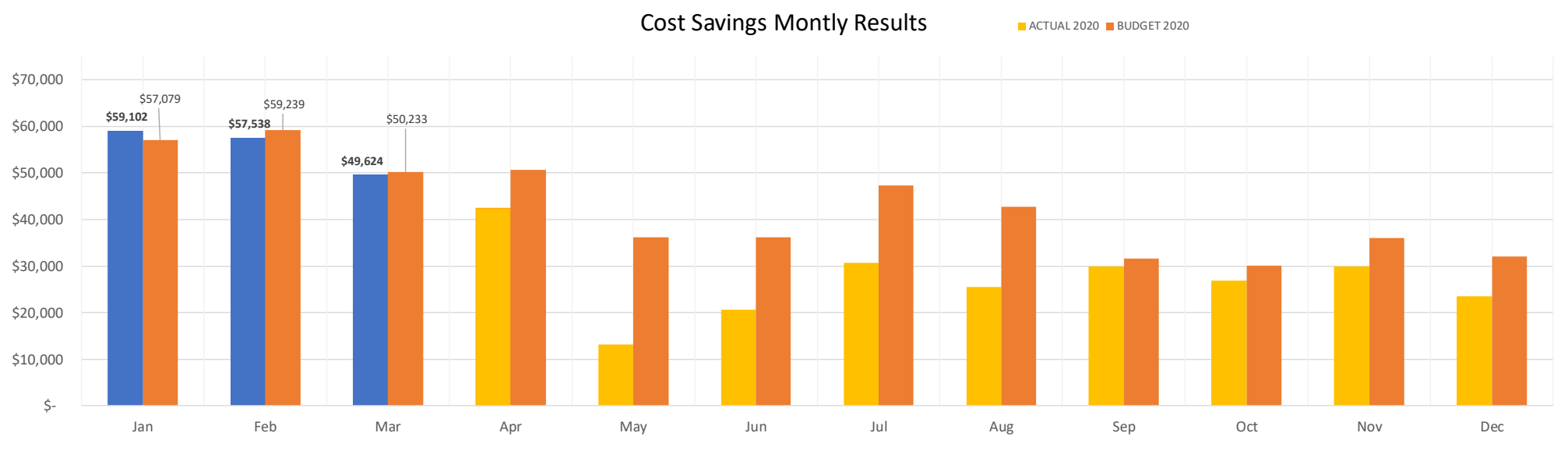
Infinity Tapes

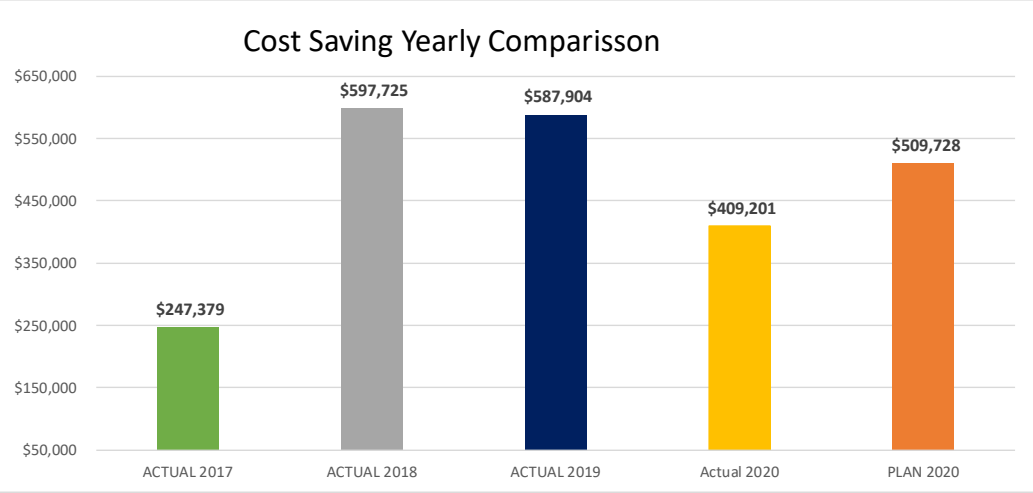
BOWLING CHART

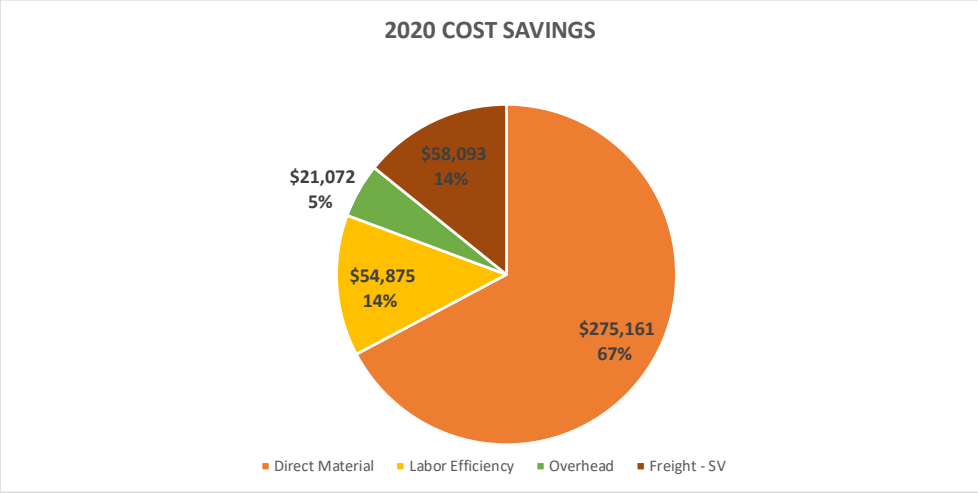
PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
GROWTH															
Infinity Tapes Total Sales	$2,372.6	PY	$776.7	$779.4	$816.5	$777.2	$785.4	$745.4	$725.9	$835.8	$775.3	$1,062.5	$924.9	$745.4	$9,750.6
	$2,420.1	Plan	$792.2	$795.0	$832.8	$792.8	$801.1	$760.3	$740.5	$852.6	$790.8	$1,083.8	$943.4	$760.4	$9,945.6
	$2,652.9	Fcst/Act	$865.8	$853.5	$933.6	$792.8	$801.1	$760.3	$740.5	$852.6	$790.8	$1,083.8	$943.4	$760.4	$10,178.4
Bellepak	$330.5	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
	$293.4	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
	$334.1	Fcst/Act	$121.7	$96.0	$116.4	$97.8	$97.8	$97.8	$97.8	$97.8	$97.8	$97.8	$97.8	$97.8	$1,214.2
Sealed Air: Nine locations	$223.2	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
	$234.7	Plan	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$938.7
	$251.8	Fcst/Act	$78.7	$92.0	$81.1	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$78.2	$955.8
Poly Pak Ind	$125.7	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
	$125.7	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
	$88.9	Fcst/Act	$34.4	$35.7	$18.9	$38.8	$32.1	$49.6	$40.5	$51.4	$36.5	$40.7	$62.9	$53.2	$494.6
PAC WW: Three locations	$116.4	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
	$130.0	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
	$112.5	Fcst/Act	$28.1	$49.2	$35.2	$43.3	$43.3	$43.3	$43.3	$43.3	$43.3	$43.3	$43.3	$43.3	$502.6
Nelmar	$53.9	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
	$113.4	Plan	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$453.7
	$171.6	Fcst/Act	$22.9	$73.0	$75.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$37.8	$511.9
Polybond	$99.3	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
	$107.5	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
	$128.1	Fcst/Act	$41.7	$28.3	$58.0	$35.8	$35.8	$35.8	$35.8	$35.8	$35.8	$35.8	$35.8	$35.8	$450.5
Mercury Plastics/PPA CA	$68.5	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
	$104.1	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
	$92.5	Fcst/Act	$0.0	$37.8	$54.8	$36.0	$36.0	$34.7	$36.0	$36.0	$36.0	$36.0	$36.0	$36.0	$415.0
Classic Pkg	$75.7	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
	$88.4	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
	$50.3	Fcst/Act	$24.9	$0.0	$25.4	$38.1	$25.4	$38.1	$38.1	$38.1	$38.1	$38.1	$38.1	$38.1	$380.8
Zims Bagging	$109.8	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
	$82.9	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
	$57.5	Fcst/Act	$23.5	$5.7	$28.3	$27.6	$27.6	$27.6	$27.6	$27.6	$27.6	$27.6	$27.6	$27.6	$306.0
Bron Tapes-5 of 10 locations buying	$69.7	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
	$97.3	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
	$133.0	Fcst/Act	$32.5	$93.0	$7.4	$25.0	$25.0	$72.0	$25.0	$25.0	$25.0	$25.0	$25.0	$25.0	$405.0
North Coast Plastics	$77.0	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
	$77.0	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
	$50.0	Fcst/Act	$25.0	$17.5	$7.5	$22.4	$22.4	$22.4	$22.4	$22.4	$22.4	$22.4	$22.4	$22.4	$251.2
Poly Air-Only one location buying now	$79.7	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
	$34.1	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	$136.2
	$35.1	Fcst/Act	$7.0	$14.0	$14.0	$11.4	$11.4	$11.4	$11.4	$11.4	$11.4	$11.4	$11.4	$11.4	$137.2

Full Year Cost Savings Update

MONTHLY RESULTS







Target to Improve (TTI)	Department	Category	Q1	>Q1	2020 Total	Comments
Sample Room - GB Project ST-LKIT In house	Production/Ops	**Overhead**	$10,414	$3,329	$13,743	**Ends in April**
5256 Adhesive - Change Mgmt. Process 5256 Yield Improvement	Production/Ops	**Direct Material**	$62,333	$16,000	$78,333	**Ends in April**
Ampac - GB OEE Project Eff. Gains with 4:1 liner / lay-on roller / siliconized cores	Production/Ops	**Labor Efficiency**	$0	$13,534	$13,534	**Starts in May**
Ampac - GB OEE Project #921 from 14 to 18 spools / GB OEE Project	Production/Ops	**Labor Efficiency**	$0	$7,390	$7,390	**Starts in May**
Spooler Splicer - GB OEE Project	Production/Ops	**Labor Efficiency**	$0	$6,015	$6,015	**Starts in August**
Converter WC - GB Project - 1st Modification Converter Modifications #849 (C2)- Labor (EFF)	Production/Ops	**Labor Efficiency**	$0	$8,728	$8,728	**Starts in June**
Converter WC - GB Project - 1st Modification Converter Modifications #849 (C2) - Scrap Reduction	Production/Ops	**Direct Material**	$0	$12,250	$12,250	**Starts in June**
Capacity Analysis - Duplex Slitters Duplex Slitter - Labor (EFF)	Production/Ops	**Labor Efficiency**	$0	$16,567	$16,567	**Starts in July**
Capacity Analysis - Duplex Slitters Duplex Slitter - Scrap Reduction	Production/Ops	**Direct Material**	$0	$3,536	$3,536	**Starts in July**
Other	Production/Ops		$3,447	$3,640	$7,087	
5256 Adhesive - Change Mgmt. Process 5256 Price Improvement	Supply Chain	**Direct Material**	$39,368	$0	$39,368	**Ended in Feb**
SC03 Liner - Change Mgmt. Process Mondi SC03 replacing HP228	Supply Chain	**Direct Material**	$15,766	$30,030	$45,796	**All 2020**
EMC Adhesive - Change Mgmt. Process ZZA049 & ZZA050 Avery Denison vs. Pafra ZZA028 & ZZA029	Supply Chain	**Direct Material**	$8,265	$5,803	$14,068	
Mylar - Change Mgmt. Project	Supply Chain	**Direct Material**	$0	$11,550	$11,550	**Starts in May**
RFQ Corrugated Serenity Packaging vs. Larsen Packaging	Supply Chain	**Direct Material**	$0	$16,625	$16,625	**Starts in July**
Price Negotiation FXI - 2# Poly 1.5"	Supply Chain	**Direct Material**	$0	$13,095	$13,095	**April**
Freight Negotiation UPS Agreement	Supply Chain	**Direct Material**	$0	$24,500	$24,500	**Starts in June**
Freight Saving-LTL-Sutton	Supply Chain - SV	**Freight - SV**	**$15,000**	**$25,200**	**$40,200**	**Ends in Nov**
Freight Saving-LTL-AAA Cooper	Supply Chain - SV	**Freight - SV**	**$9,494**	**$8,400**	**$17,894**	**Ends in Nov**
Other	Supply Chain		**$2,178**	**$16,745**	**$18,923**	
	Production Total=		**$76,194**	**$90,989**	**$167,183**	
	Supply Chain Total=		**$90,070**	**$151,948**	**$242,018**	
	Totals=		**$166,264**	**$242,937**	**$409,201**	

Appendix

Agenda

- Executive Summary
- Operational Review
  - 2020 Sales Alignment, Growth Program & Commercial KPIs
  - Commercial and Sales
  - Operations and Manufacturing
- Financial Review
- Information Systems & Technology
- Acquisitions and Other Transactions
- Management and Governance
- Appendix

Status of Key Initiatives

STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact ($MM)	
				Projected	Actual
Commercial Growth (Inside Sales)		• Inside Sales Manager set up daily call tracking and targets • Launched new dashboards giving visibility to sales and churn accounts	Jan 2020	TBD	TBD
Commercial Growth (Outside Sales)		• Restructured Outside Team to deliver new account growth and support for current customers • Developed and implemented Industrial product training to Outside and Inside Sales • Launched new dashboards giving visibility to regional sales and pipeline data	Feb 2020	TBD	TBD
Sales Compensation Model		• 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	Feb 2020	TBD	TBD
New Market Entry		• Phase I seven sector review in-progress – phase I focused on identifying high-level market overview and fit for seven priority target markets • Beckway developed and implementing VOC on top 5 segments	Feb 2020	TBD	TBD
Sourcing		• Supply Chain Manager focused on de-risking business; liners, film, adhesives, foam, mylar and corrugate. • Strong emphasis to reduce inventory, risk mitigation, building strategic partnerships and cost savings	XXX 2020	$345K	TBD
Continuous Improvement		• Yellow and Green belt training scheduled for 2020 • Kaizen's events scheduled for multiple work centers that we have identified as constraints • 10 New 5S+ Events scheduled for 2020	XXX 2020	TBD	TBD

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

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Duraco 2020 Open Roles

ROLE	STATUS
VP SALES	*Deferred to July*
REGIONAL SALES MANAGER MIDWEST	*Active recruiting effort*
REGIONAL SALES MANAGER SOUTHEAST	*Active recruiting effort*
A/R SPECIALIST	*Filled – Start date 5/4*
A/P SPECIALIST	*Filled Internally*
CUSTOMER SERVICE SUPERVISOR	*Indefinitely deferred*
ASSOCIATE PRODUCT MANAGER	*Indefinitely deferred*
MATERIALS SCIENTIST	*Indefinitely deferred*
SENIOR PROCESS ENGINEER	*Indefinitely deferred*
MACHINE OPERATOR	*Indefinitely deferred*
MACHINE OPERATOR	*Indefinitely deferred*

Risks and Opportunities

	DESCRIPTION	POTENTIAL IMPACT	PLAN TO ADDRESS
RISKS	• Paroc quality issues with current 5256 adhesive system in cold weather applications	• Lower revenue ($350k) and EBITDA ($80k)	• Working with Henkel to purchase “old” IMP01 adhesive formula • R&D working on long term solution to cold temperature • Waiting for final response from Paroc on “go” with IMP01
OPPORTUNITIES	• NONE		

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Operational Review

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
GROWTH															
Plan Totals	$9,912	PY	$3,411	$3,179	$3,322	$4,266	$3,232	$3,282	$3,638	$3,470	$3,517	$4,463	$3,128	$2,904	$41,813
	$9,895	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
	$9,961	Fcst/Act	$3,450	$3,141	$3,370	$4,332	$3,298	$3,496	$3,784	$3,614	$3,637	$4,654	$3,461	$3,302	$43,539
Point of Purchase	$6,123	PY	$2,072	$1,958	$2,093	$2,653	$2,092	$1,924	$2,287	$2,005	$2,169	$2,919	$1,992	$1,720	$25,883
	$5,977	Plan	$1,926	$1,930	$2,121	$2,622	$2,038	$2,094	$2,306	$2,136	$2,324	$2,988	$2,031	$1,911	$26,426
	$5,707	Fcst/Act	$2,102	$1,920	$1,685	$2,622	$2,038	$2,094	$2,306	$2,136	$2,324	$2,988	$2,031	$1,911	$26,156
Transit Packaging	$96	PY	$37	$23	$36	$44	$60	$45	$37	$106	$114	$126	$74	$46	$749
	$265	Plan	$91	$81	$93	$96	$95	$111	$94	$82	$105	$93	$99	$111	$1,152
	$550	Fcst/Act	$179	$122	$248	$96	$95	$111	$94	$82	$105	$93	$99	$111	$1,437
White Goods	$1,074	PY	$419	$352	$303	$467	$348	$491	$470	$384	$382	$416	$370	$277	$4,680
	$1,081	Plan	$378	$349	$354	$518	$425	$494	$495	$415	$392	$497	$404	$439	$5,161
	$1,119	Fcst/Act	$370	$303	$446	$518	$425	$494	$495	$415	$392	$497	$404	$439	$5,199
Industrials	$1,345	PY	$432	$431	$482	$566	$414	$449	$554	$427	$408	$477	$303	$388	$5,331
	$1,426	Plan	$479	$490	$456	$510	$416	$456	$514	$474	$433	$514	$400	$438	$5,582
	$1,094	Fcst/Act	$370	$333	$391	$510	$416	$456	$514	$474	$433	$514	$400	$438	$5,250
Distributors	$436	PY	$135	$180	$121	$290	$165	$142	$130	$219	$216	$164	$95	$128	$1,984
	$377	Plan	$114	$149	$114	$267	$160	$123	$109	$212	$137	$222	$146	$134	$1,886
	$502	Fcst/Act	$208	$122	$172	$267	$160	$123	$109	$212	$137	$222	$146	$134	$2,012
Wall Hangings	$230	PY	$110	$35	$84	$27	$2	$11	$24	$73	$67	$147	$137	$154	$873
	$192	Plan	$89	$57	$46	$100	$25	$30	$35	$95	$77	$141	$163	$66	$923
	$552	Fcst/Act	$41	$221	$290	$100	$25	$30	$35	$95	$77	$141	$163	$66	$1,284
Other	$372	PY	$125	$120	$127	$119	$95	$149	$85	$175	$103	$137	$109	$104	$1,447
	$350	Plan	$128	$110	$112	$121	$80	$110	$153	$128	$107	$137	$153	$144	$1,484
	$288	Fcst/Act	$127	$64	$96	$121	$80	$110	$153	$128	$107	$137	$153	$144	$1,421
Unknown	$234	PY	$81	$79	$74	$101	$57	$71	$52	$81	$60	$76	$49	$87	$867
	$228	Plan	$85	$65	$78	$99	$60	$78	$77	$72	$60	$61	$65	$59	$859
	$149	Fcst/Act	$52	$56	$41	$99	$60	$78	$77	$72	$60	$61	$65	$59	$781

Commercial Bowling Chart by Region

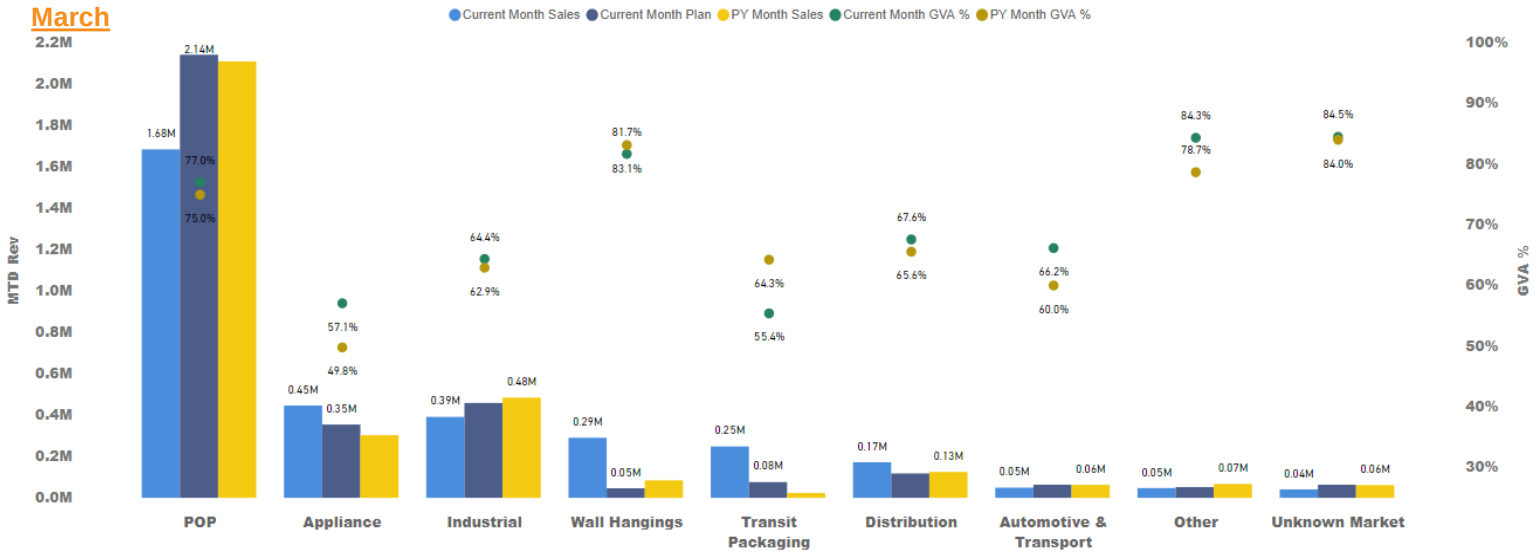
PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
GROWTH															
Plan Totals	$9,912	PY	$3,411	$3,179	$3,322	$4,266	$3,232	$3,282	$3,638	$3,470	$3,517	$4,463	$3,128	$2,904	$41,813
	$9,895	Plan	$3,290	$3,231	$3,374	$4,332	$3,298	$3,496	$3,784	$3,614	$3,637	$4,654	$3,461	$3,302	$43,473
	$9,963	Fcst/Act	$3,450	$3,141	$3,372	$4,332	$3,298	$3,496	$3,784	$3,614	$3,637	$4,654	$3,461	$3,302	$43,541
Northeast	$1,134	PY	$442	$328	$364	$566	$418	$357	$479	$276	$337	$358	$296	$260	$4,483
	$1,147	Plan	$436	$329	$382	$492	$398	$372	$431	$308	$354	$352	$336	$295	$4,485
	$837	Fcst/Act	$324	$251	$262	$492	$398	$372	$431	$308	$354	$352	$336	$295	$4,175
Southeast	$1,173	PY	$390	$374	$409	$503	$389	$298	$414	$425	$383	$518	$403	$255	$4,761
	$1,191	Plan	$385	$389	$416	$507	$404	$317	$398	$515	$424	$513	$385	$263	$4,916
	$1,086	Fcst/Act	$350	$406	$330	$507	$404	$317	$398	$515	$424	$513	$385	$263	$4,812
East Central	$1,575	PY	$564	$469	$542	$691	$540	$588	$570	$580	$530	$718	$489	$468	$6,751
	$1,628	Plan	$553	$502	$572	$707	$539	$602	$637	$546	$539	$724	$523	$594	$7,039
	$1,983	Fcst/Act	$670	$620	$692	$707	$539	$602	$637	$546	$539	$724	$523	$594	$7,394
Central	$2,405	PY	$772	$830	$804	$1,003	$893	$848	$879	$914	$948	$1,292	$821	$974	$10,978
	$2,531	Plan	$804	$858	$869	$1,167	$868	$963	$955	$887	$993	$1,295	$830	$871	$11,359
	$2,376	Fcst/Act	$908	$698	$770	$1,167	$868	$963	$955	$887	$993	$1,295	$830	$871	$11,204
Southwest	$729	PY	$209	$252	$268	$254	$149	$183	$232	$252	$265	$299	$202	$191	$2,756
	$682	Plan	$207	$243	$233	$258	$173	$220	$259	$250	$278	$297	$214	$207	$2,837
	$580	Fcst/Act	$191	$199	$190	$258	$173	$220	$259	$250	$278	$297	$214	$207	$2,735
West	$867	PY	$348	$243	$276	$339	$259	$278	$338	$255	$331	$479	$305	$241	$3,693
	$789	Plan	$262	$255	$272	$294	$285	$285	$337	$333	$381	$460	$385	$330	$3,878
	$746	Fcst/Act	$332	$245	$170	$294	$285	$285	$337	$333	$381	$460	$385	$330	$3,836
Canada	$263	PY	$63	$96	$104	$85	$48	$69	$89	$59	$53	$109	$37	$26	$838
	$292	Plan	$70	$103	$120	$96	$61	$86	$96	$72	$67	$126	$58	$45	$999
	$215	Fcst/Act	$83	$57	$75	$96	$61	$86	$96	$72	$67	$126	$58	$45	$922
Mexico	$68	PY	$19	$24	$24	$22	$52	$28	$31	$19	$22	$20	$15	$19	$295
	$69	Plan	$27	$21	$22	$25	$34	$28	$37	$28	$23	$24	$20	$19	$306
	$79	Fcst/Act	$23	$19	$37	$25	$34	$28	$37	$28	$23	$24	$20	$19	$316
Appliance - WP, Tiers & RV	$1,037	PY	$406	$338	$293	$452	$322	$478	$455	$364	$368	$397	$358	$264	$4,495
	$1,025	Plan	$359	$334	$331	$426	$352	$421	$403	$341	$319	$405	$331	$366	$4,387
	$1,140	Fcst/Act	$356	$325	$459	$426	$352	$421	$403	$341	$319	$405	$331	$366	$4,502
Appliance - GE	$37	PY	$13	$14	$10	$14	$26	$13	$15	$20	$14	$19	$12	$13	$185
	$57	Plan	$19	$15	$23	$92	$74	$74	$92	$74	$74	$92	$74	$74	$774
	$41	Fcst/Act	$15	$14	$12	$92	$74	$74	$92	$74	$74	$92	$74	$74	$759
House / International	$490	PY	$149	$142	$199	$251	$115	$95	$232	$173	$192	$278	$205	$76	$2,109
	$421	Plan	$139	$163	$119	$241	$100	$87	$95	$219	$161	$344	$285	$195	$2,147
	$828	Fcst/Act	$179	$290	$359	$241	$100	$87	$95	$219	$161	$344	$285	$195	$2,554
Teachers Tape	$61	PY	$21	$22	$17	$27	$13	$24	$47	$48	$20	$24	$13	$14	$292
	$64	Plan	$28	$19	$16	$28	$11	$19	$45	$41	$25	$22	$22	$19	$296
	$53	Fcst/Act	$21	$17	$15	$28	$11	$19	$45	$41	$25	$22	$22	$19	$284

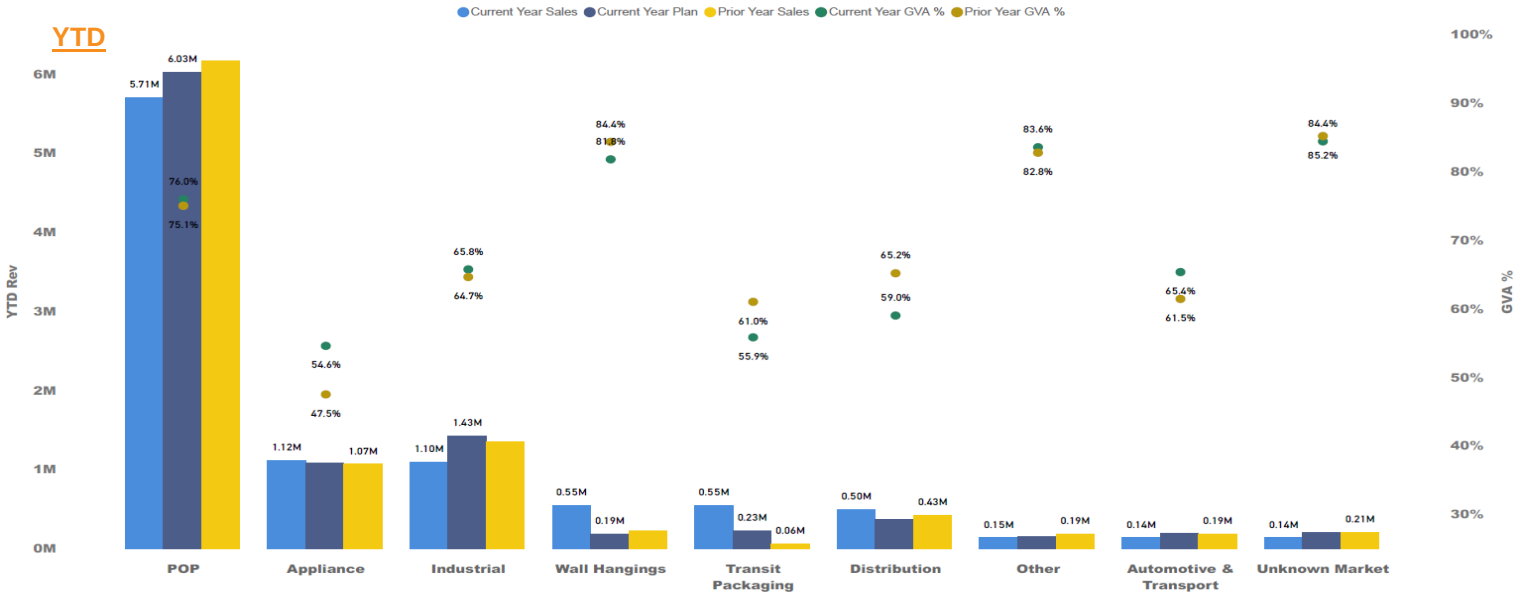
Top Customers by MTD and YTD Sales and GVA

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)	240,286	26,972	891%	72,108	233.2%	80.3%	82.5%	473,145	134,858	125%	168,242	181.2%	80.8%	82.7%
Whirlpool (Appliance)	225,991	214,094	106%	218,878	3.2%	50.5%	45.7%	630,306	686,963	102%	703,060	-10.3%	48.3%	40.3%
Ampac (Transit Packaging)	164,711	38,500	428%	18,344	797.9%	57.1%	59.2%	379,324	115,500	44%	50,791	646.8%	57.4%	56.0%
La France Corporation (Appliance)	118,894	25,000	476%	1,263	9314.5%	70.2%	71.4%	185,108	35,000	106%	37,105	398.9%	70.4%	71.4%
Essentra (Distribution)	93,036	54,773	170%	67,577	37.7%	61.8%	61.5%	276,205	181,709	131%	237,694	16.2%	53.2%	57.6%
Imagine Print Solutions (POP)	59,241	66,941	88%	57,044	3.9%	81.2%	82.6%	175,927	226,572	102%	231,780	-24.1%	81.2%	80.3%
TMS TECHNICAL MACHINERY SOLUTIONS (Transit Packaging)	58,263	30,000	194%	0	Infinity	43.8%	NaN	123,366	90,000	0%	0	Infinity	43.7%	NaN
Menasha (POP)	54,122	92,720	58%	84,506	-36.0%	74.6%	72.7%	209,537	267,510	99%	263,499	-20.5%	73.7%	72.5%
WESTROCK (POP)	51,480	75,330	68%	80,655	-36.2%	73.3%	73.9%	256,717	218,961	99%	217,131	18.2%	73.9%	73.0%
Rapid Display (POP)	49,406	41,148	120%	42,189	17.1%	86.4%	73.3%	89,526	111,098	97%	107,801	-17.0%	83.8%	74.5%
PlanetArt (Wall Hangings)	48,045	17,677	272%	12,307	290.4%	88.3%	86.9%	74,070	53,031	116%	61,690	20.1%	88.0%	89.1%
Stumps Shindigz (POP)	44,635	38,217	117%	37,353	19.5%	75.4%	75.1%	99,031	57,083	99%	56,645	74.8%	78.3%	74.3%
ATLANTIC PACKAGING (Distribution)	40,967	34,250	120%	31,326	30.8%	77.3%	71.6%	71,901	81,947	92%	75,228	-4.4%	75.1%	73.0%
QUAD GRAPHICS NEW BERLIN (POP)	40,847	19,438	210%	16,181	152.4%	78.9%	83.4%	89,056	45,355	76%	34,255	160.0%	75.1%	82.3%
BRADFORD COMPANY (Industrial)	39,317	10,540	373%	8,797	347.0%	21.1%	26.1%	53,048	36,891	84%	31,132	70.4%	21.5%	24.8%
Serigraph Incorporated (POP)	36,937	20,694	178%	19,411	90.3%	76.6%	78.4%	75,364	62,081	93%	57,794	30.4%	76.9%	78.1%
Siffron (POP)	36,406	42,000	87%	40,671	-10.5%	66.4%	70.6%	198,853	126,999	100%	127,593	55.8%	71.4%	68.4%
Donaldson (Industrial)	31,332	27,081	116%	27,731	13.0%	64.2%	63.9%	87,469	88,011	86%	75,615	15.7%	63.5%	61.3%
Alliance Laundry Systems LLC (Appliance)	30,853	27,095	114%	17,560	75.7%	65.6%	68.8%	85,339	88,059	88%	77,644	9.9%	65.2%	64.1%
Hennessy Industries - Bada (Automotive & Transport)	30,172	33,338	91%	40,940	-26.3%	62.9%	61.0%	93,844	108,349	102%	110,964	-15.4%	62.2%	61.1%
Plastic Products Company Incorporated (Appliance)	29,218	23,000	127%	14,983	95.0%	46.3%	48.7%	65,646	72,000	81%	58,450	12.3%	46.0%	46.9%
RR Donnelley (POP)	27,941	45,809	61%	45,564	-38.7%	70.6%	74.1%	151,568	137,428	98%	134,430	12.7%	72.6%	72.3%
Flower City Printing Company (POP)	27,363	32,000	86%	22,243	23.0%	76.9%	83.2%	86,873	96,000	87%	83,521	4.0%	77.6%	77.9%
K International (POP)	26,116	15,187	172%	12,544	108.2%	83.3%	86.8%	46,402	40,498	112%	45,217	2.6%	82.9%	86.4%
PCA Corporation (POP)	25,298	47,319	53%	50,956	-50.4%	85.1%	83.2%	85,065	97,645	105%	102,126	-16.7%	84.7%	83.5%
Pointsmith (POP)	24,151	18,889	128%	65,231	-63.0%	88.6%	77.2%	42,794	37,778	228%	86,060	-50.3%	85.1%	76.2%
SCHNEIDER ELECTRIC MEXICO S.A. de C.V. (Industrial)	23,330	17,711	132%	20,360	14.6%	64.5%	65.1%	61,928	57,560	95%	54,966	12.7%	64.1%	63.3%
LPC TX VISUAL, LLC (POP)	22,119	0	Infinity	0	Infinity	66.9%	NaN	30,111	0	NaN	0	Infinity	73.9%	NaN
Best Buy Purchasing LLC (POP)	21,820	9,905	220%	9,681	125.4%	87.6%	87.1%	42,549	26,476	100%	26,439	60.9%	87.6%	87.1%
Great Northern Corporation (POP)	21,259	40,470	53%	43,469	-51.1%	82.9%	84.3%	66,356	77,905	105%	82,147	-19.2%	83.6%	83.4%
Lauren Plastics LLC (POP)	18,892	13,986	135%	8,311	127.3%	60.5%	48.4%	110,593	41,958	95%	39,929	177.0%	59.4%	47.0%
Bernard Group (POP)	17,803	31,968	56%	30,595	-41.8%	76.3%	80.3%	48,441	63,936	99%	63,200	-23.4%	76.6%	78.9%
Veritiv - St Louis (POP)	17,217	4,538	379%	4,435	288.2%	57.4%	85.6%	35,817	11,614	102%	11,791	203.8%	58.8%	84.7%
CANPLEX PROFILES (POP)	16,756	16,073	104%	14,385	16.5%	56.3%	56.4%	47,935	35,674	95%	33,732	42.1%	56.4%	56.9%
Oliver Printing (POP)	16,674	2,761	604%	2,699	517.8%	83.1%	68.2%	32,795	8,859	103%	9,151	258.4%	78.7%	68.9%
Miller Studio (POP)	16,026	5,747	279%	5,617	185.3%	72.4%	59.7%	32,740	52,532	102%	53,352	-38.6%	70.4%	70.2%
Total	**3,370,069**	**3,374,183**	**100%**	**3,321,813**	**1.5%**	**71.3%**	**70.7%**	**9,960,019**	**9,895,142**	**100%**	**9,911,691**	**0.5%**	**70.9%**	**70.5%**

Revenue by Customer Segment

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR





Management Discussion:

POP segment down 20% versus plan and PY

- Top 20 accounts down 4.5%, 11 accounts up, 9 down
- Key growth accounts, Rapid Display, Quad Graphics, Serigraph

Appliance up 26% versus plan, YTD above plan 3.5% & PY

- Whirlpool overall had a positive month up 6.4%, Amana was shutdown end of the month for coronavirus
- LaFrance, Alliance Laundry and Tiers had strong growth
- GE was soft, DHB project shipping in April

Transit Packaging up 66% versus plan and YTD up 76%

- Ampac and TMS continue to drive majority of volume
- Georgia Pacific – open facility in AZ to support Amazon Mailer
- Building new business with El Paso Paper Box, Pollock Packaging

Wall Hanging back to back significant months, $290k

- Mixtiles and PlanetArt placing large orders

Industrial down 13.5% versus plan and down 22% to plan

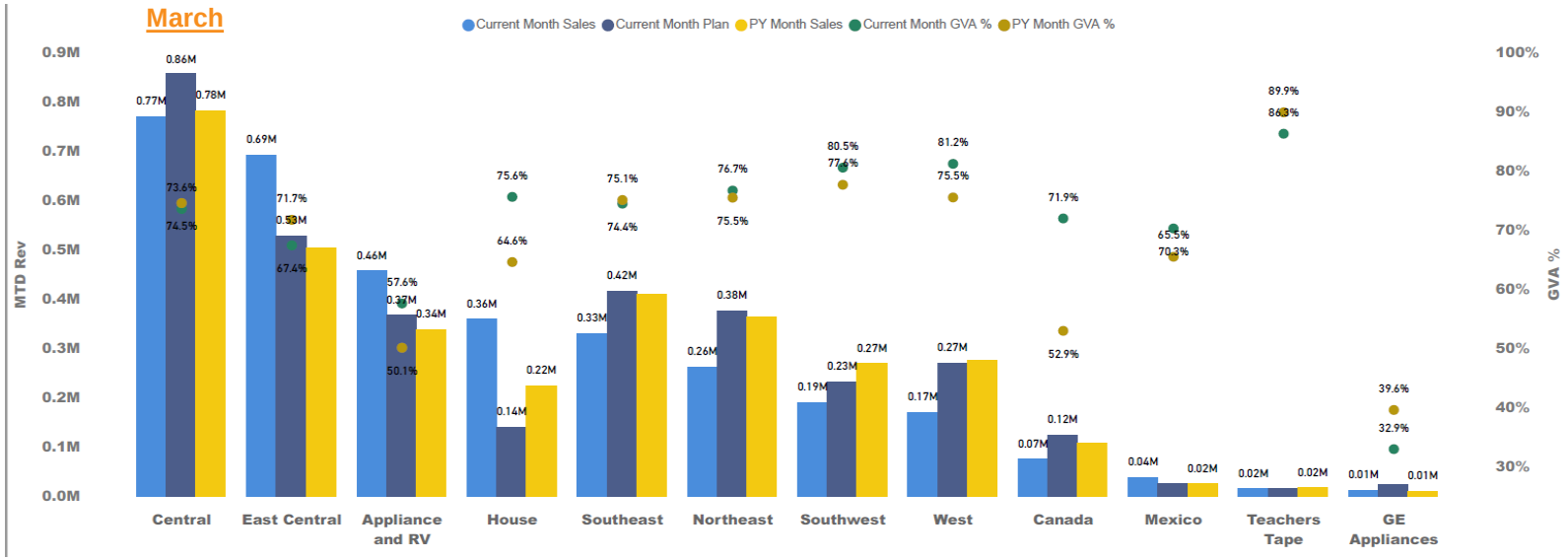
- TEMA – new account $16k, full year expectation $100k
- Industrial product training completed in March

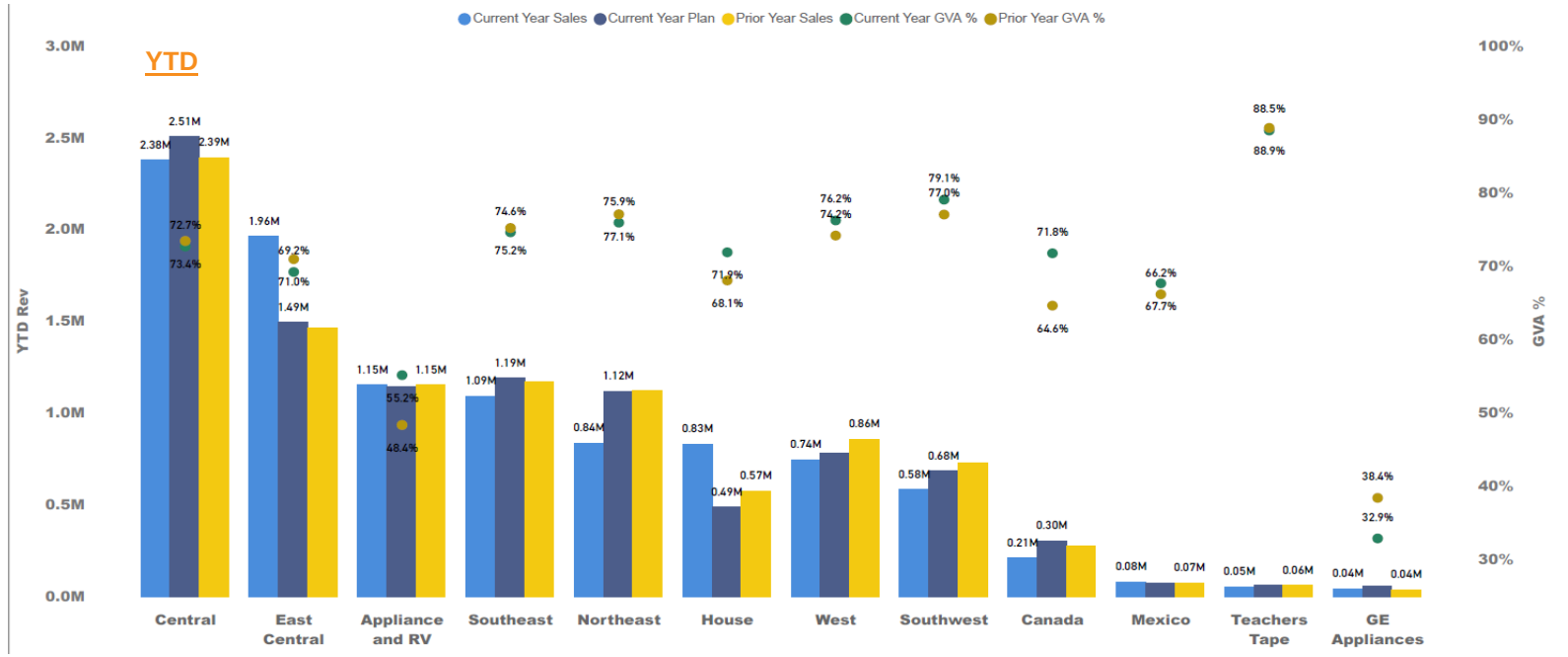
Distribution up versus plan and PY

- Majority of customers up versus plan and PY
- Essentra Ningbo – agreed to new pricing and terms in April
    - 10% discount on select items, ExWorks, Net 90 days

Revenue by Region

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR





Management Discussion:

East Central up 21% versus plan, up 26% YTD

- Ampac continues to overdeliver to plan, up 327%
- Stumps Shindigz up 17%, shut down not an Essential Business
- Small accounts behind plan

Whirlpool, Tiers and RV up 39% versus plan

- WP up 6.4% versus plan driven by Marion and Cleveland
- LaFrance, Alliance Laundry, Plastic Products all up over plan
- RV, developing relationship with D&W (channel partner). Beginning to quote on new opportunities

Central down 11% versus plan

- POP driving the miss; Menasha, Imagine, Siffron, RR Donnelley

Northeast down 31% versus plan

- Large accounts down; Tape Group, PCA Packaging, B&R Moll
- Increasing call activity with small / medium accounts; new prospects

West down 37% versus plan, need new business

- Georgia Pacific working on project to support Amazon mailer

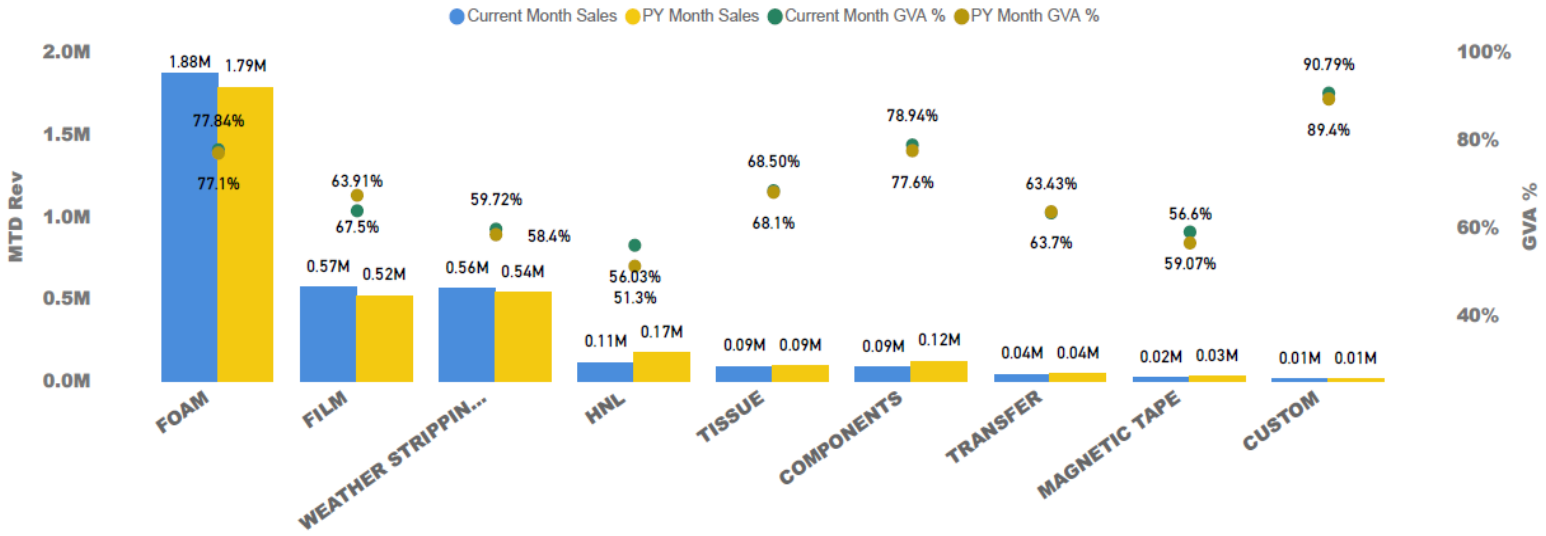
Southwest down 20.5% versus plan

- Nick Darling, new RSM, contacting every customer in the region

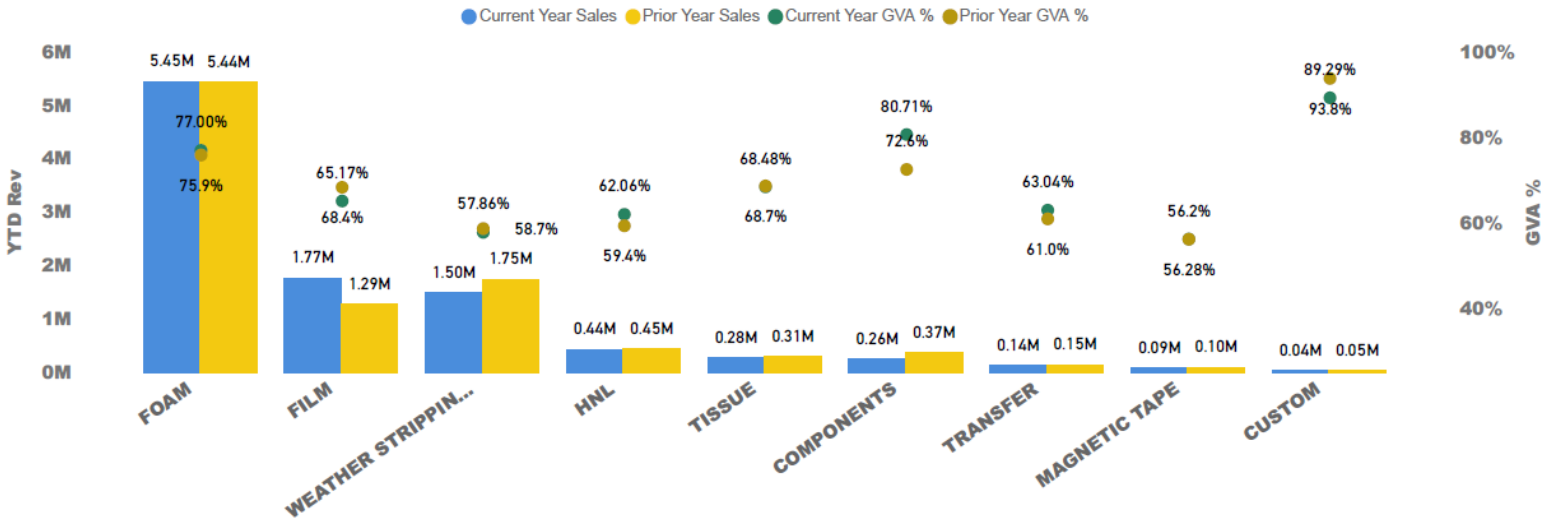
Revenue by Product Category

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

March



YTD



Management Discussion:

The Foam product lines took over the largest MoM growth, being up $91k. This was led by our usual customers in each category:

- Remo One – Up $186K
  - Led by:
    - Mixtiles – Up $189k
    - Planet Art – Up $48k
- Duraco High Bond – Up $96k
  - Led by:
    - La France – Up $95K
    - Best Buy – Up $13k

Weather Stripping & Gasket saw a rebound month, being up $23k. COVID-10 face shields had not yet completely kicked in but led by favorable order cycles for:

- VNN – Up $30k
  - Whirlpool – Up $17k
  - Seasons 4 – Up $10k
- Polyethylene – Up $16k
  - Plastic Products International – Up $14k
    - Tier supplier for Whirlpool
  - K International – Up $9k
    - This was the beginning of foam for face shields

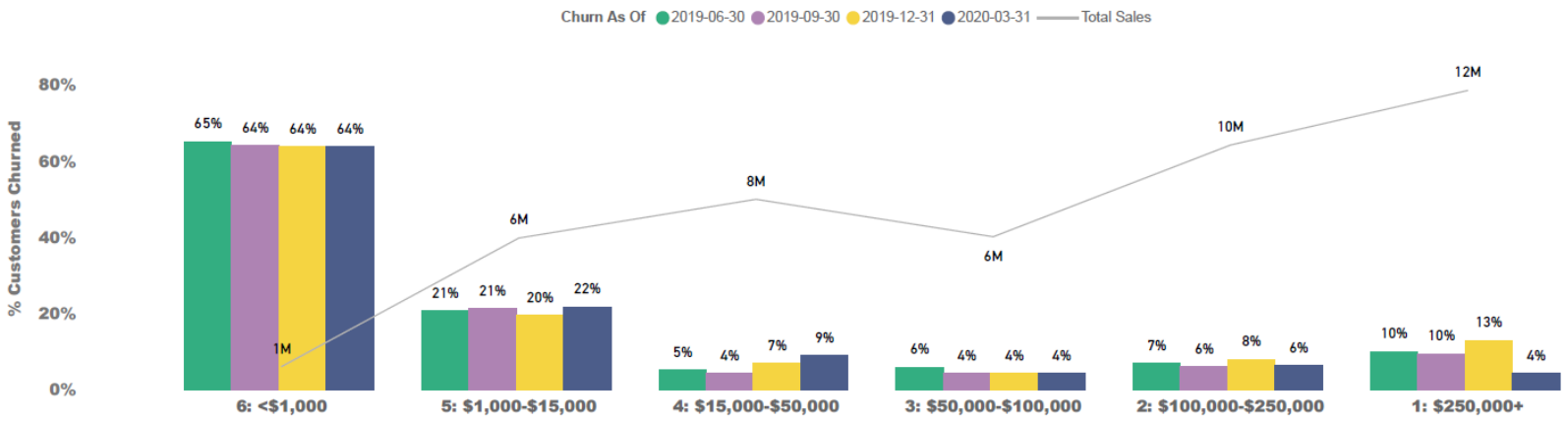
Hook and Loop took a large drop in March, being down, MoM, $60k. This drop was led by:

- IDL Instachange – Down $30k
- Unique Prescotech – Down $11k
- Metelix – Down $10k
  - Based on lost business because of no location in Canada. Going back after now that 3PL is open.

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
- 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 account)

- Essentra Nottingham ceased operations end of 2019

Customers $100k - $250k (4 accounts)

- Chung Lam had end of life part for Target Store
- Halstead: Lack of programs and low demand for their decorative wall planks
- Undercover – Foam tape business lost to competitor
- Menasha Hartford - account now bills to Neenah location

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

- ARI Packaging – Glue dot project for Nestle did not repeat
- MD Building Products – inside sales in engaged. Needs a visit.
- Robin Enterprises Company – RSM is actively engaged
- Summit Manufacturing = RSM is actively engaged

Customers $15k - $50k (25 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 (307 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 (2868 accounts)

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

2020 Commercial KPIs

Sales Dashboard

Date Range	Industry	Territory	Sales Tier	Account Classification
3/1/2020 – 3/28/2020	All	All	All	All

As of	% of Month	MTD Sales	PY MTD Sales	Month Plan	YTD Sales	PY YTD Sales	YTD Plan
03/28	100%	$3.37M	$3.32M	$4.33M	$9.96M	$11.03M	$9.90M
			1.5%	-22.2%		-9.7%	0.7%

Segment

Industry	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %	YTD Sales
POP	$1,685,415.48	$2,620,120	-35.7%	$2,110,020.71	-20.1%	$5,708,226.08
Appliance	$447,937.16	$517,858	-13.5%	$302,979.92	47.8%	$1,121,540.08
Industrial	$394,623.88	$456,367	-13.5%	$484,632.35	-18.6%	$1,104,172.47
Wall Hangings	$290,388.48	$46,149	529.2%	$84,414.80	244.0%	$552,274.49
Transit Packaging	$248,463.36	$93,374	166.1%	$23,076.05	976.7%	$552,098.76
Distribution	$172,041.66	$113,768	51.2%	$125,056.27	37.6%	$497,432.32
Automotive & Transport	$49,039.82	$63,407	-22.7%	$61,248.79	-19.9%	$144,298.89
Other	$47,299.79	$48,475	-2.4%	$67,263.01	-29.7%	$145,535.43
Total	**$3,371,888.36**	**$4,331,720**	**-22.2%**	**$3,321,813.08**	**1.5%**	**$9,961,838.44**

Territory

Territory	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %
Appliance and RV	$459,059.13	$480,577	-4.5%	$337,727.62	35.9%
Canada	$74,687.26	$119,579	-37.5%	$107,928.16	-30.8%
Central	$770,285.43	$1,149,356	-33.0%	$781,817.53	-1.5%
East Central	$692,360.58	$528,143	31.1%	$503,210.02	37.6%
GE Appliances	$12,335.32	$22,820	-45.9%	$8,295.43	48.7%
House	$359,057.48	$140,308	155.9%	$223,574.83	60.6%
Mexico	$37,489.08	$21,916	71.1%	$24,495.94	53.0%
Northeast	$261,639.08	$376,333	-30.5%	$363,144.99	-28.0%
Total	**$3,371,888.36**	**$4,331,720**	**-22.2%**	**$3,321,813.08**	**1.5%**

Customers

Customer Name	Acct Number	MTD Sales	Month Plan	MTD Plan Δ %
MixTiles	1	$240,046.39	$19,080	1158.1%
AMPAC	3	$164,710.77	$38,500	327.8%
La France Corporation	1	$118,893.90	$25,000	375.6%
Whirlpool Corporation - Clyde	1	$88,802.25	$125,040	-29.0%
Whirlpool Corporation - Marion	1	$68,306.55	$75,222	-9.2%
TMS TECHNICAL MACHINERY SOLUTIONS	1	$58,262.68	$30,000	94.2%
Essentra Components - Erie	2	$53,398.20	$5,068	953.6%
Total	**31782**	**$3,371,888.36**	**$4,331,720**	**-22.2%**

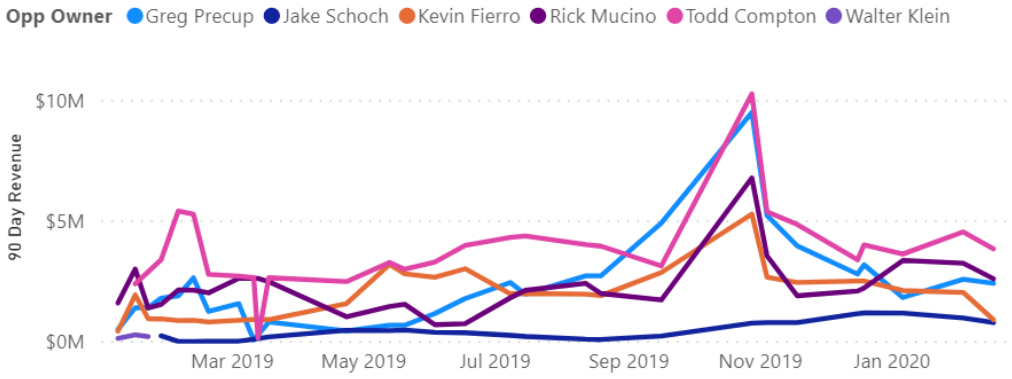
Products

Product Family	MTD Sales	PY MTD	MTD Δ %	YTD
FOAM	$1,878,895.46	$1,788,164.48	5.1%	$5,445,174.09
FILM	$572,776.58	$520,833.52	10.0%	$1,773,283.06
WEATHER STRIPPING & GASKET	$564,025.23	$539,706.68	4.5%	$1,499,951.84
HNL	$113,108.81	$173,209.02	-34.7%	$437,568.96
TISSUE	$86,859.31	$94,606.65	-8.2%	$278,573.33
COMPONENTS	$85,600.62	$119,537.95	-28.4%	$263,048.62
TRANSFER	$39,725.42	$42,174.70	-5.8%	$135,730.53
Total	**$3,371,888.36**	**$3,321,813.08**	**1.5%**	**$9,961,838.44**

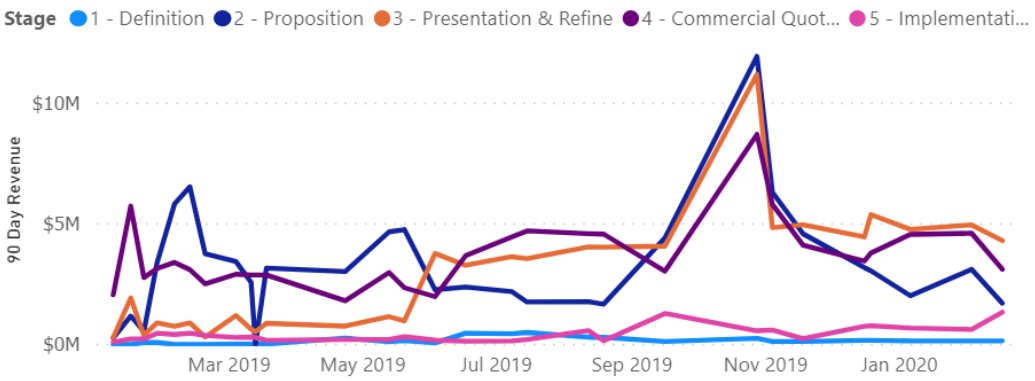
Historical Pipeline Analysis

Date Range
1/1/2019 2/29/2020

90 Day Revenue by Date and Opp Owner



90 Day Revenue by Date and Stage



Date	Greg Precup	Jake Schoch	Kevin Fierro	Rick Mucino	Todd Compton	Walter Klein	**Total**
1/7/19	$522,648.00		$448,000.00	$1,620,000.00		$147,400.00	**$2,738,048.00**
1/15/19	$1,415,648.00		$1,948,000.00	$3,020,000.00	$2,409,000.00	$294,800.00	**$9,087,448.00**
1/21/19	$1,418,748.00		$964,000.00	$1,410,000.00		$222,400.00	**$4,015,148.00**
1/27/19	$1,816,968.00	$254,000.00	$954,000.00	$1,555,000.00	$3,405,500.00		**$7,985,468.00**
2/4/19	$1,915,575.00	$18,000.00	$889,000.00	$2,155,000.00	$5,430,000.00		**$10,407,575.00**
2/11/19	$2,658,891.00	$18,000.00	$899,000.00	$2,148,000.00	$5,300,000.00		**$11,023,891.00**
2/18/19	$1,268,866.00	$26,000.00	$830,000.00	$2,035,000.00	$2,800,000.00		**$6,959,866.00**
3/4/19	$1,589,964.00	$26,000.00	$896,000.00	$2,634,500.00	$2,725,500.00		**$7,871,964.00**
3/11/19	$79,465.00	$116,000.00	$934,000.00	$2,634,500.00	$2,665,000.00		**$6,428,965.00**
3/13/19			$919,000.00	$2,634,500.00	$165,000.00		**$3,718,500.00**
3/18/19	$830,041.00	$206,500.00	$928,000.00	$2,496,500.00	$2,665,000.00		**$7,126,041.00**
4/23/19	$458,783.00	$484,500.00	$1,592,000.00	$1,045,000.00	$2,500,000.00		**$6,080,283.00**
5/13/19	$694,390.00	$474,500.00	$3,213,000.00	$1,465,000.00	$3,293,830.00		**$9,140,720.00**
Total	**$64,840,955.00**	**$11,600,500.00**	**$55,359,000.00**	**$65,933,000.00**	**$103,631,250.60**	**$664,600.00**	**$302,029,305.60**

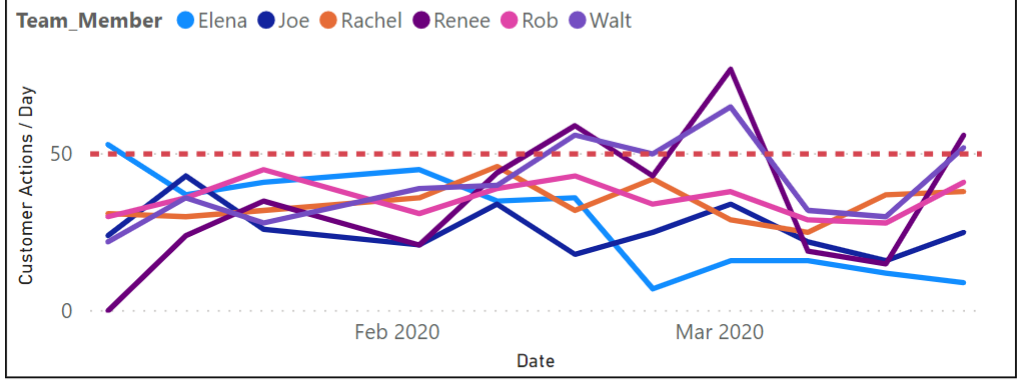
Inside Sales: Manager Report

Date Range: 1/1/2020 – 3/28/2020

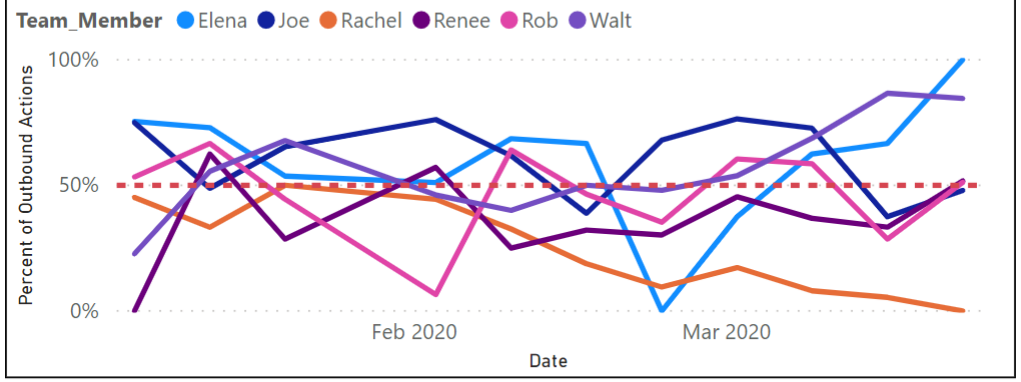
Inside Sales Rep: All

Avg Customer Actions	% Outbound Actions	Avg Samples Sent	Avg RSM Engagements
33.5	48.0%	3.2	2.1
Target: 50/week	Target: 50%	Target: 3/week	Target: 1/week

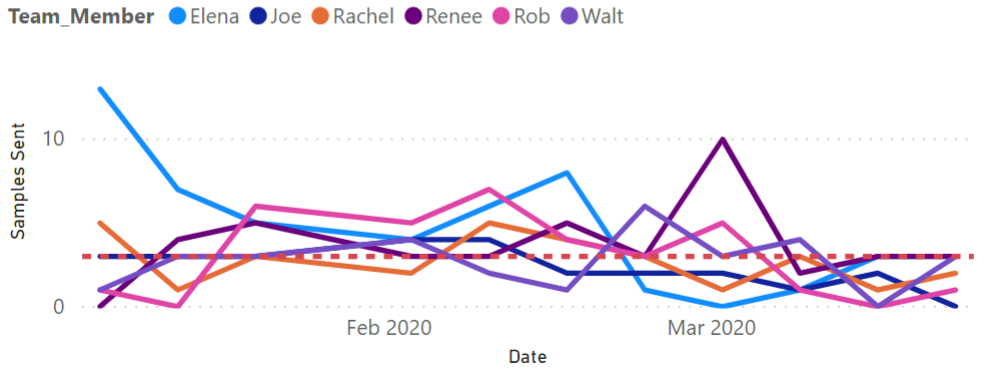
Customer Actions



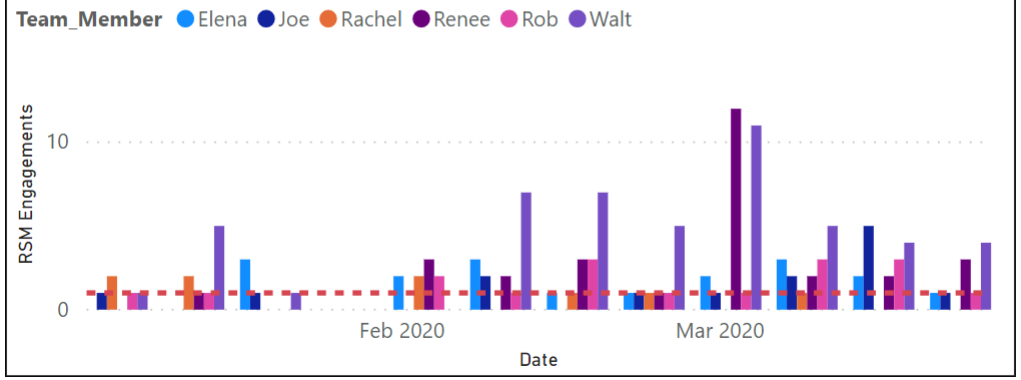
Percent of Outbound Actions



Samples Sent



RSM Engagements

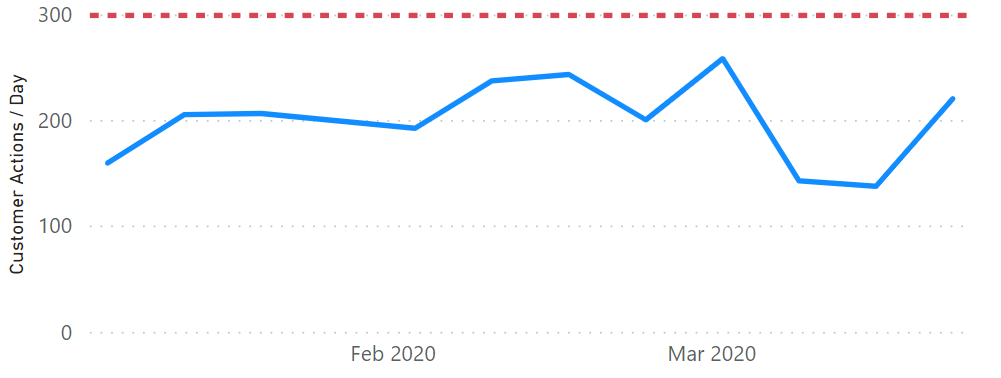


Inside Sales: Executive Summary

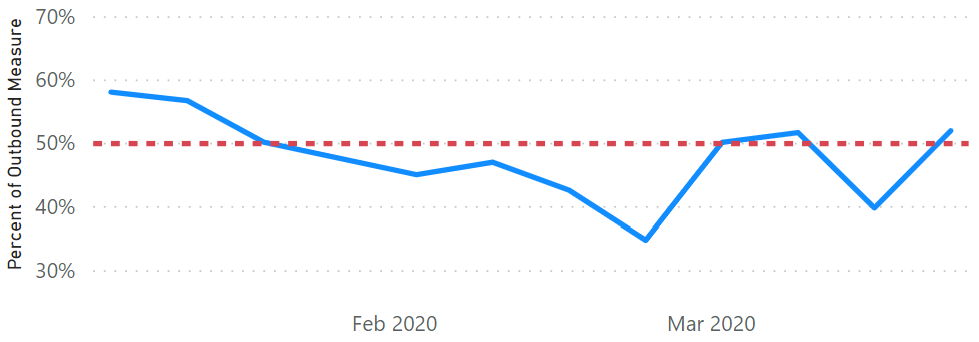
Date Range
1/1/2020 | 3/28/2020

Avg Customer Actions	% Outbound Actions	Avg Samples Sent	Avg RSM Engagements
33.5	48.0%	3.2	2.1
Target: 50/week	Target: 50%	Target: 3/week	Target: 1/week

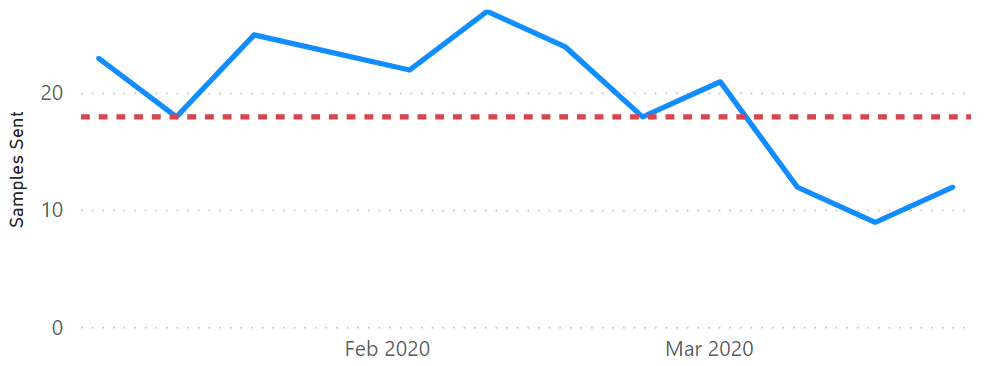
Customer Actions



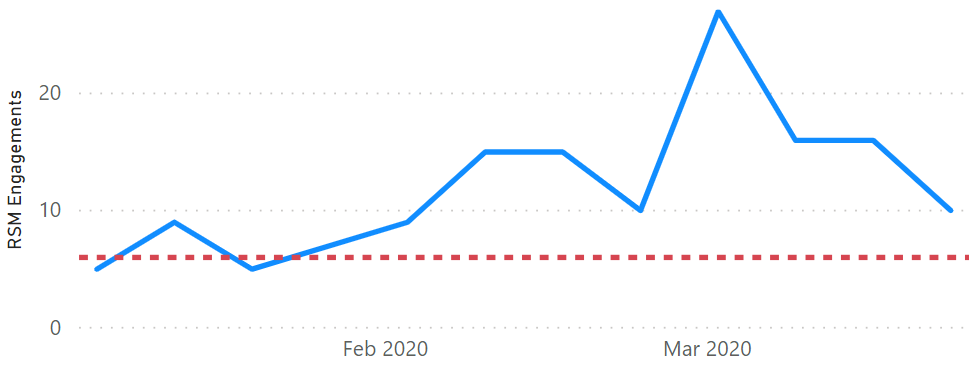
Percent Outbound Actions



Samples Sent



RSM Engagements

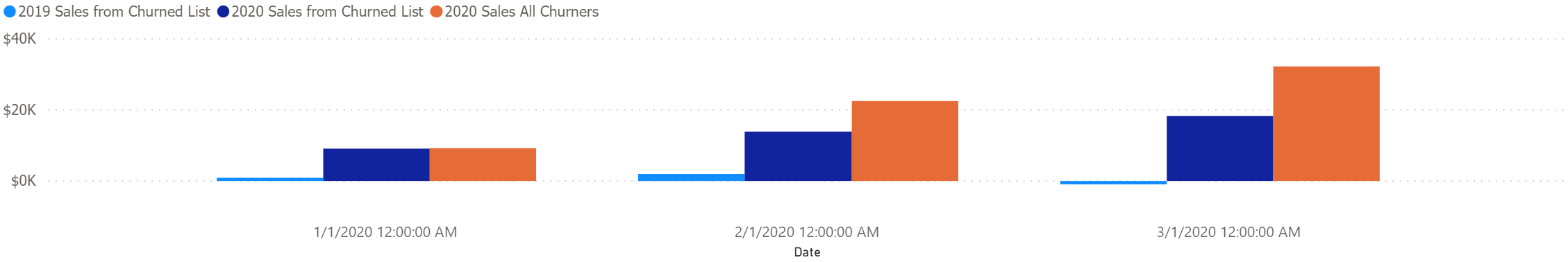


Churned Customers

Date Range	Industry	Territory	Sales Tier	Account Classification
1/1/2020 – 3/28/2020	All	All	All	All

As of	MTD All Churners	YTD All Churners	2019 Sales	2018 Sales	2019 Churned Sales	2020 Target	2020 Quota	Savings to Quota
03/28	$32.28K	$64.04K	$16.96K	$1.56M	($1.54M)	$140K	$157K	($93K)

Sales From Churners

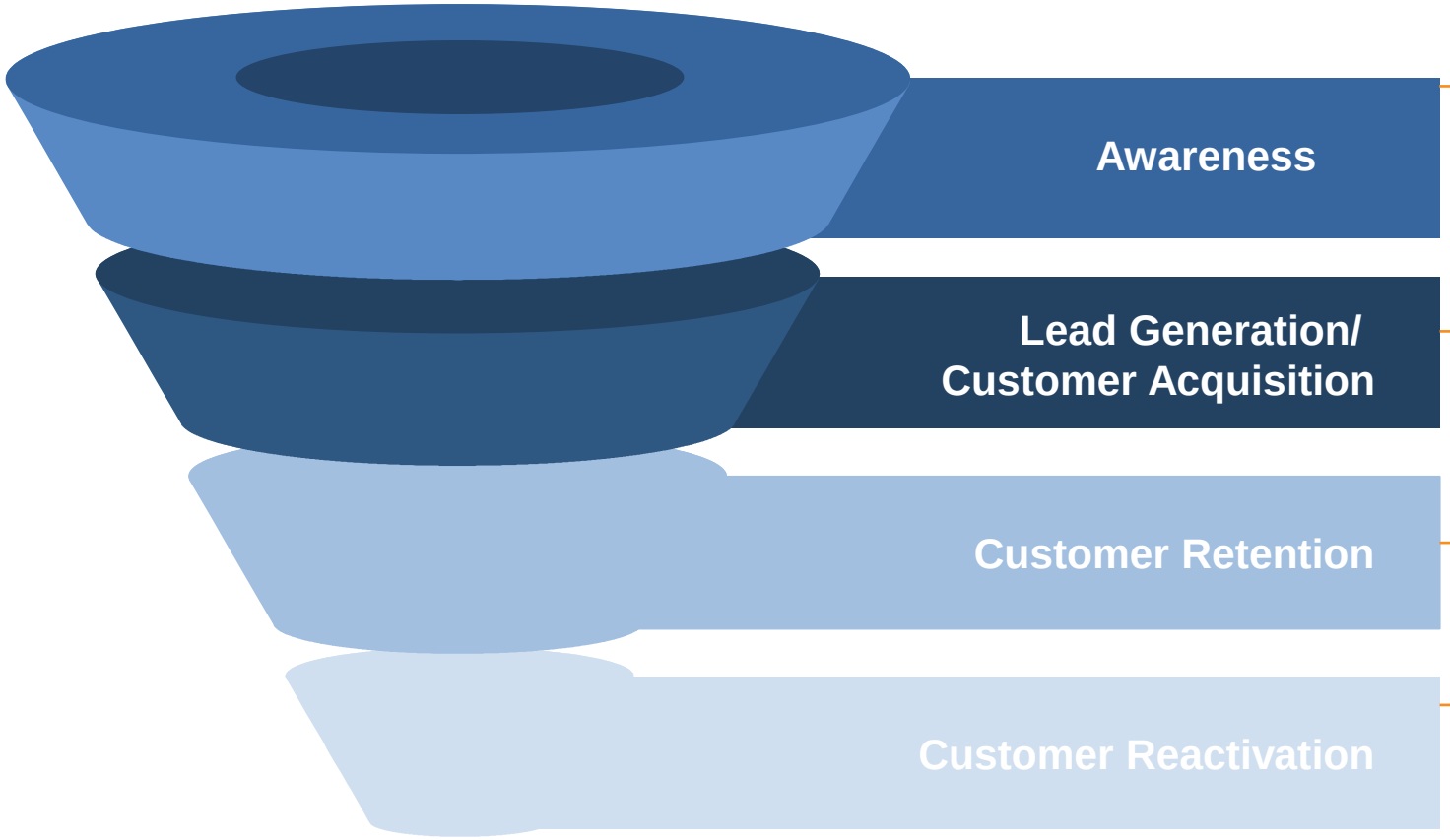


Churn Cohort	Customer Name	Acct Number	Previous Sales Tier	2020 Sales	2019 Churned Sales	2019 Sales	2018 Sales	2017 Sales
Feb	WESTROCK MERCHANDISING DISPLAYS	61002791	4: $15,000-$50,000		($89,266.26)		$89,266.26	$421,053.08
Dec	Sunbelt Plastic Extrusions Incorporated	61000078	4: $15,000-$50,000		($49,672.51)		$49,672.51	$152,672.39
Dec	LBP MANUFACTURING INC	61003784	4: $15,000-$50,000		($47,655.40)	$675.97	$48,331.37	$0.00
Dec	Adams Mc Clure Lp	61000677	4: $15,000-$50,000	$3,123.38	($40,936.75)	$4,256.05	$45,192.80	$20,631.76
Dec	GERRITY	61003122	4: $15,000-$50,000		($40,449.84)	$0.00	$40,449.84	$12,940.79
Jan	DATA COMMUNICATIONS MANAGEMENT	454365	4: $15,000-$50,000		($39,741.21)	$2,455.02	$42,196.23	$571.54
Feb	Wilbert Plastic Services	61000385	4: $15,000-$50,000		($39,206.96)		$39,206.96	$223,540.95
Dec	Baesman Group Inc.	61005497	4: $15,000-$50,000		($38,740.09)	$1,330.88	$40,070.97	$23,968.58
Dec	Romo Incorporated	61001162	4: $15,000-$50,000	$1,149.60	($37,229.19)	$2,307.70	$39,536.89	$44,108.58
Total		**28351221068**		**$64,043.60**	**($1,849,828.46)**	**$441,894.20**	**$2,291,722.66**	**$2,771,107.62**

Marketing & Product Management Overview

Marketing Impact

KEY STAGES WHERE MARKETING HELPS TO DRIVE BUSINESS GROWTH



Building awareness and demand for products using the following media channels:

- **Direct Mail**
- **Print Advertising**
- **Social Media**
- **Search Engine Marketing**
- **Search Engine Optimization**

All contacts are directed to the website to measure visibility and traffic from marketing activations + campaigns.

Through marketing activations + campaigns, we measure converting website traffic into leads and/or web transactions through various methods including:

- **Form Fill (Contact Us, Request a Catalog, Request a Sample)**
- **Phone Call**
- **Email**

This stage is to communicate consistently with current and active customers to retain and influence repeat purchasing. Example activities include:

- **Email Marketing**
- **Social Media**
- **Direct Mail**

This stage is to communicate with customers who have churned and we would like to reactivate them. Example activities include:

- **Email Marketing**
- **Social Media**
- **Direct Mail**

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Marketing Measurement

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

Top Level Bowling Chart

KPI		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2019
	# of Days	22	20	20	24	19	22	22	20	19	25	18	22	253
Awareness														
Total Webste 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	12,118	13,021	13,560	13,040	12,110	11,160	11,867	11,478	10,000	195,301
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	8,548	11,275	39,494	11,150	12,031	12,691	12,190	11,159	10,249	10,902	10,696	5,869	157,255
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	3	4	4	4	4	3	4	3.71
Average Website Session	PY	113	124	113	108	111	100	105	110	116	123	100	132	112.91
	Fcst/Act	120	108	115	108	111	100	105	110	116	123	100	132	111.64
Website Bounce Rate	PY	51%	47%	48%	48%	45%	50%	47%	46%	51%	49%	55%	49%	49%
	Fcst/Act	51%	54%	56%	48%	45%	50%	47%	46%	51%	49%	55%	49%	50%
Website Abandoned Cart Rate	PY	74%	75%	71%	72%	72%	71%	76%	74%	74%	83%	71%	73%	74%
	Fcst/Act	72%	76%	75%	72%	72%	71%	76%	74%	74%	83%	71%	73%	74%
Lead Generation/Customer Acquisition														
CTR (Impressions/Clicks)	PY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Fcst/Act	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	229	303	208	60	29	34	79	62	95	1,327
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	7.14	2.76	3.84	13.734	18.207	12.474	3.591	1.764	2.016	4.725	3.717	5.67	80
	Fcst/Act	2	4	0										6
Total New Customers Acquired	PY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Fcst/Act	0	0	0										
ROAS (Google Ads Only)	PY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0
	Fcst/Act	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	48,000	48,000	48,000	48,000	48,000	48,000	48,000	
Customer Reactivation														
Customers Emailed (Churn)	PY	0	0	0	0	0	0	0	0	0	0	0	0	
	Fcst/Act	0	890	890	1020	1020	1020	1020	1020	1020	1020	1020	1020	
1K - 50K Customer Actions (Churn)	PY	0	0	0										
	Plan	0	0	398										
	Fcst/Act	0	0	191										

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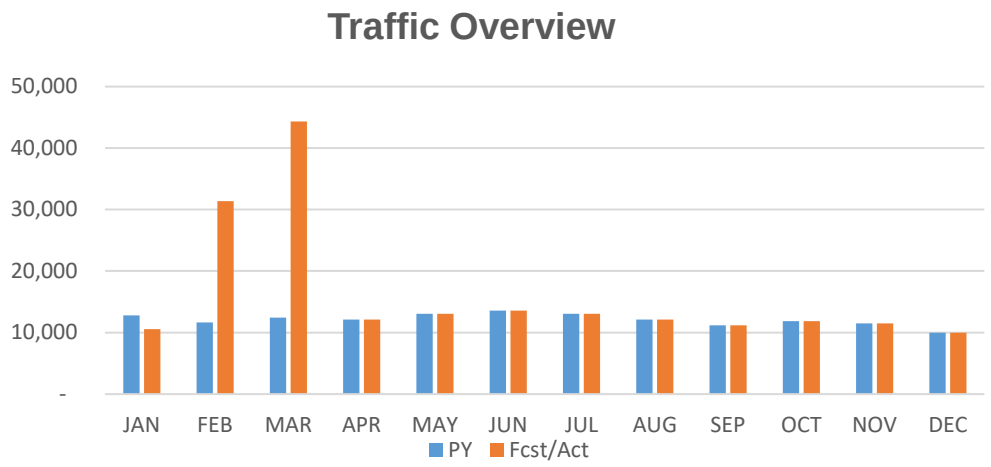
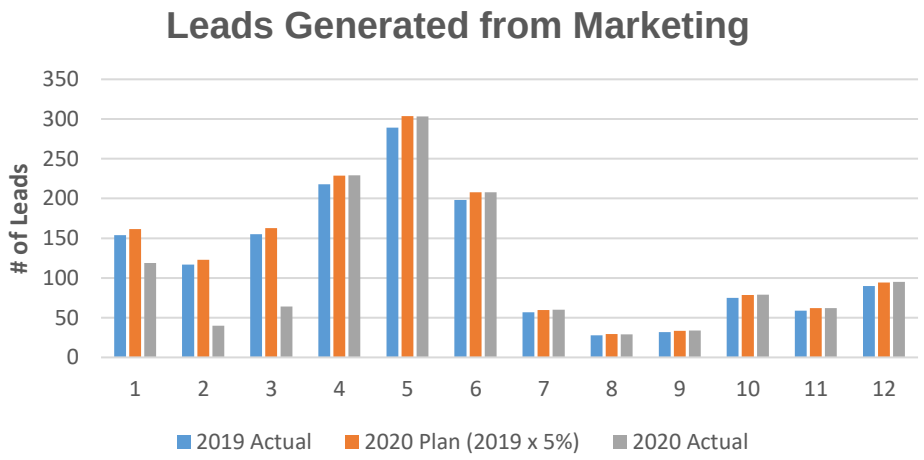
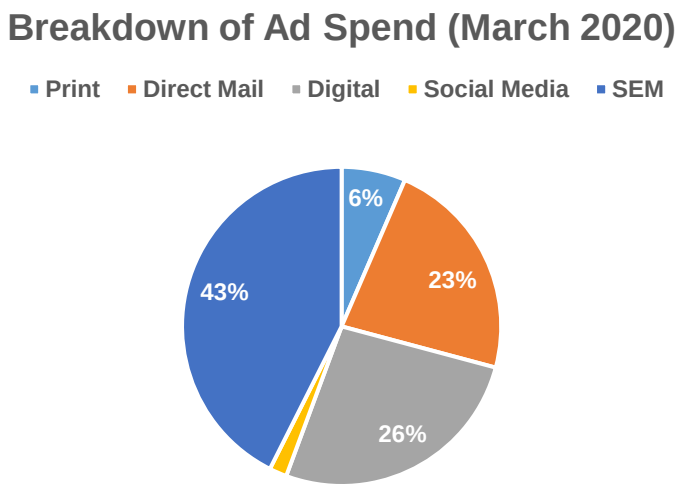
Marketing Measurement

SMALL SET OF MARKETING KPI'S ALIGNING WITH KEY STAGES OF BUSINESS GROWTH







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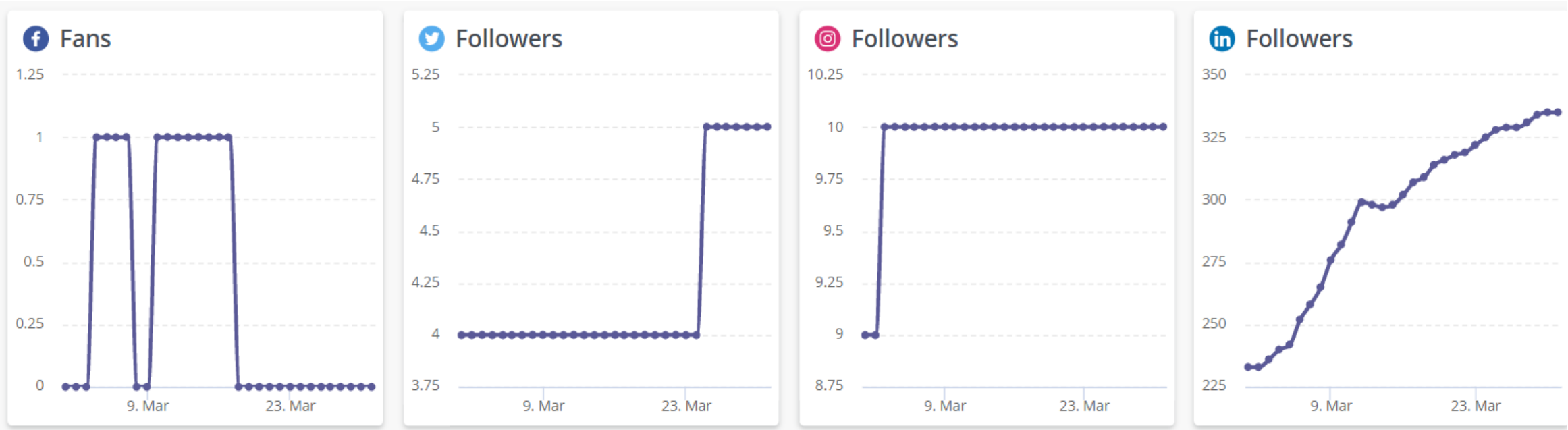
Marketing Measurement

SMALL SET OF MARKETING KPI'S ALIGNING WITH KEY STAGES OF BUSINESS GROWTH

- For social media, the Marketing team developed a total of 17 posts in March resulting in an increase in engagement and followers, with over 100 new LinkedIn followers in the last 30 days.



Teacher’s Tape Brand Refresh

OVERVIEW OF INITIATIVE

- **Reasons for a Brand Refresh:**
  - Huge eCommerce opportunity for the brand, especially with new website
  - All current growth has been organic, huge opportunity to grow revenue with investing on ad spend to this market.
  - Brand has not been updated since the 90’s (think comic sans)
  - Important to show the evolution of the teacher’s tape brand, just as Duraco did. It’s important to showcase the brand and marketing is not stale.
  - Prepare the brand for potential market expansion (dorm tape, wall tape,etc)
  - As we think about infusing a more forward digital marketing approach, we want new and fresh visuals to promote on a variety of channels, including social media
- **Phase 1: Brand Visuals**
  - We partnered with Avenue group to develop a new brand visual system for Teacher’s Tape.
  - Throughout the process, research was conducted to understand the education landscape, teacher preferences, Teacher’s Tape current brand equity and brand health.
  - We also surveyed 54 teachers and received real feedback on the final two brand concepts.
  - The new logo revealed on the next page will immediately be used on the new website and new packaging.
- **Phase 2: Go-to-Market Strategy**
  - Now that the brand visuals are complete, we will move right into the GTM strategy for Teacher’s Tape.
  - This process will include outlining all of the strategies and tactics to elevate the Teacher’s Tape brand and drive additional revenue for Duraco.

Current Logo

TeachersTape®
and more!

New Logo

TEACHER'S
tape

Q2 Marketing Calendar

OVERVIEW OF MARKETING COMMUNICATIONS + MEDIA MIX

Market	Product/Event Focus	Media Mix		
Prospects		April 2020	May 2020	June 2020
POP	• Removable Products (Apr)) • Twin Stick/Dubl Kote (M, J) • Global Shop 2020 (M, J) • Instant Adhesives (TBD)	• InfoUSA Email (2) • InfoUSA Banner Ad • Shop! Newsletter Banner • Google + Bing Ads • Sponsored Social Media (FB + LI) • Creative Magazine	• Design:Retail Newsletter Banner • Shop! Newsletter Banner • Retail Environments Print Ad • Sponsored Social Media (FB + LI)	• GlobalShop 2020 • Design:Retail Newsletter Banner • Shop! Newsletter Banner • Sponsored Social Media (FB + LI) • Creative Magazine
Print	• Removable Products (Apr) • Fingerlift Tape (May, June)	• Printing Impressions • Sponsored Social Media (FB + LI) • Google + Bing Ads	• Printing Impressions • Sponsored Social Media (FB + LI) • Google + Bing Ads	• Printing Impressions • Sponsored Social Media (FB + LI) • Google + Bing Ads
Industrial (Trailer + RV)	• DHB (Cargo Trailers , Specialty Trailers, Work Truck, RV) • Gasket + Weather Stripping (Cargo Trailers, Specialty Trailers, Work Trucks, Semi Trailers, RV) • Dubl Kote (Also include on both sell sheets	• Sponsored Social Media (FB + LI) • Google + Bing Ads • Other Truck + Trailer	• Sponsored Social Media (FB + LI) • Google + Bing Ads • Other Truck + Trailer	• Direct Mail • InfoUSA Email • InfoUSA Banner Ad • Sponsored Social Media (FB + LI) • Google + Bing Ads • Other Truck + Trailer
Transit Packaging	• TBD	• Packaging Impressions • Sponsored Social Media (FB + LI) • Google + Bing Ads	• Packaging Impressions • Sponsored Social Media (FB + LI) • Google + Bing Ads • AIC Boxscore	• Packaging Impressions • Sponsored Social Media (FB + LI) • Google + Bing Ads • AIC Boxscore
Exhibit	• Remo One®, Remo One® Plus, Remo Two®, Remo One® Film, Duraco® Hook and Loop, Duraco® Hook and Loop Low Profile	• Sponsored Social Media (FB + LI) • Google + Bing Ads	• Sponsored Social Media (FB + LI) • Google + Bing Ads	• Sponsored Social Media (FB + LI) • Google + Bing Ads
Customers				
All Customers	• Removable Products • VoC Customers (POP)	• Email Marketing	Email Marketing	Email Marketing

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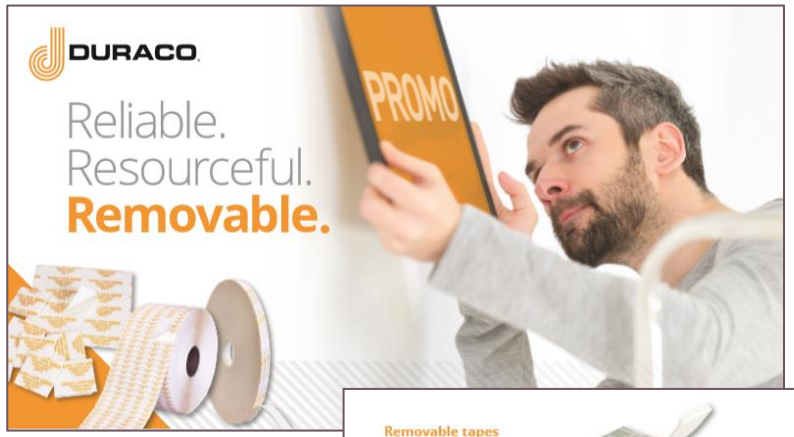
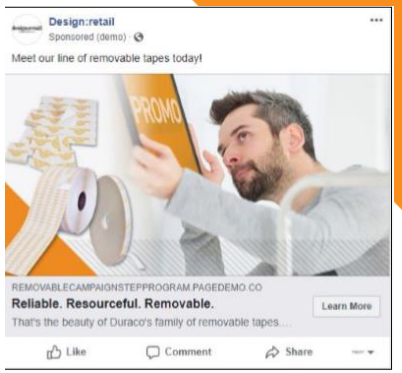
Removable Products Campaign

OVERVIEW OF CAMPAIGN

- **Goal:** To drive product awareness and demand for our removable tapes.
- **Product Focus:**
  - Remo One® Plus, Remo One®, Thick Remo One® , Remo Two®, Thick Remo Two®, Remo Two® Clear, Remo One® Film, Metal Shelf Tape, 4181/4081, DKOF
- **Market Focus:** POP, Exhibit, Print/Signage
- **Timeline:** March 2020 – April 2020
- **Marketing Activities/Assets:**
  - Direct Mail
  - Email Blast
  - Digital Advertising
    - Shop!
    - Facebook Sponsored
    - LinkedIn Sponsored
    - InfoUSA Programmatic Display
    - Design:Retail Step Social Program
  - Print Advertising
    - Creative Magazine
    - Retail Environments Print Ad
  - Landing Page





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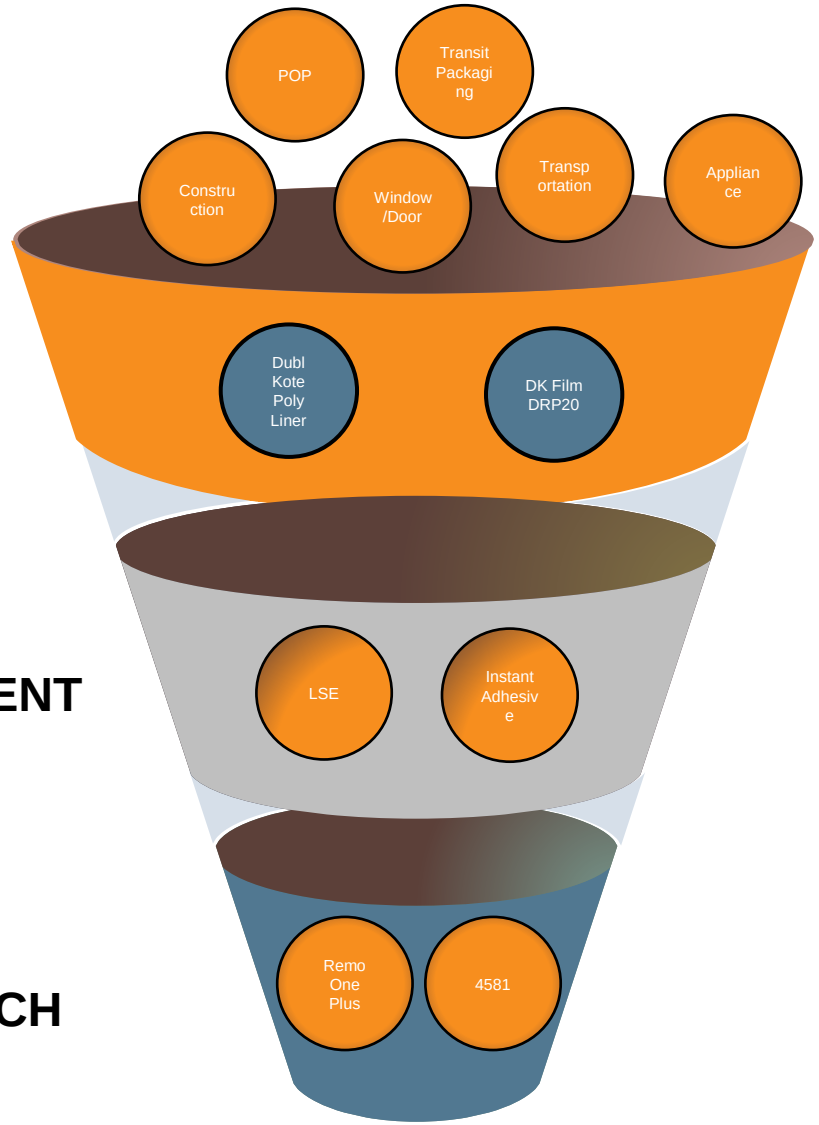
Product Development

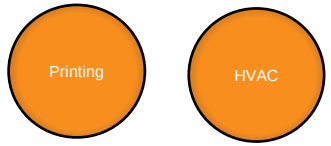


IDEATION

DEVELOPMENT

LAUNCH

REMOVED



MARKETS	POTENTIAL NEW PRODUCTS	EXPECTED REVENUE	LAUNCH
Transit Packaging	Tamper Proof Tape	TBD	TBD
Appliance	Aluminum Foil Tape, EPDM, Fiberglass, various	TBD	TBD
~~HVAC~~	~~Aluminum Foil Tape, Butyl Tape~~	~~TBD~~	~~TBD~~
Window / Door	Glazing Tape, Aluminum Foil Tape, Butyl Tape	TBD	TBD
Construction	Butyl Tape, Foil Tape, Various single sided	TBD	TBD
Transportation	Foil Tape, Insulation	TBD	TBD
~~Printing~~	~~Banner Tape, Wide Format~~	~~TBD~~	~~TBD~~

PRODUCTS	DESCRIPTION	MARKETS / USAGE
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.
Dubl Kote Poly Liner	Our standard Dubl Kote product line, provided with a Polypropylene or Polyethylene liner.	POP / Window – Replacing our paper protective liner with a plastic film that allows for easier release, without tearing.
DK Film DRP20 – 4.5 mils thick	DK Film with a hi-tack acrylic adhesive.	Industrial – Competing against 3M 200 and 300 adhesives.

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Operations and Manufacturing

Operations Dashboard

Forest Park

	PRIORITY	UOM		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
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	Went 11 months in 2018, this would challenge us to be at 23 months straight
			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	0	0	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%	2018 actuals 89%, 2019 91% actual ,
			Plan	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	
			Actual	93%	94%	71%										86%	
	Landfill Diversion %	%	PY	53%	80%	45%	46%	33%	51%	54%	43%	38%	36%	27%	67%	48%	Avg. 26% for 2018- 2017 Goal was at 15%, 2019 Avg. 48%- Push goal of 50%
			Plan	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
			Actual	37%	73%	59%										56%	
Quality	Customer EQDs	#	Reference Actual	23	13	7										43	144 Complaints in 2019
	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%	2016 avg: 0.79%, 2017 avg: 0.53, 2018 avg: 0.26%, 2019 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%											
	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**	$470.6, represents 5% reduction from 2019
			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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	103.59	

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Operations Dashboard Cont.

	PRIORITY	UOM		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
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	Based on Plan
			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										$9,895	
	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%	2017=86%, 2018=90%
			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%											
	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%	2018 98% actual plan of 96% 2019 98.2 actual to a 98% plan
			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%											
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	
			Actual	$51,469	$50,772	$39,533										$141,774	
	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	4.4% reduction in total inv. Value from 2019.
			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										$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										$2,096	
HC	Total Production Headcount	#	PY	78	78	78	78	78	78	78	78	78	78	78	78	78	several people retiring this year and no plans to replace all of them do to process/production improvements
			Plan	78	78	78	78	77	77	76	76	76	76	76	76	76	
			Actual	75	76	75										76	

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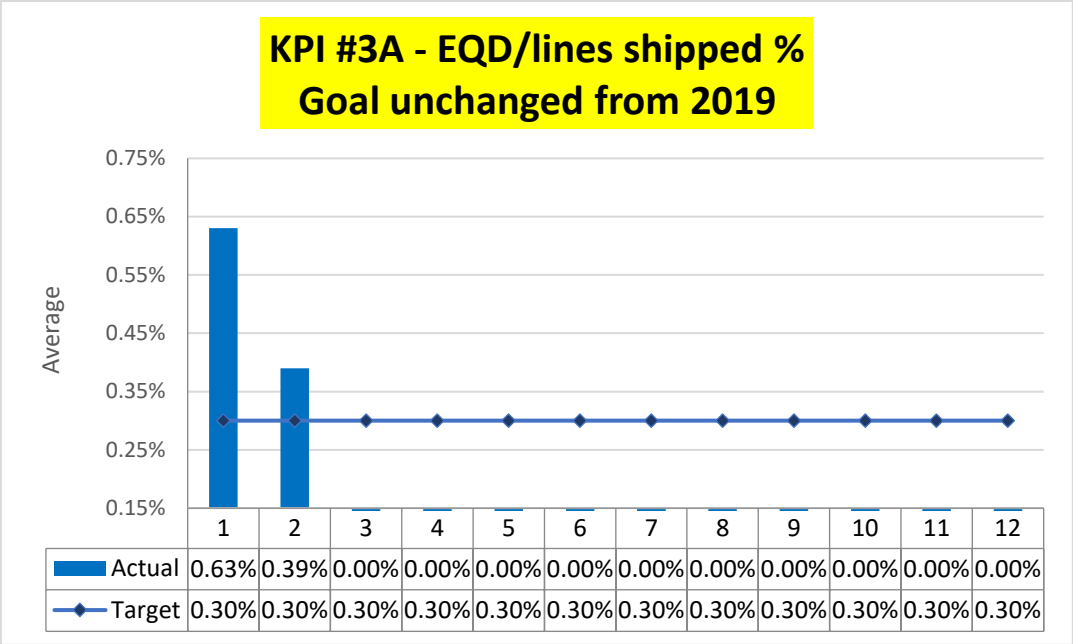
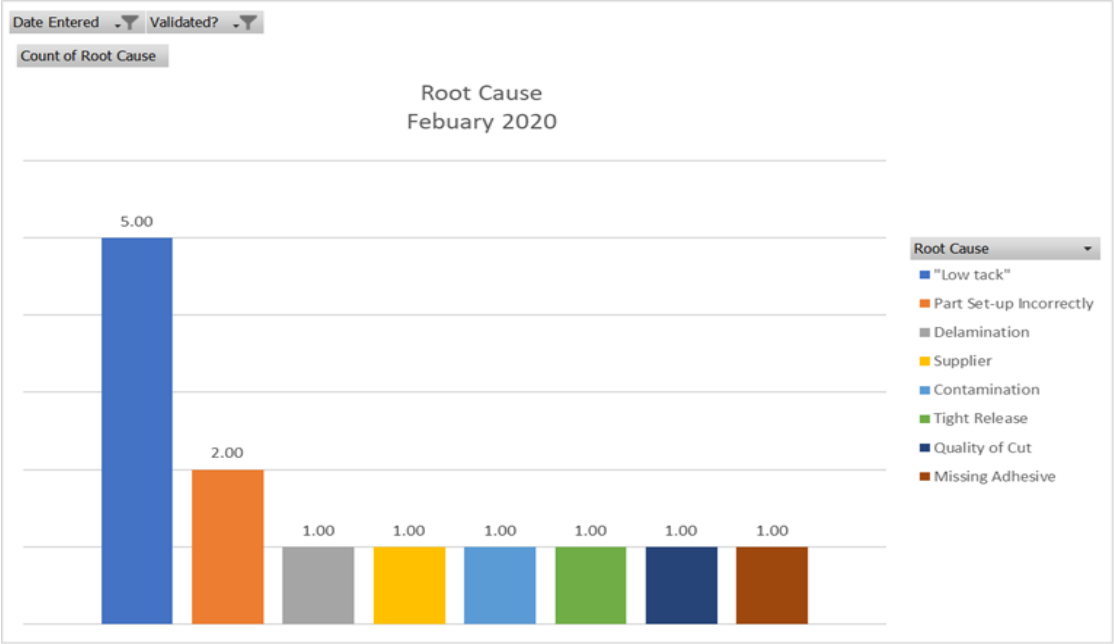
Quality

EQD % OF LINES SHIPPED

Defective order lines as % of total order lines



	1	2	3	4	5	6	7	8	9	10	11	12
Actual	0.63%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Target	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%



Management Discussion:

- EQD%:. Main driver “Low Tack”
  1. We currently have outside testing going on to try and quantify “Low Tack” , current testing methods don’t show a difference.
- COPQ: Feb. Goal > $49K, Actual $38K.

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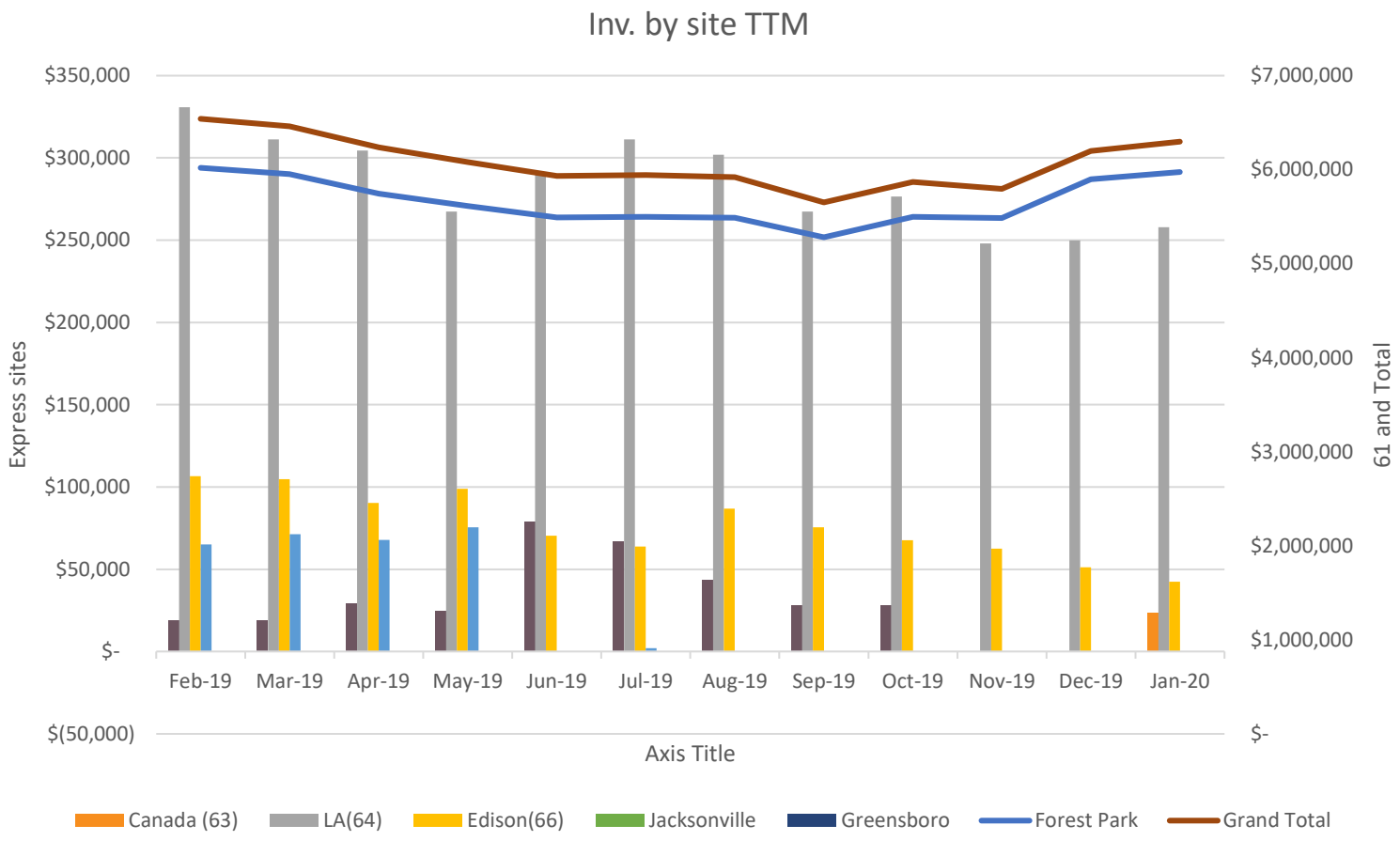
Inventory



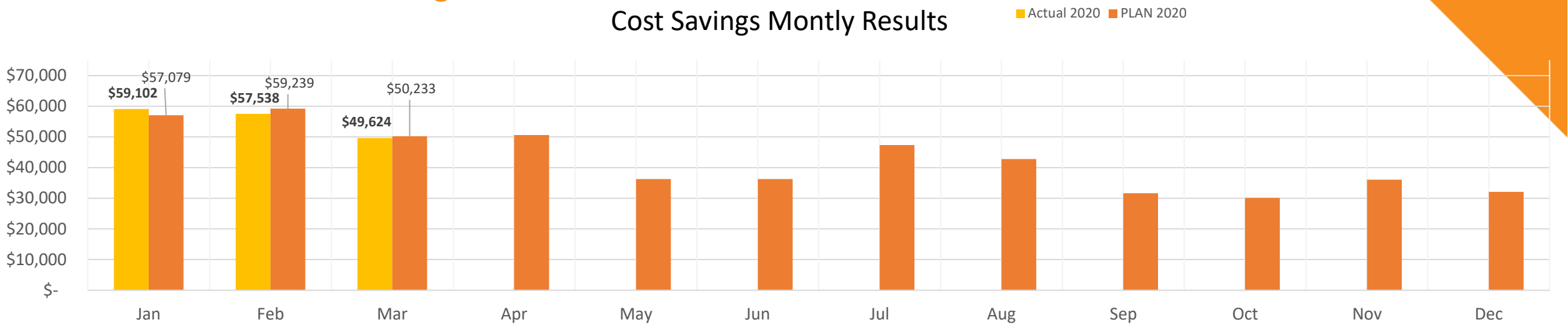
Management Discussion:

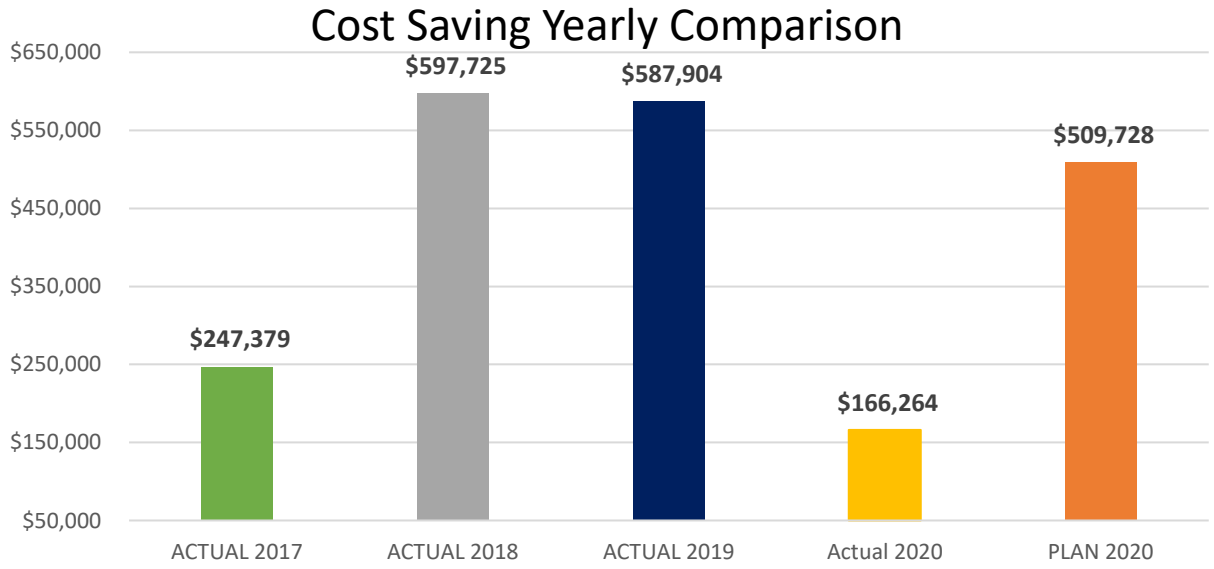
- Currently a Greenbelt project is in place to look at optimizing WIP and Raw materials
- We have met with IMEC, they are going to provide us a Inventory expert to work with us, focus on demand planning.

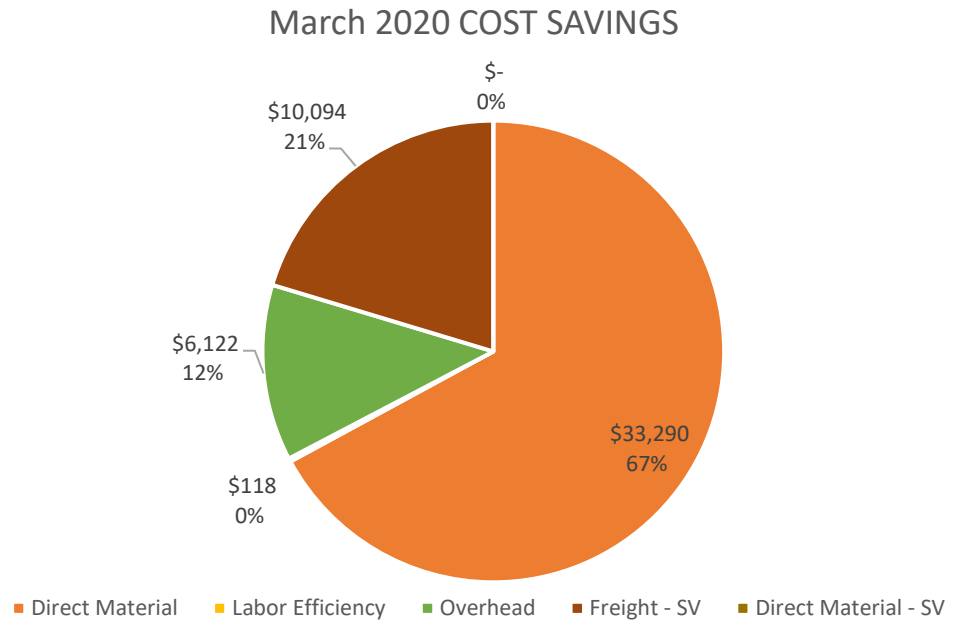
- Inventory up, Main drivers:
  - $51K- Should have been backed out but wasn't
  - 22K Increase in demand on this product- Mixtiles?
  - Ampac-$44k, to support increase in forecast.
  - GE-$36k, preparation for launch

Part	Change	Reason
ZZL017	$51K	Brought in Old PO balance will use up 10 wks
ZZFT196	$32K	New Product Development will use up 8 wks
ZZFT175	$27K	Container Delivery/High Volume will use up in 6 wks
ZZL003	$22k	Demand Increase by 33% will use up in 2 wks
ZZA052	$17K	New Product Development -Forcasted Demand
ZZA051	$15K	Start Production with Domestic Source

Duraco Cost Savings 2020- Actuals







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YTD Plan=$166K

March 2020 Cost Saving Initiatives details

Winners	Act	Over Plan	
ST-LKIT In house	$5,276	$3,785	
5256 Yield Improvement	$22,128	$7,128	
Avery Denison Adhesive vs. Pafra (Water Base Adhesive)	$4,176	$1,176	
Freight Saving-LTL-Sutton	$4,029	$2,029	
Freight Saving-LTL-AAA Cooper	$6,065	$4,065	Smart Venture
Total=	$41,674	$18,183	Smart Venture

Losers	Act	Under Plan	Comments
10" Multi-Stage Hybrid Rotary - Circle Graphics - Labor (EFF)	$118	-$1,382	CS plan didn't adjust for seasonal cycles-Low volume on Circle Graphics
Amber Liner Savings	$0	-$1,495	Paroc Issue
Switch from Q liner to BB liner NS	$996	$4	Delay in switching over
New Trash Vendor	$849	-$151	Over estimated
ZZI006, ZZI007, ZZI008, from Rogers Corp vs. ElastaPro	$0	-$1,600	Delay in switching over
ZZL012_Mylar_Pricing Matrix	$0	-$1,833	Delay in switching over
5256 line Speed improvements	$0	-$400	On Hold with recent Quality concern
Ampac- Eff. Gains with 4:1 liner	$0	-$200	Delay on approval
Ampac liner savings 80# Vs 65#	$0	-$1,000	Delay on approval
Mondi SC03 replacing HP228	$5,990	-$2,730	Estimate high
Freight Saving-LTL-Fusion (change to SP)	$0	-$2,000	SV- Still haven't found vendor
Total=	$7,953	-$12,787	

	Actual	Plan	Difference from Plan
Grand total saving W/O Smart Ventures	$39,533	$44,233	-$4,700
Grand total saving with Smart Ventures	$49,627	$50,233	-$606

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3PL Services in Los Angeles

STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact ($MM)	
				Projected	Actual
Phase 1		• Brad - 30 Day Notice Issued to Essentra *** Complete by 04/30/2020*** • Andrew Shallcross - Send Data File to Fusion Transport utilizing Fusion's Template – By: 04/24/2020 • Fusion Transport - Completes Duraco's Data Dump / Creates License Plates / Adjusts Racking • Andrew S./Steven S. - Enters DRP order for top 25% SKU's being held at Fusion Transport	By: 04/30/2020	N/A	N/A
Phase 2		• DRP Order (Top 25% SKU's) Shipped to Fusion Transport 3PL for Stocking • Start Filtering Inventory against Set Parameters - (2017 Inventory (Dispose), 2018 (Bring Back to Duraco), 2019 to Present (Ship to Fusion Transport)	By: 05/15/2020	N/A	N/A
Phase 3		• Go Live with Top 25% SKU's @ Fusion Transport 3PL • Run Down Current Inventory Levels @ Essentra Site – Through May 22, 2020 • Andrew S./Steven S. - Enter Next DRP Order for Fusion Transport	By: 05/22/2020	N/A	N/A
Phase 4		• Essentra - Finishes Palletizing Remaining Inventory; Sends Steven S. & Brian M. Final Inventory List • Steven S. – Will Arrange LTL Shipments for Inventory (Going to Fusion & Coming Back to Duraco) • Duraco Goes Live with the Remaining SKU's (75%) with Fusion on June 12, 2020 (From June 1st – June 11th these SKU's will Ship Out of Forest Park, IL)	By: 05/29/2020	N/A	N/A

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

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Contingency Planning by Level

LEVEL	DESCRIPTION	GENERAL ACTIONS
Level One-Minor	• CDC/WHO or local health agencies has identified that there is a risk of an outbreak in the area. • There is <10%, effect on employees being able to come to work. • No disruption to customers' orders or lead times. • No Supply disruptions	• Preventative Actions around communications • Adjust work force to cover for employee that are out. • Step up Disinfecting schedule • Discussion around should be happening if this should move to a Level 2.
Level Two-Major	• Disruption to the work force greater than 10% to 30% being seen • a person has been tested positive for the Pandemic i.e.Covid -19. • CDC has declared a Pandemic • States and/or local townships are putting in place "shelter in place" criteria. • No interruption to supply chain	• Daily meeting to discuss appropriate communication • Enforced of Social Distances best practices • Additional steps taken on Disinfecting • CDC advises: Notify our local public health agency's regarding next steps. • Notify Employee's that there has been an exposure, includes visitors and employees • Identify the risk of the infection. • Operation Planning -Evaluate resources needed to keep Supply-OT, 2nd sourcing, lead times and set priorities • Discussion around should be happening if this should move to a Level 3.
Level Three-Critical	• Disruption to the work force >30% or > 2 people have been tested positive for the pandemic i.e. Covid -19 • Vender disruption in supply • A complete shutdown of manufacturing for an extended time.	• Daily management meeting to discuss appropriate Communication-Employees and Customers. • Operation Planning -Recovery Planning • Set priorities on products and evaluate lead times based on demand and vendor able to supply.

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Financial Review

Duraco Summary P&L – Mar 2020

$'000	MTD		Var (Bud MTD)		PY MTD	Var (PY)		YTD		Var (Bud YTD)		PY YTD	Var (PY YTD)	
	Act	Bud	$	%	Act	$	%	Act	Bud	$	%	Act	$	%
Gross Revenue	**$ 3,370**	**$ 3,374**	**$ (4)**	**(0.1%)**	**$ 3,326**	**$ 43**	**1.3%**	**$ 9,964**	**$ 9,895**	**$ 69**	**0.7%**	**$ 9,966**	**$ (2)**	**(0.0%)**
Net Revenue	**3,365**	**3,365**	**(0)**	**(0.0%)**	**3,315**	**50**	**1.5%**	**9,947**	**9,866**	**81**	**0.8%**	**9,890**	**57**	**0.6%**
Material	1,073	1,063	(10)	(0.9%)	1,096	24	2.2%	3,171	3,160	**(11)**	**(0.3%)**	3,374	(203)	(6.0%)
DM %	*31.9%*	*31.6%*			*33.1%*			*31.9%*	*32.0%*			*34.1%*		
Labor	371	376	5	1.3%	330	(41)	(12.4%)	1,195	1,254	**59**	**4.7%**	1,153	41	3.6%
DL %	*11.0%*	*11.2%*			*10.0%*			*12.0%*	*12.7%*			*11.7%*		
Other COGS	492	479	(13)	(2.7%)	406	(86)	(21.2%)	1,466	1,425	**(41)**	**(2.9%)**	1,213	253	20.8%
Total COGS	**1,936**	**1,918**	**(18)**	**(0.9%)**	**1,833**	**(103)**	**(5.6%)**	**5,832**	**5,839**	**7**	**0.1%**	**5,741**	**91**	**1.6%**
Gross Margin	**1,428**	**1,447**	**(18)**	**(1.3%)**	**1,482**	**(53)**	**(3.6%)**	**4,116**	**4,027**	**88**	**2.2%**	**4,150**	**(34)**	**(0.8%)**
Gross Margin %	*42.5%*	*43.0%*			*44.7%*			*41.4%*	*40.8%*			*42.0%*		
R&D	13	33	20	61.6%	19	(6)	(32.1%)	52	105	**53**	**50.8%**	73	(21)	(29.0%)
Sales & Marketing	369	388	19	5.0%	293	76	26.0%	1,031	1,154	**123**	**10.7%**	1,031	1	0.1%
Administrative	322	328	6	1.9%	123	200	162.7%	937	1,067	**130**	**12.2%**	448	489	109.0%
Other Opex	1	–	(1)	0	–	1	0	(1)	–	**1**		–	(1)	N/A
Total Opex	**704**	**750**	**45**	**6.0%**	**434**	**270**	**62.3%**	**2,019**	**2,327**	**308**	**13.2%**	**1,552**	**467**	**30.1%**
EBITDA	**724**	**697**	**27**	**3.9%**	**1,048**	**(324)**	**(30.9%)**	**2,097**	**1,701**	**396**	**23.3%**	**2,598**	**(501)**	**(19.3%)**
EBITDA %	*21.5%*	*20.7%*			*31.6%*			*21.1%*	*17.2%*			*26.3%*		
Bank allowable EBITDA add-backs	36	23	13	57.2%	(360)	396		64	73	(9)	**(11.8%)**	(763)	828	(108.4%)
Bank EBITDA	**760**	**720**	**40**	**5.5%**	**688**	**72**	**10.5%**	**2,161**	**1,774**	**387**	**21.8%**	**1,834**	**327**	**0**
	22.6%	*21.4%*			*20.7%*			*21.7%*				*18.5%*		
(Standalone Costs)	**(79)**	**0**	**(79)**		**(65)**	**(13)**	**(0)**	**(357)**	**(58)**	**(299)**	**515.9%**	**220**	**(577)**	**(3)**
PF Adjusted EBITDA	**681**	**720**	**(39)**	**(5.4%)**	**622**	**59**	**9.5%**	**1,804**	**1,716**	**88**	**5.1%**	**1,614**	**190**	**11.8%**
Indicative %	*20.2%*	*21.4%*			*18.8%*			*18.1%*	*17.4%*			*16.3%*		
Net Income (Loss)	**$ (600)**	**$ (489)**	**$ (111)**	**22.8%**	**$ 1,075**	**$ (1,676)**	**155.8%**	**$ (1,590)**	**$ (1,655)**	**$ 65**	**(4.0%)**	**$ 1,951**	**$ (3,541)**	**181.5%**

$'000	MTD		Var (Bud)		PY MTD	Variance		YTD		Var (Bud)		PY YTD	Variance	
	Act	Fcst	$	%	Act	$	%	Act	Bud	$	%	Act	$	%
Opex Overview:														
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	$ 270	$ 323	53	16.4%	$ 190	$ 80	42.4%	$ 836	$ 988	$ 151	15.3%	$ 658	$ 179	27.2%
Benefits (Medical, Dental, Life, AD&D & 401K	57	51	(6)	(12.6%)	30	27	87.1%	146	150	$ 5	3.2%	107	39	36.3%
Bonus	86	86	0	0.0%	32	54	168.3%	258	258	$ 0	0.0%	115	143	124.4%
Marketing	79	79	0	0.0%	70	9	13.0%	238	238	$ 0	0.0%	251	(13)	(5.3%)
Commissions	8	2	(6)	(328.4%)	8	(0)	(4.5%)	12	6	$ (6)	(101.1%)	27	(15)	(56.4%)
Travel and Entertainment	25	30	6	19.3%	27	(2)	(8.6%)	54	85	$ 31	36.4%	49	5	9.9%
Rent and Facilities	1	8	7	88.6%	17	(16)	(94.8%)	3	18	$ 15	85.0%	64	(61)	(95.8%)
Insurance	15	14	(2)	(11.9%)	4	11	275.6%	46	45	$ (2)	(3.7%)	11	35	316.2%
Professional Fees	47	36	(11)	(29.4%)	(1)	48	(5364.0%)	98	116	$ 18	15.7%	12	87	747.2%
Utilities, Repairs, Maint. & Security	–	3	3	100.0%	3	(3)	(100.0%)	3	8	$ 6	67.5%	16	(13)	(83.2%)
Office Supplies	7	1	(6)	(591.8%)	2	5	311.8%	14	3	$ (10)	(300.7%)	14	0	0.3%
IT	45	60	15	24.5%	20	25	125.8%	121	230	$ 109	47.4%	80	41	51.3%
Bad Debt	3	3	1	21.2%	(4)	6	(173.4%)	11	11	$ (0)	(3.8%)	9	2	27.6%
Real Estate Taxes	13	13	0	0.0%	13	1	4.4%	42	43	$ 0	0.0%	41	2	4.4%
Other Expenses	48	40	(8)	(19.8%)	22	26	118.8%	137	129	$ (9)	(6.7%)	100	38	37.8%
Total Opex	**$ 704**	**$ 750**	**$ 45**	**6.0%**	**$ 434**	**$ 270**	**62.3%**	**$ 2,019**	**$ 2,327**	$ 308	13.2%	**$ 1,552**	**$ 467**	**30.1%**

Management Discussion:

COGS

- Unfavorable mix driven by lower POP and higher appliance revenue drove the material % to be slightly higher than plan.
- A reduction of capitalized O/H in inventory and higher spending on supplies resulted in a slightly higher Other COGS than what was budgeted.

OPEX

- OPEX is favorable to plan due largely to timing of headcount additions, IT expenses, and recruitment fees.

ADD-BACKS

- Add-backs relate to some acquisition related travel, legal expenses, and the LBC bank admin fees.

Pro Forma Adjusted EBITDA

- PF Adj EBITDA moves in line with bank EBITDA and is favorable to forecast for the same reasons.

DURACO

Infinity Summary P&L – Mar 2020

$'000	MTD		Var (Bud MTD)		PY MTD	Var (PY)		YTD		Var (Bud YTD)		PY YTD	Var (PY YTD)	
	Act	Bud	$	%	Act	$	%	Act	Bud	$	%	Act	$	%
Gross Revenue	**$ 934**	**$ 853**	**$ 81**	**9.5%**	**$ 817**	**$ 117**	**14.3%**	**$ 2,653**	**$ 2,475**	**$ 178**	**7.2%**	**$ 2,373**	**$ 280**	**11.8%**
Net Revenue	**915**	**836**	**79**	**9.4%**	**797**	**117**	**14.7%**	**2,606**	**2,426**	**180**	**7.4%**	**2,329**	**278**	**11.9%**
Material	453	401	(52)	(13.1%)	380	(73)	(19.3%)	1,288	1,162	**(127)**	**(10.9%)**	1,112	176	15.8%
DM %	*49.5%*	*47.9%*			*47.6%*			*49.4%*	*47.9%*			*47.8%*		
Labor	78	73	(6)	(7.9%)	77	(1)	(1.8%)	235	211	**(25)**	**(11.7%)**	230	5	2.4%
DL %	*8.6%*	*8.7%*			*9.6%*			*9.0%*	*8.7%*			*9.9%*		
Other COGS	139	154	16	10.1%	156	17	11.0%	417	447	**31**	**6.9%**	458	(41)	(9.0%)
Total COGS	**670**	**627**	**(43)**	**(6.8%)**	**612**	**(57)**	**(9.4%)**	**1,940**	**1,820**	**(120)**	**(6.6%)**	**1,800**	**140**	**7.8%**
Gross Margin	**245**	**208**	**36**	**17.5%**	**185**	**60**	**32.3%**	**666**	**606**	**60**	**9.8%**	**528**	**138**	**26.1%**
Gross Margin %	*26.8%*	*24.9%*			*23.2%*			*25.6%*	*25.0%*			*22.7%*		
R&D	–	–	–	0	–	–	0	–	–	**–**		–	–	N/A
Sales & Marketing	44	35	(8)	(23.6%)	23	20	86.5%	123	102	**(21)**	**(20.3%)**	81	43	52.7%
Administrative	109	107	(2)	(1.6%)	100	9	8.6%	313	298	**(15)**	**(5.1%)**	281	32	11.3%
Other Opex	–	–	–	0	–	–	0	–	–	**–**		–	–	N/A
Total Opex	**152**	**142**	**(10)**	**(7.0%)**	**124**	**29**	**23.3%**	**436**	**401**	**(36)**	**(9.0%)**	**362**	**74**	**20.5%**
EBITDA	**92**	**66**	**26**	**39.9%**	**61**	**31**	**50.5%**	**230**	**206**	**24**	**11.6%**	**166**	**64**	**38.3%**
EBITDA %	*10.1%*	*7.9%*			*7.7%*			*8.8%*	*8.5%*			*7.1%*		
Bank allowable EBITDA add-backs	12	12	0	0.4%	–	12		12	12	0	0.4%	–	12	N/A
Bank EBITDA	**104**	**78**	**26**	**33.9%**	**61**	**43**	**70.1%**	**242**	**218**	**24**	**11.0%**	**166**	**76**	**0**
	11.4%	*9.3%*			*7.7%*			*9.3%*				*7.1%*		
(Standalone Costs)	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**0.0%**	**–**	**– –**	
PF Adjusted EBITDA	**104**	**78**	**26**	**33.9%**	**61**	**43**	**70.1%**	**242**	**218**	**24**	**11.0%**	**166**	**76**	**45.5%**
Indicative %	*11.4%*	*9.3%*			*7.7%*			*9.3%*	*9.0%*			*7.1%*		
Net Income (Loss)	**$ 37**	**$ 20**	**$ 18**	**89.5%**	**$ 50**	**$ (13)**	**25.3%**	**$ 142**	**$ 127**	**$ 15**	**11.7%**	**$ 114**	**$ 29**	**(25.3%)**

$'000	MTD		Var (Bud)		PY MTD	Variance		YTD		Var (Bud)		PY YTD	Variance	
	Act	Fcst	$	%	Act	$	%	Act	Bud	$	%	Act	$	%
Opex Overview:														
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	$ 34	$ 34	–	0.0%	$ 46	$ (11)	(25.1%)	$ 153	$ 127	$ (26)	(20.3%)	$ 138	$ 15	10.6%
Benefits (Medical, Dental, Life, AD&D & 401K	11	11	–	0.0%	14	(3)	(23.5%)	39	39	$ –	0.0%	41	(2)	(5.5%)
Bonus	–	–	–	N/A	–	–	0	–	–	$ –		–	–	N/A
Marketing	–	–	–	N/A	–	–	0	–	–	$ –		–	–	N/A
Commissions	24	14	(10)	(73.3%)	5	18	347.6%	50	40	$ (10)	(25.2%)	27	22	81.8%
Travel and Entertainment	1	1	–	0.0%	2	(1)	(25.4%)	5	5	$ –	0.0%	52	(46)	(89.7%)
Rent and Facilities	20	20	–	0.0%	17	3	15.1%	54	54	$ –	0.0%	2	53	3225.0%
Insurance	2	2	–	0.0%	1	1	125.3%	4	4	$ –	0.0%	3	1	34.5%
Professional Fees	45	45	–	0.0%	19	26	140.0%	76	76	$ –	0.0%	49	27	55.8%
Utilities, Repairs, Maint. & Security	1	1	–	0.0%	1	(0)	(6.0%)	2	2	$ –	0.0%	2	(1)	(25.9%)
Office Supplies	9	9	–	0.0%	7	2	31.7%	24	24	$ –	0.0%	19	5	25.0%
IT	6	6	–	0.0%	6	0	8.9%	18	18	$ –	0.0%	18	0	1.9%
Bad Debt	–	–	–	N/A	–	–	0	–	–	$ –		–	–	N/A
Real Estate Taxes	–	–	–	N/A	3	(3)	(100.0%)	6	6	$ –	0.0%	8	(2)	(24.9%)
Other Expenses	0	0	–	0.0%	4	(4)	(97.3%)	6	6	$ –	0.0%	2	3	122.1%
Total Opex	**$ 152**	**$ 142**	**$ (10)**	**(7.0%)**	**$ 124**	**$ 29**	**23.3%**	**$ 436**	**$ 401**	$ (36)	(9.0%)	**$ 362**	**$ 74**	**20.5%**

Management Discussion:

COGS

- DM is higher than plan due to unfavorable mix, which has been the trend all year. More analysis (and information) is required to better understand this trend.
- DL is in line with Plan after adjusting for volume

OPEX

- Sales and Marketing is higher than plan due to commissions on higher revenue.

ADD-BACKS

- CI Consultant was added back as per plan

DURACO

Consolidated Summary P&L – Mar 2020

$'000	MTD		Var (Bud MTD)		PY MTD	Var (PY)		YTD		Var (Bud YTD)		PY YTD	Var (PY YTD)	
	Act	Bud	$	%	Act	$	%	Act	Bud	$	%	Act	$	%
Gross Revenue	**$ 4,304**	**$ 4,227**	**$ 77**	**1.8%**	**$ 4,143**	**$ 161**	**3.9%**	**$ 12,617**	**$ 12,370**	**$ 247**	**2.0%**	**$ 12,339**	**$ 278**	**2.3%**
Net Revenue	**4,279**	**4,201**	**79**	**1.9%**	**4,112**	**167**	**4.1%**	**12,554**	**12,292**	**261**	**2.1%**	**12,219**	**335**	**2.7%**
Material	1,526	1,464	(62)	(4.2%)	1,476	(50)	(3.4%)	4,459	4,322	**(138)**	**(3.2%)**	4,487	(27)	(0.6%)
DM %	*35.7%*	*34.9%*			*35.9%*			*35.5%*	*35.2%*			*36.7%*		
Labor	450	449	(1)	(0.2%)	407	(42)	(10.4%)	1,430	1,465	**35**	**2.4%**	1,383	47	3.4%
DL %	*10.5%*	*10.7%*			*9.9%*			*11.4%*	*11.9%*			*11.3%*		
Other COGS	631	633	2	0.4%	562	(69)	(12.3%)	1,882	1,872	**(10)**	**(0.5%)**	1,671	211	12.6%
Total COGS	**2,606**	**2,546**	**(61)**	**(2.4%)**	**2,445**	**(161)**	**(6.6%)**	**7,772**	**7,659**	**(113)**	**(1.5%)**	**7,541**	**231**	**3.1%**
Gross Margin	**1,673**	**1,655**	**18**	**1.1%**	**1,667**	**6**	**0.4%**	**4,782**	**4,634**	**148**	**3.2%**	**4,678**	**104**	**2.2%**
Gross Margin %	*39.1%*	*39.4%*			*40.5%*			*38.1%*	*37.7%*			*38.3%*		
R&D	13	33	20	61.6%	19	(6)	(32.1%)	52	105	**53**	**50.8%**	73	(21)	(29.0%)
Sales & Marketing	412	423	11	2.6%	316	96	30.5%	1,155	1,257	**102**	**8.1%**	1,111	43	3.9%
Administrative	431	436	5	1.1%	223	208	93.4%	1,250	1,365	**115**	**8.4%**	730	521	71.3%
Other Opex	1	–	(1)	0	–	1	0	(1)	–	**1**		–	(1)	N/A
Total Opex	**857**	**892**	**35**	**3.9%**	**558**	**299**	**53.7%**	**2,456**	**2,727**	**272**	**10.0%**	**1,914**	**542**	**28.3%**
EBITDA	**816**	**763**	**53**	**7.0%**	**1,109**	**(293)**	**(26.4%)**	**2,326**	**1,906**	**420**	**22.0%**	**2,764**	**(437)**	**(15.8%)**
EBITDA %	*19.1%*	*18.2%*			*27.0%*			*18.5%*	*15.5%*			*22.6%*		
Bank allowable EBITDA add-backs	48	35	13	37.6%	(360)	408		77	85	(9)	**(10.1%)**	(763)	840	(110.0%)
Bank EBITDA	**864**	**798**	**66**	**8.3%**	**749**	**115**	**15.4%**	**2,403**	**1,992**	**411**	**20.6%**	**2,000**	**402**	**0**
	20.2%	*19.0%*			*18.2%*			*19.1%*				*16.4%*		
(Standalone Costs)	**(79)**	**0**	**(79)**	**(1807149.9%)**	**(65)**	**(13)**	**(0)**	**(357)**	**(58)**	**(299)**	**515.9%**	**220**	**(577)**	**(3)**
PF Adjusted EBITDA	**785**	**798**	**(12)**	**(1.6%)**	**684**	**102**	**14.9%**	**2,046**	**1,934**	**112**	**5.8%**	**1,780**	**266**	**14.9%**
Indicative %	*18.4%*	*19.0%*			*16.6%*			*16.3%*	*15.7%*			*14.6%*		
Net Income (Loss)	**$ (563)**	**$ (469)**	**$ (94)**	**20.0%**	**$ 1,125**	**$ (1,688)**	**150.1%**	**$ (1,449)**	**$ (1,528)**	**$ 79**	**(5.2%)**	**$ 2,064**	**$ (3,513)**	**170.2%**

$'000	MTD		Var (Bud)		PY MTD	Variance		YTD		Var (Bud)		PY YTD	Variance	
	Act	Fcst	$	%	Act	$	%	Act	Bud	$	%	Act	$	%
Opex Overview:														
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	$ 304	$ 358	53	14.9%	$ 235	$ 69	29.3%	$ 989	$ 1,115	$ 125	11.2%	$ 796	$ 194	24.3%
Benefits (Medical, Dental, Life, AD&D & 401K	68	62	(6)	(10.3%)	45	23	51.6%	185	190	$ 5	2.6%	148	37	24.6%
Bonus	86	86	0	0.0%	32	54	168.3%	258	258	$ 0	0.0%	115	143	124.4%
Marketing	79	79	0	0.0%	70	9	13.0%	238	238	$ 0	0.0%	251	(13)	(5.3%)
Commissions	31	15	(16)	(103.5%)	13	18	133.4%	62	46	$ (16)	(35.1%)	55	7	12.6%
Travel and Entertainment	26	32	6	18.4%	29	(3)	(9.8%)	59	90	$ 31	34.2%	101	(41)	(41.2%)
Rent and Facilities	21	28	7	25.2%	35	(14)	(40.2%)	57	72	$ 15	20.9%	65	(8)	(12.8%)
Insurance	17	16	(2)	(10.5%)	5	12	250.1%	50	48	$ (2)	(3.4%)	14	36	261.8%
Professional Fees	91	81	(11)	(13.1%)	18	74	415.0%	174	192	$ 18	9.5%	60	114	189.1%
Utilities, Repairs, Maint. & Security	1	4	3	72.6%	4	(3)	(76.2%)	5	10	$ 6	55.3%	19	(14)	(75.6%)
Office Supplies	16	10	(6)	(64.5%)	8	8	91.3%	37	27	$ (10)	(37.6%)	33	5	14.7%
IT	51	66	15	22.3%	26	26	100.3%	139	248	$ 109	43.9%	98	41	42.2%
Bad Debt	3	3	1	21.2%	(4)	6	(173.4%)	11	11	$ (0)	(3.8%)	9	2	27.6%
Real Estate Taxes	13	13	0	0.0%	15	(2)	(13.0%)	49	49	$ 0	0.0%	49	(0)	(0.6%)
Other Expenses	48	40	(8)	(19.8%)	26	22	85.3%	143	134	$ (9)	(6.4%)	102	41	39.8%
Total Opex	**$ 857**	**$ 892**	**$ 35**	**3.9%**	**$ 558**	**$ 299**	**53.7%**	**$ 2,456**	**$ 2,727**	$ 272	10.0%	**$ 1,914**	**$ 542**	**28.3%**

Management Discussion:

COGS

- Material costs were higher in the month due an unfavorable mix at Duraco combined with higher costs at Infinity (which requires further understanding).

OPEX

- OPEX is favorable to plan due largely to timing of headcount additions, IT expenses, and recruitment fees partially offset by higher commission costs at Infinity as a result of higher revenue

ADD-BACKS

- Add-backs relate to some acquisition related travel, legal costs, and the LBC bank admin fees.

Pro Forma Adjusted EBITDA

- PF Adjusted EBITDA is slightly lower than plan due to multiple open positions at Duraco partially offset by higher EBITDA at Infinity

DURACO

Consolidated Balance Sheet

$'000	Mar-20 Act	Mar-20 Bud	Variance $	Variance %	Feb-20 Act	Variance $	Variance %	PY Act	Variance $	Variance %
Current Assets										
Cash and cash equivalents	$ 5,513	$ 511	$ 5,002	979.2%	$ 1,659	$ 3,854	232.2%	$ 3,423	$ 2,091	61.1%
Short term investments	–	–	–	0	–	–	0	–	–	0
Accounts receivable, gross	7,330	6,726	604	9.0%	6,731	598	8.9%	6,288	1,042	16.6%
Accounts receivable, reserves	(142)	(130)	(13)	9.9%	(140)	(3)	1.9%	(101)	(41)	40.7%
Accounts receivable, net	7,187	6,596	591	9.0%	6,592	596	9.0%	6,187	1,000	16.2%
Inventory, gross	7,189	7,474	(285)	(3.8%)	7,503	(314)	(4.2%)	7,788	(599)	(7.7%)
Inventory, reserves	(1,041)	(988)	(54)	5.5%	(1,026)	(15)	1.5%	(971)	(70)	7.2%
Inventory, net	6,148	6,486	(338)	(5.2%)	6,477	(329)	(5.1%)	6,816	(669)	(9.8%)
Prepaid expenses and other current assets	327	332	(5)	(1.5%)	385	(58)	(15.0%)	204	123	60.1%
Current portion of deferred taxes	–	–	–	0	–	–	0	–	–	0
Other current assets	–	–	–	0	–	–	0	4,275	(4,275)	(100.0%)
Total Current Assets	**19,175**	**13,925**	**5,250**	**37.7%**	**15,113**	**4,063**	**26.9%**	**20,906**	**(1,730)**	**(8.3%)**
Non-Current Assets										
Property, plant & equipment, gross	14,605	14,844	(239)	(1.6%)	14,564	41	0.3%	24,915	(10,311)	(41.4%)
Accumulated depreciation	(2,378)	(2,382)	4	(0.1%)	(2,298)	(80)	3.5%	(11,071)	8,693	(78.5%)
Property, plant & equipment, net	12,227	12,462	(236)	(1.9%)	12,266	(40)	(0.3%)	13,844	(1,618)	(11.7%)
Identifiable intangible assets, gross	4,694	4,606	88	1.9%	4,694	–	0.0%	700	3,994	570.4%
Accumulated amortization	(4,310)	(4,310)	–	0.0%	(3,831)	(479)	12.5%	(16,922)	12,612	(74.5%)
Identifiable intangible assets, net	57,854	57,766	88	0.2%	58,333	(479)	(0.8%)	36,272	21,582	59.5%
Deferred financing cost	–	–	–	0	–	–	0	–	–	0
Other non-current assets	5,234	–	5,234	0	5,234	–	0.0%	–	5,234	0
Total Non-Current Assets	**75,315**	**70,228**	**5,087**	**7.2%**	**75,834**	**(519)**	**(0.7%)**	**50,117**	**25,198**	**50.3%**
Total Assets	**$ 94,490**	**$ 84,153**	**$ 10,337**	**12.3%**	**$ 90,947**	**$ 3,544**	**3.9%**	**$ 71,022**	**$ 23,468**	**33.0%**
Current Liabilities									$ -	
Current portion of long-term debt	1,100	$ 1,039	$ 61	5.9%	$ 1,462	$ –	0.0%	$ –	$ 1,100	0
Notes Payable	7,794	794	7,000	881.9%	3,318	4,476	134.9%	–	7,794	0
Accounts payable	3,084	2,856	227	8.0%	2,736	347	12.7%	2,601	482	18.5%
Accrued liabilities	2,247	1,636	611	37.3%	2,542	(295)	(11.6%)	1,374	873	63.5%
Accrued compensation	–	–	–	0	–	–	0	–	–	0
Income taxes payable	0	(146)	146	(100.1%)	0	–	0.0%	5,892	(5,892)	(100.0%)
Other current liabilities	263	277	(14)	(5.1%)	263	–	0.0%	–	263	0
Total Current Liabilities	**14,488**	**6,456**	**8,031**	**124.4%**	**10,321**	**4,167**	**40.4%**	**9,867**	**4,620**	**46.8%**
Long-term liabilities									$ -	
Long-term debt less current maturities	41,579	39,640	1,940	4.9%	41,638	(58)	(0.1%)	–	41,579	0
Deferred income taxes	–	–	–	0	–	–	0	–	–	0
Other non-current liabilities	966	1,012	(46)	(4.6%)	967	(1)	(0.1%)	–	966	0
Total Long-Term Liabilities	**42,546**	**40,652**	**1,894**	**4.7%**	**42,605**	**(59)**	**(0.1%)**	**–**	**42,546**	**0**
Total Liabilities	**57,033**	**47,108**	**9,925**	**21.1%**	**52,926**	**4,107**	**7.8%**	**9,867**	**47,166**	**478.0%**
Shareholders' Equity										
Common stock	43,501	43,501	–	0.0%	43,501	–	0.0%	391	43,110	11028.4%
Capital in excess of stated value	–	–	–	0	–	–	0	–	–	0
Retained earnings	(6,044)	(6,456)	412	(6.4%)	(5,481)	(563)	10.3%	59,156	(65,200)	(110.2%)
Accumulated other comprehensive income	–	–	–	0	–	–	0	1,855	(1,855)	(100.0%)
Other equity transactions	–	–	–	0	–	–	0	(246)	246	(100.0%)
Total Shareholders' Equity	**37,457**	**37,045**	**412**	**1.1%**	**38,021**	**(563)**	**(1.5%)**	**61,155**	**(23,698)**	**(38.8%)**
Total Liabilities and Shareholders' Equity	**$ 94,490**	**$ 84,153**	**$ 10,337**	**12.3%**	**$ 90,947**	**$ 3,544**	**3.9%**	**$ 71,022**	**$ 23,468**	**33.0%**

Management Discussion:

- Excluding the $4.2m revolver draw, cash is higher than budget due to higher EBITDA in the previous periods and lower restructuring costs (timing).
- A/R, after accounting for higher revenue, is higher than plan due to timing at the end of the quarter. Cash improved in the first week of April.
- Inventory began to unwind in March to improve by $329k from Feb and $338k lower than plan. This is an ongoing effort by the supply chain team to bring in less inventory as well as to drive down our finished stock.
- Accounts payable is higher due to an increase in restructuring bills (largely the ERP system).
- 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.

DURACO

Duraco Quarterly P&L

Management Discussion:

- Q1 PF Adjusted Bank EBITDA was $190k better than prior year due to slightly higher revenue, significant cost savings, and the benefit of an improved mix.
- Q1 PF Adjusted Bank EBITDA was $88k better than plan due to higher GM as a result of slightly higher revenue and favorable mix.
- Q1 Other COGS are higher due largely to headcount costs from positions that were open last year and the impact of inventory depletion as inventory levels are reduced in 2020 compared to being built in 2019.
- YOY OPEX is $467k higher than PY due to standalone costs being embedded in the P&L in 2020.
- OPEX is lower than plan due to delays launching standalone IT as well as lower headcount. These are all adjusted for in PF EBITDA.
- The mix was favorable due to a mix shift to higher margin POP, higher wall hangings business, and no Paroc shipments in the quarter.

$'000	2020 Q1	2019 Q1	Var		2020 Q1	Var (Bud)	
	Act	Act	$	%	Bud	$	%
Gross Revenue	**$ 9,964**	**$ 9,966**	**$ (2)**	**(0.0%)**	**$ 9,895**	**$ 69**	**0.7%**
Net Revenue	**9,947**	**9,890**	**57**	**0.6%**	**9,866**	**81**	**0.8%**
Material	3,171	3,374	203	6.0%	3,160	(11)	(0.3%)
DM %	*31.9%*	*34.1%*	0	6.6%	*32.0%*	*(13.5%)*	(42.3%)
Labor	1,195	1,153	(41)	(3.6%)	1,254	59	4.7%
DL %	*12.0%*	*11.7%*	(0)	(3.0%)	*12.7%*	*73.2%*	575.9%
Other COGS	1,466	1,213	(253)	(20.8%)	1,425	(41)	(2.9%)
Total COGS	**5,832**	**5,741**	**(91)**	**(1.6%)**	**5,839**	**(7)**	**(0.1%)**
Gross Margin	**4,116**	**4,150**	**(34)**	**(0.8%)**	**4,027**	**88**	**2.2%**
Gross Margin %	*41.4%*	*42.0%*			*40.8%*		
R&D	52	73	21	29.0%	105	53	50.8%
Sales & Marketing	1,031	1,031	(1)	(0.1%)	1,154	123	10.7%
Administrative	937	448	(489)	(109.0%)	1,067	130	12.2%
Other Opex	(1)	–	1	0	–	1	0
Total Opex	**2,019**	**1,552**	**(467)**	**(30.1%)**	**2,327**	**308**	**13.2%**
EBITDA	**2,097**	**2,598**	**(501)**	**(19.3%)**	**1,701**	**396**	**23.3%**
EBITDA %	*21.1%*	*26.3%*			*17.2%*		
Bank allowable EBITDA add-backs	64	(763)	828	(108.4%)	73	(9)	(11.8%)
Bank EBITDA	**2,161**	**1,834**	**327**	**17.8%**	**1,774**	**387**	**21.8%**
	21.7%	*18.5%*			*18.0%*		
(Standalone Costs)	**357**	**220**	**(136)**	**(61.9%)**	**58**	**(299)**	**(515.9%)**
PF Adjusted EBITDA	**1,804**	**1,614**	**190**	**11.8%**	**1,716**	**88**	**5.1%**
Indicative %	*18.1%*	*16.3%*			*17.4%*		
Net Income (Loss)	**$ (1,590)**	**$ 1,951**	**$ (3,541)**	**(181.5%)**	**$ (1,655)**	**$ 65.44**	**(4.0%)**

$'000	2020 Q1	2019 Q1	Var		2020 Q1	Var (Bud)	
	Act	Act	$	%	Fcst	$	%
Opex Overview:							
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options	$ 836	$ 658	(179)	(27.2%)	$ 988	151	15.3%
Benefits (Medical, Dental, Life, AD&D & 401K	146	107	(39)	(36.3%)	150	5	3.2%
Bonus	258	115	(143)	(124.4%)	258	0	0.0%
Marketing	238	251	13	5.3%	238	0	0.0%
Commissions	12	27	15	56.4%	6	(6)	(101.1%)
Travel and Entertainment	54	64	10	15.3%	85	31	36.4%
Rent and Facilities	3	49	46	94.6%	18	15	85.0%
Insurance	46	11	(35)	(316.2%)	45	(2)	(3.7%)
Professional Fees	98	12	(87)	(747.2%)	116	18	15.7%
Utilities, Repairs, Maint. & Security	3	16	13	83.2%	8	6	67.5%
Office Supplies	14	14	(0)	(0.3%)	3	(10)	(300.7%)
IT	121	80	(41)	(51.3%)	230	109	47.4%
Bad Debt	11	9	(2)	(27.6%)	11	(0)	(3.8%)
Real Estate Taxes	42	41	(2)	(4.4%)	43	0	0.0%
Other Expenses	137	100	(38)	(37.8%)	129	(9)	(6.7%)
Total Opex	**$ 2,019**	**$ 1,552**	**$ (467)**	**(30.1%)**	**$ 2,327**	**$ 308**	**13.2%**

DURACO

Infinity Quarterly P&L

Management Discussion:

- Q4 Bank EBITDA is $24k higher than plan and $76k higher than PY due to higher revenue partially offset by unfavorable mix.
- Material costs are higher year on year due most likely to an unfavorable mix change, but this is still being investigated.
- Sales and Marketing costs are higher in 2020 due largely to higher commissions for the sales VP.
- Amin costs are higher due largely to the location of rent expenses from Other COGS.

$'000	2020 Q1	2019 Q1	Var		2020 Q1	Var (Bud)	
	Act	Act	$	%	Bud	$	%
Gross Revenue	**$ 2,653**	**$ 2,373**	**$ 280**	**11.8%**	**$ 2,475**	**$ 178**	**7.2%**
Net Revenue	**2,606**	**2,329**	**278**	**11.9%**	**2,426**	**180**	**7.4%**
Material	1,288	1,112	(176)	(15.8%)	1,162	(127)	(10.9%)
DM %	*49.4%*	*47.8%*	(0)	(3.5%)	*47.9%*	*(70.2%)*	(146.7%)
Labor	235	230	(5)	(2.4%)	211	(25)	(11.7%)
DL %	*9.0%*	*9.9%*	0	8.5%	*8.7%*	*(13.7%)*	(157.8%)
Other COGS	417	458	41	9.0%	447	31	6.9%
Total COGS	**1,940**	**1,800**	**(140)**	**(7.8%)**	**1,820**	**120**	**6.6%**
Gross Margin	**666**	**528**	**138**	**26.1%**	**606**	**60**	**9.8%**
Gross Margin %	*25.6%*	*22.7%*			*25.0%*		
R&D	–	–	–	0	–	–	0
Sales & Marketing	123	81	(43)	(52.7%)	102	(21)	(20.3%)
Administrative	313	281	(32)	(11.3%)	298	(15)	(5.1%)
Other Opex	–	–	–	0	–	–	0
Total Opex	**436**	**362**	**(74)**	**(20.5%)**	**401**	**(36)**	**(9.0%)**
EBITDA	**230**	**166**	**64**	**38.3%**	**206**	**24**	**11.6%**
EBITDA %	*8.8%*	*7.1%*			*8.5%*		
Bank allowable EBITDA add-backs	12	–	12	0	12	0	0.4%
Bank EBITDA	**242**	**166**	**76**	**45.5%**	**218**	**24**	**11.0%**
	9.3%	*7.1%*			*9.0%*		
(Standalone Costs)	**–**	**–**	**–**	**0**	**–**	**–**	**0**
PF Adjusted EBITDA	**242**	**166**	**76**	**45.5%**	**218**	**24**	**11.0%**
Indicative %	*9.3%*	*7.1%*			*9.0%*		
Net Income (Loss)	**$ 142**	**$ 114**	**$ 29**	**25.3%**	**$ 127**	**$ 14.87**	**11.7%**

$'000	2020 Q1	2019 Q1	Var		2020 Q1	Var (Bud)	
	Act	Act	$	%	Fcst	$	%
Opex Overview:							
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options	$ 153	$ 138	(15)	(10.6%)	$ 127	(26)	(20.3%)
Benefits (Medical, Dental, Life, AD&D & 401K	39	41	2	5.5%	39	–	0.0%
Bonus	–	–	–	N/A	–	–	N/A
Marketing	–	–	–	N/A	–	–	N/A
Commissions	50	27	(22)	(81.8%)	40	(10)	(25.2%)
Travel and Entertainment	5	2	(4)	(224.6%)	5	–	0.0%
Rent and Facilities	54	52	(3)	(5.0%)	54	–	0.0%
Insurance	4	3	(1)	(34.5%)	4	–	0.0%
Professional Fees	76	49	(27)	(55.8%)	76	–	0.0%
Utilities, Repairs, Maint. & Security	2	2	1	25.9%	2	–	0.0%
Office Supplies	24	19	(5)	(25.0%)	24	–	0.0%
IT	18	18	(0)	(1.9%)	18	–	0.0%
Bad Debt	–	–	–	N/A	–	–	N/A
Real Estate Taxes	6	8	2	24.9%	6	–	0.0%
Other Expenses	6	2	(3)	(122.1%)	6	–	0.0%
Total Opex	**$ 436**	**$ 362**	**$ (74)**	**(20.5%)**	**$ 401**	**$ (36)**	**(9.0%)**

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Consolidated Quarterly P&L

Management Discussion:

- Overall, Q1 2020 revenue is $335k higher than PY due to increases in both businesses.
- PF EBITDA increased by $266k YOY due largely to cost savings and mix.
- PF EBITDA is $112k better than plan due largely to increased GM.

$'000	2020 Q1	2019 Q1	Var		2020 Q1	Var (Bud)	
	Act	Act	$	%	Bud	$	%
Gross Revenue	**$ 12,617**	**$ 12,339**	**$ 278**	**2.3%**	**$ 12,370**	**$ 247**	**2.0%**
Net Revenue	**12,554**	**12,219**	**335**	**2.7%**	**12,292**	**261**	**2.1%**
Material	4,459	4,487	27	0.6%	4,322	(138)	(3.2%)
DM %	*35.5%*	*36.7%*	0	3.3%	*35.2%*	*(52.7%)*	(149.8%)
Labor	1,430	1,383	(47)	(3.4%)	1,465	35	2.4%
DL %	*11.4%*	*11.3%*	(0)	(0.6%)	*11.9%*	*13.2%*	111.1%
Other COGS	1,882	1,671	(211)	(12.6%)	1,872	(10)	(0.5%)
Total COGS	**7,772**	**7,541**	**(231)**	**(3.1%)**	**7,659**	**113**	**1.5%**
Gross Margin	**4,782**	**4,678**	**104**	**2.2%**	**4,634**	**148**	**3.2%**
Gross Margin %	*38.1%*	*38.3%*			*37.7%*		
R&D	52	73	21	29.0%	105	53	50.8%
Sales & Marketing	1,155	1,111	(43)	(3.9%)	1,257	102	8.1%
Administrative	1,250	730	(521)	(71.3%)	1,365	115	8.4%
Other Opex	(1)	–	1	0	–	1	0
Total Opex	**2,456**	**1,914**	**(542)**	**(28.3%)**	**2,727**	**272**	**10.0%**
EBITDA	**2,326**	**2,764**	**(437)**	**(15.8%)**	**1,906**	**420**	**22.0%**
EBITDA %	*18.5%*	*22.6%*			*15.5%*		
Bank allowable EBITDA add-backs	77	(763)	840	(110.0%)	85	(9)	(10.1%)
Bank EBITDA	**2,403**	**2,000**	**402**	**20.1%**	**1,992**	**411**	**20.6%**
	19.1%	*16.4%*			*16.2%*		
(Standalone Costs)	**357**	**220**	**(136)**	**(61.9%)**	**58**	**(299)**	**(515.9%)**
PF Adjusted EBITDA	**2,046**	**1,780**	**266**	**14.9%**	**1,934**	**112**	**5.8%**
Indicative %	*16.3%*	*14.6%*			*15.7%*		
Net Income (Loss)	**$ (1,449)**	**$ 2,064**	**$ (3,513)**	**(170.2%)**	**$ (1,528)**	**$ 79.13**	**(5.2%)**

$'000	2020 Q1	2019 Q1	Var		2020 Q1	Var (Bud)	
	Act	Act	$	%	Fcst	$	%
Opex Overview:							
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options	$ 989	$ 796	(194)	(24.3%)	$ 1,115	125	11.2%
Benefits (Medical, Dental, Life, AD&D & 401K	185	148	(37)	(24.6%)	190	5	2.6%
Bonus	258	115	(143)	(124.4%)	258	0	0.0%
Marketing	238	251	13	5.3%	238	0	0.0%
Commissions	62	55	(7)	(12.6%)	46	(16)	(35.1%)
Travel and Entertainment	59	65	6	9.3%	90	31	34.2%
Rent and Facilities	57	101	44	43.5%	72	15	20.9%
Insurance	50	14	(36)	(261.8%)	48	(2)	(3.4%)
Professional Fees	174	60	(114)	(189.1%)	192	18	9.5%
Utilities, Repairs, Maint. & Security	5	19	14	75.6%	10	6	55.3%
Office Supplies	37	33	(5)	(14.7%)	27	(10)	(37.6%)
IT	139	98	(41)	(42.2%)	248	109	43.9%
Bad Debt	11	9	(2)	(27.6%)	11	(0)	(3.8%)
Real Estate Taxes	49	49	0	0.6%	49	0	0.0%
Other Expenses	143	102	(41)	(39.8%)	134	(9)	(6.4%)
Total Opex	**$ 2,456**	**$ 1,914**	**$ (542)**	**(28.3%)**	**$ 2,727**	**$ 272**	**10.0%**

DURACO

Duraco Quarterly Cash Flow

Management Discussion:

- Operating cashflow in the quarter was $883k better than plan due to higher EBITDA and significant improvement in inventory.
- Investments in the quarter related to several key pieces of new equipment.
- $5.2m investment in Infinity including deal costs and day 1 cash.
- $4.8m of cash was borrowed from LBC ($2m increase to the term loan and $2.8m from the revolver).
- The remaining $4.2m available balance on the revolver was drawn in March as the pandemic took hold in the US to make sure Duraco does not run out of cash.
- Duraco made the requisite excess cash flow payment related to 2019 in March 2020 as per plan.

	QTD		Variance	
$'000	Act	Bud	$	%
Cash flow from operations				
Net Income (Loss)	$ (1,590)	$ (1,655)	$ 65	(4.0%)
Depreciation, amortization and other	1,659	1,662	(3)	(0.2%)
Capitalized fees & expenses	61	58	2	4.1%
Gain (loss) on sale of fixed assets	8	–	8	N/A
Non-cash interest expense	794	794	(0)	(0.0%)
Non-cash dividends	–	–	–	N/A
Deferred income tax	–	–	–	N/A
Change in operating assets and liabilities:				
Accounts receivable	(319)	(142)	(177)	124.8%
Inventory	531	254	277	109.0%
Prepaid expenses and other current assets	(22)	27	(49)	(182.1%)
Accounts payable	(146)	(184)	38	(20.7%)
Accrued expenses	(146)	(454)	308	(67.9%)
Accrued income taxes	–	(477)	477	(100.0%)
Other changes in operating assets and liabilities	(63)	–	(63)	N/A
Other cash flow from operations	(1)	–	(1)	N/A
Total Cash Flow from Operations	**$ 764**	**$ (118)**	**$ 883**	**(747.0%)**
Cash flow from investing				
Additions to property, plant and equipment	$ (397)	$ (628)	$ 231	(36.8%)
Acquisitions of companies, net of cash acquired	(5,234)	–	(5,234)	N/A
Investment in intangibles	–	–	–	N/A
Earnout payments	–	–	–	N/A
Other cash flow from investing (goodwill)	–	–	–	N/A
Total Cash Flow from Investing	**$ (5,632)**	**$ (628)**	**$ (5,003)**	**796.7%**
Cash flow from financing				
Proceeds from the issuance (repayment) of ST	$ 2,800	$ –	$ 2,800	N/A
Proceeds from the issuance of debt	6,200	0	6,200	N/A
Repayment of debt	(420)	(421)	1	(0.2%)
Capital lease	–	–	–	N/A
Common stock issued (repurchased)	–	–	–	N/A
Common stock cash dividends paid	–	–	–	N/A
Preferred stock issued (repurchased)	–	–	–	N/A
Other cash flow from financing costs	–	–	–	N/A
Total Cash Flow from Financing	**$ 8,580**	**$ (421)**	**$ 9,001**	**(2138.0%)**
Effect of FX rates on cash and cash equivalents	**$ –**	**$ –**	**$ –**	**N/A**
Net change in cash	**$ 3,713**	**$ (1,167)**	**$ 4,880**	**(418.1%)**
Beginning cash	1,609	1,609	–	0.0%
Change in cash	3,713	(1,167)	4,880	(418.1%)
Ending cash	**$ 5,322**	**$ 442**	**$ 4,880**	**1103.8%**

DURACO

Infinity Quarterly Cash Flow

Management Discussion:

- Operating cashflow was $208k higher than plan due to lower inventory build, higher A/P and higher accruals.
- $139k inflow from investing activities is the cash that Duraco funded to Infinity at closing. This gets more than offset in the consolidated cash flow statement.
- $22k earnout payment as per the Consulting agreement with the former owner for deferred compensation

	QTD		Variance	
$'000	Act	Bud	$	%
Cash flow from operations				
Net Income (Loss)	$ 142	$ 127	$ 15	11.7%
Depreciation, amortization and other	39	38	0	0.3%
Capitalized fees & expenses	–	–	–	N/A
Gain (loss) on sale of fixed assets	–	–	–	N/A
Non-cash interest expense	–	–	–	N/A
Non-cash dividends	–	–	–	N/A
Deferred income tax	–	–	–	N/A
Change in operating assets and liabilities:				
Accounts receivable	(75)	28	(103)	(364.5%)
Inventory	(113)	(175)	62	(35.2%)
Prepaid expenses and other current assets	28	(26)	54	(210.3%)
Accounts payable	308	185	124	66.9%
Accrued expenses	104	46	58	124.0%
Accrued income taxes	–	–	–	N/A
Other changes in operating assets and liabilities	–	–	–	N/A
Other cash flow from operations	–	–	–	N/A
Total Cash Flow from Operations	**$ 433**	**$ 225**	**$ 208**	**92.5%**
Cash flow from investing				
Additions to property, plant and equipment	$ –	$ –	$ –	N/A
Acquisitions of companies, net of cash acquired	139	–	139	N/A
Investment in intangibles	–	–	–	N/A
Earnout payments	(22)	(22)	–	0.0%
Other cash flow from investing (goodwill)	–	–	–	N/A
Total Cash Flow from Investing	**$ 117**	**$ (22)**	**$ 139**	**(642.1%)**
Cash flow from financing				
Proceeds from the issuance (repayment) of ST	$ –	$ –	$ –	N/A
Proceeds from the issuance of debt	–	–	–	N/A
Repayment of debt	–	–	–	N/A
Capital lease	–	–	–	N/A
Common stock issued (repurchased)	(3)	–	(3)	N/A
Common stock cash dividends paid	–	–	–	N/A
Preferred stock issued (repurchased)	–	–	–	N/A
Other cash flow from financing costs	–	–	–	N/A
Total Cash Flow from Financing	**$ (3)**	**$ –**	**$ (3)**	**N/A**
Effect of FX rates on cash and cash equivalents	**$ (422)**	**$ (200)**	**$ (222)**	**111.0%**
Net change in cash	**$ 125**	**$ 3**	**$ 122**	**3960.8%**
Beginning cash	66	66	–	0.0%
Change in cash	125	3	122	3960.8%
Ending cash	**$ 191**	**$ 69**	**$ 122**	**177.6%**

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Consolidated Quarterly Cash Flow

Management Discussion:

- Good operating cashflow in the quarter due to higher EBITDA, lower inventory and higher A/P. Some of this is a result of lowering inventory as a result of the pandemic.
- Ending cash of $5.5m would have been $1.3m without the revolver draw, which is $800k better than plan.
- The quarterly debt payment will be reflected in April due to the timing of Duraco's month end relative to the end of the calendar month.

	QTD		Variance	
$'000	Act	Bud	$	%
Cash flow from operations				
Net Income (Loss)	$ (1,449)	$ (1,528)	$ 79	(5.2%)
Depreciation, amortization and other	1,698	1,700	(2)	(0.1%)
Capitalized fees & expenses	61	58	2	4.1%
Gain (loss) on sale of fixed assets	8	–	8	N/A
Non-cash interest expense	794	794	(0)	(0.0%)
Non-cash dividends	–	–	–	N/A
Deferred income tax	–	–	–	N/A
Change in operating assets and liabilities:				
Accounts receivable	(394)	(114)	(281)	247.0%
Inventory	417	79	338	428.6%
Prepaid expenses and other current assets	6	1	5	372.5%
Accounts payable	162	1	162	20079.7%
Accrued expenses	(42)	(408)	366	(89.7%)
Accrued income taxes	–	(477)	477	(100.0%)
Other changes in operating assets and liabilities	(63)	–	(63)	N/A
Other cash flow from operations	(1)	–	(1)	N/A
Total Cash Flow from Operations	**$ 1,197**	**$ 107**	**$ 1,090**	**1023.1%**
Cash flow from investing				
Additions to property, plant and equipment	$ (397)	$ (628)	$ 231	(36.8%)
Acquisitions of companies, net of cash acquired	(5,095)	–	(5,095)	N/A
Investment in intangibles	–	–	–	N/A
Earnout payments	(22)	(22)	–	0.0%
Other cash flow from investing (goodwill)	–	–	–	N/A
Total Cash Flow from Investing	**$ (5,514)**	**$ (650)**	**$ (4,864)**	**748.7%**
Cash flow from financing				
Proceeds from the issuance (repayment) of ST	$ 2,800	$ –	$ 2,800	N/A
Proceeds from the issuance of debt	6,200	0	6,200	N/A
Repayment of debt	(420)	(421)	1	(0.2%)
Capital lease	–	–	–	N/A
Common stock issued (repurchased)	(3)	–	(3)	N/A
Common stock cash dividends paid	–	–	–	N/A
Preferred stock issued (repurchased)	–	–	–	N/A
Other cash flow from financing costs	–	–	–	N/A
Total Cash Flow from Financing	**$ 8,577**	**$ (421)**	**$ 8,998**	**(2137.3%)**
Effect of FX rates on cash and cash equivalents	**$ (422)**	**$ (200)**	**$ (222)**	**111.0%**
Net change in cash	**$ 3,838**	**$ (1,164)**	**$ 5,002**	**(429.7%)**
Beginning cash	1,675	1,675	–	0.0%
Change in cash	3,838	(1,164)	5,002	(429.7%)
Ending cash	**$ 5,513**	**$ 511**	**$ 5,002**	**979.2%**

DURACO

Consolidated OPEX Detail

$'000

	YTD			Explanation of Variance				Variance Impact		
	Act	Bud	Variance B / (W)	One-Time / Non-recurring	Timing	Change in Run-rate	Other	Total Variance B / (W)	YoY Impact B / (W)	Annualized Impact B / (W)
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	989	1,115	125		125			125	-	-
Benefits (Medical, Dental, Life, AD&D & 401K	185	190	5					-	-	-
Bonus	258	258	0					-	-	-
Marketing	238	238	0					-	-	-
Commissions	62	46	(16)					-	-	-
Travel and Entertainment	59	90	31		31			31	-	-
Rent and Facilities	57	72	15					-	-	-
Insurance	50	48	(2)					-	-	-
Professional Fees	174	192	18		18			18	18	110
Utilities, Repairs, Maint. & Security	5	10	6					-	-	-
Office Supplies	37	27	(10)					-	-	-
IT	139	248	109		109			109	109	653
Bad Debt	11	11	(0)					-	-	-
Real Estate Taxes	49	49	0					-	-	-
Other Expenses	143	134	(9)					-	-	-
Total Opex	**2,456**	**2,727**	**272**	**-**	**283**	**-**	**-**	**283**	**127**	**762**

Management Discussion:

- Payroll: Have not hired VP of Sales and other open positions.
- Travel & Entertainment: Lower due to headcount and the partial month impact of the coronavirus.
- Professional Fees: Recruiting fees for positions that have not been hired; these costs will hit in a future period.
- IT: most IT costs are delayed due to the delayed network separation. Now that the separation is complete, these costs will come through very close to plan levels on a monthly basis.

DURACO

One- time costs

$'000

				Explanation of Variance								
	Act (06/19 - 03/20)	Fcst (06/19-03/20)	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 Serives Agreement (TSA)	$ 843	$ 748	$ (95)		$ (95)		$ –	$ 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	153	390	237		$ 237	–	–	550	490	60	60	360
Website Build	220	240	20		$ 20	–	–	350	350	–	–	–
Data Analytics Platform	86	160	74		$ 74			160	106	54		
IT System Upgrade	149	300	151		$ 151	–	–	300	352	(52)	(52)	(312)
Suppy Chain Specialist	60	60	–		$ –	–	–	60	60	–	–	(60)
Pricing Specialist	–		–		$ –	–	–			–	–	–
Sales Force Efficiency Specialist	139	120	(19)		$ (19)	–	–	134	119	15	15	90
MOR Setup	50	65	15		$ 15	–	–	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	108	80	(28)		$ (28)	–	–	126	156	(30)	(30)	(180)
Recruitment of new personnel	–	243	243			243	–	–		–	–	–
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)		
Mercer	20		(20)		$ (20)	–	–			–		
Growth & Strategy (Beckway)	128		(128)		$ (128)	–	–			–		
Other	5	–	(5)		$ (5)	–	–	5		5	5	30
Infinity Restructuring Costs	49	50	1		$ 1	–	–	120		120	120	720
Total 1x Costs	**$ 2,406**	**$ 2,988**	**$ 581**	**$ –**	**$ 338**	**$ 243**	**$ –**	**$ 3,081**	**$ 3,119**	**$ (38)**	**$ (67)**	**$ (462)**

Management Discussion:

- ERP and Website spending remains on track with updated forecast, although the timing of spend is different.
- TSA costs are being reduced as we work through various separation tasks, but some will continue through the end of the TSA period.

DURACO

Consolidated Cashflow Statement

	MTD		Variance		PY-MTD	Variance		YTD		Variance		PY YTD	Variance	
$'000	Act	Bud	$	%	Act	$	%	Act	Bud	$	%	Act	$	%
Cash flow from operations														
Net Income (Loss)	$ (563)	$ (469)	(94)	20.0%	$ –	$ (563)	0	$ (1,449)	$ (1,528)	$ 79	(5.2%)	$ 592,842	$ (594,291)	(100.2%)
Depreciation, amortization and other	560	560	(0)	(0.1%)	–	560	0	1,698	1,700	(2)	(0.1%)	215,811	(214,113)	(99.2%)
Capitalized fees & expenses	21	19	1	6.1%	–	21	0	61	58	2	4.1%	–	61	
Gain (loss) on sale of fixed assets	–	–	–		–	–	0	8	–	8	0	–	8	
Non-cash interest expense	276	263	13	5.0%	–	276	0	794	794	(0)	(0.0%)	1,280	(486)	(38.0%)
Non-cash dividends	–	–	–		(1,190)	1,190	(100.0%)	–	–	–		14,147	(14,147)	(100.0%)
Deferred income tax	–	–	–		–	–		–	–	–		–	–	
Change in operating assets and liabilities:			–		–	–								
Accounts receivable	(596)	(219)	(377)	172.3%	99	(695)	(702.0%)	(394)	(114)	(281)	247.0%	(274,288)	273,894	(99.9%)
Inventory	329	(30)	359	(1197.2%)	218	111	51.0%	417	79	338	428.6%	(96,048)	96,465	(100.4%)
Prepaid expenses and other current assets	58	95	(37)	(39.0%)	4,452	(4,394)	(98.7%)	6	1	5	372.5%	(471,796)	471,803	(100.0%)
Accounts payable	347	239	108	45.0%	(399)	746	(187.0%)	162	1	162	20079.7%	468,698	(468,535)	(100.0%)
Accrued expenses	(295)	(439)	144	(32.8%)	(14)	(281)	2077.7%	(42)	(408)	366	(89.7%)	(47,189)	47,147	(99.9%)
Accrued income taxes	–	(138)	138	(100.0%)	(5,892)	5,892	(100.0%)	–	(477)	477	(100.0%)	63,960	(63,960)	(100.0%)
Other changes in operating assets and liabilities	–	–	–		858	(858)	(100.0%)	(63)	–	(63)		–	(63)	
Other cash flow from operations	1	–	1		–	1		(1)	–	(1)		–	(1)	
Total Cash Flow from Operations	**$ 137**	**$ (118)**	**$ 255**	**(216.3%)**	**$ (927)**	**$ 1,065**	**(114.8%)**	**$ 1,197**	**$ 107**	**$ 1,090**	**1023.1%**	**$ 467,416**	**$ (466,219)**	(99.7%)
Cash flow from investing														
Additions to property, plant and equipment	$ (42)	$ (71)	$ 29	(41.0%)	$ 541	$ (583)	(107.7%)	$ (397)	$ (628)	$ 231	(36.8%)	$ –	$ (397)	
Acquisitions of companies, net of cash acquired	–	–	$ –		–	–		(5,095)	–	(5,095)		–	(5,095)	
Investment in intangibles	–	–	$ –		–	–		–	–	–		–	–	
Earnout payments	(22)	(22)	$ –	0.0%	–	(22)		(22)	(22)	–	0.0%	–	(22)	
Other cash flow from investing (goodwill)	–	–	$ –		–	–		–	–	–		(29,562)	29,562	(100.0%)
Total Cash Flow from Investing	**$ (64)**	**$ (93)**	**$ 29**		**$ 541**	**$ (604)**	**(111.8%)**	**$ (5,514)**	**$ (650)**	**$ (4,864)**	**748.7%**	**$ –**	**$ (5,514)**	
Cash flow from financing														
Proceeds from the issuance (repayment) of ST	$ –	$ –	$ –		$ –	$ –		$ 2,800	$ –	$ 2,800		$ –	$ 2,800	
Proceeds from the issuance of debt	4,200	–	4,200		–	4,200		6,200	0	6,200	3874999986.6%	–	6,200	
Repayment of debt	(420)	(421)	1	(0.2%)	–	(420)		(420)	(421)	1	(0.2%)	–	(420)	
Capital lease	–	–	–		–	–		–	–	–		–	–	
Common stock issued (repurchased)	–	–	–		(282)	282	(100.0%)	(3)	–	(3)		47,422	(47,425)	(100.0%)
Common stock cash dividends paid	–	–	–		–	–		–	–	–		–	–	
Preferred stock issued (repurchased)	–	–	–		–	–		–	–	–		–	–	
Other cash flow from financing costs	–	–	–		–	–		–	–	–		–	– –	
Total Cash Flow from Financing	**$ 3,780**	**$ (421)**	**$ 4,201**	**(997.9%)**	**$ (282)**	**$ 4,062**	**(1440.4%)**	**$ 8,577**	**$ (421)**	**$ 8,998**	**(2137.3%)**	**$ 47,422**	**$ (38,845)**	**$ (1)**
Effect of FX rates on cash and cash equivalents	**$ –**	**$ –**	**$ –**		**$ 5**	**$ (5)**	**(100.0%)**	**$ (422)**	**$ (200)**	**$ (222)**	**111.0%**	**$ (39,096)**	**$ 38,674**	**$ (1)**
Net change in cash	**$ 3,854**	**$ (632)**	**$ 4,485**	**(710.1%)**	**$ (663)**	**$ 4,517**	**(681.0%)**	**$ 3,838**	**$ (1,164)**	**$ 5,002**	**(429.7%)**	**$ 446,180**	**$ (442,342)**	**$ (1)**
Beginning cash	1,659	1,143	517	45.2%	2,759	(1,100)	(39.9%)	5,540	4,395	1,144	26.0%	2,547,263	(2,541,724)	(1)
Change in cash	3,854	(632)	4,485	(710.1%)	(663)	4,517	(681.0%)	3,838	(1,164)	5,002	(429.7%)	446,180	(442,342)	(1)
Ending cash	**$ 5,513**	**$ 511**	**$ 5,002**	**979.2%**	**$ 2,096**	**$ 3,417**	**163.0%**	**$ 9,378**	**$ 3,231**	**$ 6,147**	**190.2%**	**$ 2,993,443**	**$ (2,984,066)**	**$ (1)**

Management Discussion:

- Operating cashflow was better than plan due largely to the decrease in inventory partially offset by higher A/R.
- $4.2m was drawn on the revolver in anticipation of a cash crunch as a result of the Coronavirus.
- $420k was paid to LBC related to 2019 excess cashflow
- $22k deferred comp payment is on the Earnout line in the investing section of the statement.

DURACO

Debt Leverage Ratios – March 2020

Duraco Specialty Tapes

COVENANT CALCULATION DETAIL

		Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
Bank EBITDA Calculation													
	Bank EBITDA	**$985**	**$778**	**$868**	**$945**	**$1,062**	**$999**	**$1,629**	**$971**	**$533**	**$713**	**$825**	**$903**
	TTM Bank EBITDA	$10,034	$10,005	$10,049	$10,045	$10,190	$10,378	$10,803	$10,853	$10,603	$10,796	$10,995	$11,211
Fixed Charge Coverage Ratio (Section 6.1)													
	Bank EBITDA	$985	$778	$868	$945	$1,062	$999	$1,629	$971	$533	$713	$825	$903
i -	Unfinanced Capital Expenditures	$ 102	$ 30	$ 33	$ 14	$ 14	$ 63	$ 80	$ 242	$ 60	$ 39	$ 330	$ 42
ii -	Management Fees paid or incurred	$ 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)	$799	$664	$751	$848	$965	$853	$1,465	$646	$389	$591	$411	$778
	Interest Expense	$ 285	$ 285	$ 285	$ 285	$ 285	$ 285	$ 285	$ 285	$ 285	$ 285	$ 285	$ 285
	Less: Interest Received	-	-	-	-								
a	Net Cash Interest	$285	$285	$285	$285	$285	$285	$285	$285	$285	$285	$285	$285
b	Regularly scheduled principal payments	$ -	$ -	$ 278	$ -	$ -	$ -	$ 278	$ -	$ 278	$ -	$ -	$ -
	Fixed Charges (Denominator)	$ 285	$ 285	$ 563	$ 285	$ 285	$ 285	$ 563	$ 285	$ 563	$ 285	$ 285	$ 285
	TTM Numerator	$ 8,491	$ 8,392	$ 8,362	$ 8,387	$ 8,561	$ 8,729	$ 9,117	$ 8,968	$ 8,701	$ 8,943	$ 8,900	$ 9,161
	TTM Denominator	$ 3,393	$ 3,678	$ 4,240	$ 4,240	$ 4,240	$ 4,240	$ 4,518	$ 4,518	$ 4,530	$ 4,530	$ 4,530	$ 4,253
	Fixed Charge Coverage Ratio	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**2.06**	**2.02**	**1.99**	**1.92**	**1.97**	**1.96**	**2.15**
	Covenant						**1.10**			**1.10**	**1.10**	**1.10**	**1.10**
	Status			**Pass**			**Pass**			**Pass**	**Pass**	**Pass**	**Pass**
Total Debt to EBITDA Ratio (Section 6.2)													
+	Outstanding amount of Revolving Loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$4,200	$7,000
+	Outstanding Principal Balance - Term Loan	-	-	$42,474	$42,474	$42,474	$42,474	$41,359	$41,359	$41,099	$41,099	$43,099	$43,099
+	Outstanding Principal Balance - Other Debt	-	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$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)
	Bank Debt	$ -	$ -	$41,709	$41,108	$40,552	$40,121	$40,194	$39,831	$39,490	$39,021	$47,155	$48,399
	TTM Bank EBITDA	$10,034	$10,005	$10,049	$10,045	$10,190	$10,378	$10,803	$10,853	$10,603	$10,796	$10,995	$11,211
	Leverage Ratio	**N/A**	**N/A**	**4.15**	**4.09**	**3.98**	**3.87**	**3.72**	**3.67**	**3.72**	**3.61**	**4.29**	**4.32**
	Maximum Permitted Total Debt to EBITDA Ratio for the defined period.						**6.25**			**6.25**			**6.00**
	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
- We can pay down some of the revolver to lower the leverage ratio as qualified cash is capped at $3m.
  - When calculated after paying down the revolver to maximize the cap, the leverage ratio is 4.09.

DURACO

Consolidated 13 Week Cash Forecast

13 Week Cash Flow Forecast	W/E	4/18/20	Act 4/18/20	4/25/20	5/2/20	5/9/20	5/16/20	5/23/20	5/30/20	6/6/20	6/13/20	6/20/20	6/27/20	7/4/20	7/11/20	7/18/20	7/25/20
Beginning Cash Balance		**4,764,529**	**4,764,529**	**4,713,221**	**4,812,650**	**1,719,879**	**1,901,526**	**1,952,675**	**2,288,327**	**2,157,458**	**2,280,456**	**2,356,897**	**2,626,455**	**2,481,498**	**1,074,029**	**897,709**	**979,705**
Total Cash Inflow		827,088	877,466	691,945	941,241	860,004	901,076	902,259	939,125	754,900	993,200	818,665	682,248	683,847	665,513	617,476	643,500
Cash Outflow																	
Accounts Payable		435,000	497,864	424,450	502,058	484,807	449,307	429,307	454,415	454,107	420,007	411,807	454,414	391,807	442,307	391,807	391,807
Payroll		293,000	282,776	106,000	266,600	97,600	263,600	96,600	262,600	96,600	263,600	96,600	262,600	96,600	263,600	96,600	262,600
Union Benefits		-	62,865	-	-	-	-	-	62,000	-	-	-	-	-	-	-	-
Non-Union Benefits		-	2,598	5,000	71,000	5,000	5,000	5,000	71,000	5,000	5,000	5,000	5,000	71,000	5,000	5,000	5,000
401K		26,700	1,800	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700
Deferred Comp		-	-	21,366	-	-	-	-	21,366	-	-	-	21,366	-	-	-	21,366
Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPEX		-	-	-	38,320	20,250	38,320	-	42,578	25,495	154,452	-	10,125	-	77,226	6,373	3,375
Term Loan Interest Payments		-	-	-	-	-	-	-	-	-	-	-	-	772,000	-	-	-
Term Loan Payments		-	-	-	-	-	-	-	-	-	-	-	-	275,000	-	-	-
Revolver Interest Payments		-	-	-	-	-	-	-	-	-	-	-	-	81,875	-	-	-
Revolver Payments		-	-	-	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Unused Line Fee Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OGC Quarterly Management Fee Payment		-	-	-	-	-	-	-	-	-	-	-	-	250,000	-	-	-
One Time Costs		35,000	80,871	35,000	137,334	70,000	75,000	35,000	137,334	50,000	55,000	35,000	55,000	152,334	35,000	35,000	55,000
Total Cash Outflow		789,700	928,774	592,516	4,034,012	678,357	849,927	566,607	1,069,993	631,902	916,759	549,107	827,205	2,091,316	841,833	535,480	757,848
Net Cash Flow from Operations		37,388	(51,308)	99,429	(54,451)	201,897	89,469	335,652	(88,291)	148,493	230,893	269,557	(134,832)	(278,594)	(99,094)	88,369	(110,973)
Net Cash Flow from Investing		-	-	-	(38,320)	(20,250)	(38,320)	-	(42,578)	(25,495)	(154,452)	-	(10,125)	-	(77,226)	(6,373)	(3,375)
Net Cash Flow from Financing		-	-	-	(3,000,000)	-	-	-	-	-	-	-	-	(1,128,875)	-	-	-
Weekly Cash Inflow/(Outflow)		**37,388**	**(51,308)**	**99,429**	**(3,092,771)**	**181,647**	**51,149**	**335,652**	**(130,869)**	**122,998**	**76,441**	**269,557**	**(144,957)**	**(1,407,469)**	**(176,320)**	**81,996**	**(114,348)**
Ending Cash Balance		**4,801,917**	**4,713,221**	**4,812,650**	**1,719,879**	**1,901,526**	**1,952,675**	**2,288,327**	**2,157,458**	**2,280,456**	**2,356,897**	**2,626,455**	**2,481,498**	**1,074,029**	**897,709**	**979,705**	**865,357**
Outstanding Checks		(480,000)	(312,809)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
Net Available Cash		**4,321,917**	**4,400,412**	**4,332,650**	**1,239,879**	**1,421,526**	**1,472,675**	**1,808,327**	**1,677,458**	**1,800,456**	**1,876,897**	**2,146,455**	**2,001,498**	**594,029**	**417,709**	**499,705**	**385,357**
Term Loan Balance		**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,337**	**42,679,338**	**42,679,339**	**42,679,340**
Revolver Balance		**7,000,000**	**7,000,000**	**7,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**
Total Debt - LBC		**49,679,337**	**49,679,337**	**49,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,337**	**46,679,338**	**46,679,339**	**46,679,340**
Available Revolver		**-**		**-**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**

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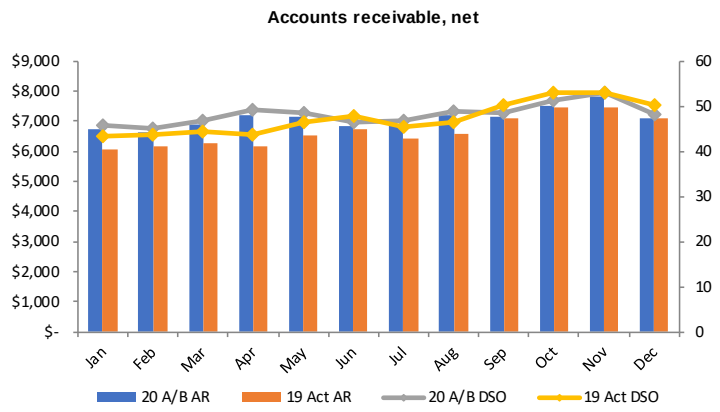
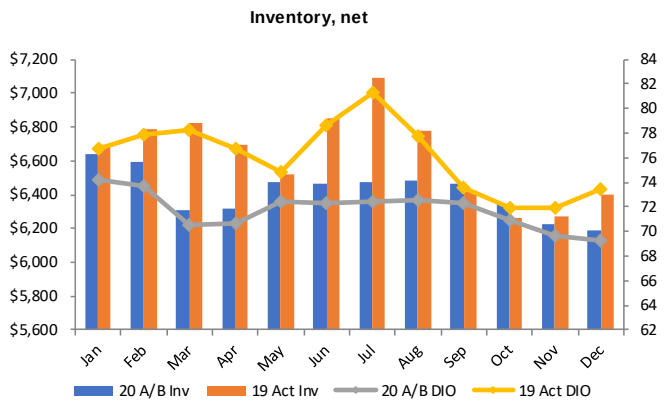
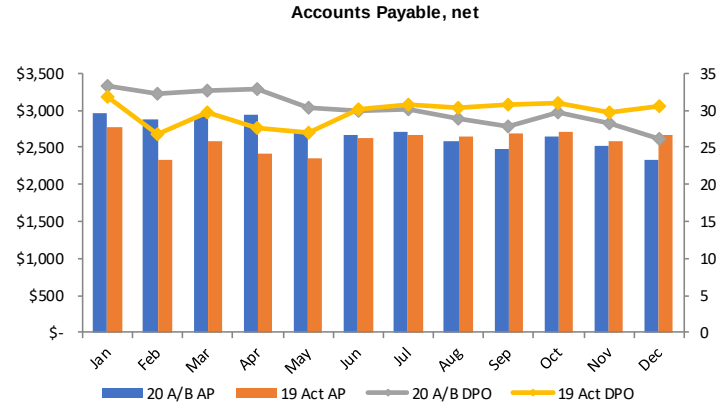
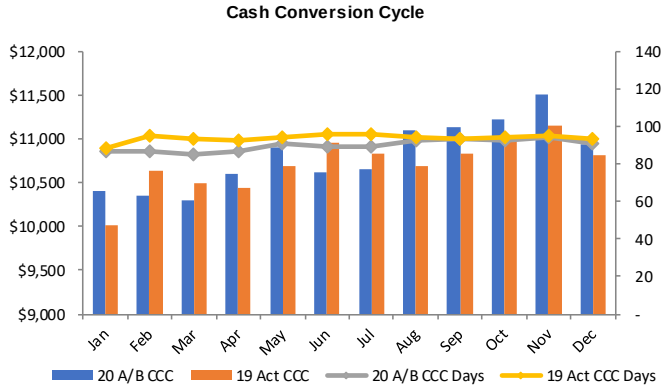
Consolidated Working Capital and Cash Conversion Cycle









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.

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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		• Network migration is complete. We are deploying the Duraco VPN when needed as it requires manual setup on each machine. BPCS printers have been replaced. MFP printers will be in place by 4/24.	Q1 20120	N/A	N/A
ERP		• Project in process. The 2nd conference room pilot has been completed. Bartender and warehouse integration is continuing to move forward. Pilot Intermec barcode scanners are in-house and ready for trial.	Q2 2020	N/A	N/A
Enterprise applications (other than ERP)		• Bartender is installed and printing. The first training session for label creation has been completed; however, integration with CSI is still pending. CRM on hold until ERP further along.	Q2 2020	N/A	N/A
Telephony		• Documentation, configuration, and flow planning is well underway. Rough ETA is mid-May. A better estimate will be known after the status call on 4/23.	Q1 2020	N/A	N/A
End-points		• There are enough laptops and desktops to replace the machines identified as priority. We are deploying new laptops first; followed by new desktops; followed by refurbishing the replaced desktops and deploying out to the plant. Based upon a combination of operating system and resource usage priority.	Q1 2020	N/A	N/A

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

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Management and Governance

Governance Organization

Board of Managers
- Andrew Nikou
- Paul Bridwell
- Vinay Menon
- David Danelz

Audit Committee
- Shawn Haghighi
- Paul Bridwell
- Brad Schechtman

2019 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.	None

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2020 Sales Restructuring

Additional Commercial Headcount

INVESTING IN HC TODAY TO CHANGE THE GROWTH TRAJECTORY

ROLES	2019	2020	2020 HC CHANGES
Vice President of Sales	0	1	1
Outside Sales	4	6	2
Rep Agencies	2	1	-1
Inside Sales Manager	0	1	1
Inside Sales	6	6	0
Business Development Manager	1	2	1
Customer Service Manager	0	1	1
Customer Service Representative	6	6	0
Sales / Ops Manager	1	1	0
Commercial Support Manager	1	0	-1
Marketing	2	2	0
Product Management	1	2	1
TOTAL	**24**	**29**	**5**

Management Discussion:

Customer Engagement Focus

- All aspects of the Customer engagement model needs more cohesion and structured with defined roles and responsibilities. A more overarching Customer engagement model needs to be established and implemented. The new Inside Sales team with new leadership (now in place) should help drive Customer engagement.
- Marketing efforts are becoming more coordinated; however without a CRM it is difficult to measure direct Customer on-boarding impact.

Commercial Headcount for 2020

- Hiring New Vice President of Sales
- 6 regions will be covered with 5 Regional Sale Managers
- Hired Phil Lejcar in December, manage Inside Sales Team
- Jake moving to Whirlpool Appliance Role, Kevin Philips retiring
- Move Rick Mucino from RSM to BD Manager role
- Hiring a Customer Service Supervisor role
- Greg Zyck hiring an Associate Product Manager role
- Pat Downs retiring in July

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Customer Classification

CLASS	CRITERIA	SALES EXPECTATIONS	MARKETING EXPECTATIONS
A	• $100k+ EAU actual or potential	• Business Development Manager own senior level relationship • RSM primary owner of the local relationship – F2F visits per year – 4 – Monthly contact – Inside Sales support as needed • Customer Service – “Just say Yes”	• Customer Council Involvement (gathering feedback to discuss price, product, user experience, customer experience) the main reasons for customer churn • ABM + Customer Marketing Campaigns • Customer Newsletter + Increased Email Blasts • Customer Heartbeat Emails (NPS Surveys)
B	• $50k – $100k EAU actual or potential • Outside influencer/driver of significant business • Significant competitor pressure	• RSM primary owner of the local relationship – F2F visits per year – 2 – Monthly contact as need to support customer needs – Inside Sales support as needed • Customer Service – focus on meeting customers needs	• Same as CLASS A classification
C	• $15k – $50k EAU actual or potential • Significant POP or Print segments	• Inside Sales primary owner of the relationship – Quarterly contacts or as needed to support current customer needs • RSM involvement as need by Inside Sales – F2F visit • If POP / Print ensure Design contact • Customer Service – support per standard T&C	• Customer Newsletter + Increased Email Blasts • Customer Heartbeat Emails
D	• $1k – $15k EAU • No known potential to achieve above $15k EAU • Not POP or Print segments	• Inside Sales primary owner of the relationship – Annual or bi-Annual contact • Customer Service – support per standard T&C	• Customer Newsletter + Increased Email Blasts • Website redesign – make it easy to do business
E	• <$1k • No potential • Not POP or Print segments	• Communication is through Marketing • No active pursuit • Customer Service – support per standard T&C	• Same as CLASS D classification

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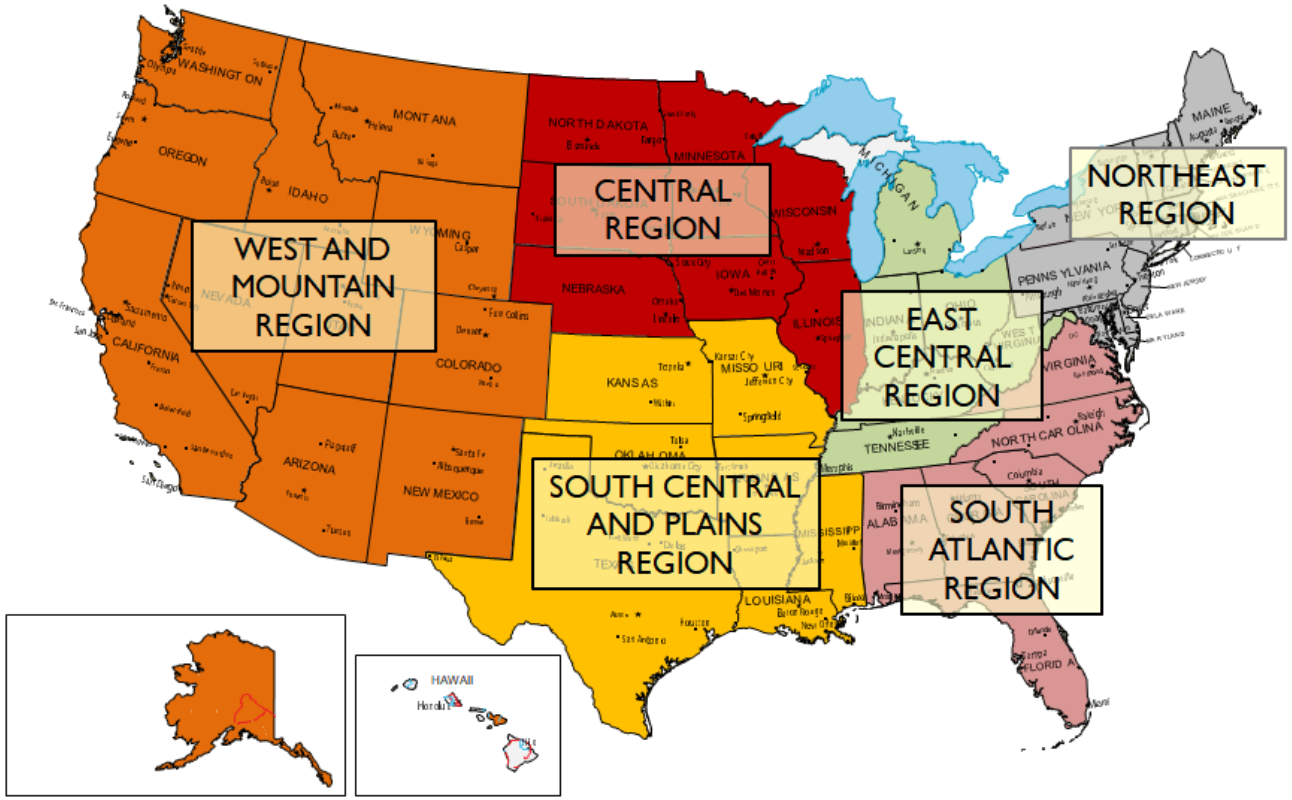
2020 Sales Alignment, Growth Program & Commercial KPIs

New Territory Alignment



Management Discussion:

Organize Sales Regions based on:

- Existing customers and potential new customers
- Using the Fredonia Report to understand past volume of Tape / Gaskets
- Geographic footprint and logical travel patterns for better account coverage
- Regional Sales Manager owns all accounts within the region
- Each Region (except NE) will have an outside & inside sales person

Regional Sales Teams:

- Northeast – Todd Compton, Robert Burke
- E. Central & Canada – Todd Compton, Walter Klein
- Central – Rick Mucino, Rachel Englram
- Southeast – Open, Renee Owens
- Southwest – Nick Darling, Elena Esparza
- West – Kevin Fierro, Joe Morrison

Business Develop Team

- Move Rick and Greg P into Business Development Manager roles
  - Own the greater strategic growth of their segments
  - Manage and own the relationships with key account's senior leadership
  - Support local RSM's in critical applications and closing business
- Rick Mucino – POP, Transit Packaging, & Wall Hangings
- Greg Precup – Appliance & Industrial
- Jake Schoch – Segment Account Manager, Appliance & RV/Trailer segment
- Doug Mulay – Mulay Sales, responsible for GE Appliance

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Duraco 2020 Growth Program

THE BELOW ACTIVITIES – ORIENTED AROUND BUILDING THE DURACO SALES ENGINE - ARE OCCURRING OVER THE NEXT QUARTER TO IMPROVE OUR SALES CAPABILITIES

	Phase I: Territory Re-alignment & New Compensation Model	Phase II: Territory Education & Coverage Transition	Phase III: Regional Territory Planning	Phase IV+: Increased Salesforce Effectiveness
Objective	Institute regional focus and incentivize salesforce with new 'favorable' comp model (downside protection + upside carrot)	Enable RSMs to develop understanding and relationships of new territories	Translate new coverage model into tangible, granular growth plans / go-do's by region	Increase effectiveness of salesforce (i.e., larger pipelines, higher win rate, etc.)
Key Activities	• Implementation of new comp model • Implementation of new coverage model	• Complete visits to new accounts and/or transitioned accounts • Complete Industrial training to 'learn to sell' to industrial accounts (for legacy PoP reps) • Leverage new sales tools that bring account-level visibility into new territories	• Develop highly granular / actionable account-level territory growth plans (w/external support)	• Sales process training? • Sales coaching / Ride-alongs? • Increased sales tools? • Sales motivations / contests?
Owner	David Danelz	David Danelz	Matt Venezia	Matt Venezia
Timing	February 2020	March 2020	April 2020	June 2020+
Outside Resources	SmartVentures	TBD	BeckWay Group (TBD)	BeckWay Group (TBD), Sales Training Consultants e.g., Miller-Heiman

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Duraco 2020 Growth Program

IN PARALLEL, WE ARE PURSUING MULTIPLE STRATEGIC INITIATIVES TO DRIVE IMPROVED SALES

2020 PRIORITY OBJECTIVES	KEY INITIATIVES	KPIS
Lead Generation	• Digital / traditional marketing • Outbound calling	• MQLs/SQLs • # of new accounts • Revenue from new accounts • ROAS
Churn Reduction	• Digital / traditional marketing • Outbound calling focused on 290 customers	• Churn % • TTM Revenue from 290 customer hit list over time
Customer Engagement (SOW Expansion)	• Outbound calling • RSM visits • Increased marketing	• Growth of PY / previous month new accounts
New Market	• Transportation (RV/Trailer) • Window • Construction (Wall Hanging)	• RSM weekly call log • # of New Products Developed • IS - # of engagements

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Overview

A LOOK AT KPI'S FOR THE FOLLOWING MARKETING INITIATIVES THAT HAVE THE BIGGEST IMPACT ON THE BUSINESS

Website

- This will provide an overall indication of performance as the centralized hub for traffic, lead generation and website transactions.

Lead Generation

- This will provide a detailed indication of lead generation and customer acquisition performance based on marketing activations within our media mix.

Customer Engagement

- This will provide a detailed indication of engagement and impact on reoccurring customer purchases and decrease in customer churn.

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Marketing Communications Matrix

OVERVIEW OF MARKETING ACTIVATIONS

- The chart to the right represents the framework for lead generation and new customer acquisition on a monthly/quarterly basis
- This is our Integrated marketing communications calendar to promote our products and brand which includes product focus, messaging and the marketing activations deployed each month through a variety of media outlets

Vertical	Product Focus	Product Messaging	Media Mix	
			February	March
POP	• 4581 • Removable Products	• Product Messaging: Tape that doesn't leave a trace when it comes to your display or exhibit • Tagline: Reliable, Resourceful, Removable.	• Direct Mail Ad • Shop! (Print ad, Sponsored Webinar. In-Email Ad) • Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • Facebook Sponsored Ad • LinkedIn Sponsored Ad • Creative Magazine • Infogroup Display Programmatic • Infogroup Email Blast	• Direct Mail Ad • Shop! (Print ad, Sponsored Webinar. In-Email Ad) • Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • Facebook Sponsored Ad • LinkedIn Sponsored Ad
Print	• 4581 Fingerlift • Removable Products	• Product Messaging: use our tape to hold up your signage, reliability • Tagline: Strength Reengineered	• Direct Mail Ad • Shop! (Print ad, Sponsored Webinar. In-Email Ad) • Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • Facebook Sponsored Ad • LinkedIn Sponsored Ad • Printing Impressions	• Direct Mail Ad • Shop! (Print ad, Sponsored Webinar. In-Email Ad) • Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • Facebook Sponsored Ad • LinkedIn Sponsored Ad • Printing Impressions
Transit Packaging	• 4581 Dry Edge	• Product Messaging: Strength, Optimization, Seal Reliability • Tagline: Strength Reengineered	• Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • AICC Boxscore (Digital banners, In-email ad) • Facebook Sponsored Ad • LinkedIn Sponsored Ad • Live Intent (In-Email Ad) • Packaging Impressions	• Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • AICC Boxscore (Digital banners, In-email ad) • Facebook Sponsored Ad • LinkedIn Sponsored Ad • Live Intent (In-Email Ad) • Packaging Impressions
Industrial	• Duraco High Bond	• Product Messaging: Replacing screws, fasteners with DHB. • Tagline: Many Applications. One Solutions	• Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • LinkedIn Sponsored Ad • Facebook Sponsored Ad	• Google AdWords • Social Media (Facebook, Instagram, LinkedIn) • LinkedIn Sponsored Ad • Facebook Sponsored Ad
Exhibit	• Remo One, Remo Two, Remo One Plus, Twin Stick, DHB, Hook and Loop	• Product Messaging: User our tapes to secure your display or booth whether it's temporary or permanent • Tagline: Secure Your Exhibit Environment	• Social Media (Facebook, Instagram, LinkedIn) • Google AdWords • Facebook Sponsored Ad • LinkedIn Sponsored Ad	• Social Media (Facebook, Instagram, LinkedIn) • Google AdWords • Facebook Sponsored Ad • LinkedIn Sponsored Ad

Consolidated Full year outlook and P&L

$'000	YTD		Variance		FY	PY	Variance		TTM
	Act	Bud	$	%	Act	Act	$	%	$
Gross Revenue	**$ 12,617**	**$ 12,370**	**$ 247**	**2.0%**	**$ 53,728**	**$ 51,606**	**$ 2,122**	**4.1%**	**$ 51,884**
Net Revenue	**12,554**	**12,292**	**261**	**2.1%**	**53,410**	**51,414**	**1,996**	**3.9%**	**51,749**
Material	4,459	4,322	(138)	(3.2%)	18,858	18,990	(133)	(0.7%)	18,963
	35.5%	*35.2%*	(0)	(1.0%)	*35.3%*	*36.9%*			*36.6%*
Labor	1,430	1,465	35	2.4%	5,879	5,671	207	3.7%	5,718
	11.4%	*11.9%*	0	4.4%	*11.0%*	*11.0%*			*11.1%*
Other COGS	1,882	1,872	(10)	(0.5%)	7,790	7,144	645	9.0%	7,356
Total COGS	**7,772**	**7,659**	**(113)**	**(1.5%)**	**32,526**	**31,806**	**720**	**2.3%**	**32,037**
Gross Margin	**4,782**	**4,634**	**148**	**3.2%**	**20,884**	**19,608**	**1,276**	**6.5%**	**19,712**
Gross Margin %	*38.1%*	*37.7%*			*39.1%*	*38.1%*			*38.1%*
R&D	52	105	53	50.8%	407	313	95	30.3%	291
Sales & Marketing	1,155	1,257	102	8.1%	5,398	4,490	908	20.2%	4,533
Administrative	1,250	1,365	115	8.4%	5,547	5,732	(185)	(3.2%)	6,253
Other Opex	(1)	–	1	0	–	31	(31)	(100.0%)	29
Total Opex	**2,456**	**2,727**	**272**	**10.0%**	**11,352**	**10,565**	**787**	**7.4%**	**11,107**
EBITDA	**2,326**	**1,906**	**420**	**22.0%**	**9,532**	**9,043**	**489**	**5.4%**	**8,606**
EBITDA %	*18.5%*	*15.5%*			*17.8%*	*17.6%*			*16.6%*
Bank allowable EBITDA add-ba	77	85	(9)	(10.1%)	207	1,727	(1,520)	(88.0%)	2,567
Bank EBITDA	**2,403**	**1,992**	**411**	**20.6%**	**9,739**	**10,770**	**(1,032)**	**(9.6%)**	11,173
(Standalone Costs)	**(357)**	**(58)**	**(299)**	**(14.8%)**	**(13)**	**(1,471)**	**1,458**	*(99.1%)*	**1,607**
PF Adjusted EBITDA	**2,046**	**1,934**	**112**	**6%**	**9,726**	**9,300**	**426**	*4.6%*	**9,565**
Indicative %									
Net Income (Loss)	**$ (1,449)**	**$ (1,528)**	**$ 79**	**(5.2%)**	**$ (3,128)**	**$ 331**	**$ (3,460)**	**(1044.9%)**	**$ (3,182)**

$'000	YTD		Variance		PY	Variance		TTM
	Act	Bud	$	%	Bud	Act	$	%	
Opex Overview:									
Payroll (Payroll, OT, SS & Taxes,	$ 989	$ 1,115	125	11.2%	$ 4,874	$ 3,638	$ 1,236	34.0%	$ 3,832
Benefits (Medical, Dental, Life,	185	190	5	2.6%	840	649	190	29.3%	686
Bonus	258	258	0	0.0%	1,031	548	484	88.3%	691
Marketing	238	238	0	0.0%	953	898	55	6.1%	884
Commissions	62	46	(16)	(35.1%)	234	233	1	0.4%	240
Travel and Entertainment	59	72	13	17.7%	344	233	111	47.8%	227
Rent and Facilities	57	90	33	36.8%	396	312	84	26.9%	268
Insurance	50	48	(2)	(3.4%)	204	124	80	64.4%	160
Professional Fees	174	192	18	9.5%	706	453	253	55.9%	567
Utilities, Repairs, Maint. & Secu	5	10	6	55.3%	42	49	(7)	(13.9%)	35
Office Supplies	37	27	(10)	(37.6%)	114	155	(41)	(26.7%)	160
IT	139	248	109	43.9%	874	389	485	124.5%	431
Bad Debt	11	11	(0)	(3.8%)	44	51	(7)	(14.2%)	54
Real Estate Taxes	49	49	0	0.0%	176	209	(32)	(15.5%)	208
Other Expenses	143	134	(9)	(6.4%)	520	2,624	(2,105)	(80.2%)	2,665
Total Opex	**$ 2,456**	**$ 2,727**	**$ 272**	**10.0%**	**$ 11,352**	**$ 10,565**	**$ 787**	**7.4%**	**$ 11,107**

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Consolidated Monthly P&L

$'000	20-Jan	20-Feb	20-Mar	20-Apr	20-May	20-Jun	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	FY (3+10)	FY	Var	
	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Act	Bud	$	%
Gross Revenue	**$ 4,317**	**$ 3,997**	**$ 4,304**	**$ 5,145**	**$ 4,117**	**$ 4,274**	**$ 4,543**	**$ 4,486**	**$ 4,464**	**$ 5,763**	**$ 4,422**	**$ 4,145**	**$ 53,975**	**$ 53,728**	**$ 247**	**0.5%**
Net Revenue	**4,301**	**3,973**	**4,279**	**5,118**	**4,092**	**4,249**	**4,517**	**4,459**	**4,438**	**5,730**	**4,394**	**4,119**	**53,671**	**53,410**	**261**	**0.5%**
Material	1,564	1,369	1,526	1,788	1,471	1,487	1,616	1,581	1,563	2,003	1,577	1,449	18,995	18,858	138	0.7%
	36.4%	*34.5%*	*35.7%*	*34.9%*	*35.9%*	*35.0%*	*35.8%*	*35.5%*	*35.2%*	*35.0%*	*35.9%*	*35.2%*	*35.4%*	*35.3%*	*52.7%*	
Labor	538	442	450	540	449	475	507	453	450	567	462	511	5,844	5,879	(35)	(0.6%)
	12.5%	*11.1%*	*10.5%*	*10.6%*	*11.0%*	*11.2%*	*11.2%*	*10.2%*	*10.1%*	*9.9%*	*10.5%*	*12.4%*	*10.9%*	*11.0%*	*(13.2%)*	
Other COGS	649	603	631	714	623	628	662	611	627	796	610	648	7,800	7,790	10	0.1%
Total COGS	**2,751**	**2,415**	**2,607**	**3,042**	**2,544**	**2,591**	**2,786**	**2,646**	**2,640**	**3,366**	**2,649**	**2,608**	**32,645**	**32,526**	**119**	**0.4%**
Gross Margin	**1,550**	**1,558**	**1,673**	**2,076**	**1,548**	**1,659**	**1,731**	**1,813**	**1,799**	**2,364**	**1,745**	**1,511**	**21,026**	**20,884**	**142**	**0.7%**
Gross Margin %	*36.0%*	*39.2%*	*39.1%*	*40.6%*	*37.8%*	*39.0%*	*38.3%*	*40.6%*	*40.5%*	*41.3%*	*39.7%*	*36.7%*	*39.2%*	*39.1%*		
R&D	27	13	13	37	35	32	35	30	31	37	30	35	354	407	(53)	(13.1%)
Sales & Marketing	377	365	412	511	430	452	472	433	432	510	437	469	5,301	5,398	(96)	(1.8%)
Administrative	442	377	431	471	420	431	461	432	426	521	446	454	5,313	5,547	(234)	(4.2%)
Other Opex	–	(2)	1	–	–	–	–	–	–	–	–	–	(1)	–	(1)	
Total Opex	**846**	**753**	**857**	**1,019**	**885**	**915**	**968**	**895**	**889**	**1,069**	**914**	**958**	**10,967**	**11,352**	**(385)**	**(3.4%)**
EBITDA	**704**	**805**	**816**	**1,057**	**663**	**744**	**763**	**918**	**910**	**1,295**	**831**	**553**	**10,059**	**9,532**	**527**	**5.5%**
EBITDA %	*16.4%*	*20.3%*	*19.1%*	*20.7%*	*16.2%*	*17.5%*	*16.9%*	*20.6%*	*20.5%*	*22.6%*	*18.9%*	*13.4%*	*18.7%*	*17.8%*	*0.9%*	
Bank allowable EBITDA add-backs	9	20	48	14	–	–	–	–	–	–	–	–	90	207	(117)	(56.3%)
Bank EBITDA	**713**	**825**	**864**	**1,072**	**664**	**744**	**764**	**918**	**911**	**1,296**	**831**	**553**	**10,155**	**9,739**	**416**	**4.3%**
(Standalone Costs)	**(129)**	**(149)**	**(79)**	**0**	**0**	**(0)**	**0**	**0**	**45**	**(0)**	**0**	**0**	**(312)**	*(13)*	*(299)*	2312.1%
PF Adjusted EBITDA	**584**	**676**	**785**	**1,072**	**664**	**744**	**764**	**918**	**956**	**1,296**	**831**	**553**	**9,843**	**9,726**	**118**	**1.2%**
Indicative %																
															0	
Net Income (Loss)	**$ (400)**	**$ (485)**	**$ (563)**	**$ (197)**	**$ (302)**	**$ (232)**	**$ (505)**	**$ (85)**	**$ (43)**	**$ 262**	**$ (88)**	**$ (297)**	**$ (2,936)**	**$ (3,128)**	**$ 192**	**(6.2%)**

$'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	$	%
Opex Overview:																
Payroll (Payroll, OT, SS & Taxes, Temp	368	317	304	452	367	398	412	367	363	453	367	432	4,599	$ 4,874	$ (275)	(5.6%)
Benefits (Medical, Dental, Life, AD&D	54	63	68	77	64	66	76	68	68	82	68	70	822	840	(17)	(2.1%)
Bonus	86	86	86	86	86	86	86	86	86	86	86	86	1,031	1,031	(0)	(0.0%)
Marketing	79	79	79	79	79	79	79	79	79	79	79	79	953	953	(0)	(0.0%)
Commissions	15	15	31	19	19	18	18	25	24	66	41	22	315	234	81	34.7%
Travel and Entertainment	23	10	26	39	33	31	39	31	31	40	34	30	365	344	22	6.3%
Rent and Facilities	18	18	21	29	29	31	31	31	31	31	31	31	329	396	(67)	(17.0%)
Insurance	18	15	17	19	16	16	20	16	16	20	16	16	205	204	2	0.8%
Professional Fees	36	46	91	70	53	53	56	53	53	56	53	53	672	706	(34)	(4.9%)
Utilities, Repairs, Maint. & Security	3	1	1	4	3	3	4	3	3	4	3	3	37	42	(6)	(13.3%)
Office Supplies	11	10	16	10	10	10	9	10	10	10	10	10	124	114	10	9.0%
IT	46	41	51	66	69	69	70	69	69	73	70	70	765	874	(109)	(12.4%)
Bad Debt	12	(3)	3	4	3	3	4	3	3	4	3	3	44	44	0	1.0%
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	48	41	39	48	41	39	48	41	40	528	520	9	1.7%
Total Opex	**$ 846**	**$ 753**	**$ 857**	**$ 1,019**	**$ 885**	**$ 915**	**$ 968**	**$ 895**	**$ 889**	**$ 1,069**	**$ 914**	**$ 958**	**$ 10,967**	**$ 11,352**	**$ (385)**	**(3.4%)**

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Consolidated Monthly EBITDA to Net Income (Loss) Bridge

$'000	Jan Act	Feb Act	Mar Act	Apr Bud	May Bud	Jun Bud	Jul Bud	Aug Bud	Sep Bud	Oct Bud	Nov Bud	Dec Bud	FY 3 m Act + 9 Bud	FY Bud	Var $	Var %	PY Act	Var $	Var %
EBITDA - as reported	**$ 704**	**$ 805**	**$ 816**	**$ 1,058**	**$ 664**	**$ 744**	**$ 764**	**$ 918**	**$ 911**	**$ 1,296**	**$ 831**	**$ 553**	**$ 10,065**	**$ 9,532**	**$ 533**	**5.6%**	**$ 9,043**	**$ 1,022**	**11.3%**
Depreciation and amortization	(569)	(570)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(6,741)	(6,743)	2	*(0.0%)*	(4,668)	(2,074)	44.4%
Interest and amortization	(281)	(277)	(296)	(288)	(294)	(285)	(294)	(291)	(279)	(286)	(277)	(286)	(3,433)	(3,431)	(2)	*0.1%*	(1,784)	(1,649)	92.4%
Other financial income/expense	(0)	(1)	(0)	–	–	–	–	–	–	–	–	–	(2)	–	(2)	*N/A*	31	(33)	(106.2%)
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)	0	*(0.0%)*	(500)	(500)	100.0%
Restructuring costs	(171)	(360)	(440)	(381)	(120)	(115)	(489)	(86)	(34)	(16)	(19)	(14)	(2,244)	(2,383)	139	*(5.8%)*	(1,452)	(792)	54.6%
Non-recurring items	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,383)	2,383	*(100.0%)*	(0)	0	(100.0%)
Taxes	–	–	–	57	92	68	158	17	3	(89)	20	93	420	–	420	*N/A*	(330)	750	(227.0%)
GAAP Net Income (Loss)	**$ (400)**	**$ (485)**	**$ (563)**	**$ (197)**	**$ (302)**	**$ (232)**	**$ (505)**	**$ (85)**	**$ (43)**	**$ 262**	**$ (88)**	**$ (297)**	**$ (2,936)**	**$ (6,408)**	**$ 3,472**	**(54.2%)**	**$ 331**	**$ (3,267)**	**(986.7%)**

Management Discussion

DURACO

Monthly EBITDA to Net Income (Loss) Bridge

$'000	Jan Act	Feb Act	Mar Act	Apr Bud	May Bud	Jun Bud	Jul Bud	Aug Bud	Sep Bud	Oct Bud	Nov Bud	Dec Bud	FY 3 m Act + 9 Bud	FY Bud	Var $	Var %	PY Act	Var $	Var %
EBITDA - as reported	**$ 704**	**$ 805**	**$ 816**	**$ 1,058**	**$ 664**	**$ 744**	**$ 764**	**$ 918**	**$ 911**	**$ 1,296**	**$ 831**	**$ 553**	**$ 10,065**	**$ 9,532**	**$ 533**	**5.6%**	**$ 9,043**	**$ 1,022**	**11.3%**
Depreciation and amortization	(569)	(570)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(6,741)	(6,743)	2	*(0.0%)*	(4,668)	(2,074)	44.4%
Interest and amortization	(281)	(277)	(296)	(288)	(294)	(285)	(294)	(291)	(279)	(286)	(277)	(286)	(3,433)	(3,431)	(2)	*0.1%*	(1,784)	(1,649)	92.4%
Other financial income/expense	(0)	(1)	(0)	–	–	–	–	–	–	–	–	–	(2)	–	(2)	*N/A*	31	(33)	(106.2%)
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)	0	*(0.0%)*	(500)	(500)	100.0%
Restructuring costs	(171)	(360)	(440)	(381)	(120)	(115)	(489)	(86)	(34)	(16)	(19)	(14)	(2,244)	(2,383)	139	*(5.8%)*	(1,452)	(792)	54.6%
Non-recurring items	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,383)	2,383	*(100.0%)*	(0)	0	(100.0%)
Taxes	–	–	–	57	92	68	158	17	3	(89)	20	93	420	–	420	*N/A*	(330)	750	(227.0%)
GAAP Net Income (Loss)	**$ (400)**	**$ (485)**	**$ (563)**	**$ (197)**	**$ (302)**	**$ (232)**	**$ (505)**	**$ (85)**	**$ (43)**	**$ 262**	**$ (88)**	**$ (297)**	**$ (2,936)**	**$ (6,408)**	**$ 3,472**	**(54.2%)**	**$ 331**	**$ (3,267)**	**(986.7%)**

Management Discussion

DURACO

Consolidated Monthly Balance Sheet

$'000	20-Jan Act	20-Feb Act	20-Mar Act	20-Apr Bud	20-May Bud	20-Jun Bud	20-Jul Bud	20-Aug Bud	20-Sep Bud	20-Oct Bud	20-Nov Bud	20-Dec Bud	FY Bud	PY Act
Current Assets														
Cash and cash equivalents	2,206	1,659	5,513	111	305	269	206	26	720	189	934	1,767	1,767	1,675
Short term investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Accounts receivable, gross	6,805	6,731	7,330	7,368	7,141	6,761	7,251	7,382	7,194	8,112	7,741	6,672	6,672	6,924
Accounts receivable, reserves	(142)	(140)	(142)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)
Accounts receivable, net	6,663	6,592	7,187	7,239	7,012	6,631	7,121	7,253	7,064	7,983	7,612	6,542	6,542	6,793
Inventory, gross	7,724	7,503	7,189	7,499	7,484	7,509	7,534	7,469	7,419	7,269	7,219	7,219	7,219	7,570
Inventory, reserves	(1,017)	(1,026)	(1,041)	(1,008)	(1,023)	(1,038)	(1,058)	(973)	(988)	(1,008)	(1,023)	(1,033)	(1,033)	(1,005)
Inventory, net	6,707	6,477	6,148	6,491	6,461	6,471	6,476	6,496	6,431	6,261	6,196	6,186	6,186	6,565
Prepaid expenses and other current assets	474	385	327	513	410	266	510	436	350	483	423	320	320	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	–	–	–	–	–	–	–	–	–	–	–
Total Current Assets	**16,049**	**15,113**	**19,175**	**14,354**	**14,187**	**13,637**	**14,313**	**14,211**	**14,565**	**14,916**	**15,165**	**14,816**	**14,816**	**15,366**
Non-Current Assets														
Property, plant & equipment, gross	15,328	14,564	14,605	14,864	15,043	15,204	15,306	15,391	15,469	15,494	15,519	15,563	15,563	15,359
Accumulated depreciation	(2,549)	(2,298)	(2,378)	(2,460)	(2,541)	(2,622)	(2,704)	(2,785)	(2,867)	(2,948)	(3,030)	(3,111)	(3,111)	(2,524)
Property, plant & equipment, net	12,779	12,266	12,227	12,404	12,502	12,581	12,602	12,606	12,603	12,546	12,490	12,452	12,452	12,834
Identifiable intangible assets, gross	700	4,694	4,694	4,606	4,606	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	57,287	56,808	56,329	55,850	55,371	54,892	54,413	53,935	53,456	53,456	54,954
Deferred financing cost	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	5,234	5,234	–	–	–	–	–	–	–	–	–	–	–
Total Non-Current Assets	**67,249**	**75,834**	**75,315**	**69,691**	**69,310**	**68,910**	**68,452**	**67,977**	**67,495**	**66,960**	**66,424**	**65,908**	**65,908**	**67,788**
Total Assets	**$ 83,298**	**$ 90,947**	**$ 94,490**	**$ 84,045**	**$ 83,498**	**$ 82,548**	**$ 82,766**	**$ 82,188**	**$ 82,060**	**$ 81,876**	**$ 81,589**	**$ 80,724**	**$ 80,724**	**$ 83,155**
Current Liabilities														
Current portion of long-term debt	1,462	1,462	1,100	2,139	1,739	1,739	2,089	1,589	1,039	1,039	1,039	1,039	1,039	1,462
Notes Payable	261	3,318	7,794	268	542	(0)	275	547	806	266	524	–	–	–
Accounts payable	3,016	2,736	3,084	2,783	2,631	2,708	2,689	2,457	2,511	2,788	2,265	2,408	2,408	2,921
Accrued liabilities	2,564	2,542	2,247	1,560	1,706	1,808	2,105	2,104	2,275	2,253	2,344	2,525	2,525	2,289
Accrued compensation	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Income taxes payable	0	0	0	(203)	(295)	(363)	(521)	(538)	(541)	(452)	(473)	(566)	(566)	0
Other current liabilities	(233)	263	263	263	263	263	263	263	263	263	263	263	263	(233)
Total Current Liabilities	**7,070**	**10,321**	**14,488**	**6,810**	**6,587**	**6,155**	**6,900**	**6,421**	**6,353**	**6,157**	**5,963**	**5,669**	**5,669**	**6,440**
Long-term liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Long-term debt less current maturities	39,638	41,638	41,579	39,380	39,380	39,120	39,120	39,120	39,120	38,861	38,861	38,601	38,601	39,638
Deferred income taxes	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	(795)	967	966	1,010	1,008	1,006	1,003	1,001	999	996	994	992	992	(814)
Total Long-Term Liabilities	**38,843**	**42,605**	**42,546**	**40,390**	**40,388**	**40,126**	**40,124**	**40,121**	**40,119**	**39,857**	**39,855**	**39,593**	**39,593**	**38,824**
Total Liabilities	**45,913**	**52,926**	**57,033**	**47,200**	**46,975**	**46,281**	**47,023**	**46,542**	**46,472**	**46,014**	**45,818**	**45,262**	**45,262**	**45,263**
Shareholders' Equity														
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)	(6,279)	(6,602)	(6,857)	(7,382)	(7,479)	(7,536)	(7,263)	(7,353)	(7,662)	(7,662)	(2,694)
Accumulated other comprehensive income	1,636	–	–	–	–	–	–	–	–	–	–	–	–	–
Other equity transactions	(545)	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Shareholders' Equity	**37,385**	**38,021**	**37,457**	**37,222**	**36,900**	**36,644**	**36,119**	**36,022**	**35,965**	**36,239**	**36,149**	**35,839**	**35,839**	**36,698**
Total Liabilities and Shareholders' Equity	**$ 83,298**	**$ 90,947**	**$ 94,490**	**$ 84,422**	**$ 83,875**	**$ 82,925**	**$ 83,143**	**$ 82,565**	**$ 82,437**	**$ 82,253**	**$ 81,966**	**$ 81,101**	**$ 81,101**	**$ 81,961**

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Consolidated Balance Sheet – Year on Year Comparison

$'000	YTD CY	YTD Dec-19	Variance $	Variance %
Current Assets				
Cash and cash equivalents	$ 5,513	$ 1,675	$ 3,838	229.1%
Short term investments	–	–	–	
Accounts receivable, gross	7,330	6,924	406	5.9%
Accounts receivable, reserves	(142)	(130)	(12)	9.1%
Accounts receivable, net	7,187	6,793	394	5.8%
Inventory, gross	7,189	7,570	(381)	(5.0%)
Inventory, reserves	(1,041)	(1,005)	(36)	3.6%
Inventory, net	6,148	6,565	(417)	(6.4%)
Prepaid expenses and other current assets	327	333	(6)	(1.8%)
Current portion of deferred taxes	–	–	–	
Other current assets	–	–	–	
Total Current Assets	**19,175**	**15,366**	**3,809**	**24.8%**
Non-Current Assets				
Property, plant & equipment, gross	14,605	15,359	(754)	(4.9%)
Accumulated depreciation	(2,378)	(2,524)	146	(5.8%)
Property, plant & equipment, net	12,227	12,834	(608)	(4.7%)
Identifiable intangible assets, gross	4,694	–	4,694	
Accumulated amortization	(4,310)	(3,217)	(1,094)	34.0%
Identifiable intangible assets, net	57,854	54,954	2,901	5.3%
Deferred financing cost	–	–	–	
Other non-current assets	5,234	–	5,234	
Total Non-Current Assets	**75,315**	**67,788**	**7,527**	**11.1%**
Total Assets	**$ 94,490**	**$ 83,155**	**$ 11,336**	**13.6%**
Current Liabilities				
Current portion of long-term debt	$ 1,100	$ 1,462	$ (362)	(24.7%)
Notes Payable	7,794	–	7,794	
Accounts payable	3,084	2,921	162	5.6%
Accrued liabilities	2,247	2,289	(42)	(1.8%)
Accrued compensation	–	–	–	
Income taxes payable	0	0	0	0.0%
Other current liabilities	263	(233)	496	(213.2%)
Total Current Liabilities	**14,488**	**6,440**	**8,048**	**125.0%**
Long-term liabilities				
Long-term debt less current maturities	41,579	39,638	1,942	4.9%
Deferred income taxes	–	–	–	
Other non-current liabilities	966	(814)	1,780	(218.7%)
Total Long-Term Liabilities	**42,546**	**38,824**	**3,722**	**9.6%**
Total Liabilities	**57,033**	**45,263**	**11,770**	**26.0%**
Shareholders' Equity				
Common stock	43,501	39,392	4,109	10.4%
Capital in excess of stated value	–	–	–	
Retained earnings	(6,044)	(2,694)	(3,350)	124.4%
Accumulated other comprehensive income	–	–	–	
Other equity transactions	–	–	–	
Total Shareholders' Equity	**37,457**	**36,698**	**759**	**2.1%**
Total Liabilities and Shareholders' Equity	**$ 94,490**	**$ 81,961**	**$ 12,529**	**15.3%**

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Consolidated Monthly Cash Flow

$'000	20-Jan Act	20-Feb Act	20-Mar Act	20-Apr Bud	20-May Bud	20-Jun Bud	20-Jul Bud	20-Aug Bud	20-Sep Bud	20-Oct Bud	20-Nov Bud	20-Dec Bud	FY (10+2) Act	FY Bud	Variance $	Variance %	PY Act	Variance $	Variance %
Cash flow from operations																			
Net Income (Loss)	$ (400)	$ (485)	$ (563)	$ (197)	$ (302)	$ (232)	$ (505)	$ (85)	$ (43)	$ 262	$ (88)	$ (297)	$ (2,936)	$ (3,128)	$ 192	(6.2%)	$ (769,168)	$ 766,232	(99.6%)
Depreciation, amortization and other	569	570	560	560	560	560	560	560	560	560	560	560	6,741	6,743	(2)	(0.0%)	569,786	(563,045)	(98.8%)
Capitalized fees & expenses	19	21	21	21	65	19	19	19	19	19	19	19	282	233	50	21.3%	19,384	(19,102)	(98.5%)
Gain (loss) on sale of fixed assets	–	8	–	–	–	–	–	–	–	–	–	–	8	–	8		–	8	
Non-cash interest expense	261	256	276	267	228	266	275	272	259	266	258	266	3,151	3,198	(47)	(1.5%)	246,325	(243,175)	(98.7%)
Non-cash dividends	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–	
Deferred income tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–	
Change in operating assets and liabilities:																	$ -		
Accounts receivable	130	72	(596)	(51)	227	381	(490)	(131)	188	(918)	371	1,069	251	(60)	311	(519.4%)	894,820	(894,569)	(100.0%)
Inventory	(142)	230	329	(343)	30	(10)	(5)	(20)	65	170	65	10	379	379	–	0.0%	(336,896)	337,275	(100.1%)
Prepaid expenses and other current assets	(141)	89	58	(186)	103	144	(244)	74	87	(134)	60	103	13	13	0	0.0%	87,266	(87,253)	(100.0%)
Accounts payable	94	(279)	347	(300)	(152)	76	(19)	(232)	54	277	(523)	143	(513)	(448)	(66)	14.7%	447,506	(448,019)	(100.1%)
Accrued expenses	275	(22)	(295)	(687)	146	102	297	(1)	171	(23)	92	180	236	481	(245)	(51.0%)	61,683	(61,447)	(99.6%)
Accrued income taxes	–	–	–	(203)	(92)	(68)	(158)	(17)	(3)	89	(20)	(93)	(566)	(897)	330	(36.9%)	–	(566)	
Other changes in operating assets and liabilities	–	(63)	–	–	–	–	–	–	–	–	–	–	(63)	–	(63)		–	(63)	
Other cash flow from operations	–	(2)	1	–	–	–	–	–	–	–	–	–	(1)	–	(1)		–	(1)	
Total Cash Flow from Operations	**$ 666**	**$ 394**	**$ 137**	**$ (1,120)**	**$ 815**	**$ 1,238**	**$ (270)**	**$ 438**	**$ 1,359**	**$ 569**	**$ 794**	**$ 1,962**	**$ 6,981**	**$ 6,514**	**$ 467**	**7.2%**	**$ 1,220,706**	**$ (1,213,724)**	**(99.4%)**
Cash flow from investing																			
Additions to property, plant and equipment	$ (25)	$ (330)	$ (42)	$ (259)	$ (179)	$ (160)	$ (102)	$ (85)	$ (79)	$ (25)	$ (25)	$ (44)	$ (1,356)	$ (1,347)	$ (8)	0.6%	$ –	(1,356)	
Acquisitions of companies, net of cash acquired	–	(5,095)	–	–	–	–	–	–	–	–	–	–	(5,095)	–	(5,095)		–	(5,095)	
Investment in intangibles	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	-	
Earnout payments	–	–	(22)	(22)	(22)	(22)	(22)	–	–	–	–	–	(108)	(217)	108	(50.0%)	–	(108)	
Other cash flow from investing (goodwill)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		(51,066)	51,066	(100.0%)
Total Cash Flow from Investing	**$ (25)**	**$ (5,426)**	**$ (64)**	**$ (281)**	**$ (201)**	**$ (182)**	**$ (124)**	**$ (85)**	**$ (79)**	**$ (25)**	**$ (25)**	**$ (44)**	**$ (6,559)**	**$ (1,564)**	**$ (4,995)**	**319.4%**	**$ –**	**$ (6,559)**	
Cash flow from financing																			
Proceeds from the issuance (repayment) of ST	$ –	$ 2,800	$ –	$ 1,039	$ (400)	$ –	$ 350	$ (500)	$ (550)	$ –	$ –	$ –	$ 2,739	$ 0	$ 2,739	N/A	$ –	2,739	
Proceeds from the issuance of debt	–	2,000	4,200	–	–	–	–	–	–	–	–	–	6,200	0	6,200	N/A	–	6,200	
Repayment of debt	–	–	(420)	(9,993)	–	(1,068)	–	–	–	(1,066)	–	(1,050)	(13,596)	(4,658)	(8,938)	191.9%	(1,050,937)	1,037,340	(98.7%)
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	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	-	
Total Cash Flow from Financing	**$ (3)**	**$ 4,800**	**$ 3,780**	**$ (8,954)**	**$ (400)**	**$ (1,068)**	**$ 350**	**$ (500)**	**$ (550)**	**$ (1,066)**	**$ –**	**$ (1,050)**	**$ (4,661)**	**$ (4,658)**	**$ (3)**	**0.1%**	**$ (1,050,937)**	**$ 1,046,276**	**(99.6%)**
Effect of FX rates on cash and cash equivalents	**$ (108)**	**$ (314)**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ (422)**	**$ (200)**	**$ (222)**	**111.0%**	**$ (74,915)**	**$ 74,493**	**(99.4%)**
Net change in cash	**$ 531**	**$ (546)**	**$ 3,854**	**$ (10,355)**	**$ 214**	**$ (12)**	**$ (44)**	**$ (147)**	**$ 730**	**$ (522)**	**$ 769**	**$ 868**	**$ (4,660)**	**$ 92**	**$ (4,753)**	**(5151.3%)**	**$ 43,788**	**$ (48,449)**	**(110.6%)**
Beginning cash	1,675	2,206	1,659	111	(10,244)	(10,030)	26	(18)	(164)	1,767	1,246	2,014	1,675	7,666	(5,991)	(78.2%)	911,150	$ (909,475)	(99.8%)
Change in cash	531	(546)	3,854	(10,355)	214	(12)	(44)	(147)	730	(522)	769	868	(4,660)	92	(4,753)	(5151.3%)	43,788	$ (48,449)	(110.6%)
Ending cash	**$ 2,206**	**$ 1,659**	**$ 5,513**	**$ (10,244)**	**$ (10,030)**	**$ (10,042)**	**$ (18)**	**$ (164)**	**$ 566**	**$ 1,246**	**$ 2,014**	**$ 2,882**	**$ (2,985)**	**$ 7,758**	**$ (10,744)**	**(138.5%)**	**$ 954,939**	**$ (957,924)**	**(100.3%)**

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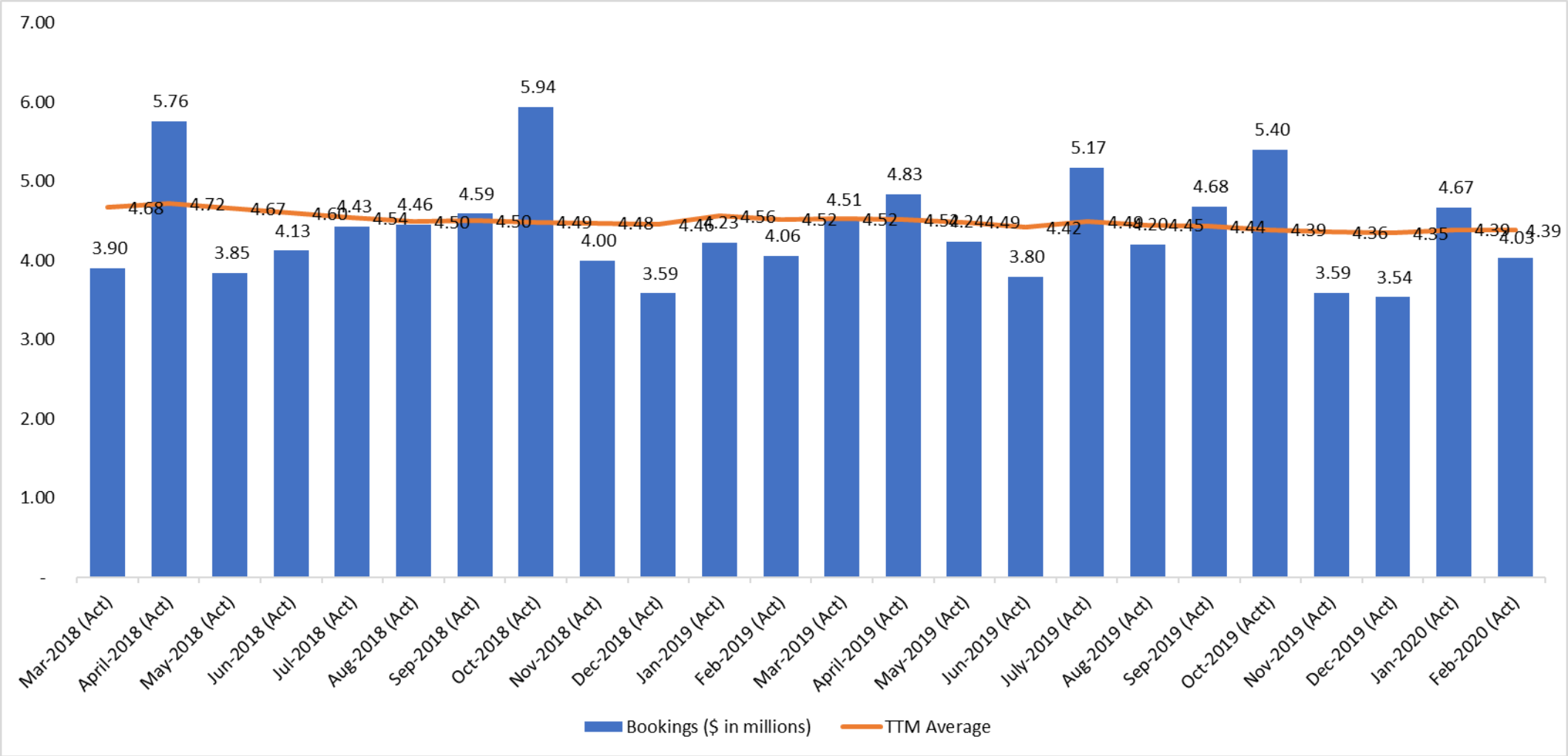
Consolidated Trended Monthly Bookings (24 month act)

Chart Complete

$ in millions

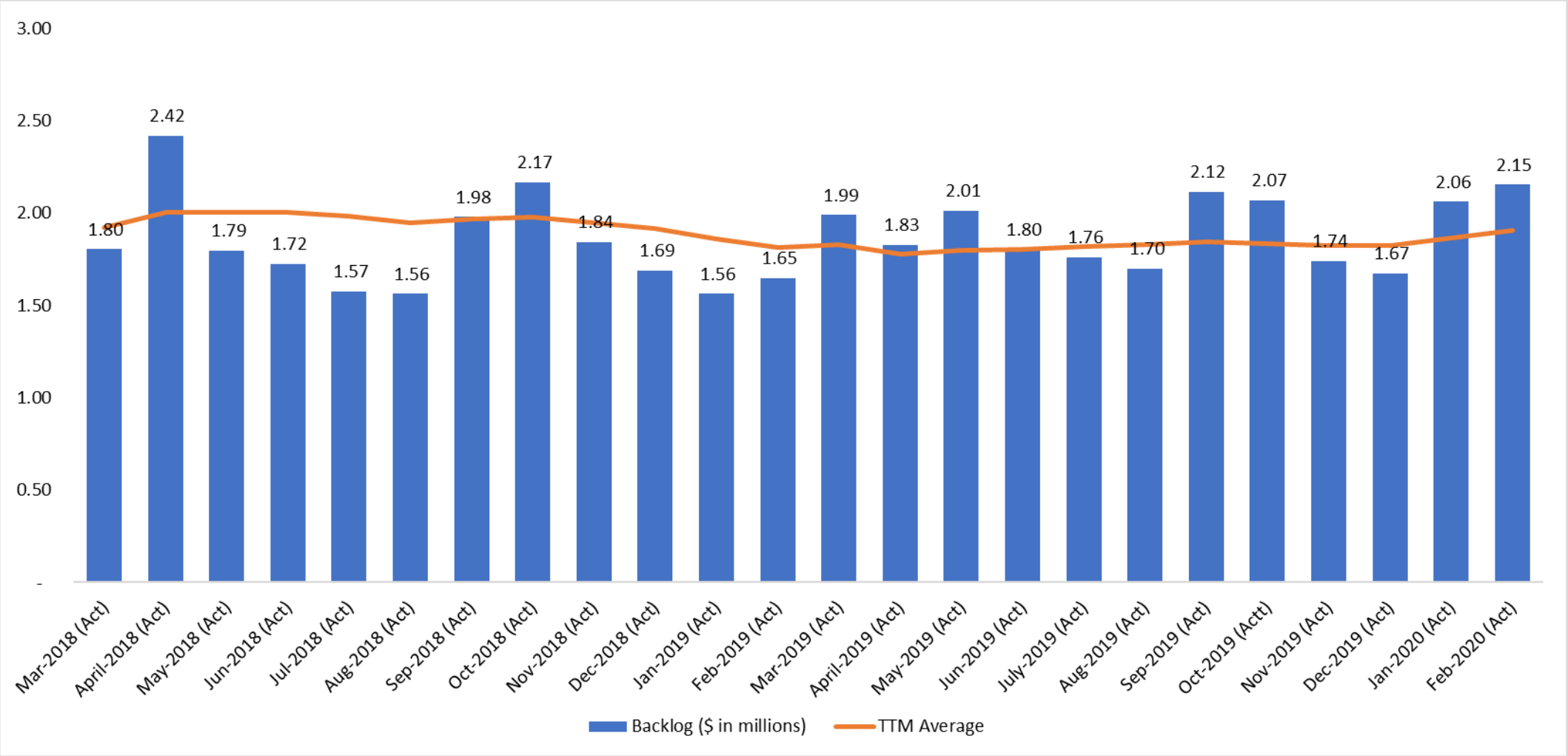


DURACO

Consolidated Trended Monthly Backlog (24 month actual)

Chart Complete

$ in millions

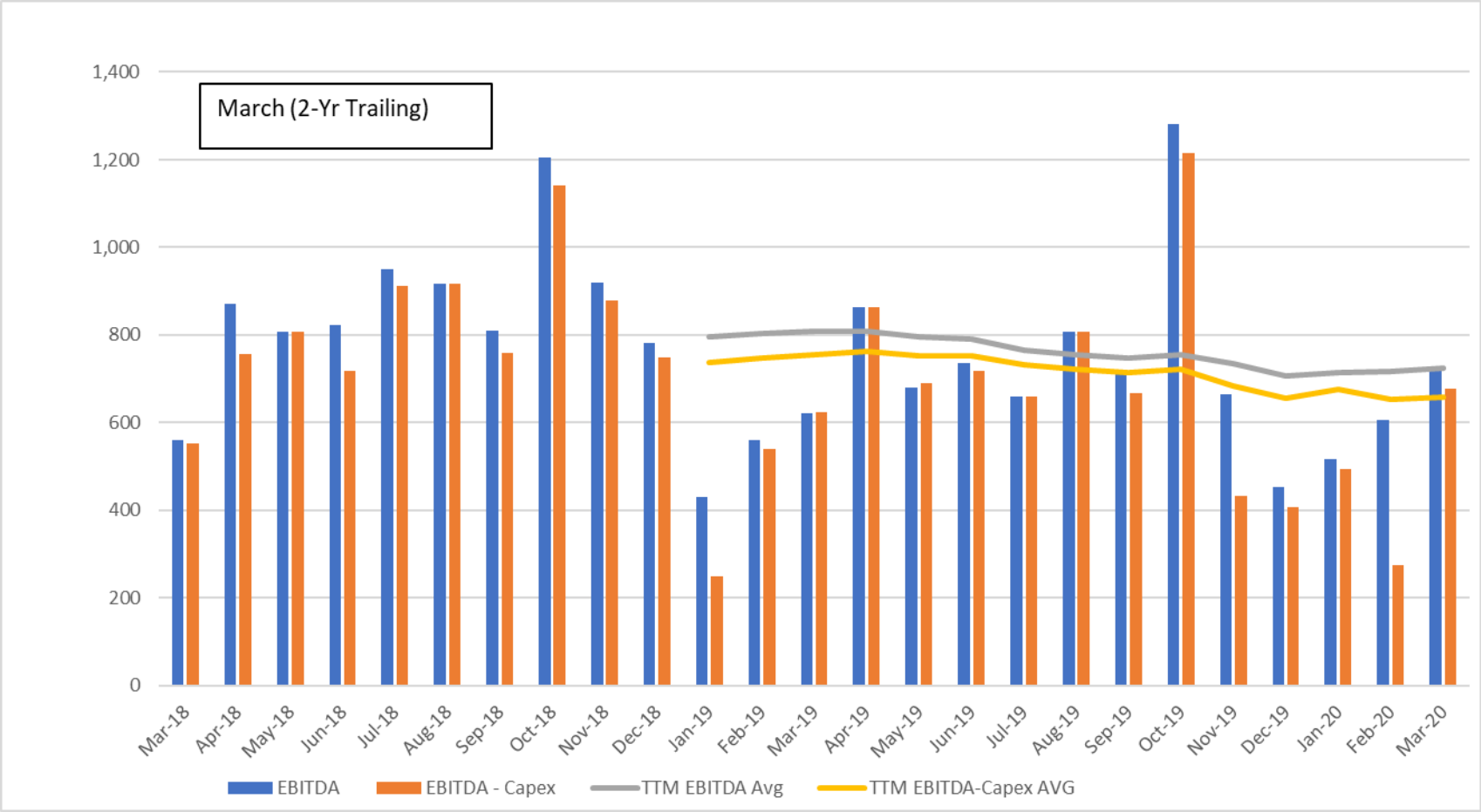


DURACO

EBITDA and EBITDA-CapEx

Chart Complete

$ in millions



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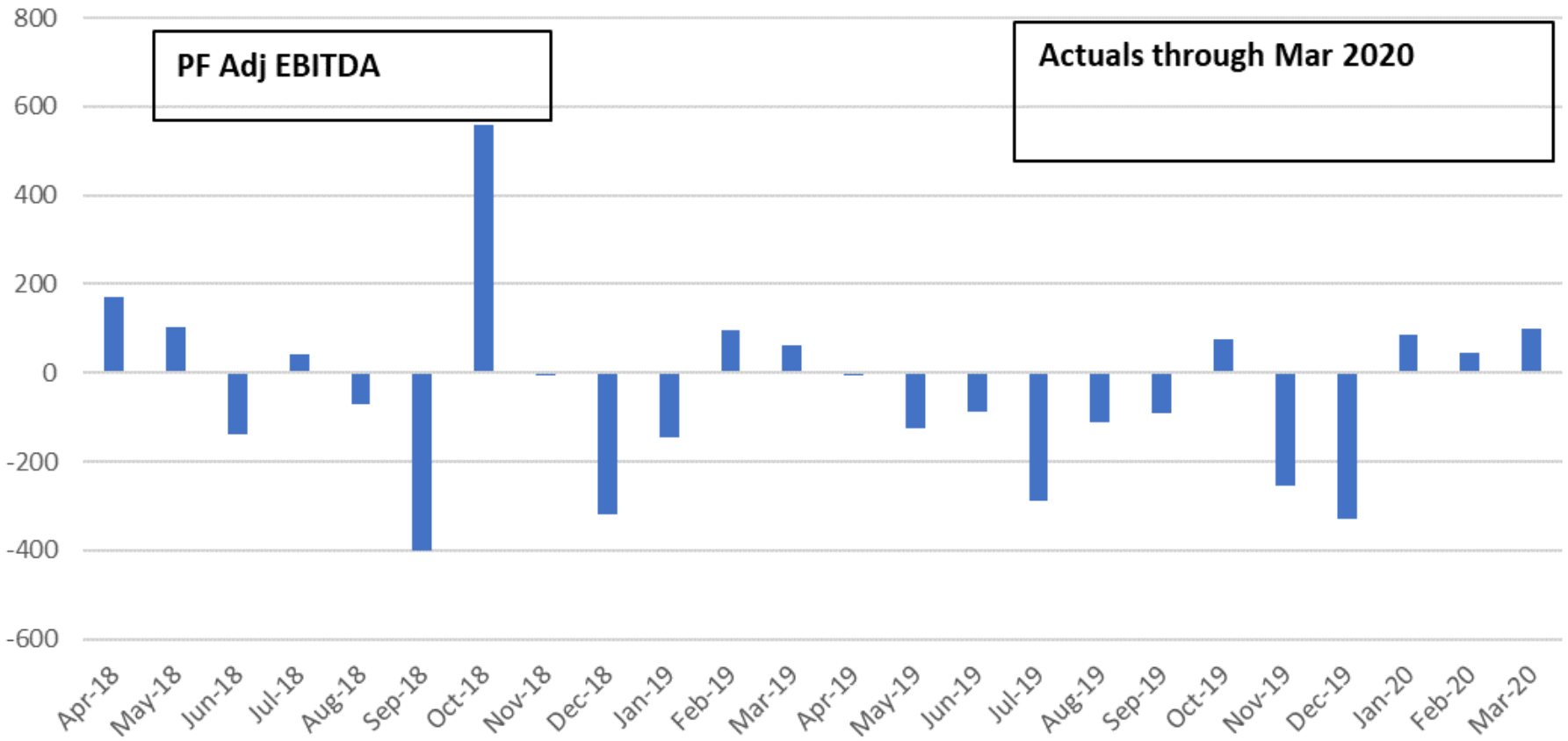
Duraco Y-o-Y $ EBITDA Change

Chart Complete

$ in thousands

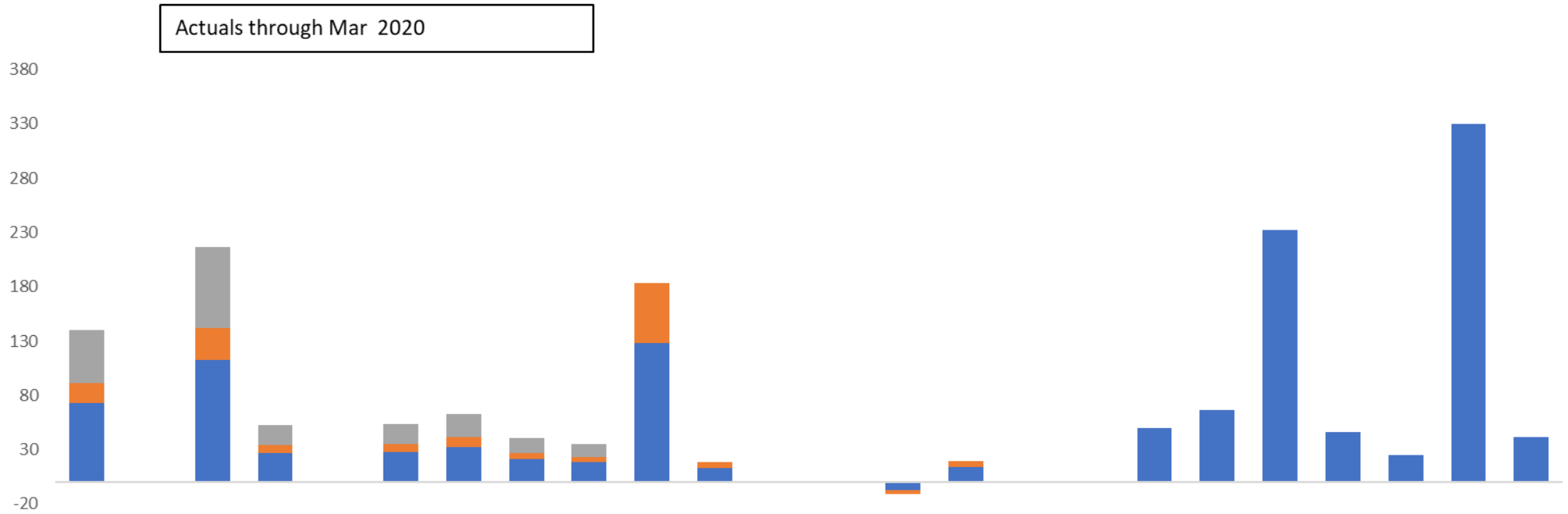


DURACO

Capital Expenditures

Chart Complete

$ in thousands

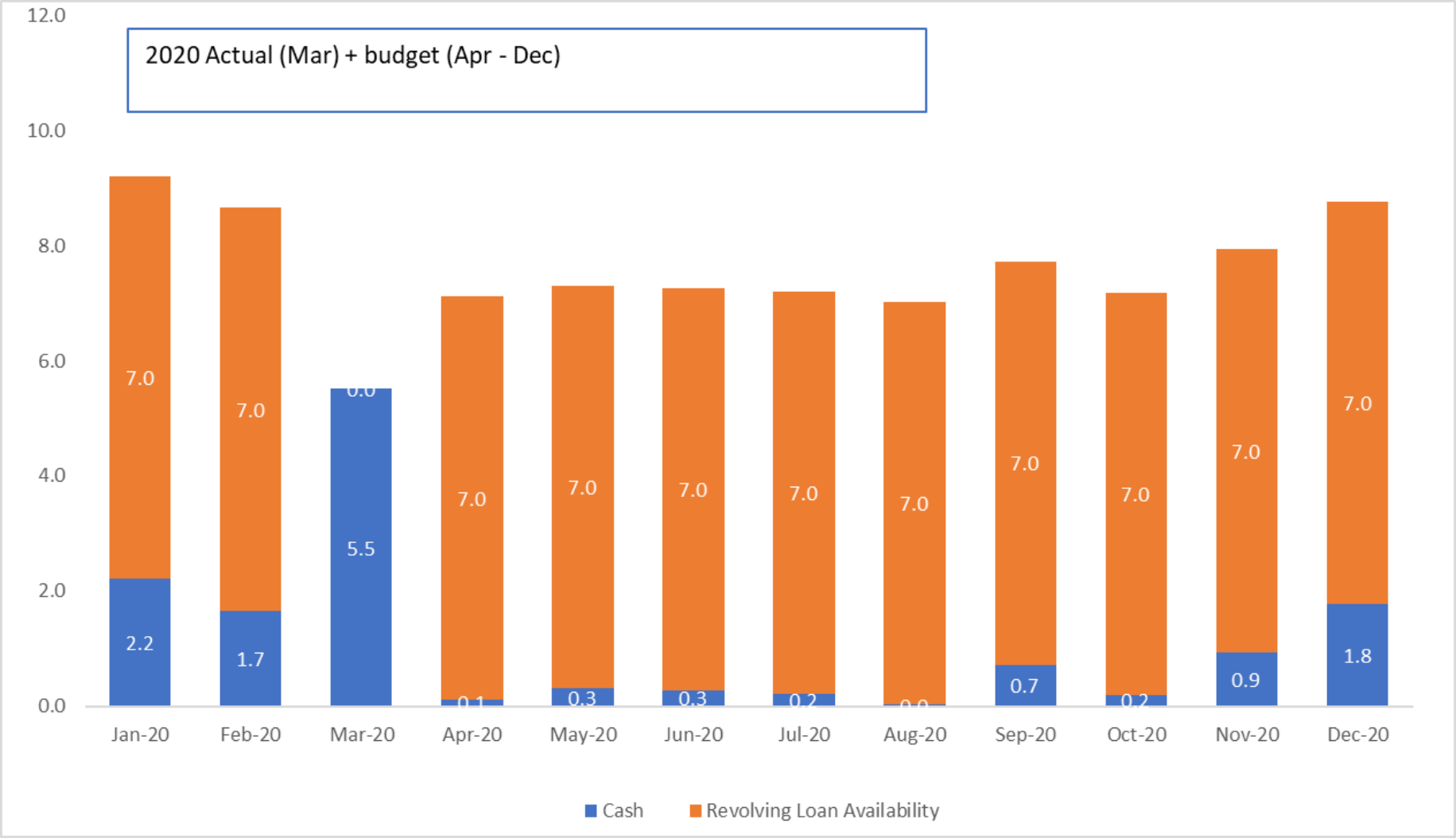


	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Reg/Enviromental	48	0	74	18	0	18	22	14	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance	19	0	29	7	0	7	9	6	5	55	5	0	0	-3	6	0	0	0	0	0	0	0	0	0
Growth	73	0	112	27	0	28	33	21	18	128	13	0	0	-8	14	0	0	50	66	232	46	25	330	42

Consolidated Liquidity Forecast

Chart Complete

$ in millions



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Duraco Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	HIRES	INVOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	75	1	-	1	75
Operations - Hourly	7	-	-	-	7
Operations - Salary	20	-	-	-	20
Research & Development	2	-	-	-	2
Sales & Marketing	23	1	-	1	23
Administrative	11	1	-	-	12
Other	-	-	-	-	-
Agency FTE & Temps	-	1	-	-	1
Total Headcount	**138**	**4**	**-**	**2**	**140**

NOTE: Turnover trend remains below monthly target of 1%

Infinity Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	HIRES	INVOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	18	-	-	-	18
Operations - Hourly	9	-	-	-	9
Operations - Salary	2	-	-	-	2
Research & Development	-	-	-	-	-
Sales & Marketing	2	-	-	-	2
Administrative	4	-	-	-	4
Other	-	-	-	-	-
Agency FTE & Temps	5	-	-	-	5
Total Headcount	**40**	**-**	**-**	**-**	**40**

Headcount Trending by Month

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Direct Labor	77	77	78	78	78	78	77	78	77	76	75	75	74
Operations - Hourly	6	7	7	7	7	7	7	7	7	7	7	7	7
Operations - Salary	18	18	19	19	20	20	20	20	20	20	20	20	20
Research & Development	2	2	2	2	2	2	2	2	2	2	2	2	2
Sales & Marketing	23	23	24	23	24	24	26	27	23	23	23	23	24
Administrative	7	7	7	7	7	8	10	10	10	11	11	12	12
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency FTE & Temps	-	1	1	1	1	-	-	-	-	-	-	1	1
Total Headcount	**133**	**135**	**138**	**137**	**139**	**139**	**142**	**144**	**139**	**139**	**138**	**140**	**140**

Management Discussion

Duraco Open Positions:

- Active Recruits: Regional Sales Manager (2), VP Sales, AP Specialist (Filled), AR Specialist (Filled)
- Positions on Hold: Customer Service Supervisor, Material Scientist, Associate Product Manager, Senior Process Engineer, Machine Op (2)

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Thank You