



2019 Quarterly Operating Review – December 2019

January 29th, 2020



Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Executive Summary

- 1. Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan by \$3,069K for the Quarter due to lower than anticipated demand at Woodbridge, Delmont and Everett from both Canadian and US customers impacted by continued slowdown in most Canadian regions, US West and US South regions, continued high inventory levels, customers' inability to find & maintain skilled labor (ie. Installers) and planning for year-end shutdown
- 2. EBITDA:** EBITDA ahead of Plan by \$261K but behind Plan by \$1,139K excluding bonus. EBITDA impacted by lower sales volumes than Plan at the extrusion plants, production challenges at Woodbridge resulting in lower production yields, higher scrap & lower regrind usage, reduced volumes and customer returns impacting yields, scrap and regrind usage at Delmont & Everett and an unfavorable absorption impact. These unfavorable impacts were partially offset by improved yields at Laval, lower labor costs, lower overhead spending and lower OPEX costs including labor & all discretionary spending (and a favorable bonus expense variance of \$1,400K)
- 3. Vs Prior Year:** Overall sales revenues were ahead of Prior Year by \$347K despite extrusion volumes being lower by 2.3% for the Quarter. Extrusion external sales volumes were lower vs Prior Year due to lower sales from Woodbridge and Laval impacted by lost business (Ventana, Jeld-Wen, Panes, Okna, Clera, Duraco), soft market conditions in the Central Canadian region and lower JV sales. These were offset by higher sales out of Delmont (PGT, Polaris, Sierra Pacific, Brunswick), Terrebonne (Quebec customers) and ECS (new products and new customer). EBITDA was ahead of the Prior Year by \$706K (but behind PY by \$45K excluding bonus) impacted by unfavorable absorption at Woodbridge & Delmont, lower production yields, higher scrap & lower regrind usage at Woodbridge & and Everett, higher inventory reserves and higher labor costs at Terrebonne
- 4. TTM:** 2019 December TTM Revenue of \$158.3M and EBITDA of \$10.0M vs the 2019 AOP Revenue of \$178.2M and EBITDA of \$14.0M (excluding bonus expense); and vs Prior Year Revenue of \$170.6M and EBITDA of \$10.5M (excluding bonus expense)

Executive Summary (Continued)

5. **Sales Order Flow:** Overall sales order flow outlook for January as at January 23rd is currently ahead the Prior Year on a Month to Date basis by 11%. Extrusion sales orders are ahead of prior year orders by 13.6%, while Patio Door sales orders are behind by 7%, but have picked up within the last week and are ahead by 5.5%. Woodbridge, Laval and Delmont all and Laval are starting the year strong with order intake ahead of prior year by 7%, 22% and 16%, respectively. Everett has a healthy backlog ahead of prior year by almost 27% despite order intake behind by 5%. Currently, January sales are tracking to Plan and consistent with prior year. Production volume is also tracking to Plan.
6. **Material/Supplier Price Increases:** CDI Resin Index remained consistent with prior month in December's report and did not decline as originally anticipated. The January CDI Resin Index increased by 3cpp despite ethylene prices down, continued soft demand and inventory builds in December. Westlake did confirm a market rate adjustment to ENERGI's invoice price down 2cpp effective Jan. 1st, which helps offset the January resin index increase. Resin producers are calling for an additional 2cpp increase in February on account of increasing export prices and positive US new housing starts data. Continuing to test alternative filler material at ECS with OMYA, initial results are showing improvements over current Specialty Minerals product. Negotiations ongoing with Cardinal Glass (Patio Door glass supplier) and alternative suppliers (AGC, Vitro), trying to fight off price and freight increases. SmartVentures review of ENERGI's logistics (rail and truck lanes) processes ongoing – some favorable traction on rail transportation from ECS to Everett, reviewing market on freight lanes, flatbed opportunity at Delmont and potential rail storage opportunity at ECS
7. **Bank Covenants:** Excess Availability covenant for Dec-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target due to continued softness of EBITDA. Continue to monitor Q1 2020 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly
8. **Everett Plant Manager:** John Haddon resigned from ENERGI on August 13th. In order to maintain stability in Everett, Aimee Barrett (Production Manager) was offered the Plant Manager role on a permanent basis at the end of the year. She has accepted the role and is the Everett Plant Manager effective immediately. Aimee will continue to oversee production as there will be no backfilling of that role

Executive Summary (Continued)

9. **US Sales Force Expansion:** Three new additions to the US sales team (2 employees and 1 agent). David Kline was hired as the Director of Sales - USA effective February 17th; Grant Muller was hired as a Key Account Manager for the US region effective February 3rd; and Lex Winans was contracted with an effective date of February 10th for sales services covering ENERGI's US West region
10. **VP and GM of Patio Doors:** Dan Nauert resigned from ENERGI with his last day being December 13th. ENERGI is actively recruiting for a Plant Manager for the Terrebonne plant and there are a couple of strong candidates suitable for the role that are far along in the interview process
11. **Terrebonne Capital Equipment (Vendor Bankruptcy):** Terrebonne had purchased an automated saw machine from a local Montreal distributor of a well-known and reputable equipment manufacturer (Sturtz Machinery) in 2018. The contract was with the local distributor in Montreal and Sturtz commenced to manufacture the equipment in early 2018 upon payment of the initial deposit to the distributor. The manufacturer had substantially completed the unit by the end of 2018 and following ENERGI's inspection of the equipment in Dec-18, additional modifications were requested and promised to be completed by early 2019. Upon notification from the distributor that the modifications were completed by Sturtz and the equipment was ready to be shipped, the second instalment payment was made. The equipment was never shipped to ENERGI and the distributor filed for bankruptcy shortly thereafter. ENERGI's legal representation attended the bankruptcy hearing and learned that Sturtz only received a portion of the funds from the distributor for the ENERGI equipment, which they still have in their possession. There is no claim against the distributor due to secured debt obligations having preference over remaining funds & assets. However, ENERGI is currently negotiating with Sturtz to try and take possession of the equipment or return some of the deposit funds paid. ENERGI has paid approx. US\$380K (CAD\$506K), which has been recorded as CAPEX in 2018 and 2019. A meeting was held with Sturtz USA's CEO on Oct. 17th to explain ENERGI's position and request for the equipment. A follow up meeting was held with Sturtz USA's CEO on Nov. 14th and they have concluded to provide ENERGI with the equipment for no additional cost. ENERGI will need to run some tests on the unit in Sturtz's Ohio facility before arranging for the shipment to the Terrebonne plant. This will occur in Q1 2020

Executive Summary (Continued)

	Description	Potential Impact	Plan to Address
Risks	▪ Aggressive Competition and related pricing pressures	<ul style="list-style-type: none"> ▪ Customer losses ▪ Revenue and EBITDA loss ▪ Reduction in profitability vs Plan 	<ul style="list-style-type: none"> ▪ Continuing to visit major customers to solidify ENERGI's relationship as a strategic partner through "Huddle" meetings ▪ Close on and lock in potential new customers – contacting several non-ENERGI customers and presenting our capabilities/innovations
	▪ Raw Material Costs	<ul style="list-style-type: none"> ▪ Resin, TiO2 and other raw material price increases impacting EBITDA ▪ Freight and logistics cost increases ▪ Reduction in profitability by using virgin material due to lack of supply 	<ul style="list-style-type: none"> ▪ VP Supply Chain conducting Global Sourcing search for alternative material suppliers ▪ Assessing regrind purchasing opportunities & customer scrap buy-back ▪ VP Supply Chain assisting plants with warehousing and logistics cost and resource optimization, as well as SIOP ▪ Hired SmartVentures to review logistics and packaging supplies
	▪ Terrebonne (Patio Doors)	<ul style="list-style-type: none"> ▪ Revenue and EBITDA loss ▪ Turnaround plan not achieved ▪ Employee retention 	<ul style="list-style-type: none"> ▪ Maintain stability of Terrebonne workforce ▪ Executing on labor balancing/planning throughout slow season (Q1-20) ▪ Obtain new business and take market share – quoting several projects and new business opportunities with new customers (Atis opportunity) ▪ Focus on stabilizing customer service department, order entry automation, improved metric visibilities and customer experience
	▪ 2020 Canadian Industry and Market start up in Q1	<ul style="list-style-type: none"> ▪ Revenue and EBITDA loss ▪ Employee retention issue 	<ul style="list-style-type: none"> ▪ Continue to stay in touch with all major customers ▪ Develop production scheduling discipline to ensure not over or under producing and not creating backorders
Opportunities	▪ External Compound Sales	<ul style="list-style-type: none"> ▪ Revenue and EBITDA growth ▪ Absorption of ECS overheads 	<ul style="list-style-type: none"> ▪ Quoting & launching non-fenestration compound opportunities ▪ Developing natural/green core compound for alt. materials initiative
	▪ Operations Excellence Initiatives	<ul style="list-style-type: none"> ▪ Operational efficiencies ▪ Profitability improvements 	<ul style="list-style-type: none"> ▪ Woodbridge DB&A operations improvement process project in progress ▪ Delmont is focused on productivity, yield and scrap reduction initiatives ▪ Everett - improving throughput, productivity and regrind usage
	▪ Supply Chain Initiatives	<ul style="list-style-type: none"> ▪ Improvement in profitability ▪ Offset raw material increases 	<ul style="list-style-type: none"> ▪ Reviewing alternative supply options for all resources ▪ Challenging price increases from all suppliers
	▪ Pipeline Growth	<ul style="list-style-type: none"> ▪ Revenue and EBITDA growth ▪ Plant capacity utilization 	<ul style="list-style-type: none"> ▪ Sales prospecting efforts continue to grow the sales pipeline for extrusion, patio door and external compound opportunities ▪ Completion and launch of Dark Cap opportunities in Everett ▪ Completion and launch of modular platform system in Woodbridge

Key Wins and Losses – Q4 2019

Key Wins

- **Fenetre Summun**

- Laval
- 4600 Series
- Annualised Sales = \$577K

- **President Windows**

- Terrebonne
- Patio Doors
- Annualised Sales = \$192K



- **Auroral Windows**

- Laval
- 4600 Series
- Annualised Sales = \$385K


Key Losses

- **None**


Key Initiatives Update

Initiative	Status	Recent Progress	Next Steps	Risks
1. Develop/Enhance Systems and Processes		<ul style="list-style-type: none"> • OBI project completed at Everett • OBI project at ECS completed • Manufacturing tooling status and production release process • APQP process training has been completed • Internal sample approval process has been completed 	<ul style="list-style-type: none"> • Introducing scan-on-the-line capabilities at Everett • OBI project at Laval – majority completed; completing train the trainer sessions • Woodbridge production scheduling improvements through alternative routings under review 	<ul style="list-style-type: none"> • Production planning inefficiencies • Labor planning inefficiencies
2. Develop Safety, Quality, Delivery & Cost culture		<ul style="list-style-type: none"> • Monthly Safety calls revised to include Plant Manager and Safety Coordinators • Forum used to share projects aimed to improve safety concerns, address safety culture dev., safety training and any safety issues 	<ul style="list-style-type: none"> • Build a culture of zero tolerance and training on hazard identification • Standardize 2Hr quality checks across all plants • Developing new processes for tool readiness hand-off to production 	<ul style="list-style-type: none"> • Disorganized plants impairs production efficiencies sends a negative message to customers



Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
3. Develop Alternative Compounds		<ul style="list-style-type: none"> • Discussions ongoing with suppliers regarding alternative material compound and regrind – continuing to obtain quotes and test samples • Continuing to refine Natural PVC formula at ECS, reviewing costs to develop lab testing standard • Continued progress with purchasing regrind material with separate suppliers at Woodbridge, Laval, Everett and Delmont • Testing trials on mixed white regrind material with Bulldog Polymers – confirmed regrind originates from AAMA certified profiles • Awaiting AAMA test results on natural core profiles • Compound quotes from Westlake, Shintech and PolyOne unfavorable 	<ul style="list-style-type: none"> • Reviewing capabilities of each supplier, pricing quoted, material specifications and obtaining samples for testing • Awaiting test standard data from lab for Natural Core testing in-house • Working with AAMA Task Group on how to deal with recycled material • End-cut Buy-back program – meeting with several customers from all extrusion plants to include in the program; using Energi approved third party grinders 	<ul style="list-style-type: none"> • Margin erosion due to rising resin, TiO2 and other additive costs • Loss of market share due to not being able to compete


Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
4. Improve Terrebonne profitability		<ul style="list-style-type: none"> • Objective Based Instructions project – completed • KPIs being tracked and integrated into SQDC Boards • Daily labor tracking measurement in place and integrated into SQDC Boards • Ramp Up Ready meetings held to ensure plans are in place to handle demand • Cross training of target areas to create flexibility ongoing • Ostaco conversion to new Performer door • Atis opportunity – agreement finalized; first orders starting in January; need to ramp up production and labor requirements; estimated 3,000 door opportunity annually with Contractor Segment (\$2M-\$2.25M) • ERP Phase 1 improvements completed 	<ul style="list-style-type: none"> • Working through Plant & Line Balancing plan – challenged with employee turnover and lack of skilled labor to hire; holding some skilled labor during start up in January/February • Reviewing several commercial growth opportunities – continuing to quote • Start-up on new Performer progressing at Dashwood, Golden and Caron et Guay • Focusing on order entry automation, improved metric visibilities and improved customer experience • Planning for Atis patio door launch 	<ul style="list-style-type: none"> • Customer retention may also impact extrusion side of the business • EBITDA losses

Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
5. Planning Disciplines and overall Communication Practices		<ul style="list-style-type: none"> • Weekly updates on status of “Big 3” initiatives and identify next initiatives once completed • Communications between plants and sharing of best practices conducted on a weekly basis • Visual Control Boards implemented to track progress on certain lines and improve change over times & yields • Weekly Tooling Status meetings being conducted • Implementation of APQP process with initial projects 	<ul style="list-style-type: none"> • Weekly Quality Assurance calls continue to evolve yielding improved team problem solving and systemic solution to issues • Schedule Monthly/Quarterly meetings with extended management team to communicate overall financial results, metrics and strategies 	<ul style="list-style-type: none"> • Lack of Accountability and Ownership from employees
6. Safety		<ul style="list-style-type: none"> • 16 recordable incidents YTD; 5 at Delmont, 4 at Terrebonne, 3 at Laval & Everett and 1 at Woodbridge • Weekly management safety meetings being held • Accelerating more aggressive safety program at Laval, Terrebonne and Delmont 	<ul style="list-style-type: none"> • Enhance plant safety programs and accelerate the safety awareness culture at all plants • Incorporating safety reviews during GEMBA walks; additional communications 	

Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
7. Information Technology & Systems Security		<ul style="list-style-type: none"> Account Management & Security (R1) initiative completed – utilizing Azure Active Directory to centrally manage and enforce security settings Business Continuity & DR (R2) – implemented local and remote back-up strategy & protocol for local site servers Full DR test successfully completed for JDE ERP Two-Factor Authentication (R5) – completed successfully Implemented Mimecast to scan incoming emails and block suspicious addresses Added “Warning” message to all incoming emails originating from outside ENERGI system Cybersecurity Training & Awareness (R3) – portal has been set up and training has been kicked off (complete) 	<ul style="list-style-type: none"> DR test on Syteline ERP (Terrebonne) to be scheduled once current Vanilla Project work is completed DR test on ConcepMATICs ERP (Laval) to be scheduled Vulnerability Mgmt (R4) – postponed to 2020 Hard Drive Encryption (R6) – postponed to 2020 Patch Mgmt (R7) – in process; dependent on Change Mgmt policies and procedures Email Encryption (R8) – postponed to 2020 Mobile Device Mgmt (R9) – evaluating MS solution or SOTI Removable Media (R10) & Cloud-Based Apps (R11) – postponed to 2020 	<ul style="list-style-type: none"> Email Phishing Attacks: <ul style="list-style-type: none"> a) Ransomware email from external email account; shutdown Terrebonne for 3 days; able to restore from back-up b) Email impersonating CEO asking employee for gift cards - \$4K loss incurred (Feb-19)

Key Performance Indicators - Summary

Safety:

- Four (4) recordable incidents in Q4:
 - (i) Terrebonne worker was assisting a co-worker with the disassembly of storage racking when the steel shelving fell behind him and struck his calf area resulting in sutures (No Lost Time);
 - (ii) Delmont worker's shoelace became entangled on a protruding wheel of a saw table causing him to trip and fall over and striking the ground, physician referred him for physio therapy (No Lost Time);
 - (iii) Back Strain to Everett employee caused by incorrect posture when adjusting vacuum table on a line (Lost Time); and
 - (iv) Delmont worker attempted to catch heavy baseplate from falling and tore his bicep due to the weight (Lost Time)
- 2019 TRIR of 2.32 vs 2018 TRIR of 1.97; Total Recordable Cases – 16 for 2019 vs 14 for 2018 FY & 16 for 2017 FY
- 37 months incident free record at ECS, 7 months incident free record at Woodbridge and 6 months at Laval

Quality:

- Woodbridge – two issues on JV products: black marks from co-extruder and cracking internal walls running capstock die; investigating screw & barrel for co-extruder and holding off on running capstock die until issue is resolved
- Laval – minor complaints and some returns due to year-end customer warehouse clean-up activities; year-over-year improvement due to concerted effort to eliminate quality escapes
- Delmont – small quantity escapes and complaints from PGT and Brunswick
- Everett - Customers cleaning out warehouses - West Coast Designed product from Mar 2019 to Aug 2019 & CDA product from 2018
- ECS – color issue with Laval compound has been corrected; color and burning issues with Window Seal material, returned material and testing new batch of compound
- Terrebonne - quality complaints due to colder temperatures causing product seal failures

Key Performance Indicators - Summary

Delivery:

- Terrebonne – Caused by Staff turnover and related training time and due to missing raw material (combination of short shipment, quality, lower order quantity) resulted in delays in average turn around time affecting delivery

Efficiencies:

- Woodbridge yields improvement witnessed following focus on improvement in production runs, lower scrap and labor utilization however, slightly impacted due to year-end shut down activities. Alt /Regrind consumption ratio impacted in December due to shut down of Cap stock die production for the Eclipse huddle visit
- Delmont yield impacted by end of year push for orders creating shorter runs as well as year-end shut down activities
- Laval - Labor ratios low due to low output jobs in December; Alt/Regrind consumption ratio improved in December due to several jobs for Schluter
- Everett yields impacted due to year-end shut down activities; Alt/Regrind consumption impacted by lack of correct regrind and insufficient scrap generation (favorable yields)

Inventory:

- Lower sales vs budget impacting inventory levels

Key Performance Indicators – Plant Summary

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Health & Safety															
# Recordables (affects TRIR)	# in Month	0	1	1	2	2	2	1	2	0	1	1	2	1	16
Woodbridge		0	0	0	0	1	0	0	0	0	0	0	0	0	1
Laval		0	1	1	0	0	0	1	0	0	0	0	0	0	3
Terrebonne		0	0	0	0	0	0	2	0	1	0	1	0	0	4
Delmont		0	0	0	2	1	0	0	0	0	0	1	1	1	5
Everett		0	0	0	0	1	1	0	0	0	1	0	0	0	3
ECS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quality Performance															
Returns as % of sales	# of Plants Green	6	4	4	5	6	6	5	6	4	4	4	3	2	5
Woodbridge		0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.75%	0.29%	0.26%	0.32%	0.55%	0.41%
Laval		0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.25%	0.15%	0.73%	0.61%	1.54%	0.52%
Terrebonne		1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	1.02%	0.89%	0.74%	0.97%	3.54%	0.99%
Delmont		0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.37%	1.08%	0.79%	0.17%	1.01%	0.12%
Everett		0.60%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	0.06%	0.28%	0.30%	0.87%	0.73%	0.04%	0.37%
ECS		0.20%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.14%	0.00%	0.26%	0.00%	0.00%
Delivery Performance															
% by line items	# of Plants Green	6	6	5	6	4	5	4	4	4	4	4	4	5	4
Woodbridge		99.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	97.2%	96.4%	98.2%	98.2%	99.2%	98.1%
Laval		99.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.6%	99.7%	99.8%	99.5%	99.9%	99.7%
Terrebonne ****		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	83.0%	89.0%	72.5%	77.0%	94.3%	83.8%
Delmont		99.0%	99.5%	99.4%	99.4%	99.3%	99.1%	99.4%	99.3%	99.1%	99.2%	99.4%	99.1%	99.8%	99.3%
Everett		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	100.0%	100.0%	100.0%	99.9%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% on time in full															
% on time in full	# of Plants Green	6	6	6	6	5	5	5	5	5	5	5	5	5	5
Woodbridge		95.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	97.2%	96.4%	98.2%	98.2%	99.2%	98.1%
Laval		95.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.6%	99.7%	99.8%	99.5%	99.9%	99.7%
Terrebonne		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	83.0%	89.0%	72.5%	77.0%	94.3%	83.8%
Delmont		95.0%	99.7%	99.8%	99.7%	99.6%	99.6%	99.6%	99.7%	99.5%	99.6%	99.7%	99.6%	99.9%	99.7%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Costs															
Yield*	# of Plants Green	5	3	3	3	3	3	4	3	3	3	4	4	4	3
Woodbridge		85.7%	84.7%	85.5%	85.2%	84.5%	85.0%	85.9%	86.2%	85.0%	85.2%	85.5%	86.7%	87.4%	85.5%
Laval		84.0%	85.5%	85.2%	86.9%	88.0%	87.3%	87.3%	86.2%	87.5%	88.6%	88.7%	89.0%	89.5%	87.5%
Delmont		85.7%	81.4%	82.7%	83.3%	83.4%	82.8%	82.2%	82.3%	83.6%	83.4%	85.8%	84.1%	82.7%	83.2%
Everett		85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.7%	83.8%	89.8%	90.2%	89.5%	88.7%	88.4%	89.6%
ECS		99.2%	99.5%	99.6%	99.8%	99.8%	99.9%	99.5%	99.6%	99.5%	99.5%	99.2%	99.3%	99.2%	99.5%

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

Key Performance Indicators – Plant Summary (Cont’d)

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Costs															
Alt. Compound Consumption Ratio*		5	3	2	4	2	2	2	1	2	3	3	3	4	2
Woodbridge		19.9%	17.4%	20.1%	20.0%	18.4%	18.4%	18.7%	16.7%	16.9%	21.1%	20.2%	21.2%	17.8%	18.9%
Laval		20.9%	20.2%	19.4%	18.4%	16.3%	19.9%	20.2%	19.0%	18.9%	14.2%	18.0%	18.6%	22.2%	18.6%
Delmont		17.1%	25.4%	19.8%	19.5%	23.3%	17.9%	20.8%	18.5%	28.0%	23.8%	24.1%	20.7%	23.4%	22.1%
Everett		20.0%	32.0%	18.4%	21.4%	18.3%	17.3%	16.4%	19.8%	19.6%	17.9%	17.0%	12.5%	20.5%	19.3%
ECS		0.0%	0.4%	0.1%	0.4%	0.6%	0.6%	0.3%	0.0%	0.4%	0.4%	0.3%	0.7%	0.7%	0.2%
Inventory															
Days - TTM*	# of Plants Green	5	2	1	3	3	3	2	2	2	2	2	2	2	
Woodbridge		54.1	57.3	59.1	61.8	63.6	63.8	64.5	65.6	67.1	68.0	68.9	70.1	70.5	
Laval		69.3	66.7	66.4	67.7	69.0	68.4	69.8	70.3	70.2	70.2	71.3	72.1	72.3	
Terrebonne		71.0	74.8	71.4	70.2	68.8	66.3	64.8	62.3	61.9	61.7	62.6	62.0	62.5	
Delmont		58.7	62.0	62.1	64.6	66.8	67.4	70.0	71.0	73.0	72.8	73.9	73.3	71.0	
Everett		84.5	84.4	85.6	87.2	87.8	88.8	91.7	92.7	93.6	92.9	92.7	91.0	91.0	
ECS		46.0	50.0	49.0	42.0	41.0	32.0	31.0	43.0	41.9	41.7	41.9	41.3	40.4	
Customer Service															
Customer Experience - NPS Improvement		20%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Customer Complaints - per MLBS ***	# of Plants Green	6	5	4	2	4	3	3	5	5	4	4	4	4	4
Woodbridge		3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	2.3	3.0	2.7	3.3	3.6	3.0
Laval		22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	18.3	24.9	23.4	24.5	16.7	24.7
Terrebonne		3.2	4.0	3.9	3.6	3.7	3.4	2.0	2.0	1.9	3.9	3.4	2.3	3.5	3.1
Delmont		3.2	2.8	3.2	3.7	2.9	3.0	3.4	3.6	4.8	2.8	2.5	3.1	2.7	3.2
Everett		8.0	1.7	2.8	4.1	2.1	2.4	3.8	2.8	4.4	2.2	4.0	3.9	3.1	3.1
ECS		0.3	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.1
Customer Retention		100%	100.0%	100.0%	98.9%	100.0%	99.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.3%
Employees															
Employee Engagement		80%	76.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.1%
Employee Retention		90%	99.2%	98.1%	99.2%	98.4%	98.5%	98.3%	98.0%	98.9%	98.7%	98.8%	99.0%	98.8%	98.6%

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

Consolidated Summary P&L – Q4 2019

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	22,517	24,551	(2,034)	(8.3%)	97,151	108,274	(11,122)	(10.3%)
Units Shipped ('000)	23,778	25,747	(1,969)	(7.6%)	96,500	109,580	(13,079)	(11.9%)
Bookings (\$'000)	\$ 38,217	\$ 42,941	\$ (4,724)	(11.0%)	\$ 162,586	\$ 180,948	\$ (18,362)	(10.1%)
Backlog (\$'000)	\$ 8,430	\$ 11,911	\$ (3,481)	(29.2%)	\$ 8,430	\$ 11,911	\$ (3,481)	(29.2%)
Gross Revenue	\$ 41,827	\$ 45,001	\$ (3,174)	(7.1%)	\$ 166,852	\$ 188,036	\$ (21,184)	(11.3%)
Adj. to Gross Revenue	(2,336)	(2,441)	105	(4.3%)	(8,554)	(9,876)	1,322	(13.4%)
Net Revenue	39,492	42,561	(3,069)	(7.2%)	158,298	178,160	(19,862)	(11.1%)
Material	19,912	20,858	(947)	(4.5%)	77,752	88,355	(10,604)	(12.0%)
Labor	8,263	9,450	(1,187)	(12.6%)	35,618	38,371	(2,752)	(7.2%)
Other COGS	5,443	5,319	123	2.3%	18,911	20,261	(1,350)	(6.7%)
Total COGS	33,618	35,628	(2,010)	(5.6%)	132,281	146,986	(14,706)	(10.0%)
Gross Margin	5,874	6,933	(1,059)	(15.3%)	26,017	31,173	(5,157)	(16.5%)
Gross Margin %	14.9%	16.3%			16.4%	17.5%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	1,580	1,794	(214)	(11.9%)	6,644	7,247	(603)	(8.3%)
Administrative	2,087	3,209	(1,122)	(35.0%)	10,880	12,772	(1,892)	(14.8%)
Other Opex	(39)	(56)	17	(29.8%)	(291)	(228)	(63)	27.6%
Total Opex	3,628	4,947	(1,319)	(26.7%)	17,234	19,791	(2,557)	(12.9%)
EBITDA	2,246	1,986	261	13.1%	8,783	11,382	(2,600)	(22.8%)
EBITDA %	5.7%	4.7%			5.5%	6.4%		
Net Income (Loss)	\$ (899)	\$ (1,379)	\$ 480	(34.8%)	\$ (3,946)	\$ (3,300)	\$ (646)	19.6%
Capex	\$ (1,808)	\$ (1,194)	\$ (615)	51.5%	\$ (6,807)	\$ (8,000)	\$ 1,193	(14.9%)
Opex Overview:								
Payroll	\$ 2,338	\$ 2,736	\$ (398)	(14.6%)	\$ 9,929	\$ 10,783	\$ (855)	(7.9%)
Bonus	(393)	340	(733)	(215.6%)	616	1,361	(744)	(54.7%)
Commissions	60	90	(30)	(33.4%)	247	358	(111)	(31.0%)
Marketing	457	413	44	10.6%	1,583	1,780	(197)	(11.1%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	243	390	(146)	(37.6%)	1,069	1,587	(518)	(32.7%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	77	79	(3)	(3.8%)	317	336	(20)	(5.9%)
Professional fees	182	140	42	30.0%	665	584	81	13.8%
Office Expenses	62	72	(10)	(14.5%)	254	287	(34)	(11.7%)
IT	448	541	(93)	(17.2%)	1,859	2,092	(233)	(11.1%)
Bad Debts	50	(1)	51	(4457.6%)	174	(5)	178	(3861.5%)
FX	(15)	–	(15)	N/A	(145)	–	(145)	N/A
JV Loss (Income)	(24)	(56)	32	(56.7%)	(146)	(228)	82	(36.1%)
Other Expenses	145	204	(59)	(28.8%)	812	853	(42)	(4.9%)
Total Opex	\$ 3,628	\$ 4,947	\$ (1,319)	(26.7%)	\$ 17,234	\$ 19,791	\$ (2,557)	(12.9%)

Management Discussion

Net Revenue – Q4-19 -\$3,069K:

- Extrusion external sales volume unfavorable by 9.5% or \$3,361K due to lower demand from both Canadian and US customers; with lower sales out of Woodbridge by \$2,075K, Delmont by \$1,016K and Everett by \$607K; partially offset by higher sales out of Laval by \$338K
- Patio Door gross sales were behind Budget by \$440K mainly driven by decreased demand from Vaillancourt and AMI. External compound sales were ahead of Budget by \$92K due to higher sales from Nuform (PVC panels increase), The Vinyl Company and Delcan (fencing industry)
- Favorable product/customer mix impact of \$947K from Woodbridge, Laval and Delmont, partially offset by Everett; Favorable rebates & discounts variance of \$176K driven by lower volumes partially offset by rebate adjustment for Schluter; and higher returns & allowances by \$95K
- Unfavorable F/X impact of \$388K (actual rate of 1.32 [or \$USD 0.7576] vs. Budget rate of 1.30 [or \$USD 0.7692])

EBITDA – Q4-19 +\$261K (-\$1,139K excluding bonus):

- Material COGS:** Decrease of \$947K primarily due to the volume and mix impact of \$1,651K from lower sales; favorable resin material prices (net of higher TiO2, cellular, glass, steel and aluminum pricing) of \$299K and favorable scrap at ECS of \$109K; offset by unfavorable yields and lower regrind usage of \$841K at Woodbridge, Delmont and Everett (net of improved yields at Laval) due to tool trials, dark capstock launch and customer returns; and higher inventory reserves at Woodbridge, Delmont, Everett and Terrebonne of \$271K
- Labor COGS:** Decrease of \$1,187K due to a volume impact of \$195K, a favorable impact of \$181K from headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Everett and ECS, a non-recurring WSIB claim refund of \$68K at Laval & Terrebonne, the reversal of a portion of the bonus accrued for DL & IDL employees of \$666K and a favorable F/X impact of \$77K
- Other COGS:** Increase of \$123K comprised of: an unfavorable absorption impact of \$596K as a result of selling more out of inventory than Plan; warranty accruals for field issues of \$76K; partially offset by lower freight costs due to sales volume and customer mix of \$210K; higher tool & die overhead recovery of \$250K, lower overhead spending of \$50K and a favorable F/X impact of \$39K
- Sales and Marketing:** Lower payroll costs of \$166K due to lower headcount, lower T&E costs of \$39K and a favorable F/X impact of \$21K; partially offset by marketing costs and bad debts reserve
- Administrative:** reversal of a portion of the bonus accrual of \$732K, lower payroll costs of \$201K due to lower headcount, lower T&E spend of \$107K and a favorable F/X impact of \$22K
- Other Opex:** Favorable realized F/X re-valuation impact of \$15K due to net USD working capital held by the Canadian entity (change in F/X from 1.3246 on September 30th, 2019 to 1.3024 on December 31st, 2019) and unfavorable JV equity income due to lower sales

Consolidated Summary P&L (vs PY) – Q4 2019

\$'000	QTD		Var		YTD		Var	
	Act	PY-Act	\$	%	Act	PY-Act	\$	%
Units Produced ('000)	22,517	20,914	1,603	7.7%	97,151	96,146	1,006	1.0%
Units Shipped ('000)	23,778	23,766	12	0.1%	96,500	104,464	(7,964)	(7.6%)
Bookings (\$'000)	\$ 38,217	\$ 38,616	\$ (398)	(1.0%)	\$ 162,586	\$ 173,588	\$ (11,003)	(6.3%)
Backlog ('\$000)	\$ 8,430	\$ 8,368	\$ 62	0.7%	\$ 8,430	\$ 8,368	\$ 62	0.7%
Gross Revenue	\$ 41,827	\$ 41,521	\$ 307	0.7%	\$ 166,852	\$ 180,283	\$ (13,431)	(7.4%)
Adj. to Gross Revenue	(2,336)	(2,376)	41	(1.7%)	(8,554)	(9,708)	1,154	(11.9%)
Net Revenue	39,492	39,144	347	0.9%	158,298	170,574	(12,277)	(7.2%)
Material	19,912	19,909	3	0.0%	77,752	83,420	(5,668)	(6.8%)
Labor	8,263	8,457	(194)	(2.3%)	35,618	38,503	(2,885)	(7.5%)
Other COGS	5,443	4,929	514	10.4%	18,911	20,885	(1,974)	(9.5%)
Total COGS	33,618	33,295	323	1.0%	132,281	142,807	(10,526)	(7.4%)
Gross Margin	5,874	5,849	25	0.4%	26,017	27,767	(1,750)	(6.3%)
Gross Margin %	14.9%	14.9%			16.4%	16.3%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	1,580	1,535	45	2.9%	6,644	7,045	(400)	(5.7%)
Administrative	2,087	2,468	(381)	(15.4%)	10,880	10,240	640	6.2%
Other Opex	(39)	305	(345)	(112.9%)	(291)	302	(593)	(196.4%)
Total Opex	3,628	4,309	(681)	(15.8%)	17,234	17,587	(353)	(2.0%)
EBITDA	2,246	1,540	706	45.8%	8,783	10,180	(1,397)	(13.7%)
EBITDA %	5.7%	3.9%			5.5%	6.0%		
Net Income (Loss)	\$ (899)	\$ (2,218)	\$ 1,319	(59.5%)	\$ (3,946)	\$ (3,490)	\$ (455)	13.0%
Capex	\$ (1,808)	\$ (3,232)	\$ 1,424	(44.0%)	\$ (6,807)	\$ (10,215)	\$ 3,408	(33.4%)
Opex Overview:								
Payroll	\$ 2,338	\$ 2,410	\$ (72)	(3.0%)	\$ 9,929	\$ 10,318	\$ (390)	(3.8%)
Bonus	(393)	–	(393)	N/A	616	159	457	287.7%
Commissions	60	40	20	49.7%	247	187	60	32.4%
Marketing	457	339	118	34.6%	1,583	1,679	(96)	(5.7%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	243	276	(33)	(11.8%)	1,069	1,231	(162)	(13.2%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	77	76	0	0.3%	317	328	(11)	(3.5%)
Professional fees	182	145	37	25.2%	665	585	80	13.7%
Office Expenses	62	61	0	0.6%	254	287	(33)	(11.6%)
IT	448	401	47	11.6%	1,859	1,634	226	13.8%
Bad Debts	50	(11)	61	(575.6%)	174	(80)	253	(317.8%)
FX	(15)	225	(240)	(106.7%)	(145)	384	(530)	(137.7%)
JV Loss (Income)	(24)	80	(105)	(130.2%)	(146)	(83)	(63)	76.2%
Other Expenses	145	266	(121)	(45.4%)	812	956	(144)	(15.1%)
Total Opex	\$ 3,628	\$ 4,309	\$ (681)	(15.8%)	\$ 17,234	\$ 17,586	\$ (353)	(2.0%)

Management Discussion

Net Revenue – Q4 +\$347K:

- Extrusion external sales volume unfavorable by 2.5% or \$822K due to lower demand from Canadian customers and impacts from lost business (Ventana, J-W, KP, Thompson Creek); with lower sales out of Woodbridge by \$1,462K, Laval by \$118K and Everett by \$69K, partially offset by higher sales out of Delmont by \$827K (PGT, Polaris, Sierra Pacific)
- Patio Door gross sales were ahead of Prior Year by \$437K mainly driven by increased demand from Abritek, Vaillancourt and Isothermic. External compound sales were ahead of Prior Year by \$421K due to increases from Nuform, The Vinyl Company and Delcan
- Favorable product/customer mix impact of \$339K primarily from Delmont and Terrebonne; Unfavorable rebates & discounts variance of \$5K driven by rebate adjustment at Laval for Schluter offset by lower volumes at Woodbridge; and lower returns & allowances by \$39K due to improved quality at Woodbridge and Everett
- Unfavorable F/X impact of \$62K (actual rate of 1.32 [or \$USD 0.7576] vs. Prior Year rate of 1.3214 [or \$USD 0.7567])

EBITDA – Q4 +\$706K (-\$45K excluding bonus):

- Material costs in line with prior year but impacted by higher material cost PPV (TiO2, Tin Stabilizers, glass, aluminum, steel) impact of \$99K and higher inventory reserves at Woodbridge, Delmont, Everett and Terrebonne of \$172K; offset by a favorable count adjustment variance at Terrebonne (write-off in PY) of \$104K and higher yields at Laval, Delmont and ECS (offsetting lower yields and regrind usage at Woodbridge and Everett) of \$164K
- Labor costs were lower by \$194K due to the reversal of a portion of the 2019 bonus accrual of \$357K, headcount reduction initiatives & improved labor efficiency of \$113K, a WSIB claim refund of \$54K at Laval & Terrebonne; partially offset by a production volume impact of \$330K
- Other COGS higher than the Prior Year as a result of an unfavorable absorption impact of \$405K as a result of selling more out of inventory at Delmont and Woodbridge, higher warranty costs for field issues of \$55K, a gain on sale of tools & dies to Atis in the prior year of \$187K and higher overhead spending of \$216K (maintenance); partially offset by lower freight costs of \$349K due to lower volumes and mix
- Sales and Marketing expenses increased as a result of higher marketing costs due to timing of the Concerto program and higher bad debts reserve, partially offset by lower headcount, lower T&E costs and lower product development costs (testing, certifications)

Q4 2019 Net Sales Bridge

(In Thousands of US Dollars)

	<u>Woodbridge</u>	<u>Laval</u>	<u>Delmont</u>	<u>Everett</u>	<u>ECS</u>	<u>Terrebonne</u>	<u>Group Office</u>	<u>Adj.</u>	<u>Total</u>
Net Sales Budget, as reported (A)	\$ 11,607	\$ 7,546	\$ 9,609	\$ 6,579	\$ 16,556	\$ 5,655	\$ 44	\$ (15,036)	\$ 42,561
Volume impact (external sales)	(2,075)	338	(1,016)	(607)	92	(440)	-	-	(3,709)
Volume impact (intercompany sales)	142	168	-	-	(1,841)	-	-	1,531	-
Rebates & discounts	308	(156)	5	34	5	(28)	8	-	176
Price / Mix impact	408	148	429	(215)	18	203	(44)	-	947
Returns & allowances	(8)	(51)	(31)	18	(15)	(8)	-	-	(95)
Other - F/X	(155)	(118)	(0)	(0)	(31)	(84)	(0)	0	(388)
Actual Net Sales (B)	\$ 10,228	\$ 7,875	\$ 8,996	\$ 5,809	\$ 14,783	\$ 5,297	\$ 8	\$ (13,505)	\$ 39,492
Actual vs Budget, as reported Variance (B) - (A)	\$ (1,380)	\$ 329	\$ (613)	\$ (770)	\$ (1,772)	\$ (357)	\$ (36)	\$ 1,531	\$ (3,069)
Actual vs Prior Year, as reported Variance	\$ (1,247)	\$ (32)	\$ 971	\$ (112)	\$ (1,081)	\$ 519	\$ 8	\$ 1,320	\$ 347
Actual YTD vs Budget YTD, as reported Variance	\$ (7,447)	\$ (1,318)	\$ (3,598)	\$ (4,037)	\$ (4,637)	\$ (1,428)	\$ (164)	\$ 2,767	\$ (19,862)
Actual YTD vs Prior Year YTD, as reported Variance	\$ (8,651)	\$ (2,413)	\$ 1,224	\$ (2,764)	\$ (9,095)	\$ (115)	\$ (72)	\$ 9,609	\$ (12,277)

Q4 2019 EBITDA Bridge

(In Thousands of US Dollars)

	Woodbridge	Laval	Delmont	Everett	ECS	Terrebonne	Group Office	Adj.	Total
EBITDA Budget, as reported (A)	\$ 279	\$ 696	\$ 1,381	\$ 22	\$ (389)	\$ (85)	\$ 82	\$ -	\$ 1,986
Volume & Mix impact	54	(75)	205	(392)	(19)	(123)	(427)	-	(777)
Labor - DL/IDL FAV/(UNF)	(127)	121	83	33	57	(79)	-	-	88
Alt. Materials FAV/(UNF)	(389)	63	(263)	(252)	-	-	-	-	(841)
Other Materials - FAV/(UNF)	(155)	(9)	(86)	(28)	626	(181)	-	-	167
Absorption impact FAV/(UNF)	(115)	98	(544)	117	6	(158)	-	-	(596)
Overhead Spending FAV/(UNF)	61	26	57	139	(5)	25	-	-	303
Warranty (specific accrual)	-	91	-	(22)	-	(23)	(122)	-	(76)
Bonus accrual	-	-	-	-	-	-	1,397	-	1,397
Other	27	(15)	30	75	62	(18)	434	-	596
Actual EBITDA (B)	\$ (364)	\$ 996	\$ 862	\$ (308)	\$ 338	\$ (642)	\$ 1,364	\$ -	\$ 2,246
Actual vs Budget, as reported Variance (B) - (A)	\$ (644)	\$ 299	\$ (518)	\$ (330)	\$ 728	\$ (557)	\$ 1,282	\$ -	\$ 261
Actual vs Prior Year, as reported Variance	\$ (672)	\$ 78	\$ (34)	\$ (10)	\$ 221	\$ 184	\$ 805	\$ 133	\$ 706
Actual YTD vs Budget YTD, as reported Variance	\$ (3,131)	\$ 14	\$ (1,570)	\$ (2,294)	\$ 3,159	\$ (943)	\$ 2,029	\$ 136	\$ (2,600)
Actual YTD vs Prior Year YTD, as reported Variance	\$ (1,161)	\$ 642	\$ 1,217	\$ (776)	\$ (745)	\$ 1,269	\$ (2,112)	\$ 269	\$ (1,397)

Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Dec-19			Q4 2019			2019			Comments
	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance ⁽¹⁾	\$ (20)	\$ 1	\$ (21)	\$ (50)	\$ 73	\$ (123)	\$ (487)	\$ 355	\$ (842)	Increased trials and testing, JV pitting and FG scrap
Woodbridge - Alt Materials Usage ⁽²⁾	\$ (8)	\$ 86	\$ (94)	\$ 113	\$ 379	\$ (266)	\$ 999	\$ 1,580	\$ (581)	Lower regrind usage due to product mix, process issues & vol.
Woodbridge - Total	\$ (28)	\$ 87	\$ (115)	\$ 63	\$ 452	\$ (389)	\$ 511	\$ 1,934	\$ (1,423)	
Laval - Scrap Variance ⁽¹⁾	\$ 20	\$ -	\$ 20	\$ 82	\$ -	\$ 82	\$ 260	\$ 20	\$ 240	Favorable yields due to longer runs and product mix
Laval - Alt Materials Usage ⁽²⁾	\$ 43	\$ 47	\$ (3)	\$ 169	\$ 188	\$ (19)	\$ 628	\$ 699	\$ (72)	
Laval - Total	\$ 63	\$ 47	\$ 17	\$ 251	\$ 188	\$ 63	\$ 888	\$ 719	\$ 168	
Delmont - Scrap Variance ⁽¹⁾	\$ 57	\$ 91	\$ (34)	\$ 183	\$ 337	\$ (154)	\$ 862	\$ 1,323	\$ (461)	Yields impacted by shorter runs and product mix
Delmont - Alt Materials Usage ⁽²⁾	\$ 15	\$ 53	\$ (38)	\$ 100	\$ 209	\$ (109)	\$ 510	\$ 865	\$ (355)	Reduced regrind usage due to lower volumes and scrap sold
Delmont - Total	\$ 72	\$ 144	\$ (72)	\$ 283	\$ 546	\$ (263)	\$ 1,372	\$ 2,188	\$ (816)	
Everett - Scrap Variance ⁽¹⁾	\$ 3	\$ 36	\$ (33)	\$ (29)	\$ 145	\$ (174)	\$ (431)	\$ (172)	\$ (258)	Higher scrap due to increased capstock trials and power outage
Everett - Alt Materials Usage ⁽²⁾	\$ 28	\$ 41	\$ (13)	\$ 82	\$ 160	\$ (78)	\$ 1,131	\$ 1,550	\$ (420)	Lower regrind usage due to volumes and product mix
Everett - Total	\$ 31	\$ 77	\$ (46)	\$ 53	\$ 305	\$ (252)	\$ 700	\$ 1,378	\$ (678)	
Total Scrap Variance ⁽¹⁾	\$ 59	\$ 127	\$ (68)	\$ 186	\$ 554	\$ (369)	\$ 204	\$ 1,525	\$ (1,321)	
Total Alt Materials Usage ⁽²⁾	\$ 79	\$ 227	\$ (148)	\$ 465	\$ 937	\$ (472)	\$ 3,267	\$ 4,695	\$ (1,428)	
Grand Total	\$ 138	\$ 354	\$ (216)	\$ 650	\$ 1,492	\$ (841)	\$ 3,471	\$ 6,220	\$ (2,749)	

Notes:
(1) - Scrap Variance includes scrap variance vs. scrap included in Standard Costs from: (i) production scrap impacted by production yields, product mix and other factors (ie. Age of extruders, power outages, labor availability); (ii) raw material count variances and adjustments; and (iii) finished goods count variances and adjustments
(2) - Alt Materials Usage includes use of regrind material in the production process obtained from any one of the following sources: (i) alternative compound externally sourced; (ii) white window regrind from Zero Waster recycling program; and/or (iii) scrap not sold.

Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Q1-19	Q2-19	Q3-19	Q4-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	29,578	24,551	108,274
Actual Production Volume (Lbs)	23,546	25,123	25,965	22,517	97,151
Increased/(Decreased) Production - %	-4.8%	-14.6%	-12.2%	-8.3%	-10.3%
Direct Labor:					
Budget Direct Labor	\$ 4,262	\$ 4,864	\$ 4,924	\$ 4,511	\$ 18,561
Deduct: Budget Direct Labor - Terrebonne	687	823	851	784	3,145
Budget Direct Labor - Extrusion & Compounding (A)	\$ 3,575	\$ 4,041	\$ 4,073	\$ 3,727	\$ 15,416
Budget Direct Labor (Flexed for Actual Volume) (B)	\$ 3,403	\$ 3,452	\$ 3,575	\$ 3,418	\$ 13,833
Actual Direct Labor	\$ 3,908	\$ 4,374	\$ 4,822	\$ 4,232	\$ 17,335
Deduct: Actual Direct Labor - Terrebonne	515	793	958	841	3,108
Actual Direct Labor - Extrusion & Compounding (C)	\$ 3,393	\$ 3,580	\$ 3,863	\$ 3,391	\$ 14,227
Direct Labor Savings - Extrusion & Compounding - FAV(UNF)					
Actual vs. Budget [(A) - (C)]	\$ 182	\$ 461	\$ 210	\$ 336	\$ 1,189
Actual vs. Budget (Flexed for Actual Volume) [(B) - (C)]	\$ 11	\$ (128)	\$ (288)	\$ 27	\$ (395)
Indirect Labor:					
Budget Indirect Labor	\$ 4,467	\$ 4,694	\$ 4,776	\$ 4,628	\$ 18,565
Deduct: Budget Indirect Labor - Terrebonne	297	313	319	318	1,248
Budget Indirect Labor - Extrusion & Compounding (A)	\$ 4,170	\$ 4,380	\$ 4,457	\$ 4,310	\$ 17,317
Budget Indirect Labor (Flexed for Actual Volume) (B)	\$ 4,130	\$ 4,253	\$ 4,348	\$ 4,238	\$ 16,961
Actual Indirect Labor	\$ 4,343	\$ 4,500	\$ 4,497	\$ 4,394	\$ 17,734
Deduct: Actual Indirect Labor - Terrebonne	260	238	252	272	1,022
Actual Indirect Labor - Extrusion & Compounding (C)	\$ 4,082	\$ 4,262	\$ 4,246	\$ 4,122	\$ 16,712
Indirect Labor Savings - Extrusion & Compounding - FAV(UNF)					
Actual vs. Budget [(A) - (C)]	\$ 88	\$ 119	\$ 211	\$ 187	\$ 605
Actual vs. Budget (Flexed for Actual Volume) [(B) - (C)]	\$ 48	\$ (9)	\$ 102	\$ 116	\$ 249
SG&A Labor - Consolidated:					
Budget SG&A Labor	\$ 2,585	\$ 2,711	\$ 2,752	\$ 2,736	\$ 10,783
Actual SG&A Labor	\$ 2,475	\$ 2,607	\$ 2,508	\$ 2,337	\$ 9,929
SG&A Labor Savings - FAV(UNF)	\$ 109	\$ 103	\$ 243	\$ 398	\$ 854

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

Strategic Plan Update – Summary of HCR Initiative (Cont’d)

(In Thousands of US Dollars)

	Q1-19	Q2-19	Q3-19	Q4-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	29,578	24,551	108,274
Budget Direct Labor - Consolidated	\$ 4,262	\$ 4,864	\$ 4,924	\$ 4,511	\$ 18,561
Deduct:					
Budget Direct Labor - Terrebonne	\$ 687	\$ 823	\$ 851	\$ 784	\$ 3,145
Budget Total Labor - Extrusion & Compounding	<u>\$ 3,575</u>	<u>\$ 4,041</u>	<u>\$ 4,073</u>	<u>\$ 3,727</u>	<u>\$ 15,416</u>
Budget Direct Labor \$ / Lb Manufactured	\$ 0.145	\$ 0.137	\$ 0.138	\$ 0.152	\$ 0.142
Actual Production Volume (Lbs)	23,546	25,123	25,965	22,517	97,151
Actual Direct Labor - Consolidated	\$ 3,908	\$ 4,374	\$ 4,822	\$ 4,232	\$ 17,335
Deduct:					
Actual Direct Labor - Terrebonne	\$ 515	\$ 793	\$ 958	\$ 841	\$ 3,108
Actual Direct Labor - Extrusion & Compounding	<u>\$ 3,393</u>	<u>\$ 3,580</u>	<u>\$ 3,863</u>	<u>\$ 3,391</u>	<u>\$ 14,227</u>
Actual Direct Labor \$/Lb Manufactured	\$ 0.144	\$ 0.143	\$ 0.149	\$ 0.151	\$ 0.146
Budget Casual / Temp Direct Labor - Consolidated	\$ 316	\$ 372	\$ 365	\$ 285	\$ 1,338
Deduct:					
Budget Casual / Temp Direct Labor - Terrebonne	\$ 25	\$ 120	\$ 89	\$ 42	\$ 276
Budget Total Casual / Temp Labor - Extrusion & Compounding	<u>\$ 291</u>	<u>\$ 252</u>	<u>\$ 276</u>	<u>\$ 242</u>	<u>\$ 1,061</u>
Budget Casual / Temp Direct Labor \$ / Lb Manufactured	\$ 0.012	\$ 0.009	\$ 0.009	\$ 0.010	\$ 0.010
Actual Casual / Temp Direct Labor - Consolidated	\$ 179	\$ 316	\$ 702	\$ 471	\$ 1,668
Deduct:					
Actual Casual / Temp Direct Labor - Terrebonne	\$ 22	\$ 130	\$ 322	\$ 224	\$ 698
Actual Casual / Temp Direct Labor - Extrusion & Compounding	<u>\$ 157</u>	<u>\$ 185</u>	<u>\$ 380</u>	<u>\$ 247</u>	<u>\$ 970</u>
Actual Casual / Temp Direct Labor \$/Lb Manufactured	\$ 0.007	\$ 0.007	\$ 0.015	\$ 0.011	\$ 0.010

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Revenue and EBITDA Bridge

\$'000	MTD		QTD		YTD	
	Net Revenue	EBITDA	Net Revenue	EBITDA	Net Revenue	EBITDA
Budget	\$ 10,218	\$ (420)	\$ 42,561	\$ 1,986	\$ 178,160	\$ 11,382
<u>Net Revenue Delta</u>						
Volume	(1,634)	(701)	(3,709)	(1,155)	(20,865)	(6,250)
Pricing	—	—	—	—	—	—
Mix	651	122	947	418	1,839	1,088
Discounts	25	25	56	56	335	335
Returns	(67)	(67)	(96)	(96)	(19)	(19)
Rebates	131	131	121	121	907	907
F/X	(71)	(2)	(388)	(180)	(2,059)	(785)
Total Net Revenue Delta	(965)	(492)	(3,069)	(836)	(19,862)	(4,724)
<u>Cost Delta</u>						
Absorption		(233)		(596)		(710)
SG&A		470		1,231		2,068
Variances		(36)		238		(284)
Other		117		224		1,050
Total Cost Delta		318		1,097		2,124
Actual	\$ 9,253	\$ (595)	\$ 39,492	\$ 2,246	\$ 158,298	\$ 8,783

Management Discussion - QTD

- Extrusion external sales volume unfavorable by 9.5% or \$3,361K, lower Terrebonne sales of \$440K partially offset by higher external compound sales of \$92K contributing to the unfavorable volume impact of \$3,709K
- Favorable product/customer sales mix of \$947K primarily from Woodbridge, Laval and Delmont, partially offset by unfavorable mix at Everett
- Unfavorable F/X impact of \$388K (actual rate of 1.32 [or \$USD 0.7576] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$195 and a favorable realized balance sheet re-valuation impact of \$15K due to a change in the month-end rate from 1.3246 on September 30th, 2019 to 1.3024 on December 31st, 2019
- Favorable SG&A due to the reversal of a portion of the bonus accrual of \$732K, lower G&A labor & benefits costs of \$367K and lower OPEX spending (ie. T&E costs) of \$132K
- Favorable variances of \$238K due to the reversal of a portion of the bonus accrual of \$666K, favorable resin material prices (net of higher TiO2, glass, steel and aluminum pricing) of \$299K, favorable scrap at ECS of \$109K, lower labor costs of \$208K (exclusive of volume impacts) and a non-recurring WSIB claim refund of \$68K at Laval & Terrebonne; partially offset by unfavorable yields, higher scrap costs and lower regrind usage at Woodbridge, Delmont & Everett of \$841K and higher inventory reserves at Woodbridge, Delmont, Everett and Terrebonne of \$271K
- Other costs lower than Budget due to higher tool & die overhead recovery of \$250K and lower overhead spending (ie. Maintenance, factory supplies and utilities) of \$50K; partially offset by warranty costs of \$76K

Key Customers – Gross Sales and Gross Margin %: Consolidated

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
PGT Industries Inc	\$ 4,894	\$ 5,901	\$(1,007)	(17.1%)	\$ 4,597	\$ 297	6.5%	\$ 21,958	\$ 24,098	\$ (2,140)	(8.9%)	\$ 21,061	\$ 897	4.3%	14.3%	17.9%	(363)	(20.3%)	19.0%	(474)	(24.9%)	18.1%	18.0%	10	0.5%	15.6%	253	16.2%
Eclipse Shutter Systems	3,360	3,878	(519)	(13.4%)	3,570	(210)	(5.9%)	13,338	15,789	(2,451)	(15.5%)	15,365	(2,027)	(13.2%)	1.7%	3.1%	(139)	(45.3%)	(3.4%)	512	(148.6%)	2.7%	3.1%	(39)	(12.7%)	3.8%	(111)	(29.4%)
Atis	1,668	2,435	(767)	(31.5%)	2,257	(589)	(26.1%)	7,177	9,424	(2,247)	(23.8%)	10,380	(3,204)	(30.9%)	(16.2%)	(18.9%)	273	(14.4%)	(10.6%)	(557)	52.6%	(16.1%)	(18.6%)	252	(13.5%)	(15.4%)	(74)	4.8%
Simonton	2,426	2,563	(136)	(5.3%)	2,224	202	9.1%	9,562	10,859	(1,297)	(11.9%)	10,221	(659)	(6.4%)	8.3%	17.3%	(900)	(52.2%)	4.9%	340	70.1%	11.7%	16.8%	(509)	(30.3%)	8.6%	311	36.1%
Quaker Window Products	1,760	1,470	290	19.8%	1,450	310	21.4%	5,825	6,028	(203)	(3.4%)	5,345	480	9.0%	11.0%	11.0%	0	0.0%	11.7%	(71)	(6.0%)	11.0%	11.0%	0	0.0%	9.1%	192	21.1%
Ostaco 2000	712	1,051	(339)	(32.2%)	929	(217)	(23.3%)	3,017	3,820	(803)	(21.0%)	3,716	(699)	(18.8%)	5.7%	7.1%	(135)	(19.0%)	22.1%	(1,636)	(74.0%)	8.8%	7.3%	146	19.9%	20.8%	(1,200)	(57.7%)
SOLARIS QUEBEC P & F INC.	1,007	1,002	5	0.5%	1,082	(75)	(6.9%)	4,265	4,075	191	4.7%	4,262	3	0.1%	23.8%	23.9%	(6)	(0.2%)	10.5%	1,330	126.1%	24.0%	23.9%	12	0.5%	9.9%	1,418	143.8%
Dashwood Industries Inc	1,099	1,121	(22)	(2.0%)	1,069	29	2.7%	3,446	3,764	(319)	(8.5%)	3,898	(453)	(11.6%)	15.3%	14.2%	112	7.9%	15.5%	(21)	(1.4%)	16.2%	14.4%	179	12.4%	16.2%	0	0.0%
Windsor Window Co OEM	982	1,040	(58)	(5.6%)	772	210	27.3%	3,875	3,710	165	4.5%	3,491	384	11.0%	26.1%	24.0%	208	8.7%	10.6%	1,551	146.6%	24.2%	24.0%	23	0.9%	8.8%	1,539	175.0%
All Weather	1,014	1,314	(300)	(22.8%)	1,044	(30)	(2.9%)	4,394	6,731	(2,337)	(34.7%)	3,395	999	29.4%	6.4%	14.5%	(811)	(56.0%)	13.0%	(663)	(50.9%)	10.7%	14.3%	(355)	(24.8%)	12.6%	(190)	(15.0%)
Polaris Technologies	1,090	1,350	(260)	(19.3%)	940	150	16.0%	5,042	5,822	(780)	(13.4%)	3,577	1,465	41.0%	10.8%	16.8%	(598)	(35.5%)	0.0%	1,085	N/A	15.3%	16.8%	(151)	(9.0%)	0.0%	1,528	N/A
A.M.I.	873	1,023	(150)	(14.7%)	797	76	9.5%	3,627	3,800	(173)	(4.5%)	3,511	116	3.3%	6.7%	1.7%	494	284.2%	5.4%	125	23.0%	8.0%	2.4%	553	226.9%	5.4%	260	48.5%
ATLANTIC WINDOWS	892	993	(101)	(10.2%)	916	(24)	(2.6%)	3,598	3,924	(326)	(8.3%)	3,749	(151)	(4.0%)	12.8%	12.0%	88	7.3%	6.4%	646	101.1%	14.5%	12.3%	226	18.4%	5.9%	862	145.6%
Vinyl Profiles, LLC	677	868	(191)	(22.0%)	229	448	195.8%	2,756	3,826	(1,070)	(28.0%)	1,961	795	40.6%	19.6%	20.6%	(92)	(4.5%)	17.3%	233	13.5%	20.0%	20.5%	(50)	(2.4%)	18.8%	126	6.7%
Comfort View Products	567	678	(111)	(16.4%)	613	(46)	(7.5%)	2,211	3,135	(924)	(29.5%)	2,920	(709)	(24.3%)	11.8%	16.0%	(422)	(26.3%)	12.2%	(41)	(3.4%)	17.5%	16.3%	122	7.5%	12.3%	522	42.3%
PORTES & FENETRES ABRITEK	1,038	740	298	40.2%	702	336	47.8%	3,175	2,786	389	13.9%	2,889	286	9.9%	4.7%	16.9%	(1,222)	(72.3%)	4.7%	1	0.2%	8.4%	16.2%	(785)	(48.4%)	15.4%	(707)	(45.8%)
Coeur d'Alene	1,100	1,071	29	2.7%	669	431	64.4%	3,684	4,000	(316)	(7.9%)	2,804	880	31.4%	(4.4%)	4.1%	(856)	(206.2%)	4.1%	(850)	(207.7%)	0.1%	4.0%	(383)	(97.0%)	0.5%	(35)	(74.7%)
SCHLUTER SYSTEMS L.P.	890	578	312	53.9%	825	65	7.9%	2,664	2,558	107	4.2%	2,796	(132)	(4.7%)	16.2%	22.3%	(616)	(27.6%)	7.2%	900	125.7%	21.6%	22.5%	(90)	(4.0%)	16.0%	565	35.3%
P & F ISOTHERMIC INC	880	672	208	30.9%	907	(27)	(3.0%)	3,007	2,557	450	17.6%	2,978	29	1.0%	7.0%	19.1%	(1,210)	(63.4%)	0.2%	679	3326.7%	11.6%	18.5%	(684)	(37.0%)	3.8%	789	210.4%
Sierra Pacific Windows	774	565	209	37.0%	688	86	12.5%	2,862	2,560	302	11.8%	2,632	230	8.7%	3.6%	8.9%	(528)	(59.2%)	6.8%	(319)	(46.8%)	7.6%	8.9%	(136)	(15.2%)	6.3%	130	20.8%
Other	14,125	14,687	(562)	(3.8%)	15,188	(1,063)	(7.0%)	57,369	64,771	(7,402)	(11.4%)	69,279	(11,910)	(17.2%)	24.8%	29.4%	(463)	(15.7%)	26.1%	(136)	(5.2%)	24.2%	28.7%	(451)	(15.7%)	28.1%	(390)	(13.9%)
Total Gross	\$41,827	\$45,001	\$(3,174)	(7.1%)	\$41,521	\$ 307	0.7%	\$ 166,852	\$188,036	\$ (21,184)	(11.3%)	\$ 180,283	\$(13,431)	(7.4%)	14.0%	16.4%	(237)	(14.4%)	14.1%	(4)	(0.3%)	15.8%	16.7%	(92)	(5.5%)	15.6%	24	1.6%

Management Discussion

- PGT – Lower vs Budget due to higher assumptions made but ahead of the Prior Year
 - Eclipse– Lower vs anticipated sales, in line with market which has been softer in 2019
 - Atis, Simonton & Ostaco – softness in orders in line with market
 - All Weather – Budgeted sales attributed to anticipated new launches in 2019 which has been slower
- Offset by strong pickup from Quaker, Abritek, Schluter, Isothermic and Sierra.
 - Other – shortfall to prior year includes lost business (SI, Jeld-Wen, Thompson Creek, KP Building) and bankruptcies (Ventana Windows, Duraco, Concept MAT)

Non-Top 20 Customers: Consolidated

<u>Customer</u>	<u>2019 YTD Sales</u>	<u>2018 YTD Sales</u>	<u>Variance</u>	<u>%</u>	<u>Comments</u>
Customers lost due to bankruptcy/closure	160	1,925	(1,765)	-92%	Major contribution from Ventana (\$1,218K). Rest pertains to Paramount, Duraco and Concept MAT
Customers lost to competitors	2,785	8,314	(5,529)	-67%	Jeld-wen (\$1,169K), SI Inc (\$1,200K), Win-dor (\$694K), OKNA (\$585K) and Thompson Creek (\$501K) being the largest contributors and Panes, Van Isle and Dons making up majority of the remaining
Customers lost due to Vertical Integration	58	787	(728)	-93%	KP (\$515K) and Ouellet (\$213K)
Non-Top 20 Canadian Customers	30,905	33,912	(3,007)	-9%	Major contribution from Fenergic (\$564K), Vinyl-Pro (460K), Kohltech (\$404K), Dashwood (264K) and Gentek (\$361K). Offset by increase in Vaillan court (\$584K) and a favourable FX for December 1.3172 (2018: 1.3432).
Non-top 20 US Customers	17,793	18,280	(487)	-3%	Major contributions from ATI, Atrium, Lindsay, Hometime and New South (combined for \$925K) offset by increases from Regency, Western, Qubicaamf and YKK (combined for \$785K)
Compound Customers	5,668	6,061	(393)	-6%	Major contribution from Vinyl Company (\$650K), offset by Resin Tech business (\$345K)
Total Other Customers	57,369	69,279	(11,910)	-17%	

Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
Opening Pipeline	\$ 60,978	\$ 24,924
Additions	385	109,344
Changes:		
Converted	(385)	(24,109)
Lost	—	(43,132)
Other	—	(6,048)
Total Net Changes	(385)	(73,289)
Closing Pipeline	\$ 60,978	\$ 60,978

Management Discussion

- Addition of Auroral opportunity for Laval for \$385K and 250 Lbs for the 4600 series, converted successfully

Pipeline Additions

\$'000														
Customer Name	Plant	Rep. Name	Existing Customer (Y/N)	Description of Opportunity	Segment	Date of Inclusion into Pipeline	Expected Date of Award/Close	Probability of Winning Award	Competitor(s)	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Comments
										Start	End			
Auroral	LAVAL	Pierre Lafleur	N	4600 Series	Window	Dec '19	Dec '19	100% Vision		Jan-20	TBD	\$ 385	250	
												\$ 385	250	

Pipeline Conversion

\$'000											
Customer Name	Rep. Name	Existing Customer (Y/N)	Description	Name of Winner(s) / Loser(s)	Date of Conversion	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Reason Code(s)	Comment
						Start	End				
CONVERTED											
Auroral	Pierre Lafleur	N	4600 Series	Vision	Dec '19	TBD	TBD	\$ (385)	(250)	5	
								\$ (385)	\$ (250)		
LOST											
								\$ -	\$ -		
OTHER											
								\$ -	-		
Reason Code for Win											
1. Price		2. Service/Support		3. Relationship							
4. Incumbency		5. Product		6. No decision							
7. Other (Explain in comment field)											

Total Closing Pipeline – Current Extrusions and Patio Doors

\$ and units '000															
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status						Comments	
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)		Signed Contract (100%)
Existing Customers															
Polaris	\$	4,000	2,500	\$	-	TBD	TBD	TBD						Ultra-Weld	
Gentek	\$	2,308	1,700	\$	1,095	TBD	TBD	TBD						Full Program. Still waiting on decision. Gentek strategy is to run Veka and ENERGI and allow ENERGI to cannibilize Veka programs.	
Hometime	\$	200	100	\$	75	TBD	TBD	TBD						Customer still reviewing casement	
Simonton	\$	1,154	1,500	\$	-	TBD	TBD	TBD						Dual stucco wall Slider	
Centennial	\$	115	75	\$	-	TBD	TBD	TBD						New Slider Frame	
Simonton	\$	769	1,000	\$	-	TBD	TBD	TBD						New Multi slide/425 door	
Futura	\$	77	50	\$	25	TBD	TBD	TBD							
Fenêtres Concept	\$	58	25	\$	25	TBD	TBD	TBD						Initial sampling to begin	
Vinylpro	\$	385	300	\$	-	TBD	TBD	TBD						4 1/2" Casement	
Seymour Windows	\$	1,429	1,000	\$	241	TBD	TBD	TBD						Working on new formulation and design	
Westek	\$	77	50	\$	-	TBD	TBD	TBD						Multi-Track Door	
Cascade	\$	16,500	15,000	\$	-	TBD	TBD	TBD						Launch Hung/Sldr other locations	
All Weather	\$	3,077	3,700	\$	-	TBD	TBD	TBD						Convert supplier for remaining business	
Magistral	\$	1,538	1,000	\$	-	TBD	TBD	TBD						4600 Series with some custom	
Avanti	\$	1,000	700	\$	-	TBD	TBD	TBD						FullProgram - Dark Cap	
ATI	\$	500	300	\$	450	TBD	TBD	TBD						West Coast Contemporary series (shared capital)	
Gentek	\$	1,538	-	\$	-	TBD	TBD	TBD						Patio Door program	
Dalmen	\$	192	125	\$	-	TBD	TBD	TBD						Opera lineal program from Soni Plastics	
Entreprises AM	\$	577	350	\$	-	TBD	TBD	TBD						4600 Series	
Euroclad Windows	\$	100	50	\$	-	TBD	TBD	TBD						Multi Track Door	
Mason Windows	\$	192	160	\$	-	TBD	TBD	TBD						Contemporary Casement	
Vaillancourt	\$	769	500	\$	-	TBD	TBD	TBD						Opera lineal	
Durabuilt	\$	385	250	\$	-	TBD	TBD	TBD						4600 Series	
All Weather	\$	192	50	\$	-	TBD	TBD	TBD						Orchestra	
TOTAL EXISTING CUSTOMERS															
	\$	37,132	\$	30,485	\$	1,911									
Legend															
<div><div></div>Complete</div>															
<div><div></div>In process, on track</div>															
<div><div></div>In process, delayed</div>															
<div><div></div>In process, at risk</div>															

Total Closing Pipeline – New Extrusions and Patio Doors

\$ and units '000															
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
New Customers															
Gilkey	\$ 600	370	\$ 400	TBD	TBD	TBD	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	In final stages; seeking 5 year agreement	
Fenestres Contemporaine	\$ 58	\$ 75	\$ -	TBD	TBD	TBD								Hybrid Casement	
Reflec	\$ 154	\$ 200	\$ -	TBD	TBD	TBD								Patio Door Program	
Del Windows	\$ 731	\$ -	\$ -	TBD	TBD	TBD								Patio Door Program	
Del Windows	\$ 1,538	\$ 1,000	\$ -	TBD	TBD	TBD								Woodbridge Platform	
Atelier Jean Cyr	\$ 38	\$ 50	\$ -	TBD	TBD	TBD								Hybrid hung	
Verdun	\$ 769	500	\$ -	TBD	TBD	TBD								4600 Casement	
Elite	\$ 308	200	\$ -	TBD	TBD	TBD								In early discussions	
Formtech	\$ 231	100	\$ -	TBD	TBD	TBD								Tilt/Turn, 4600 Series	
Hayfield Windows	\$ 2,000	1,250	\$ -	TBD	TBD	TBD								Casement	
Scheel	\$ 308	175	\$ 100	TBD	TBD	TBD								Prospect wants to switch away from PH Tech - dissatisfied	
Minnkota Window	\$ 1,500	850	\$ -	TBD	TBD	TBD								Casement SH/DH	
Diamond	\$ 1,000	700	\$ -	TBD	TBD	TBD								3 1/4" Program	
Bonnecherry Valley	\$ 115	75	\$ -	TBD	TBD	TBD								T/T, CA, Hung	
Gilkey Windows	\$ 500	3,600	\$ -	TBD	TBD	TBD								Patio Door	
Gilkey Windows	\$ 750	600	\$ -	TBD	TBD	TBD								DH	
Amerimax	\$ 350	-	\$ -	TBD	TBD	TBD								Opus PD	
Thermovision	\$ 115	75	\$ -	TBD	TBD	TBD								Hung/Slider Hybrid	
Artik	\$ 58	37	\$ -	TBD	TBD	TBD								PD Lineal	
Wasco	\$ 400	225	\$ -	TBD	TBD	TBD								Casement/SH/DH (Rehau)	
Yellow Dog	\$ 3,750	3,000	\$ -	TBD	TBD	TBD	5000 Series								
SI	\$ 2,308	2,500	\$ -	TBD	TBD	TBD	Recut tools in Dark Cap								
Maritime	\$ 385	250	\$ -	TBD	TBD	TBD	Early discussions								
Heartland	\$ 900	650	\$ -	TBD	TBD	TBD									
Supreme	\$ 500	375	\$ -	TBD	TBD	TBD		Strong relationship with Westech but concerned							
TOTAL NEW CUSTOMERS	\$ 19,366	\$ 16,857	\$ 500												
Total Extrusion and Patio Doors	\$ 56,498	47,342	\$ 2,411												
Legend															
								<div></div>	Complete						
								<div></div>	In process, on track						
								<div></div>	In process, delayed						
								<div></div>	In process, at risk						

32

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

[illegible]

YTD Opex Analysis

\$'000

	YTD			Explanation of Variance					Variance Impact		
			Variance	One-Time /		Change in			Total Variance	YoY Impact	Annualized
	Act	Bud	(B) / W	Non-recurring	Timing	Run-rate	Other/FX	(B) / W	(B) / W	(B) / W	
Payroll	\$ 9,929	\$ 10,783	\$ (855)	\$ (85)	\$ (15)	\$ (616)	\$ (139)	\$ (855)	\$ (390)	\$ -	
Bonus	\$ 616	\$ 1,361	\$ (744)	\$ (737)	\$ -	\$ -	\$ (7)	\$ (744)	\$ 457	\$ -	
Commissions	\$ 247	\$ 358	\$ (111)	\$ (13)	\$ -	\$ (94)	\$ (4)	\$ (111)	\$ 60	\$ -	
Marketing	\$ 1,583	\$ 1,780	\$ (197)	\$ -	\$ -	\$ (169)	\$ (28)	\$ (197)	\$ (96)	\$ -	
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Travel and entertainment	\$ 1,069	\$ 1,587	\$ (518)	\$ (93)	\$ (50)	\$ (362)	\$ (13)	\$ (518)	\$ (162)	\$ -	
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 317	\$ 336	\$ (20)	\$ -	\$ (12)	\$ (8)	\$ (0)	\$ (20)	\$ (11)	\$ -	
Professional fees	\$ 665	\$ 584	\$ 81	\$ 18	\$ -	\$ 75	\$ (12)	\$ 81	\$ 80	\$ -	
Office expense	\$ 254	\$ 287	\$ (34)			\$ (29)	\$ (4)	\$ (34)	\$ (33)	\$ -	
IT	\$ 1,859	\$ 2,092	\$ (233)	\$ 125	\$ (84)	\$ (239)	\$ (36)	\$ (233)	\$ 226	\$ -	
Bad Debts	\$ 174	\$ (5)	\$ 178	\$ 183	\$ -	\$ -	\$ (4)	\$ 178	\$ 253	\$ -	
FX	\$ (145)	\$ -	\$ (145)	\$ -	\$ -	\$ -	\$ (145)	\$ (145)	\$ (530)	\$ -	
JV Loss (Income)	\$ (146)	\$ (228)	\$ 82	\$ (2)	\$ 20	\$ 69	\$ (4)	\$ 82	\$ (63)	\$ -	
Other Expenses	\$ 812	\$ 853	\$ (42)	\$ (4)	\$ -	\$ (16)	\$ (21)	\$ (42)	\$ (144)	\$ -	
Total Opex	\$ 17,234	\$ 19,791	\$ (2,557)	\$ (609)	\$ (140)	\$ (1,390)	\$ (418)	\$ (2,557)	\$ (353)	\$ -	

Management Discussion

- Lower payroll largely due to lower headcount, delays in hiring for open positions and staff exits and lower benefits costs coupled with a positive Canadian FX impact
- Bonus accrual reversal of \$624k in November and nil accrual for December
- Lower commissions as a result of revised estimates for accrual based on current sales which has also resulted in lower Travel and entertainment.
- Marketing expenses lower due to selective spending
- Higher professional fee on account of Syteline and Paytech consultants for IT and Payroll in HO and CSST consultant at Laval and Terrebonne
- Lower IT due to a combination of discontinuation as well as lower than anticipated pricing on certain services, and timing of contract negotiations as part of cost management and a positive Canadian FX impact offset by unbudgeted expense for Spend HQ and DSI MEP software subscriptions.
- Top up of Bad Debts provision to cover Quebec exposures with Enterprises Doco, West Coast Designs, Custom Quality and SDO Renovation.

1x Costs

\$'000

	YTD			Explanation of Variance			Variance Impact	
	Variance			Change in			Total Variance	Total Change in Estimate
	Act	AOP	B / (W)	Estimate	Timing	Other	B / (W)	B / (W)
Banking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insight Sourcing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ 120	\$ 70	\$ (50)	\$ (34)	\$ -	\$ (16)	(50)	\$ (34)
Legal Fees	\$ 30	\$ -	\$ (30)	\$ -	\$ -	\$ (30)	(30)	\$ -
Professional Fees	\$ 673	\$ 117	\$ (556)	\$ (507)	\$ (4)	\$ (44)	(556)	\$ (507)
Mgmt Incentive	\$ 245	\$ 342	\$ 97	\$ 97	\$ -	\$ -	97	\$ 97
Laval Water Damage	\$ 90	\$ -	\$ (90)	\$ -	\$ -	\$ (90)	(90)	\$ -
Profit Velocity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAD Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3	\$ -	\$ (3)	\$ -	\$ -	\$ (3)	(3)	\$ -
Total 1X Costs	\$ 1,161	\$ 529	\$ (632)	\$ (444)	\$ (4)	\$ (184)	\$ (632)	\$ (444)

Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$64K), Disaster Recovery testing for JDE (\$40K) and DDL Consultant for ITSM Project (\$16K)
- Legal Costs of \$23K for Corporate Management Services and \$7K for Project ICE
- Professional Fees include costs incurred for the Quality of Earnings study with KPMG (\$181K), OBI projects with The Practical Approach (\$102K), Project Monaco costs (\$16K), Management Tools Inc (\$22K), Smart Ventures (\$239K), Process feasibility and efficiency Consultants (\$115K)
- Management staff incentive (\$245K)
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$90K, not planned)

Balance Sheet

\$'000	Dec-18	Sep-19	Oct-19	Nov-19	Dec-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
<u>Current Assets</u>								
Cash and cash equivalents	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	10.4%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	8,958	13,915	14,965	14,538	9,267	10,358	(1,091)	(10.5%)
<i>Accounts receivable, reserves</i>	(363)	(501)	(504)	(534)	(561)	(679)	118	(17.4%)
Accounts receivable, net	8,594	13,414	14,460	14,004	8,707	9,680	(973)	(10.0%)
<i>Inventory, gross</i>	31,776	34,529	33,944	32,086	31,428	32,705	(1,277)	(3.9%)
<i>Inventory, reserves</i>	(1,467)	(1,764)	(1,801)	(1,840)	(2,031)	(1,706)	(325)	19.1%
Inventory, net	30,309	32,765	32,143	30,246	29,397	30,999	(1,602)	(5.2%)
Prepaid expenses and other current assets	2,942	3,848	3,866	3,405	3,221	2,832	388	13.7%
Other current assets	901	911	894	958	835	682	153	22.4%
Total Current Assets	42,746	50,941	51,367	48,617	42,162	44,196	(2,034)	(4.6%)
<u>Non-Current Assets</u>								
<i>Property, plant & equipment, gross</i>	64,977	70,962	71,741	71,977	73,423	74,303	(879)	(1.2%)
<i>Accumulated depreciation</i>	(17,639)	(24,601)	(25,492)	(26,136)	(27,272)	(24,569)	(2,703)	11.0%
Property, plant & equipment, net	47,338	46,361	46,249	45,842	46,151	49,734	(3,582)	(7.2%)
Deferred financing cost	548	435	423	407	399	395	4	1.0%
Deferred tax asset	2,879	2,947	2,963	2,940	2,987	1,367	1,620	118.6%
Other non-current assets	2,616	2,791	2,825	2,813	2,863	3,331	(468)	(14.1%)
Total Non-Current Assets	53,382	52,534	52,461	52,002	52,399	54,826	(2,426)	(4.4%)
Total Assets	\$ 96,127	\$ 103,475	\$ 103,828	\$ 100,618	\$ 94,562	\$ 99,022	\$ (4,460)	(4.5%)
<u>Current Liabilities</u>								
Bank Debt	\$ 10,222	\$ 16,663	\$ 17,396	\$ 14,798	\$ 14,452	\$ 13,778	\$ 674	4.9%
Current Portion - Long Term Debt	1,628	1,667	1,677	1,663	1,690	1,800	(110)	(6.1%)
Accounts payable	12,709	14,476	13,366	13,935	12,946	12,627	319	2.5%
Accrued liabilities	3,343	3,707	3,923	3,625	2,708	2,808	(100)	(3.6%)
Accrued compensation	2,521	4,303	4,461	3,591	2,802	5,149	(2,347)	(45.6%)
Income taxes payable	(246)	192	419	572	(226)	1,710	(1,935)	(113.2%)
Contingent consideration	1,301	1,301	1,301	1,301	—	—	—	N/A
Other current liabilities	97	116	115	84	111	107	4	3.6%
Total Current Liabilities	31,576	42,425	42,657	39,568	34,485	37,980	(3,495)	(9.2%)
<u>Long-term liabilities</u>								
Long-term debt less current maturities	12,006	11,060	10,985	10,753	10,799	10,428	372	3.6%
Deferred income taxes	9,610	9,729	9,757	9,716	9,799	7,785	2,014	25.9%
Other non-current liabilities	1,468	1,585	1,598	1,584	1,618	1,486	132	8.9%
Total Long-Term Liabilities	23,084	22,374	22,340	22,053	22,216	19,699	2,518	12.8%
Total Liabilities	54,660	64,799	64,997	61,622	56,701	57,679	(977)	(1.7%)
Commitments and contingencies	—	—	—	—	—	—	—	N/A
<u>Shareholders' Equity</u>								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	30,039	26,982	27,099	27,319	26,083	29,263	(3,179)	(10.9%)
Accumulated other comprehensive income	(1,181)	(916)	(878)	(933)	(833)	(530)	(303)	57.3%
Total Shareholders' Equity	41,467	38,676	38,831	38,997	37,860	41,343	(3,483)	(8.4%)
Total Liabilities and Shareholders' Equity	\$ 96,127	\$ 103,475	\$ 103,828	\$ 100,618	\$ 94,562	\$ 99,022	\$ (4,460)	(4.5%)

Management Discussion

- Net A/R vs. Budget is down by \$973K (10 %) due to lower sales vs budget, improved collections as well as increase in reserves by \$51K
- Inventory levels slightly lower vs Bud due to planned production slowdown
- Increase in Prepaid expenses vs Bud due a higher Non-inventory stock of \$279K as a result of new product developments and higher prepaid balance of \$110K
- Increase in Other current assets vs Bud attributed to higher receivable related to Customer Tooling of \$198K
- Gross PP&E lower vs Bud by 879K largely due to lower Capex spending than budgeted of \$785K and an unfavorable F/X impact of \$94K (actual rate of 1.3024 [or USD\$ 0.77] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Other non-current assets reduction of \$468K vs Bud due to a reduction in JV equity income in the month and an unfavorable F/X impact
- Increase in exposure with Bank due to payment of Long Term Liability to Westlake/Axiall of \$1,300K; offset by increase in payables
- Decrease in Accrued Compensation due to reduction in bonus accrual (\$1,400K) and reduction in payroll accrual due to timing of payroll funding at year end

Cash Flow Statement

\$'000	QTD		Variance		PY-QTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	(899)	\$	(1,379)	\$	480	(34.8%)	\$	(2,715)	\$	1,815	(66.9%)	\$	(3,946)	\$	(3,300)	\$	(646)	19.6%	\$	(3,987)	\$	41	(1.0%)
Depreciation, amortization and other		2,383		2,398		(15)	(0.6%)		2,072		312	15.0%		9,017		9,128		(111)	(1.2%)		7,801		1,215	15.6%
Non-cash loss/expense (gain)		(143)		(463)		319	(69.0%)		340		(483)	(142.2%)		(218)		(307)		89	(28.9%)		377		(595)	(157.8%)
Deferred income tax		70		—		70	N/A		(149)		220	(147.0%)		189		148		41	27.7%		(1,301)		1,490	(114.5%)
Change in operating assets and liabilities:																								
Accounts receivable		4,707		4,665		42	0.9%		5,261		(553)	(10.5%)		(112)		(1,173)		1,060	(90.4%)		3,252		(3,364)	(103.5%)
Inventory		3,369		1,885		1,484	78.7%		3,464		(95)	(2.8%)		912		(690)		1,602	(232.1%)		(594)		1,506	(253.5%)
Prepaid expenses and other current assets		702		1,226		(523)	(42.7%)		953		(250)	(26.3%)		(214)		328		(541)	(165.1%)		456		(669)	(146.8%)
Accounts payable		(1,530)		(2,223)		693	(31.2%)		(1,378)		(152)	11.0%		237		(82)		319	(388.2%)		(379)		615	(162.5%)
Accrued expenses		(2,499)		(67)		(2,432)	3623.1%		(433)		(2,066)	476.9%		(354)		2,344		(2,698)	(115.1%)		(2,316)		1,962	(84.7%)
Accrued income taxes		(417)		146		(563)	(386.3%)		(93)		(324)	347.5%		21		1,060		(1,039)	(98.0%)		751		(730)	(97.2%)
Other changes in operating assets and liabilities		(1,306)		(20)		(1,287)	6595.3%		(25)		(1,281)	5164.9%		(1,287)		(1,290)		4	(0.3%)		65		(1,351)	(2091.7%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	4,437	\$	6,169	\$	(1,732)	(28.1%)	\$	7,296	\$	(2,859)	(39.2%)	\$	4,246	\$	6,166	\$	(1,920)	(31.1%)	\$	4,126	\$	120	2.9%
Cash flow from investing																								
Additions to property, plant and equipment	\$	(1,808)	\$	(1,194)	\$	(615)	51.5%	\$	(3,232)	\$	1,424	(44.0%)	\$	(6,807)	\$	(8,000)	\$	1,193	(14.9%)	\$	(10,215)	\$	3,408	(33.4%)
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(1,808)	\$	(1,194)	\$	(615)	51.5%	\$	(3,232)	\$	1,424	(44.0%)	\$	(6,807)	\$	(8,000)	\$	1,193	(14.9%)	\$	(10,215)	\$	3,408	(33.4%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-t	\$	(2,210)	\$	(4,546)	\$	2,335	(51.4%)	\$	(4,255)	\$	2,044	(48.0%)	\$	4,230	\$	3,556	\$	674	19.0%	\$	6,282	\$	(2,052)	(32.7%)
Proceeds from the issuance of debt		(0)		—		(0)	N/A		577		(577)	(100.0%)		0		—		0	N/A		1,207		(1,207)	(100.0%)
Repayment of debt		(418)		(430)		12	(2.7%)		(386)		(32)	8.2%		(1,665)		(1,719)		54	(3.1%)		(1,400)		(265)	18.9%
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Financing	\$	(2,628)	\$	(4,975)	\$	2,347	(47.2%)	\$	(4,064)	\$	1,435	(35.3%)	\$	2,565	\$	1,837	\$	728	39.6%	\$	6,089	\$	(3,524)	(57.9%)
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	0	\$	0	\$	(0)	(89.9%)	\$	(0)	\$	0	(6735.7%)	\$	3	\$	3	\$	0	10.3%	\$	(0)	\$	3	(1165.6%)
Beginning cash		3		2		0	20.0%		0		3	798646.8%		0		0		—	0.0%		(0)		0	(100.1%)
Change in cash		0		0		(0)	(89.9%)		(0)		0	(6735.7%)		3		3		0	10.3%		(0)		3	(1165.6%)
Ending cash	\$	3	\$	3	\$	0	10.3%	\$	0	\$	3	29043237.2%	\$	3	\$	3	\$	0	10.3%	\$	0	\$	3	29043237.2%

Covenant Analysis

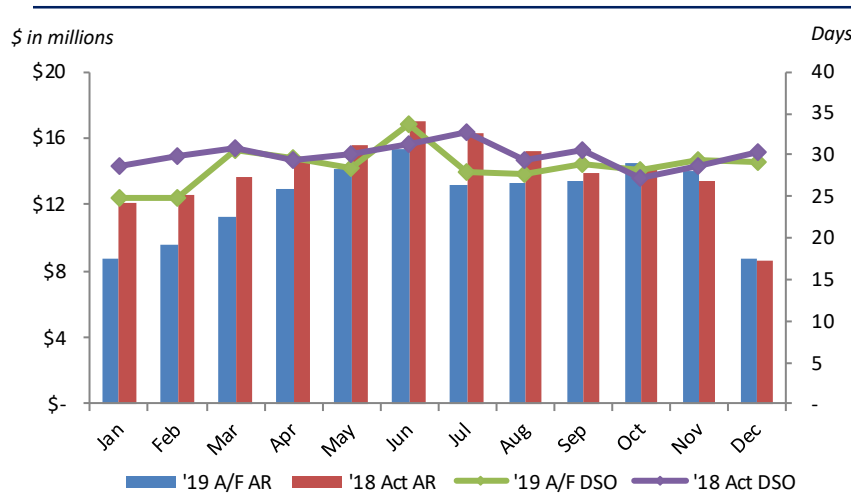
(US\$ '000s)	Actual Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19	Actual Jul-19	Actual Aug-19	Actual Sep-19	Actual Oct-19	Actual Nov-19	Actual Dec-19
Excess Availability													
Borrowing Base	27,127	24,989	24,640	25,741	28,175	29,067	28,711	29,941	27,848	28,477	28,728	28,583	27,369
Total Revolver Debt	10,222	14,340	16,533	18,750	19,505	19,025	17,818	17,338	16,897	16,663	17,396	14,798	14,452
Excess Availability	16,904	10,649	8,107	6,991	8,670	10,042	10,893	12,602	10,951	11,814	11,332	13,785	12,917
EA % of Borrowing Base	62.3%	42.6%	32.9%	27.2%	30.8%	34.5%	37.9%	42.1%	39.3%	41.5%	39.4%	48.2%	47.2%
Minimum EA% (or <\$5.25M)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Compliance	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
FCCR Calculation													
TTM EBITDA	8,112	7,865	8,971	8,618	8,575	8,526	9,943	8,843	8,306	7,274	7,868	8,509	9,826
Total Capex	462	489	531	560	448	519	805	761	386	500	522	614	672
TTM Capex	7,822	7,266	7,354	7,115	7,577	7,209	7,315	7,293	7,041	6,931	6,912	6,598	6,807
Cash Taxes	-	(252)	-	257	-	-	-	(14)	-	-	82	-	649
TTM Cash Taxes	671	418	418	140	5	5	5	(9)	(9)	(9)	73	73	722
Numerator	(381)	180	1,198	1,364	993	1,313	2,624	1,559	1,273	352	883	1,838	2,297
Cash Interest on existing ABL	161	156	165	189	184	198	187	191	189	182	175	148	194
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	1,869	1,918	1,966	2,019	2,051	2,087	2,099	2,109	2,120	2,134	2,138	2,125	2,158
Principal Payments on additional debt	138	138	139	138	138	137	139	140	139	139	139	139	140
TTM Principal Payments	1,387	1,412	1,436	1,462	1,490	1,516	1,544	1,574	1,604	1,634	1,663	1,663	1,665
Denominator	3,256	3,330	3,402	3,482	3,541	3,603	3,643	3,683	3,724	3,767	3,802	3,788	3,823
FCCR Ratio	(0.1)	0.1	0.4	0.4	0.3	0.4	0.7	0.4	0.3	0.1	0.2	0.5	0.6
Minimum FCC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Compliance	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach

13-Week Cash Flow Forecast

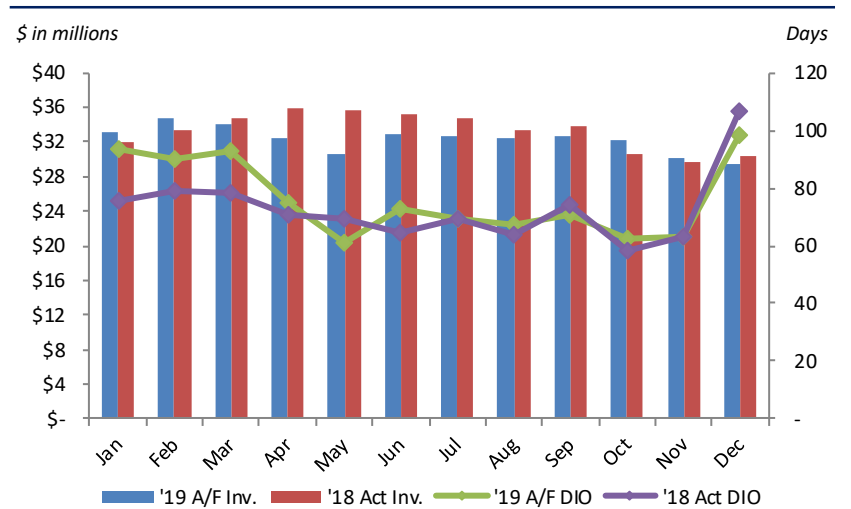
Date	01/03/20	01/10/20	01/17/20	01/24/20	01/31/20	02/07/20	02/14/20	02/21/20	02/28/20	03/06/20	03/13/20	03/20/20	03/27/20	04/03/20
Cash Flow Roll-Up:														
Total Inflows - Operational	3,110	1,720	1,834	1,835	1,835	2,406	2,872	3,363	3,408	3,052	3,008	2,671	2,653	2,676
Receipts from Customers based on AR	2,753	1,720	1,421	1,422	1,422	1,628	1,229	1,028	741	300	300	-	-	-
New Net External Sales	-	-	-	-	-	370	1,235	1,927	2,259	2,344	2,274	2,236	2,219	2,241
New Affiliate Sales	357	-	413	413	413	408	408	408	408	408	434	434	434	434
Total Outflows - Operational	(3,310)	(2,807)	(3,064)	(2,151)	(2,026)	(1,842)	(3,293)	(2,466)	(2,594)	(2,695)	(4,186)	(2,352)	(2,186)	(2,280)
Payments to Suppliers based on AP Agri	(1,334)	(1,088)	(914)	(690)	(631)	(627)	(395)	(853)	(660)	(613)	(395)	(451)	(189)	0
Materials	(419)	(906)	(893)	(517)	(226)	(188)	(188)	(451)	(827)	(1,284)	(1,058)	(908)	(1,058)	(1,209)
Conversion Costs	(897)	(10)	(485)	(414)	(526)	(359)	(328)	(339)	(253)	(475)	(243)	(330)	(260)	(456)
Other COGS	(124)	(1)	(62)	(60)	(126)	(60)	(187)	(50)	(174)	(50)	(170)	(51)	(176)	(57)
Selling Costs	(114)	(10)	(98)	(48)	(198)	(48)	(245)	(38)	(259)	(38)	(284)	(39)	(273)	(41)
General and Administrative	(160)	(17)	(149)	187	(226)	(79)	(283)	(66)	(252)	(66)	(240)	(67)	(250)	(69)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(11)	(11)	0	(181)	(54)	(54)	(54)	(128)	(128)	(128)	(128)	(128)	(128)	(159)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	(250)	(249)	0	0	0	0	0	(250)	0	0	0	0	0	(250)
Resin rebate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TSA Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Performance Payment to Westlake	0	0	0	0	0	0	0	0	0	0	0	0	0	0
One Time Costs	0	0	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)
Restructuring Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonus payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Material received but not invoiced	0	(515)	(423)	(388)	0	(387)	(1,572)	(249)	0	0	(1,572)	(600)	0	0
Projected Operational Cash Flow	(200)	(1,087)	(1,230)	(315)	(191)	564	(421)	897	815	358	(1,178)	318	467	396
Cash receipts more (less) than projection	(1,628)	1,259	344	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	461	(828)	(931)	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	779	1,031	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	25	128	0	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	(1,367)	148	(657)	(315)	(191)	564	(421)	897	815	358	(1,178)	318	467	396
Bank interest	(159)	0	0	0	(10)	(139)	0	0	(9)	(139)	0	0	0	(175)
Bridge Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan	(141)	0	0	0	(19)	(119)	0	0	(19)	(119)	0	0	0	(138)
Monitoring Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Fees	(3)	0	(9)	0	(32)	0	(4)	(6)	(2)	0	(4)	(6)	0	(3)
Total Financial Cash Flow	(303)	0	(9)	0	(61)	(258)	(4)	(6)	(30)	(258)	(4)	(6)	0	(316)
Total Cash Flow	(1,670)	148	(666)	(315)	(252)	306	(425)	891	784	99	(1,182)	312	467	80
Adjusted Loan Balance	16,030	15,680	16,782	16,697	16,949	16,644	17,069	16,178	15,394	15,295	16,477	16,164	15,697	15,617
Term Loan	12,382	12,320	12,128	12,128	12,109	11,990	11,990	11,990	11,970	11,851	11,851	11,851	11,851	11,713
Total Debt	28,412	28,000	28,910	28,825	29,058	28,634	29,059	28,168	27,364	27,146	28,328	28,016	27,548	27,330
Revolver Availability	11,436	11,561	10,171	6,125	5,873	6,179	5,753	8,500	9,284	9,383	8,201	7,203	7,671	7,751
Friday Cash Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Per Loan Ledger	28,412	28,000	28,910	28,825	29,058	28,634	29,059	28,168	27,364	27,146	28,328	28,016	27,548	27,330

Working Capital and Cash Conversion Cycle

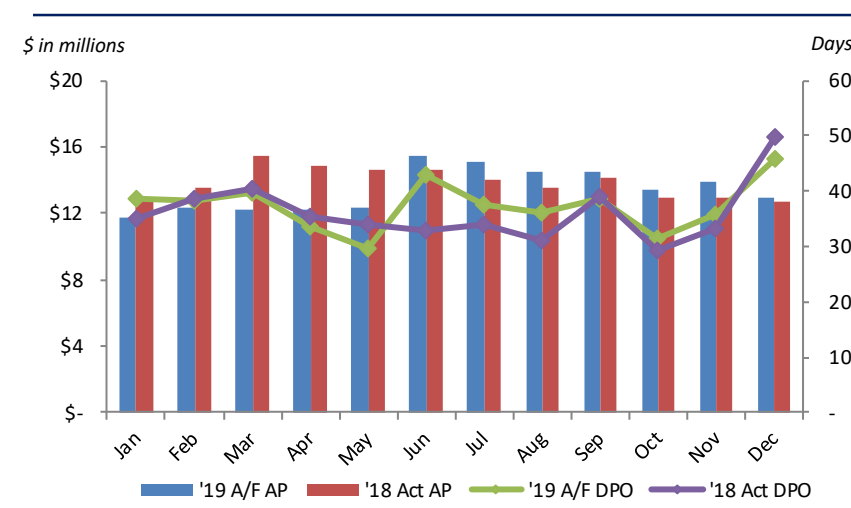
Accounts Receivable



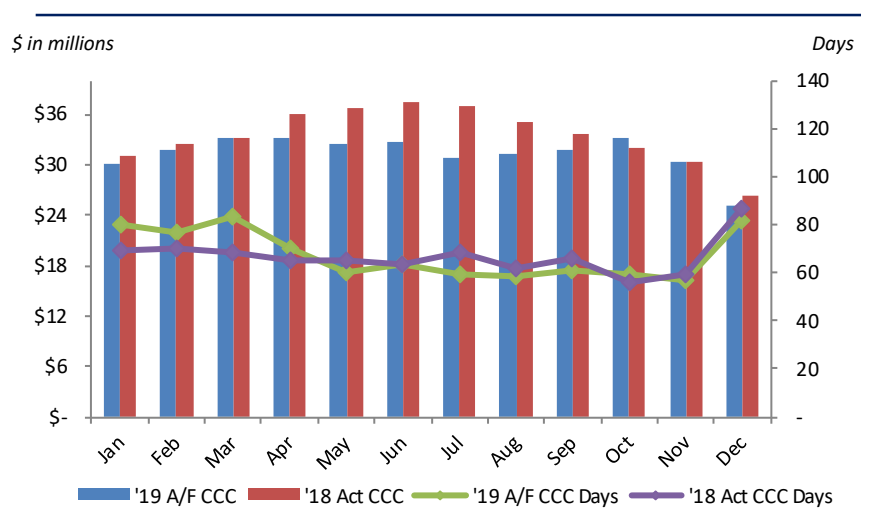
Inventory



Accounts Payable



Cash Conversion Cycle



AR and AP Aging Detail

\$'000

AR Aging				
Days	Oct-19	Nov-19	Dec-19	%
0-30	\$ 12,431	\$ 11,255	\$ 5,865	67.4%
30-60	1,301	2,009	1,966	22.6%
60-90	304	270	314	3.6%
>90	424	471	562	6.4%
Total	\$ 14,460	\$ 14,004	\$ 8,707	100.0%

AP Aging				
Days	Oct-19	Nov-19	Dec-19	%
0-30	\$ 10,679	\$ 11,054	\$ 8,441	65.2%
30-60	2,260	2,549	3,779	29.2%
60-90	369	294	684	5.3%
>90	58	38	42	0.3%
Total	\$ 13,366	\$ 13,935	\$ 12,946	100.0%

Management Discussion

- DSO days remain flat at 29 as a result of lower sales in December offsetting collections
- Increase in DPO days from 36 to 46 due to timing of payments due to holidays

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Full Year Outlook Consolidated P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	97,151	108,274	(11,122)	(10.3%)	96,146	1,006	1.0%
Units Shipped ('000)	96,500	109,580	(13,079)	(11.9%)	104,464	(7,964)	(7.6%)
Bookings (\$'000)	\$ 162,586	\$ 180,948	\$ (18,362)	(10.1%)	\$ 173,588	\$ (11,003)	(6.3%)
Backlog (\$'000)	\$ 8,430	\$ 11,911	\$ (3,481)	(29.2%)	\$ 8,368	\$ 62	0.7%
Gross Revenue	\$ 166,852	\$ 188,036	\$ (21,184)	(11.3%)	\$ 180,283	\$ (13,431)	(7.4%)
Adj. to Gross Revenue	(8,554)	(9,876)	1,322	(13.4%)	(9,708)	1,154	(11.9%)
Net Revenue	158,298	178,160	(19,862)	(11.1%)	170,574	(12,277)	(7.2%)
Material	77,752	88,355	(10,604)	(12.0%)	83,420	(5,668)	(6.8%)
Labor	35,618	38,371	(2,752)	(7.2%)	38,503	(2,885)	(7.5%)
Other COGS	18,911	20,261	(1,350)	(6.7%)	20,885	(1,974)	(9.5%)
Total COGS	132,281	146,986	(14,706)	(10.0%)	142,807	(10,526)	(7.4%)
Gross Margin	26,017	31,173	(5,157)	(16.5%)	27,767	(1,750)	(6.3%)
Gross Margin %	16.4%	17.5%			16.3%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	6,644	7,247	(603)	(8.3%)	7,045	(400)	(5.7%)
Administrative	10,880	12,772	(1,892)	(14.8%)	10,240	640	6.2%
Other Opex	(291)	(228)	(63)	27.6%	302	(593)	(196.4%)
Total Opex	17,234	19,791	(2,557)	(12.9%)	17,587	(353)	(2.0%)
EBITDA	8,783	11,382	(2,600)	(22.8%)	10,180	(1,397)	(13.7%)
EBITDA %	5.5%	6.4%			6.0%		
Net Income (Loss)	\$ (3,946)	\$ (3,300)	\$ (646)	19.6%	\$ (3,490)	\$ (455)	13.0%
Capex	\$ (6,807)	\$ (8,000)	\$ 1,193	(14.9%)	\$ (10,215)	\$ 3,408	(33.4%)
Opex Overview:							
Payroll	\$ 9,929	\$ 10,783	\$ (855)	(7.9%)	\$ 10,318	\$ (390)	(3.8%)
Bonus	616	1,361	(744)	(54.7%)	159	457	287.7%
Commissions	247	358	(111)	(31.0%)	187	60	32.4%
Marketing	1,583	1,780	(197)	(11.1%)	1,679	(96)	(5.7%)
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	1,069	1,587	(518)	(32.7%)	1,231	(162)	(13.2%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	317	336	(20)	(5.9%)	328	(11)	(3.5%)
Professional fees	665	584	81	13.8%	585	80	13.7%
Office Expenses	254	287	(34)	(11.7%)	287	(33)	(11.6%)
IT	1,859	2,092	(233)	(11.1%)	1,634	226	13.8%
Bad Debts	174	(5)	178	(3861.5%)	(80)	253	(317.8%)
FX	(145)	—	(145)	N/A	384	(530)	(137.7%)
JV Loss (Income)	(146)	(228)	82	(36.1%)	(83)	(63)	76.2%
Other Expenses	812	853	(42)	(4.9%)	956	(144)	(15.1%)
Total Opex	\$ 17,234	\$ 19,791	\$ (2,557)	(12.9%)	\$ 17,586	\$ (353)	(2.0%)

Full Year Outlook Key Customers – ENERGI Consolidated

	Gross Sales (\$'000)								Gross Margin %											
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Act	Bud			\$	%	Act		\$	%	Act	Bud	BPs	%	Act		BPs		%	
Customer:																				
PGT Industries Inc	\$	21,958	\$	24,098	\$	(2,140)	(8.9%)	\$	21,061	\$	897	4.3%	18.1%	18.0%	10	0.5%	15.6%	253	16.2%	
Eclipse Shutter Systems		13,338		15,789		(2,451)	(15.5%)		15,365		(2,027)	(13.2%)	2.7%	3.1%	(39)	(12.7%)	3.8%	(111)	(29.4%)	
Atis		7,177		9,424		(2,247)	(23.8%)		10,380		(3,204)	(30.9%)	(16.1%)	(18.6%)	252	(13.5%)	(15.4%)	(74)	4.8%	
Simonton		9,562		10,859		(1,297)	(11.9%)		10,221		(659)	(6.4%)	11.7%	16.8%	(509)	(30.3%)	8.6%	311	36.1%	
Quaker Window Products		5,825		6,028		(203)	(3.4%)		5,345		480	9.0%	11.0%	11.0%	0	0.0%	9.1%	192	21.1%	
Ostaco 2000		3,017		3,820		(803)	(21.0%)		3,716		(699)	(18.8%)	8.8%	7.3%	146	19.9%	20.8%	(1,200)	(57.7%)	
SOLARIS QUEBEC P & F INC.		4,265		4,075		191	4.7%		4,262		3	0.1%	24.0%	23.9%	12	0.5%	9.9%	1,418	143.8%	
Dashwood Industries Inc		3,446		3,764		(319)	(8.5%)		3,898		(453)	(11.6%)	16.2%	14.4%	179	12.4%	16.2%	0	0.0%	
Windsor Window Co OEM		3,875		3,710		165	4.5%		3,491		384	11.0%	24.2%	24.0%	23	0.9%	8.8%	1,539	175.0%	
All Weather		4,394		6,731		(2,337)	(34.7%)		3,395		999	29.4%	10.7%	14.3%	(355)	(24.8%)	12.6%	(190)	(15.0%)	
Polaris Technologies		5,042		5,822		(780)	(13.4%)		3,577		1,465	41.0%	15.3%	16.8%	(151)	(9.0%)	0.0%	1,528	N/A	
A.M.I.		3,627		3,800		(173)	(4.5%)		3,511		116	3.3%	8.0%	2.4%	553	226.9%	5.4%	260	48.5%	
ATLANTIC WINDOWS		3,598		3,924		(326)	(8.3%)		3,749		(151)	(4.0%)	14.5%	12.3%	226	18.4%	5.9%	862	145.6%	
Vinyl Profiles, LLC		2,756		3,826		(1,070)	(28.0%)		1,961		795	40.6%	20.0%	20.5%	(50)	(2.4%)	18.8%	126	6.7%	
Comfort View Products		2,211		3,135		(924)	(29.5%)		2,920		(709)	(24.3%)	17.5%	16.3%	122	7.5%	12.3%	522	42.3%	
PORTES & FENETRES ABRITEK		3,175		2,786		389	13.9%		2,889		286	9.9%	8.4%	16.2%	(785)	(48.4%)	15.4%	(707)	(45.8%)	
Coeur d'Alene		3,684		4,000		(316)	(7.9%)		2,804		880	31.4%	0.1%	4.0%	(383)	(97.0%)	0.5%	(35)	(74.7%)	
SCHLUTER SYSTEMS L.P.		2,664		2,558		107	4.2%		2,796		(132)	(4.7%)	21.6%	22.5%	(90)	(4.0%)	16.0%	565	35.3%	
P & F ISOTHERMIC INC		3,007		2,557		450	17.6%		2,978		29	1.0%	11.6%	18.5%	(684)	(37.0%)	3.8%	789	210.4%	
Sierra Pacific Windows		2,862		2,560		302	11.8%		2,632		230	8.7%	7.6%	8.9%	(136)	(15.2%)	6.3%	130	20.8%	
Other		57,369		64,771		(7,402)	(11.4%)		69,279		(11,910)	(17.2%)	24.2%	28.7%	(451)	(15.7%)	28.1%	(390)	(13.9%)	
Total Gross	\$	166,852	\$	188,036	\$	(21,184)	(11.3%)	\$	180,283	\$	(13,431)	(7.4%)	15.8%	16.7%	(92)	(5.5%)	15.4%	41	2.7%	

Management Discussion

- Overall, extended winter weather conditions and a wet spring has impacted sales across all customers as both US and Canada markets have been soft
- All Weather is significantly behind budget which was due to a aggressive estimate following new product launches in December 2018
- Solaris and Windsor – Strong, performing better than budget
- Eclipse, Atis and Comfort View – Slow start to the year and colder weather leading to softness in orders, however some pick-up in 2019 from Atis following closure of PD deal

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Management Governance Report

Disclosure Committee:

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

Anonymous Hotline:

- Hotline Phone call received on January 15th, 2019 from an anonymous Delmont employee
 - Individual has issued a misconduct/inappropriate behavior complaint against the Delmont Quality Control Manager, indicating that the employees exhibited unprofessional behavior
 - Quality Control Manager is a 15 year employee and has never been disciplined for this type of behavior (some attendance issues from time to time)
 - Individual has been suspended without pay for 10 days
 - Plant Manager will conduct townhall meetings during the week of Jan. 27th to address harassment and violence in the workplace and reiterate that ENERGI will not tolerate this type of behavior

Modification of Delegation of Authority:

- No changes recommended at this time

Management Governance Report (Continued)

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

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Squeeze Report

Monthly P&L

Monthly EBITDA to Net Income Bridge

Cost of Goods Sold Variance Analysis

Monthly Cost of Goods Sold by Component

Monthly Balance Sheet

Balance Sheet – Year on Year Comparison

Monthly Cash Flow

Trended Monthly Bookings

Trended Monthly Backlog

EBITDA and EBITDA-CapEx

Y-o-Y% EBITDA change

Capital Expenditures

Headcount Trending by Month

Headcount Hires and Attrition

Liquidity Forecast

Business Unit Analysis

Squeeze Report

Monthly operating report (\$'000)

			Fully-diluted ownership		Fund			Invested Capital (\$M)			Valuation	Returns
Investment date	3/31/2016		OpenGate Equity	94.8%	OCGP I	\$	26,000	\$	—	\$	46,435	0.6x
Operational data as of	12/31/2019		MGMT	5.3%	OCGP II		—		—		—	NA
Valuation details last updated:	9/30/2019		Other Equity	0.0%	OCGP III		—		—		—	NA
			Total	100.0%	Total	\$	26,000	\$	—	\$	46,435	0.6x

Operations																						
This Month Quarter to Date Year to Date	Net Revenue				Adj. EBITDA				Net Debt													
	Act	Bud	Variance	PY	Variance	Act	Bud	Variance	PY	Variance	Act	Bud	PY									
	\$	9,253	\$	10,218	-9.4%	\$	8,817	4.9%	\$	(595)	\$	(420)	41.5%	\$	(714)	-16.8%	\$	26,939	\$	24,203	\$	23,857
	\$	39,492	\$	42,561	-7.2%	\$	39,144	0.9%	\$	2,246	\$	1,986	13.1%	\$	1,540	45.8%						
	\$	158,298	\$	178,160	-11.1%	\$	170,574	-7.2%	\$	8,783	\$	11,382	-22.8%	\$	10,180	-13.7%						

LTM Trends (\$'000s)	1/31/19	2/28/19	3/31/19	4/30/19	5/31/19	6/30/19	7/31/19	8/31/19	9/30/19	10/31/19	11/30/19	12/31/19	LTM
Units Produced ('000)	7,786	7,371	8,389	7,725	8,493	8,905	8,339	9,076	8,551	9,067	8,304	5,147	97,151
Units Shipped ('000)	6,941	6,590	7,230	8,092	9,414	8,083	9,001	8,865	8,508	9,699	8,621	5,458	96,500
Net Revenue	\$ 10,942	\$ 10,785	\$ 11,404	\$ 13,094	\$ 15,515	\$ 13,593	\$ 14,669	\$ 14,926	\$ 13,879	\$ 15,932	\$ 14,307	\$ 9,253	\$ 158,298
Gross Margin	1,502	1,755	1,910	2,201	2,645	2,773	2,217	2,502	2,638	2,711	2,633	530	26,017
Gross Margin %	13.7%	16.3%	16.7%	16.8%	17.0%	20.4%	15.1%	16.8%	19.0%	17.0%	18.4%	5.7%	16.4%
SG&A	1,465	1,496	1,438	1,520	1,579	1,394	1,531	1,553	1,630	1,569	934	1,125	17,234
Reported EBITDA	37	259	472	680	1,066	1,379	687	949	1,008	1,142	1,699	(595)	8,783
Rep. EBITDA %	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.4%	7.3%	7.2%	11.9%	(6.4%)	5.5%
Adj. EBITDA	37	259	472	680	1,066	1,379	687	949	1,008	1,142	1,699	(595)	8,783
Adj. EBITDA %	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.4%	7.3%	7.2%	11.9%	(6.4%)	5.5%
Capex	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (522)	\$ (614)	\$ (672)	\$ (6,807)

Accounts Receivable, Net	\$ 8,789	\$ 9,536	\$ 11,214	\$ 12,944	\$ 14,190	\$ 15,313	\$ 13,196	\$ 13,308	\$ 13,414	\$ 14,460	\$ 14,004	\$ 8,707	\$ 8,707
Inventory, Net	33,091	34,642	34,150	32,557	30,697	32,887	32,705	32,363	32,765	32,143	30,246	29,397	29,397
Accounts Payable	11,725	12,319	12,200	12,267	12,359	15,487	15,146	14,498	14,476	13,366	13,935	12,946	12,946
CCC	\$ 30,155	\$ 31,859	\$ 33,165	\$ 33,234	\$ 32,527	\$ 32,713	\$ 30,755	\$ 31,172	\$ 31,703	\$ 33,238	\$ 30,315	\$ 25,157	\$ 25,157

DSO	24.9	24.8	30.5	29.7	28.4	33.8	27.9	27.6	29.0	28.1	29.4	29.2	20.1
DSI	93.7	89.9	92.8	74.6	61.3	72.6	69.1	67.2	70.8	62.5	63.4	98.5	67.8
DPO	38.5	38.2	39.8	33.8	29.8	42.9	37.7	36.2	38.6	31.3	35.8	46.0	35.7
C2C	80.1	76.5	83.5	70.5	59.9	63.4	59.3	58.7	61.2	59.3	57.0	81.6	52.1

Bank revolver	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 17,818	\$ 17,338	\$ 16,897	\$ 16,663	\$ 17,396	\$ 14,798	\$ 14,452	\$ 14,452
Unclassified external debt / OID	13,926	13,779	13,318	13,257	13,058	13,270	13,079	12,825	12,727	12,662	12,417	12,490	12,490
OpenGate debt	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Debt Outstanding	28,266	30,311	32,068	32,761	32,084	31,088	30,418	29,721	29,390	30,057	27,215	26,942	26,942
Cash and equivalents	3	3	3	3	3	3	3	3	3	3	3	3	3
Total Net Debt	\$ 28,263	\$ 30,308	\$ 32,065	\$ 32,758	\$ 32,080	\$ 31,085	\$ 30,415	\$ 29,718	\$ 29,387	\$ 30,055	\$ 27,212	\$ 26,939	\$ 26,939
Beginning Cash Balance	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0
Add / (Less): Operating Cash Flow	(3,487)	(1,522)	(1,520)	(168)	1,136	2,150	1,381	966	873	(71)	3,350	1,157	4,246
Add / (Less): Investing Cash Flow	(489)	(531)	(560)	(448)	(519)	(805)	(761)	(386)	(500)	(522)	(614)	(672)	(6,807)
Add / (Less): Financing Cash Flow	3,979	2,053	2,080	616	(617)	(1,345)	(620)	(580)	(373)	593	(2,737)	(485)	2,565
Effect of FX rates / Other	—	—	—	—	—	—	—	—	—	—	—	—	—
Ending Cash Balance	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3

Long-term trend, budget, IC comparison														
Calendar year ending				Actual		LTM Actual			IC Model			Variance to IC		
Summary Financials	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2016	12/31/2017		12/31/2018	LTM v 2017 IC	%	2018 FC v IC	%	
Total Net Revenue	\$ —	\$ 170,742	\$ 170,574	\$ 158,298	\$ 158,298									
EBITDA, Reported	—	12,278	10,180	8,783	8,783									
EBITDA, Reported %	N/A	7.2%	6.0%	5.5%	5.5%									
EBITDA, Adjusted	—	12,278	10,180	8,783	8,783									
EBITDA, Adjusted %	N/A	7.2%	6.0%	5.5%	5.5%									
Accounts Receivable, Net	—	11,660	8,594	8,707	8,707									
Inventory, Net	—	27,470	30,309	29,397	29,397									
Accounts Payable	—	7,504	12,709	12,946	12,946									
CCC	—	31,626	26,194	25,157	25,157									
Net Debt	\$ —	\$ 3,014	\$ 23,857	\$ 26,939	\$ 26,939									

Monthly P&L

\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY		FY		Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Bud			\$	%	Act	\$	%
Units Produced ('000)	7,786	7,371	8,389	7,725	8,493	8,905	8,339	9,076	8,551	9,067	8,304	5,147	97,151	108,274	(11,122)	(10.3%)			96,146	1,006	1.0%
Units Shipped ('000)	6,941	6,590	7,230	8,092	9,414	8,083	9,001	8,865	8,508	9,699	8,621	5,458	96,500	109,580	(13,079)	(11.9%)			104,464	(7,964)	(7.6%)
Bookings (\$'000)	\$ 11,857	\$ 10,031	\$ 11,903	\$ 14,734	\$ 16,015	\$ 15,048	\$ 15,207	\$ 15,021	\$ 14,552	\$ 16,419	\$ 14,774	\$ 7,025	\$ 162,586	\$ 180,948	\$ (18,362)	(10.1%)			\$ 173,588	\$ (11,003)	(6.3%)
Backlog ('\$000)	\$ 9,269	\$ 8,356	\$ 8,460	\$ 9,671	\$ 9,716	\$ 11,128	\$ 11,147	\$ 10,612	\$ 10,856	\$ 10,685	\$ 10,662	\$ 8,430	\$ 8,430	\$ 11,911	\$ (3,481)	(29.2%)			\$ 8,368	\$ 62	0.7%
Gross Revenue	\$ 11,539	\$ 11,249	\$ 11,985	\$ 13,794	\$ 16,301	\$ 14,255	\$ 15,452	\$ 15,784	\$ 14,665	\$ 16,974	\$ 15,151	\$ 9,703	\$ 166,852	\$ 188,036	\$ (21,184)	(11.3%)			\$ 180,283	\$ (13,431)	(7.4%)
Adj. to Gross Revenue	(597)	(464)	(581)	(699)	(787)	(662)	(784)	(859)	(786)	(1,042)	(843)	(450)	(8,554)	(9,876)	1,322	(13.4%)			(9,708)	1,154	(11.9%)
Net Revenue	10,942	10,785	11,404	13,094	15,515	13,593	14,669	14,926	13,879	15,932	14,307	9,253	158,298	178,160	(19,862)	(11.1%)			170,574	(12,277)	(7.2%)
Material	5,204	5,301	5,464	6,521	7,703	6,428	7,195	7,385	6,640	8,001	7,426	4,484	77,752	88,355	(10,604)	(12.0%)			83,420	(5,668)	(6.8%)
Labor	2,927	2,714	2,913	2,840	3,198	3,138	3,242	3,263	3,119	3,222	2,392	2,650	35,618	38,371	(2,752)	(7.2%)			38,503	(2,885)	(7.5%)
Other COGS	1,309	1,015	1,117	1,533	1,968	1,255	2,014	1,776	1,482	1,998	1,857	1,588	18,911	20,261	(1,350)	(6.7%)			20,885	(1,974)	(9.5%)
Total COGS	9,440	9,030	9,494	10,894	12,869	10,820	12,451	12,424	11,241	13,221	11,675	8,723	132,281	146,986	(14,706)	(10.0%)			142,807	(10,526)	(7.4%)
Gross Margin	1,502	1,755	1,910	2,201	2,645	2,773	2,217	2,502	2,638	2,711	2,633	530	26,017	31,173	(5,157)	(16.5%)			27,767	(1,750)	(6.3%)
Gross Margin %	13.7%	16.3%	16.7%	16.8%	17.0%	20.4%	15.1%	16.8%	19.0%	17.0%	18.4%	5.7%	16.4%	17.5%					16.3%		
R&D	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A			—	—	N/A
Sales & Marketing	554	603	474	610	586	529	504	534	671	617	590	373	6,644	7,247	(603)	(8.3%)			7,045	(400)	(5.7%)
Administrative	1,037	968	879	962	997	962	1,026	1,001	962	990	330	767	10,880	12,772	(1,892)	(14.8%)			10,240	640	6.2%
Other Opex	(127)	(75)	85	(51)	(3)	(97)	1	18	(3)	(37)	13	(15)	(291)	(228)	(63)	27.6%			302	(593)	(196.4%)
Total Opex	1,465	1,496	1,438	1,520	1,579	1,394	1,531	1,553	1,630	1,569	934	1,125	17,234	19,791	(2,557)	(12.9%)			17,587	(353)	(2.0%)
EBITDA	37	259	472	680	1,066	1,379	687	949	1,008	1,142	1,699	(595)	8,783	11,382	(2,600)	(22.8%)			10,180	(1,397)	(13.7%)
EBITDA %	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.4%	7.3%	7.2%	11.9%	(6.4%)	5.5%	6.4%					6.0%		
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ (112)	\$ 116	\$ 220	\$ (1,236)	\$ (3,946)	\$ (3,300)	\$ (646)	19.6%			\$ (3,490)	\$ (455)	13.0%
Capex	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (522)	\$ (614)	\$ (672)	\$ (6,807)	\$ (8,000)	\$ 1,193	(14.9%)			\$ (10,215)	\$ 3,408	(33.4%)
Opex Overview:																					
Payroll	\$ 881	\$ 806	\$ 788	\$ 889	\$ 909	\$ 810	\$ 868	\$ 838	\$ 803	\$ 844	\$ 748	\$ 746	\$ 9,929	\$ 10,783	\$ (855)	(7.9%)			\$ 10,318	\$ (390)	(3.8%)
Bonus	112	113	112	112	111	112	113	112	112	113	(506)	—	616	1,361	(744)	(54.7%)			159	457	287.7%
Commissions	19	19	16	19	18	24	22	26	26	21	23	16	247	358	(111)	(31.0%)			187	60	32.4%
Marketing	95	180	71	116	110	107	100	123	225	209	192	56	1,583	1,780	(197)	(11.1%)			1,679	(96)	(5.7%)
Benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A			—	—	N/A
Travel and entertainment	107	128	35	105	66	112	99	63	110	89	94	60	1,069	1,587	(518)	(32.7%)			1,231	(162)	(13.2%)
Rent and facilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A			—	—	N/A
Insurance	29	21	31	20	28	25	28	32	27	29	25	23	317	336	(20)	(5.9%)			328	(11)	(3.5%)
Professional fees	45	46	62	45	49	43	45	68	79	60	64	58	665	584	81	13.8%			585	80	13.7%
Office Expenses	23	26	18	22	33	13	20	18	20	24	20	18	254	287	(34)	(11.7%)			287	(33)	(11.6%)
IT	166	165	132	159	145	163	162	173	145	171	157	119	1,859	2,092	(233)	(11.1%)			1,634	226	13.8%
Bad Debts	16	(0)	16	23	42	(0)	(0)	(0)	27	(0)	35	16	174	(5)	178	(3861.5%)			(80)	253	(317.8%)
FX	(122)	(76)	115	(28)	24	(80)	5	40	(8)	(21)	29	(23)	(145)	—	(145)	N/A			384	(530)	(137.7%)
JV Loss (Income)	(5)	1	(29)	(23)	(28)	(17)	(4)	(22)	5	(16)	(16)	7	(146)	(228)	82	(36.1%)			(83)	(63)	76.2%
Other Expenses	98	67	73	61	70	82	74	82	59	48	70	28	812	853	(42)	(4.9%)			956	(144)	(15.1%)
Total Opex	\$ 1,465	\$ 1,496	\$ 1,438	\$ 1,520	\$ 1,579	\$ 1,394	\$ 1,531	\$ 1,553	\$ 1,630	\$ 1,569	\$ 934	\$ 1,125	\$ 17,234	\$ 19,791	\$ (2,557)	(12.9%)			\$ 17,586	\$ (353)	(2.0%)

Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 37	\$ 259	\$ 472	\$ 680	\$ 1,066	\$ 1,379	\$ 687	\$ 949	\$ 1,008	\$ 1,142	\$ 1,699	\$ (595)	\$ 8,783	\$11,382	\$ (2,600)	(22.8%)	\$ 10,180	\$ (1,397)	(13.7%)
Depreciation and amortization	(708)	(721)	(729)	(702)	(725)	(741)	(761)	(768)	(779)	(782)	(807)	(794)	(9,017)	(9,128)	111	(1.2%)	(7,801)	(1,215)	15.6%
Interest and amortization	(156)	(165)	(189)	(184)	(198)	(187)	(191)	(189)	(182)	(175)	(148)	(194)	(2,158)	(2,290)	132	(5.7%)	(1,869)	(289)	15.5%
Other financial income/expense	(26)	740	(617)	163	(128)	774	(111)	(238)	97	166	(255)	478	1,044	–	1,044	N/A	(1,463)	2,507	(171.3%)
Monitoring fees (including expenses)	(85)	(97)	(85)	(84)	(84)	(85)	(103)	(82)	(82)	(102)	(83)	(102)	(1,073)	(1,077)	4	(0.4%)	(1,091)	18	(1.6%)
Restructuring costs	–	–	–	–	–	36	–	–	(65)	–	–	74	46	–	46	N/A	(776)	821	(105.9%)
Non-recurring items	(137)	(201)	(128)	(44)	(42)	(215)	(20)	(45)	(39)	(4)	(33)	(250)	(1,160)	(478)	(682)	142.8%	(770)	(390)	50.7%
Taxes	189	(87)	(4)	(72)	(58)	(109)	(29)	(37)	(69)	(129)	(153)	146	(410)	(1,710)	1,300	(76.0%)	99	(509)	(514.8%)
GAAP Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ (112)	\$ 116	\$ 220	\$ (1,236)	\$ (3,946)	\$ (3,300)	\$ (646)	19.6%	\$ (3,490)	\$ (455)	13.0%

Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; YTD F/X gain attributable to the change in the month-end rate from 1.364 [USD\$0.73] on December 31, 2018 to 1.3024 [USD\$0.77] on December, 2019
- Non-recurring in December for Project Consultancy costs (ie. Beckway, Olmstead, Merrill, Smart Ventures)
- US Tax reversal of accrual of 146K in December 2019; Canadian deferred tax asset has not been increased since 2018 year end adjustments

Cost of Goods Sold Variance Analysis

\$'000

	MTD	QTD	YTD
Material	4,565	20,858	88,355
Labor	2,915	9,450	38,371
Other COGS	1,527	5,319	20,261
COGS Budget	\$ 9,007	\$ 35,628	\$ 146,986
<u>Variances:</u>			
Volume	(258)	(1,651)	(12,128)
Price	(136)	(299)	(1,535)
Other	313	1,003	3,059
Material	(81)	(947)	(10,604)
Volume	(103)	(195)	(843)
Price	–	–	–
Other	(162)	(992)	(1,909)
Labor	(265)	(1,187)	(2,752)
Volume	233	596	593
Price	–	–	–
Other	(172)	(472)	(1,943)
Other COGS	61	124	(1,350)
COGS Actual	\$ 8,723	\$ 33,618	\$ 132,281

Management Discussion - QTD

- **Material COGS:** Decrease of \$947K due to lower volume impact of \$1,651K (Sales volumes (lbs) lower by 7.6%), favorable resin material prices offset by higher additive pricing & higher glass pricing of \$299K and improved scrap utilization at ECS of \$109K; offset by unfavorable yields lower regrind usage at Woodbridge, Delmont & Everett of \$841K (net of improved yields at Laval) and higher inventory reserves at Woodbridge, Delmont, Everett and Terrebonne of \$271K
- **Labor COGS:** Lower costs due to volume impact of \$195K, a favorable F/X impact of \$77K, headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Everett & ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$181K, a non-recurring WSIB claim refund of \$68K at Laval & Terrebonne and the reversal of a portion of the bonus accrued for DL & IDL employees of \$666K
- **Other COGS:** Increase of \$124K due to an unfavorable absorption impact of \$596K and warranty costs for field issues of \$76K; partially offset by lower freight costs as a result of lower sales volume & mix of \$210K, higher tool & die overhead recovery of \$250K, a favorable F/X impact of \$38K and lower overhead spending (ie. Utilities, maintenance, factory supplies) of \$50K

Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Bud	\$	%	Act	\$	%
Material																			
Material costs at standard	\$ 5,265	\$ 5,218	\$ 5,418	\$ 6,548	\$ 7,512	\$ 6,461	\$ 6,984	\$ 7,167	\$ 6,465	\$ 7,827	\$ 7,243	\$ 4,532	\$ 76,640	\$ 88,508	\$ (11,868)	(13.4%)	\$ 84,102	\$ (7,463)	(8.9%)
Materials FX loss / (gain)	0	0	0	0	0	1	(0)	0	0	0	0	0	1	0	1	624.6%	0	1	348.0%
Purchase price variance	168	272	211	157	242	141	253	232	156	162	225	(34)	2,184	2,816	(632)	(22.4%)	(421)	2,605	(618.7%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	47	46	46	35	43	60	44	55	41	57	37	32	546	663	(117)	(17.7%)	680	(135)	(19.8%)
Scrap costs	(355)	(334)	(282)	(302)	(206)	(307)	(177)	(185)	(99)	(134)	(160)	(88)	(2,628)	(4,885)	2,258	(46.2%)	(2,101)	(527)	25.1%
Consumables	78	98	72	83	112	72	90	116	77	88	80	42	1,009	1,253	(245)	(19.5%)	1,159	(150)	(12.9%)
Total Material COGS	\$ 5,204	\$ 5,301	\$ 5,464	\$ 6,521	\$ 7,703	\$ 6,428	\$ 7,195	\$ 7,385	\$ 6,640	\$ 8,001	\$ 7,426	\$ 4,484	\$ 77,752	\$ 88,355	\$ (10,604)	(12.0%)	\$ 83,420	\$ (5,668)	(6.8%)
Labor																			
Direct labor	\$ 927	\$ 898	\$ 984	\$ 1,008	\$ 1,133	\$ 1,112	\$ 1,216	\$ 1,208	\$ 1,155	\$ 1,218	\$ 1,121	\$ 857	\$ 12,837	\$ 13,870	\$ (1,033)	(7.4%)	\$ 13,874	\$ (1,036)	(7.5%)
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	(229)	(0)	279	618	(339)	(54.8%)	79	200	251.2%
Direct labor - overtime	70	97	109	92	124	165	125	163	133	119	104	73	1,376	1,163	212	18.2%	1,594	(218)	(13.7%)
Direct labor - benefits	290	264	254	235	254	273	250	258	250	222	228	296	3,074	3,262	(188)	(5.8%)	3,366	(291)	(8.7%)
Direct labor - wcb benefits	18	(20)	17	(66)	22	21	21	21	20	7	(34)	19	47	265	(218)	(82.1%)	321	(274)	(85.2%)
Direct labor - other	0	(1)	(1)	(1)	(2)	2	(0)	(0)	(0)	(0)	(3)	(2)	(9)	9	(18)	(207.9%)	(1)	(8)	691.5%
Indirect labor	1,520	1,362	1,447	1,462	1,565	1,463	1,528	1,512	1,458	1,553	1,434	1,407	17,711	18,438	(727)	(3.9%)	19,031	(1,321)	(6.9%)
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	(229)	(0)	279	618	(339)	(54.8%)	79	200	251.2%
Sub-contractor costs	—	12	2	10	—	—	—	—	—	—	—	—	24	127	(103)	(81.4%)	159	(135)	(85.1%)
Total Labor COGS	\$ 2,927	\$ 2,714	\$ 2,913	\$ 2,840	\$ 3,198	\$ 3,138	\$ 3,242	\$ 3,263	\$ 3,119	\$ 3,222	\$ 2,392	\$ 2,650	\$ 35,618	\$ 38,371	\$ (2,752)	(7.2%)	\$ 38,503	\$ (2,885)	(7.5%)
Other																			
Repairs and maintenance	\$ 115	\$ 26	\$ 78	\$ 34	\$ 44	\$ 62	\$ 83	\$ 80	\$ (35)	\$ 49	\$ 73	\$ 48	\$ 655	\$ 1,037	\$ (381)	(36.8%)	\$ 1,222	\$ (567)	(46.4%)
Absorption	(234)	(425)	(600)	86	312	(475)	235	(71)	(135)	223	250	233	(603)	(1,049)	446	(42.5%)	(622)	19	(3.1%)
Freight out	625	533	704	712	772	724	752	762	747	760	695	495	8,281	9,368	(1,086)	(11.6%)	9,785	(1,504)	(15.4%)
Rent / facilities	125	167	193	76	185	183	189	208	183	171	118	181	1,981	1,840	141	7.7%	1,511	470	31.1%
Utilities	479	508	539	458	435	590	535	611	506	619	536	376	6,194	6,711	(518)	(7.7%)	6,579	(386)	(5.9%)
Other cost of sales	199	206	202	167	220	171	221	186	216	176	185	255	2,403	2,355	48	2.1%	2,409	(6)	(0.3%)
Total Other COGS	\$ 1,309	\$ 1,015	\$ 1,117	\$ 1,533	\$ 1,968	\$ 1,255	\$ 2,014	\$ 1,776	\$ 1,482	\$ 1,998	\$ 1,857	\$ 1,588	\$ 18,911	\$ 20,261	\$ (1,350)	(6.7%)	\$ 20,885	\$ (1,974)	(9.5%)

Management Discussion

Material COGS: Decrease of \$10,604K due to a lower volume impact of \$12,128K (Sales volumes (lbs) lower by 12.0%), unfavorable yields and higher scrap (net of regrind usage) at Woodbridge, Delmont & Everett of \$2,749K; unfavorable LCM/E&O reserves at Woodbridge, Delmont, Everett and Terrebonne of \$560K, partially offset by improved scrap and favorable PPV at ECS of \$1,785K

Labor COGS: Lower costs due to volume impact of \$843K, out-of-period workers' compensation refunds at Laval, Terrebonne and Everett of \$238K, a favorable F/X impact of \$430K, headcount reduction initiatives / improved labor efficiency at Laval, Delmont, Terrebonne and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$575K and the reversal of a portion of the bonus accrued for DL & IDL employees of \$666K

Other COGS: Decrease of \$1,350K due to lower freight costs of \$963K, lower overhead spending of \$365K (ie. Maintenance costs, utilities, factory supplies), a higher tool & die absorption impact of \$467K, lower property tax adjustment at Everett of \$87K, a favorable F/X impact of \$137K partially offset by an unfavorable absorption impact of \$593K and warranty costs of \$76K

Monthly Balance Sheet

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets																
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	\$ 3	815681.2%
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	9,182	9,929	11,613	13,369	14,654	15,793	13,673	13,780	13,915	14,965	14,538	9,267	9,267	8,958	310	3.5%
<i>Accounts receivable, reserves</i>	(393)	(393)	(399)	(425)	(465)	(479)	(477)	(472)	(501)	(504)	(534)	(561)	(561)	(363)	(197)	54.4%
Accounts receivable, net	8,789	9,536	11,214	12,944	14,190	15,313	13,196	13,308	13,414	14,460	14,004	8,707	8,707	8,594	112	1.3%
<i>Inventory, gross</i>	34,588	36,157	35,647	34,119	32,304	34,675	34,503	34,146	34,529	33,944	32,086	31,428	31,428	31,776	(348)	(1.1%)
<i>Inventory, reserves</i>	(1,497)	(1,514)	(1,497)	(1,562)	(1,608)	(1,789)	(1,797)	(1,783)	(1,764)	(1,801)	(1,840)	(2,031)	(2,031)	(1,467)	(564)	38.4%
Inventory, net	33,091	34,642	34,150	32,557	30,697	32,887	32,705	32,363	32,765	32,143	30,246	29,397	29,397	30,309	(912)	(3.0%)
Prepaid expenses and other current assets	3,145	3,030	3,051	3,909	4,233	4,279	4,257	4,035	3,848	3,866	3,405	3,221	3,221	2,942	279	9.5%
Other current assets	761	864	804	790	865	830	1,026	932	911	894	958	835	835	901	(65)	(7.3%)
Total Current Assets	45,790	48,076	49,223	50,203	49,987	53,312	51,187	50,640	50,941	51,367	48,617	42,162	42,162	42,746	(583)	(1.4%)
Non-Current Assets																
<i>Property, plant & equipment, gross</i>	66,687	67,249	66,818	67,503	67,826	69,761	70,321	70,322	70,962	71,741	71,977	73,423	73,423	64,977	8,446	13.0%
<i>Accumulated depreciation</i>	(18,755)	(19,488)	(19,863)	(20,649)	(21,300)	(22,479)	(23,152)	(23,765)	(24,601)	(25,492)	(26,136)	(27,272)	(27,272)	(17,639)	(9,633)	54.6%
Property, plant & equipment, net	47,932	47,761	46,955	46,853	46,525	47,282	47,169	46,557	46,361	46,249	45,842	46,151	46,151	47,338	(1,187)	(2.5%)
Deferred financing cost	546	533	510	499	484	479	464	448	435	423	407	399	399	548	(149)	(27.2%)
Deferred tax asset	2,961	2,963	2,898	2,913	2,901	2,973	2,963	2,938	2,947	2,963	2,940	2,987	2,987	2,879	107	3.7%
Other non-current assets	2,688	2,690	2,644	2,685	2,698	2,791	2,784	2,791	2,791	2,825	2,813	2,863	2,863	2,616	246	9.4%
Total Non-Current Assets	54,127	53,947	53,007	52,950	52,607	53,535	53,388	52,727	52,534	52,461	52,002	52,399	52,399	53,382	(982)	(1.8%)
Total Assets	\$ 99,917	\$ 102,023	\$ 102,229	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 103,368	\$ 103,475	\$ 103,828	\$ 100,618	\$ 94,562	\$ 94,562	\$ 96,127	\$ (1,566)	(1.6%)
Current Liabilities																
Bank Debt	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 17,818	\$ 17,338	\$ 16,897	\$ 16,663	\$ 17,396	\$ 14,798	\$ 14,452	\$ 14,452	\$ 10,222	\$ 4,230	41.4%
Current Portion - Long Term Debt	1,678	1,665	1,639	1,648	1,640	1,683	1,676	1,662	1,667	1,677	1,663	1,690	1,690	1,628	63	3.8%
Accounts payable	11,725	12,319	12,200	12,267	12,359	15,487	15,146	14,498	14,476	13,366	13,935	12,946	12,946	12,709	237	1.9%
Accrued liabilities	4,045	3,378	3,727	3,515	3,556	3,864	3,513	3,630	3,707	3,923	3,625	2,708	2,708	3,343	(635)	(19.0%)
Accrued compensation	2,492	2,800	2,877	3,338	3,488	3,931	3,435	3,952	4,303	4,461	3,591	2,802	2,802	2,521	281	11.1%
Income taxes payable	(189)	(102)	(344)	(275)	(215)	(118)	46	86	192	419	572	(226)	(226)	(246)	21	(8.5%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	—	—	1,301	(1,301)	(100.0%)
Other current liabilities	101	97	124	125	132	125	127	122	116	115	84	111	111	97	14	15.0%
Total Current Liabilities	35,493	37,990	40,273	41,423	41,287	44,090	42,582	42,149	42,425	42,657	39,568	34,485	34,485	31,576	2,909	9.2%
Long-term liabilities																
Long-term debt less current maturities	12,248	12,114	11,679	11,609	11,418	11,587	11,403	11,163	11,060	10,985	10,753	10,799	10,799	12,006	(1,207)	(10.1%)
Deferred income taxes	9,753	9,757	9,642	9,669	9,647	9,775	9,756	9,713	9,729	9,757	9,716	9,799	9,799	9,610	189	2.0%
Other non-current liabilities	1,525	1,530	1,491	1,503	1,497	1,597	1,591	1,577	1,585	1,598	1,584	1,618	1,618	1,468	149	10.2%
Total Long-Term Liabilities	23,526	23,400	22,812	22,781	22,562	22,959	22,751	22,453	22,374	22,340	22,053	22,216	22,216	23,084	(868)	(3.8%)
Total Liabilities	59,019	61,391	63,085	64,205	63,849	67,049	65,333	64,602	64,799	64,997	61,622	56,701	56,701	54,660	2,041	3.7%
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shareholders' Equity																
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	—	0.0%
Retained earnings	29,143	28,871	27,592	27,350	27,180	28,033	27,505	27,095	26,982	27,099	27,319	26,083	26,083	30,039	(3,955)	(13.2%)
Accumulated other comprehensive income	(855)	(850)	(1,058)	(1,011)	(1,045)	(845)	(873)	(938)	(916)	(878)	(933)	(833)	(833)	(1,181)	348	(29.5%)
Total Shareholders' Equity	40,898	40,632	39,144	38,948	38,746	39,798	39,241	38,766	38,676	38,831	38,997	37,860	37,860	41,467	(3,607)	(8.7%)
Total Liabilities and Shareholders' Equity	\$ 99,917	\$ 102,023	\$ 102,229	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 103,368	\$ 103,475	\$ 103,828	\$ 100,618	\$ 94,562	\$ 94,562	\$ 96,127	\$ (1,566)	(1.6%)

Balance Sheet – Year on Year Comparison

\$'000	YTD		Variance	
	CY	PY	\$	%
<u>Current Assets</u>				
Cash and cash equivalents	\$ 3	\$ 0	\$ 3	815681.2%
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	9,267	8,958	310	3.5%
<i>Accounts receivable, reserves</i>	(561)	(363)	(197)	54.4%
Accounts receivable, net	8,707	8,594	112	1.3%
<i>Inventory, gross</i>	31,428	31,776	(348)	(1.1%)
<i>Inventory, reserves</i>	(2,031)	(1,467)	(564)	38.4%
Inventory, net	29,397	30,309	(912)	(3.0%)
Prepaid expenses and other current assets	3,221	2,942	279	9.5%
Other current assets	835	901	(65)	(7.3%)
Total Current Assets	42,162	42,746	(583)	(1.4%)
<u>Non-Current Assets</u>				
<i>Property, plant & equipment, gross</i>	73,423	64,977	8,446	13.0%
<i>Accumulated depreciation</i>	(27,272)	(17,639)	(9,633)	54.6%
Property, plant & equipment, net	46,151	47,338	(1,187)	(2.5%)
Deferred financing cost	399	548	(149)	(27.2%)
Deferred tax asset	2,987	2,879	107	3.7%
Other non-current assets	2,863	2,616	246	9.4%
Total Non-Current Assets	52,399	53,382	(982)	(1.8%)
Total Assets	\$ 94,562	\$ 96,127	\$ (1,566)	(1.6%)
<u>Current Liabilities</u>				
Bank Debt	\$ 14,452	\$ 10,222	\$ 4,230	41.4%
Current Portion - Long Term Debt	1,690	1,628	63	3.8%
Accounts payable	12,946	12,709	237	1.9%
Accrued liabilities	2,708	3,343	(635)	(19.0%)
Accrued compensation	2,802	2,521	281	11.1%
Income taxes payable	(226)	(246)	21	(8.5%)
Contingent consideration	–	1,301	(1,301)	(100.0%)
Other current liabilities	111	97	14	15.0%
Total Current Liabilities	34,485	31,576	2,909	9.2%
<u>Long-term liabilities</u>				
Long-term debt less current maturities	10,799	12,006	(1,207)	(10.1%)
Deferred income taxes	9,799	9,610	189	2.0%
Other non-current liabilities	1,618	1,468	149	10.2%
Total Long-Term Liabilities	22,216	23,084	(868)	(3.8%)
Total Liabilities	56,701	54,660	2,041	3.7%
Commitments and contingencies	–	–	–	N/A
<u>Shareholders' Equity</u>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	26,083	30,039	(3,955)	(13.2%)
Accumulated other comprehensive income	(833)	(1,181)	348	(29.5%)
Total Shareholders' Equity	37,860	41,467	(3,607)	(8.7%)
Total Liabilities and Shareholders' Equity	\$ 94,562	\$ 96,127	\$ (1,566)	(1.6%)

Monthly Cash Flow

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ (112)	\$ 116	\$ 220	\$ (1,236)	\$ (3,946)	\$ (3,300)	\$ (646)	19.6%	\$ (3,987)	\$ 41	(1.0%)
Depreciation, amortization and other	708	721	729	702	725	741	761	768	779	782	807	794	9,017	9,128	(111)	(1.2%)	7,801	1,215	15.6%
Non-cash loss/expense (gain)	(161)	(7)	201	(62)	36	(213)	64	83	(14)	(62)	92	(173)	(218)	(307)	89	(28.9%)	377	(595)	(157.8%)
Deferred income tax	143	3	(115)	27	(22)	128	(19)	(43)	15	28	(41)	83	189	148	41	27.7%	(1,301)	1,490	(114.5%)
Change in operating assets and liabilities:																N/A			
Accounts receivable	(195)	(747)	(1,678)	(1,730)	(1,246)	(1,124)	2,118	(112)	(107)	(1,046)	457	5,297	(112)	(1,173)	1,060	(90.4%)	3,252	(3,364)	(103.5%)
Inventory	(2,782)	(1,552)	492	1,593	1,861	(2,190)	181	342	(403)	623	1,897	850	912	(690)	1,602	(232.1%)	(594)	1,506	(253.5%)
Prepaid expenses and other current assets	(64)	12	39	(843)	(400)	(11)	(173)	316	208	(2)	397	308	(214)	328	(541)	(165.1%)	456	(669)	(146.8%)
Accounts payable	(984)	594	(119)	68	92	3,128	(340)	(648)	(22)	(1,111)	569	(989)	237	(82)	319	(388.2%)	(379)	615	(162.5%)
Accrued expenses	673	(359)	426	249	192	750	(846)	635	427	375	(1,169)	(1,705)	(354)	2,344	(2,698)	(115.1%)	(2,316)	1,962	(84.7%)
Accrued income taxes	58	87	(242)	69	60	96	164	40	106	227	153	(797)	21	1,060	(1,039)	(98.0%)	751	(730)	(97.2%)
Other changes in operating assets and liabilities	4	(4)	27	1	7	(7)	1	(5)	(6)	(1)	(31)	(1,274)	(1,287)	(1,290)	4	(0.3%)	65	(1,351)	(2091.7%)
Other cash flow from operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Operations	\$ (3,487)	\$ (1,522)	\$ (1,520)	\$ (168)	\$ 1,136	\$ 2,150	\$ 1,381	\$ 966	\$ 873	\$ (71)	\$ 3,350	\$ 1,157	\$ 4,246	\$ 6,166	\$ (1,920)	(31.1%)	\$ 4,126	\$ 120	2.9%
Cash flow from investing																			
Additions to property, plant and equipment	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (522)	\$ (614)	\$ (672)	\$ (6,807)	\$ (8,000)	\$ 1,193	(14.9%)	\$ (10,215)	\$ 3,408	(33.4%)
Earnout payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Other cash flow from investing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Investing	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (522)	\$ (614)	\$ (672)	\$ (6,807)	\$ (8,000)	\$ 1,193	(14.9%)	\$ (10,215)	\$ 3,408	(33.4%)
Cash flow from financing																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 2,193	\$ 2,218	\$ 754	\$ (479)	\$ (1,207)	\$ (480)	\$ (442)	\$ (234)	\$ 733	\$ (2,598)	\$ (346)	\$ 4,230	\$ 3,556	\$ 674	19.0%	\$ 6,282	\$ (2,052)	(32.7%)
Proceeds from the issuance of debt	(0)	0	(0)	0	(0)	0	0	0	0	(0)	(0)	0	0	–	0	N/A	1,207	(1,207)	(100.0%)
Repayment of debt	(138)	(139)	(138)	(138)	(137)	(139)	(140)	(139)	(139)	(139)	(139)	(140)	(1,665)	(1,719)	54	(3.1%)	(1,400)	(265)	18.9%
Common stock cash dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Other cash flow from financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Financing	\$ 3,979	\$ 2,053	\$ 2,080	\$ 616	\$ (617)	\$ (1,345)	\$ (620)	\$ (580)	\$ (373)	\$ 593	\$ (2,737)	\$ (485)	\$ 2,565	\$ 1,837	\$ 728	39.6%	\$ 6,089	\$ (3,524)	(57.9%)
Effect of FX rates on cash and cash equivalents	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	N/A	\$ –	\$ -	N/A
Net change in cash	\$ 3	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 0	10.3%	\$ (0)	\$ 3	(1165.6%)
Beginning cash	0	3	3	3	3	3	3	3	3	3	3	3	0	0	–	–	(0)	\$ 0	(100.1%)
Change in cash	3	0	(0)	0	(0)	0	(0)	(0)	(0)	0	(0)	0	3	3	0	10.3%	(0)	\$ 3	(1165.6%)
Ending cash	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	10.3%	\$ 0	\$ 3	29043237.2%

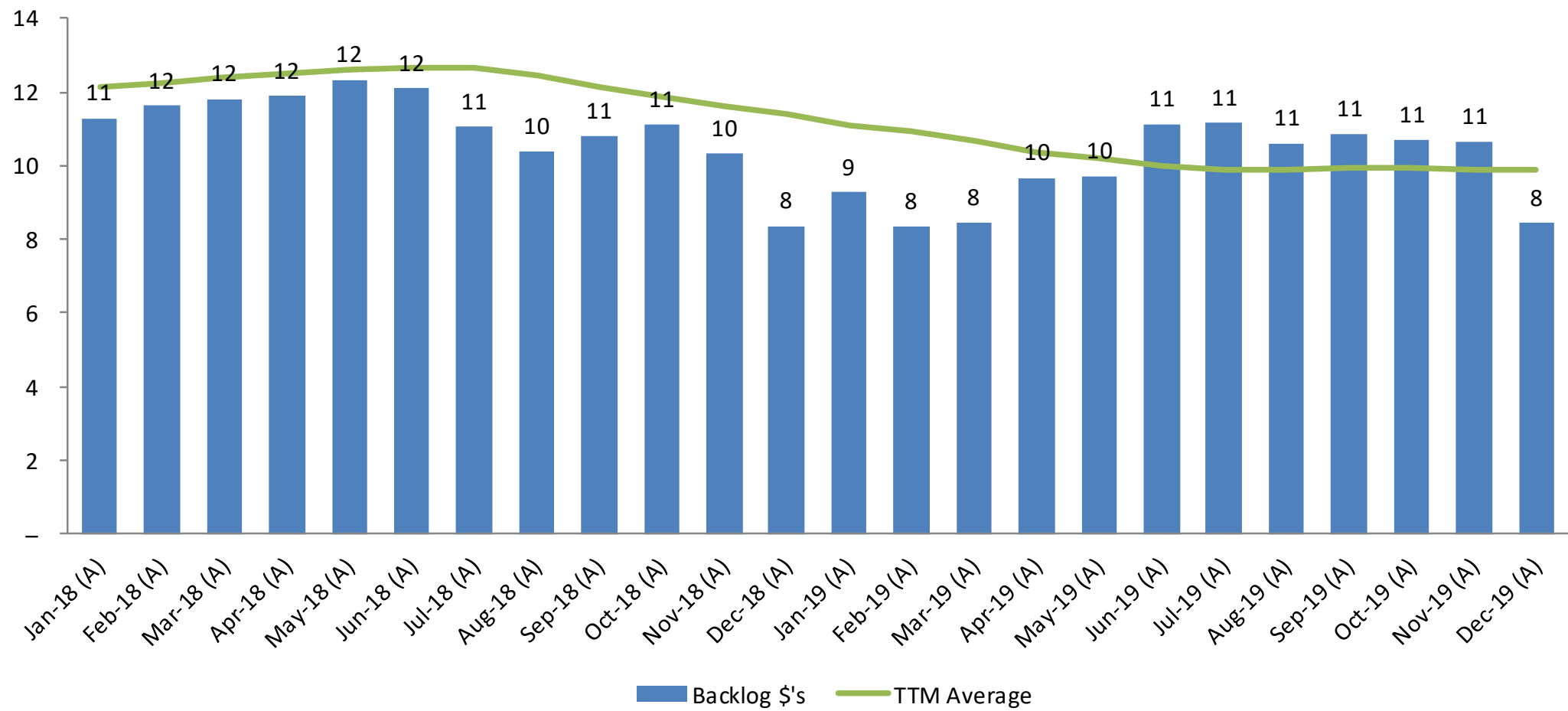
Trended Monthly Bookings

\$ in millions



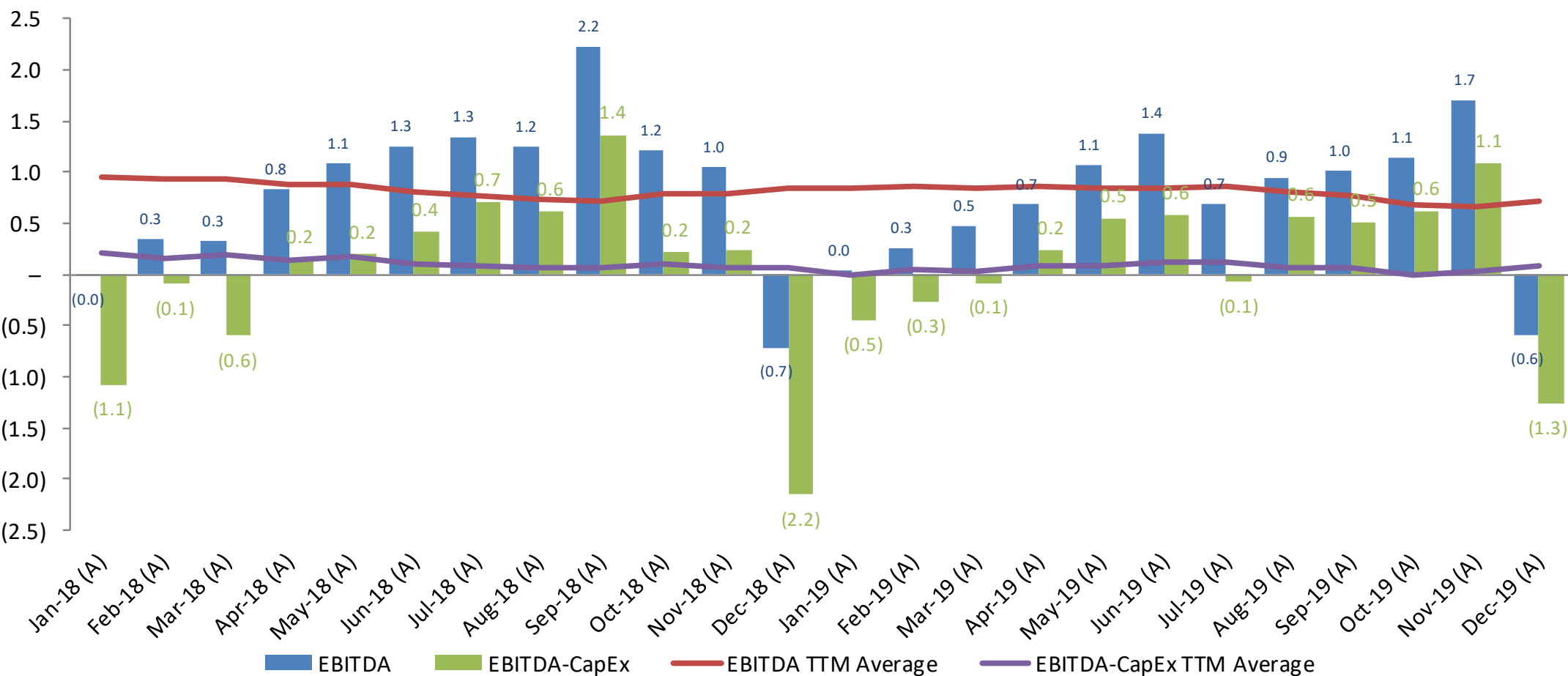
Trended Monthly Backlog

\$ in millions



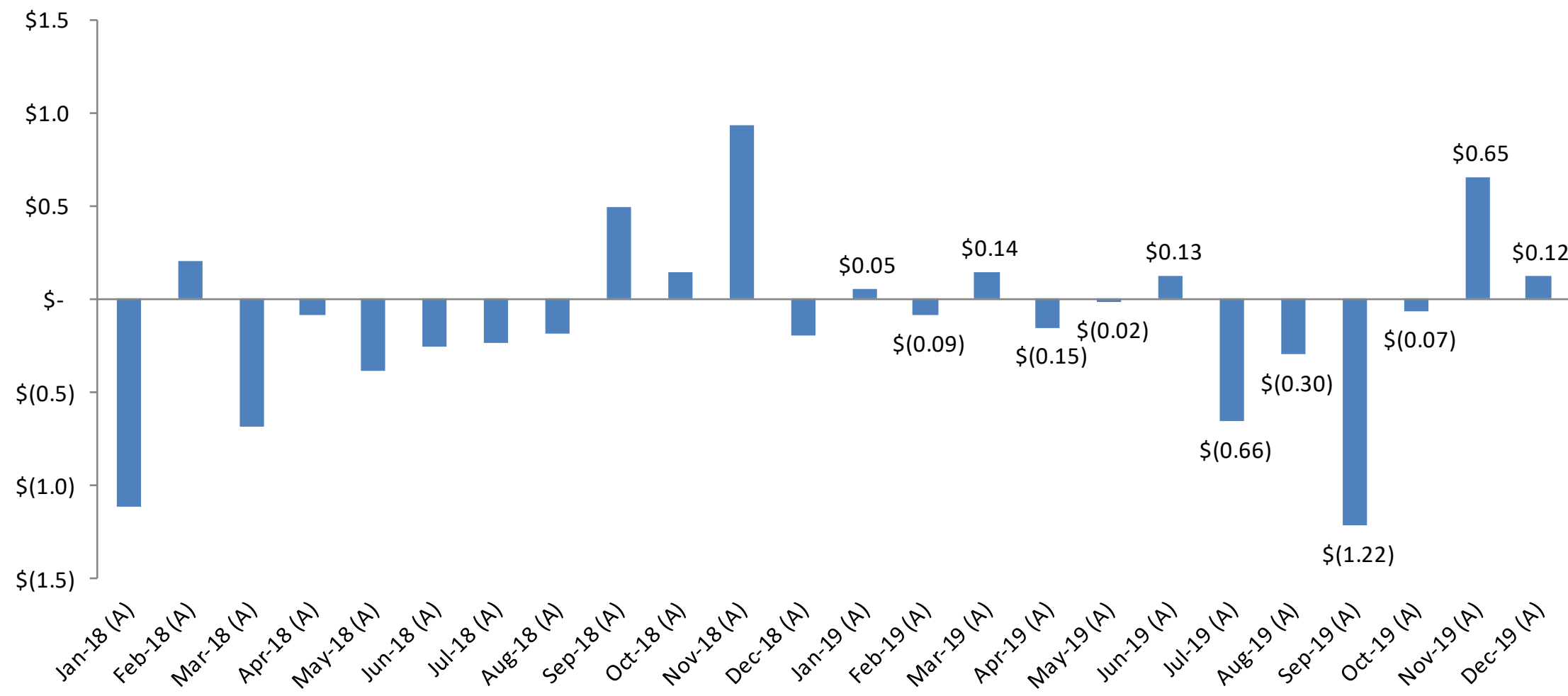
EBITDA and EBITDA-CapEx

\$ in millions



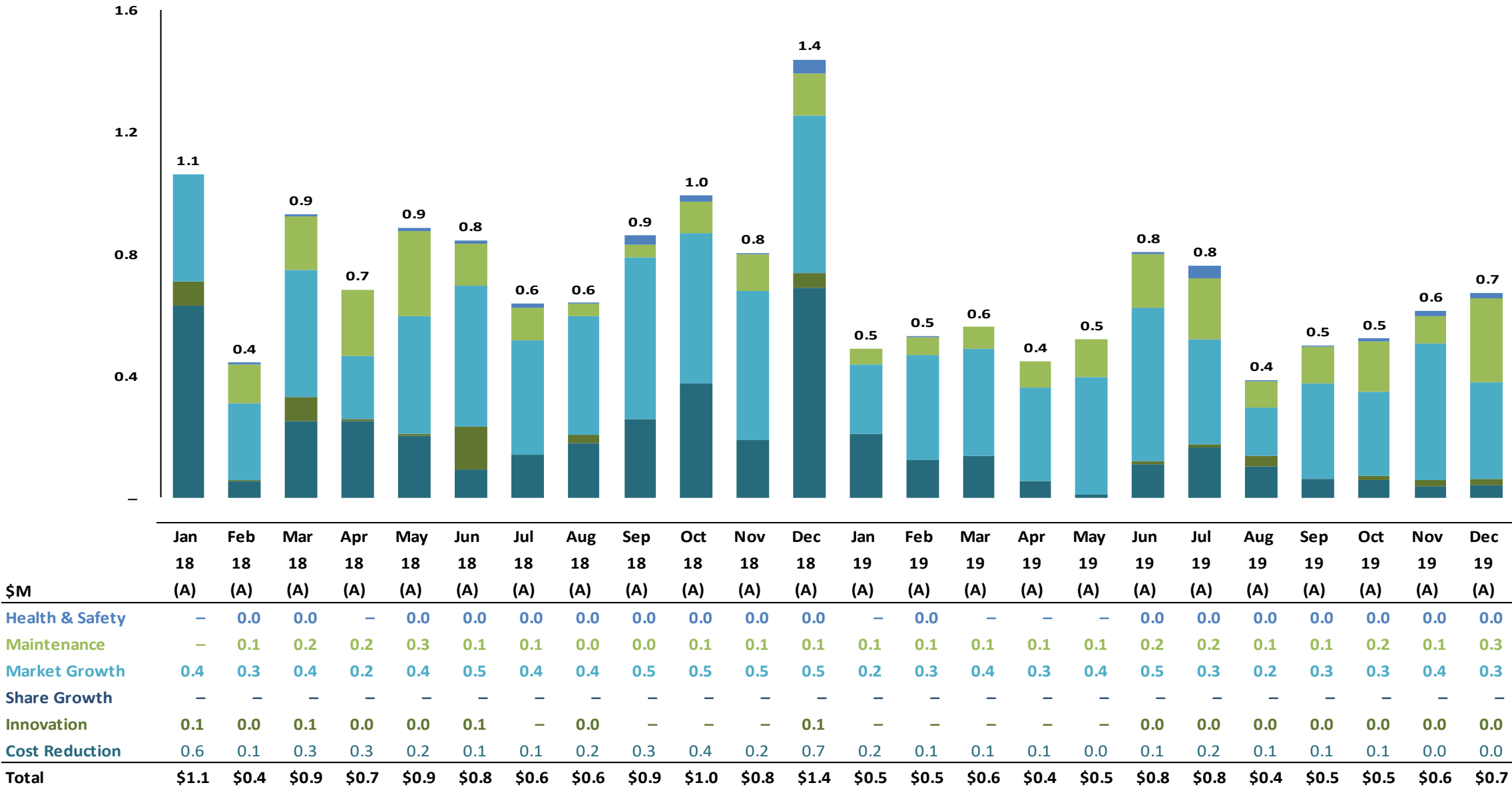
Y-o-Y \$ EBITDA Change

\$ in millions



Capital Expenditures

\$ in millions



Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2019 January (A)	324	154	81	35	13	26	59	–	692	24	716	780	(64)
2019 February (A)	331	156	81	35	13	26	60	–	702	27	729	802	(73)
2019 March (A)	331	160	81	36	13	26	62	–	709	36	745	802	(57)
2019 April (A)	321	158	81	36	13	25	61	–	695	29	724	813	(89)
2019 May (A)	324	161	80	37	13	28	63	–	706	64	770	818	(48)
2019 June (A)	328	160	79	36	13	24	63	–	703	108	811	832	(21)
2019 July (A)	320	163	79	36	13	25	62	–	698	125	823	826	(3)
2019 August (A)	318	160	81	36	13	25	61	–	694	110	804	825	(21)
2019 September (A)	317	159	80	35	13	26	61	–	691	96	787	797	(10)
2019 October (A)	315	160	76	35	13	21	61	–	681	94	775	797	(21)
2019 November (A)	312	156	78	35	13	21	60	–	675	86	761	794	(33)
2019 December (A)	314	158	79	34	13	21	59	–	678	36	714	782	(68)
Final Headcount	314	158	79	34	13	21	59	–	678	36	714	782	(68)

Management Discussion

- Woodbridge: Reduction of 4 temps in the direct labor
- Concord: Resignation of 2 hourly
- HO: Dan Nauert resigned. We hired Alexia at HO (temp) to replace Diana who went on leave
- Everett: Hiring of Aruna Kapurge in the accounting department
- Delmont: Minus 3 employees total on the direct and temp
- Laval: Elimination of all the temps at year end so minus 6 total on the direct labor
- Terrebonne: Termination of Carole Calcé in the CS dep and hiring of Karolane Trepanier in the CSR dep. Termination of all the temps and transfer of temps to perm position. So Minus 29 total employees

Headcount Hires and Attrition

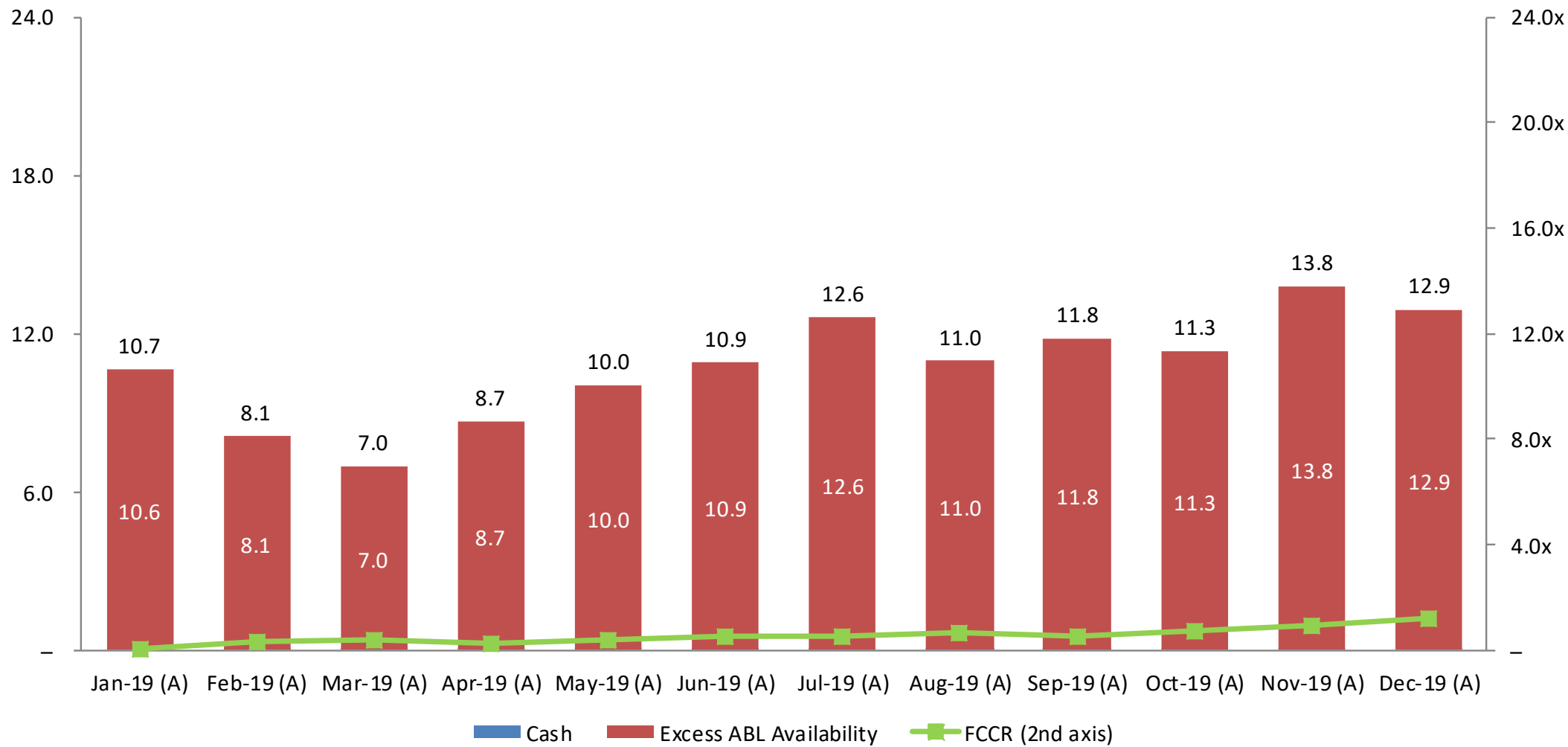
Functional Area	Start of Quarter	Hires	Transfers	Involuntary		Voluntary Term	QTD	Bud Headcount	Difference to Bud
				Term					
Direct Labor	317	21	(1)	(10)	(13)		314	349	35
Indirect Labor - Hourly	159	2	2	(2)	(3)		158	164	6
Indirect Labor - Salary	80	1	(1)	–	(1)		79	88	9
Delivery & Dist.	35	–	–	–	(1)		34	37	3
Research & Development	13	–	–	–	–		13	15	2
Sales & Marketing	26	–	(1)	(2)	(2)		21	30	9
Administrative	61	2	(2)	(2)	–		59	59	(0)
Other	-	–	–	–	–		-	-	-
Agency FTE & Temps	96	18	1	(74)	(5)		36	40	4
Total	787	44	(2)	(90)	(25)		714	782	68

Management Discussion

- Net decrease of 73 employees during the quarter, majority of which are Hourly and Temps in Terrebonne. Also, cut down of Temps in other plants towards the end of they year to account for the Holiday shut down period

Liquidity Forecast

\$ in millions



Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Woodbridge

Laval

Delmont

Everett

Terrebonne

Concord

Corporate

Plant Capacity Utilization

Woodbridge Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	6,984	8,698	(1,714)	(19.7%)	31,325	37,280	(5,955)	(16.0%)
Units Shipped ('000)	7,493	8,898	(1,405)	(15.8%)	30,618	34,740	(4,123)	(11.9%)
Bookings (\$'000)	\$ 9,667	\$ 11,503	\$ (1,836)	(16.0%)	\$ 39,737	\$ 46,841	\$ (7,104)	(15.2%)
Backlog ('\$000)	\$ 2,009	\$ 2,119	\$ (110)	(5.2%)	\$ 2,009	\$ 2,119	\$ (110)	(5.2%)
Gross Revenue	\$ 10,737	\$ 12,426	\$ (1,689)	(13.6%)	\$ 43,467	\$ 51,746	\$ (8,278)	(16.0%)
Adj. to Gross Revenue	(509)	(819)	309	(37.8%)	(2,352)	(3,183)	832	(26.1%)
Net Revenue	10,228	11,607	(1,380)	(11.9%)	41,116	48,563	(7,447)	(15.3%)
Material	6,669	7,332	(663)	(9.0%)	26,670	30,569	(3,898)	(12.8%)
Labor	2,289	2,381	(93)	(3.9%)	9,592	9,960	(368)	(3.7%)
Other COGS	645	597	48	8.0%	2,000	1,948	52	2.7%
Total COGS	9,603	10,311	(708)	(6.9%)	38,262	42,476	(4,214)	(9.9%)
Gross Margin	625	1,297	(672)	(51.8%)	2,853	6,087	(3,233)	(53.1%)
Gross Margin %	6.1%	11.2%			6.9%	12.5%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	47	84	(37)	(44.3%)	207	309	(102)	(33.0%)
Administrative	955	989	(35)	(3.5%)	3,830	3,954	(124)	(3.1%)
Other Opex	(12)	(56)	44	(78.5%)	(105)	(228)	124	(54.2%)
Total Opex	989	1,017	(28)	(2.7%)	3,933	4,036	(102)	(2.5%)
EBITDA	(364)	279	(644)	(230.4%)	(1,080)	2,051	(3,131)	(152.6%)
EBITDA %	(3.6%)	2.4%			(2.6%)	4.2%		
Net Income (Loss)	\$ (1,135)	\$ (428)	\$ (708)	165.5%	\$ (3,933)	\$ (738)	\$ (3,195)	433.1%
Capex	\$ (493)	\$ —	\$ (493)	N/A	\$ (2,084)	\$ (1,365)	\$ (718)	52.6%
Opex Overview:								
Payroll	\$ 161	\$ 191	\$ (29)	(15.4%)	\$ 642	\$ 729	\$ (87)	(11.9%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	13	29	(16)	(54.2%)	66	119	(53)	(44.4%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	12	3	9	294.1%	17	7	10	137.3%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	11	12	(1)	(4.3%)	42	49	(7)	(14.1%)
Professional fees	1	8	(6)	(82.8%)	32	31	1	4.2%
Utilities, repair, maintenance, anc	6	6	(0)	(4.9%)	34	27	7	28.2%
Corporate OH Fees	808	820	(12)	(1.4%)	3,218	3,281	(64)	(1.9%)
Bad Debts	(0)	(1)	1	(71.7%)	(3)	(5)	2	(40.5%)
FX	(8)	—	(8)	N/A	21	—	21	N/A
JV Loss (Income)	(24)	(56)	32	(56.7%)	(146)	(228)	82	(36.1%)
Other Expenses	(11)	6	(17)	(285.5%)	(11)	25	(36)	(143.0%)
Total Opex	\$ 969	\$ 1,017	\$ (48)	(4.7%)	\$ 3,913	\$ 4,036	\$ (122)	(3.0%)

Management Discussion

Net Revenue – Q4-19: (\$1,380K):

- Sales volume down 15.8% or \$1,833k due to decreased demand from Vinylbilt, All Weather, JV, Allsco, Ostaco & Ventana (bankrupt); offset by higher than expected levels with Quaker & Oran.
- Favorable rebates/accruals \$196k primarily due to lower sales volume with ATIS (Vinylbilt & Allsco) and reversal of PY rebate for Dashwood
- Unfavorable returns \$16k primarily driven by return of V206 Sierra Pacific (gaps)
- Favorable product/customer mix of \$414k driven by higher ASP from Quaker, Terrebonne, PGT and lower ATIS volumes
- Unfavorable F/X of \$141k (actual rate of 1.320 [or \$USD 0.7576] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q4-19: (\$644K):

- Material COGS:** Decreased costs by \$663k driven by lower sales volumes \$1,158k; offset by lower yields & additional scrap \$227k (81.4% vs 86.0% - Cellular material & increased trial/testing); FG scrap \$76k (JV Pitting, Sierra Pacific gaps,), increased supplier prices \$64k (Cellular Foam, ECS for JV and Packaging); and increase in E&O inventory reserves \$128k (Raw Material for Okna, Jeldwen & Canadian Thermo, Finished Goods for VinylPro (obsolete dies X0679-X06781), AWW (slider system X0807/8), North Star (L4157 discontinued) & Vinylbilt (Q0178/X0485/X0565 slow moving)).
- Labor COGS:** Decreased costs by \$93k driven by lower production volumes (-19.7%) \$269k & lower subcontracting (cellular regrind) \$30k; offset by inefficiencies (\$206k) due to repacking, shorter runs, scrap regrind focus.
- Other COGS:** Increased costs by \$48k driven by decreased net absorption \$131k and additional trailer storage \$48k; offset by favorable utilities \$85k (lower production volumes), freight \$24k & additional JV OH recovery \$16k.
- Sales and Marketing:** Decreased costs by \$37k due to reduced royalties \$16k, lower wages (1 less headcount) \$14k & Product Development \$17k (reversal of prior year accruals).
- Administrative:** Decreased costs by \$35k due to lower wages (vacations taken) and favorable F/X.
- Other Opex:** Increased costs of \$44k driven by unfavorable F/X revaluation of working capital balances \$12k and lower JV Equity Income \$32k (lower sales volume & 1 additional line charge)

Key Customers – Gross Sales and Gross Margin %: Woodbridge

	Gross Sales (\$'000)													Gross Margin %														
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
ROYAL VINYLBIT LIMITED	\$ 2,305	\$ 2,716	\$ (411)	(15.1%)	\$ 2,639	\$ (334)	(12.7%)	\$ 9,266	\$ 11,057	\$ (1,791)	(16.2%)	\$ 10,577	\$ (1,311)	(12.4%)	10.4%	10.4%	–	0.0%	7.9%	250	31.6%	10.9%	10.1%	82	8.2%	7.9%	301	38.1%
QUAKER WINDOW PRODUCTS	1,760	1,470	290	19.8%	1,450	310	21.4%	5,825	6,028	(203)	(3.4%)	5,345	480	9.0%	11.0%	11.0%	(0)	(0.0%)	8.5%	250	29.3%	11.3%	10.8%	53	4.9%	8.5%	280	32.9%
ALL WEATHER WIN. LTD-EDMO	582	1,021	(439)	(43.0%)	698	(116)	(16.6%)	2,811	5,314	(2,503)	(47.1%)	2,047	764	37.3%	19.7%	19.7%	–	0.0%	17.2%	250	14.6%	27.2%	19.4%	781	40.3%	17.2%	1,005	58.6%
VINYLBIT WINDOWS & DOORS CC	454	1,050	(596)	(56.8%)	959	(505)	(52.7%)	2,006	3,779	(1,773)	(46.9%)	4,689	(2,683)	(57.2%)	(18.0%)	(18.0%)	(0)	0.0%	(20.5%)	250	(12.2%)	(18.8%)	(15.2%)	(363)	23.9%	(20.5%)	165	(8.1%)
VINYL PRO WINDOW SYSTEMS	861	756	105	13.8%	1,010	(149)	(14.7%)	3,410	3,587	(178)	(5.0%)	3,893	(484)	(12.4%)	7.4%	8.2%	(78)	(9.5%)	5.7%	172	30.4%	6.1%	6.0%	10	1.8%	5.7%	40	7.0%
WINDSOR WINDOW CO	982	1,040	(58)	(5.6%)	772	210	27.3%	3,875	3,710	165	4.5%	3,491	384	11.0%	26.1%	23.1%	296	12.8%	22.3%	378	16.9%	20.9%	21.3%	(37)	(1.7%)	20.6%	33	1.6%
DASHWOOD INDUSTRIES LTD.	838	886	(48)	(5.4%)	878	(41)	(4.6%)	2,450	2,891	(442)	(15.3%)	2,976	(527)	(17.7%)	17.8%	17.8%	–	0.0%	15.3%	250	16.3%	17.2%	15.8%	132	8.3%	15.3%	182	11.9%
OSTACO 2000 WINDOORS INC	266	536	(270)	(50.4%)	471	(205)	(43.6%)	1,249	1,911	(662)	(34.7%)	1,810	(561)	(31.0%)	13.8%	13.8%	(0)	(0.0%)	11.3%	250	22.0%	16.1%	13.7%	237	17.3%	11.3%	474	41.7%
ALLSCO BLDG SUPPLIES LTD	258	358	(100)	(28.0%)	259	(1)	(0.5%)	1,383	1,580	(197)	(12.4%)	1,520	(137)	(9.0%)	(18.0%)	(18.0%)	–	0.0%	3.9%	(2,195)	(555.9%)	(14.8%)	(14.5%)	(28)	1.9%	3.9%	(1,870)	(473.6%)
TERREBONNE	289	195	94	47.9%	224	65	29.2%	1,707	1,197	510	42.5%	1,510	197	13.1%	(6.3%)	(6.3%)	–	0.0%	(8.8%)	250	(28.5%)	(4.7%)	(5.2%)	51	(9.8%)	(8.8%)	411	(46.8%)
PGT INDUSTRIES	248	282	(34)	(12.2%)	288	(40)	(14.0%)	1,201	1,115	87	7.8%	954	247	25.9%	0.0%	0.0%	–	N/A	6.3%	(626)	(100.0%)	0.0%	0.0%	–	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS INC	–	218	(218)	(100.0%)	155	(155)	(100.0%)	59	861	(802)	(93.1%)	754	(695)	(92.2%)	#DIV/0!	15.9%	–	#VALUE!	13.4%	NA	#VALUE!	85.5%	15.2%	7,033	462.8%	13.4%	7,212	538.0%
CLERA	110	150	(40)	(26.4%)	169	(59)	(34.7%)	572	821	(250)	(30.4%)	969	(397)	(41.0%)	18.9%	18.9%	(0)	(0.0%)	16.4%	250	15.3%	25.1%	20.5%	458	22.3%	16.4%	876	53.6%
SEYMOUR WINDOWS LTD.	117	188	(71)	(37.8%)	190	(74)	(38.7%)	634	791	(157)	(19.8%)	822	(189)	(22.9%)	19.6%	19.6%	0	0.0%	17.1%	250	14.6%	14.3%	14.0%	29	2.1%	17.1%	(276)	(16.1%)
WARDCO WINDOW & DOOR MFG INC	180	190	(9)	(4.9%)	266	(86)	(32.3%)	673	733	(60)	(8.2%)	874	(201)	(23.0%)	34.7%	34.7%	(0)	(0.0%)	32.2%	250	7.8%	33.4%	32.1%	127	3.9%	32.2%	117	3.6%
CENTENNIAL WINDOWS LTD	140	167	(27)	(15.9%)	216	(76)	(35.1%)	494	633	(138)	(21.9%)	717	(223)	(31.1%)	39.6%	39.6%	(0)	(0.0%)	37.1%	250	6.7%	57.4%	49.3%	809	16.4%	37.1%	2,034	54.9%
MASON WINDOWS	80	126	(46)	(36.6%)	108	(28)	(26.1%)	348	462	(114)	(24.6%)	449	(101)	(22.6%)	8.0%	8.0%	–	0.0%	8.0%	-	0.0%	9.0%	8.1%	91	11.2%	8.0%	99	12.4%
GREAT LAKES WINDOW INC.	71	44	27	62.1%	112	(41)	(36.8%)	246	400	(153)	(38.4%)	364	(117)	(32.3%)	8.0%	8.0%	0	0.0%	8.0%	(0)	(0.0%)	13.4%	9.1%	428	47.1%	8.0%	537	67.1%
ORAN LTD.	81	–	81	N/A	144	(63)	(43.7%)	448	357	92	25.8%	517	(69)	(13.3%)	8.0%	#DIV/0!	–	#DIV/0!	0.0%	800	N/A	10.5%	11.0%	(49)	(4.4%)	5.9%	459	77.1%
INTEGRAL WINDOW SYSTEMS	113	90	24	26.5%	66	48	72.6%	391	308	83	26.9%	315	76	24.2%	8.0%	8.0%	(0)	(0.0%)	8.0%	(0)	(0.0%)	8.0%	8.0%	0	0.0%	8.0%	(0)	(0.0%)
Other	1,002	944	58	6.2%	1,149	(146)	(12.7%)	4,419	4,212	207	4.9%	8,091	(3,672)	(45.4%)	(47.2%)	13.7%	(6,089)	(443.7%)	35.6%	(8,278)	(232.5%)	(24.4%)	(30.4%)	598	(19.7%)	(9.9%)	(1,456)	147.4%
Total Gross	\$ 10,737	\$ 12,426	\$ (1,689)	(13.6%)	\$ 12,222	\$ (1,485)	(12.1%)	\$ 43,467	\$ 51,746	\$ (8,278)	(16.0%)	\$ 52,687	\$ (9,220)	(17.5%)	5.8%	10.4%	(461)	(44.2%)	11.1%	(531)	(47.7%)	11.8%	6.7%	510	76.3%	4.5%	726	160.4%

Management Discussion

- All Weather – Overestimated launch of new slider system and casement system
- Vinylbilt – losing market share to competitors
- Ventana – Business closed down due to bankruptcy filing
- Royal Vinylbilt – Softer 2019 in line with market
- Ostaco– Softer market conditions affecting sales
- Offset by Quaker and pickup in sales to Vinyl Pro, Oran and Great lakes

Key Performance Indicators - Woodbridge

ENERGI Woodbridge KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Health & Safety														
Recordable Incidents	0	0	0	0	0	1	0	0	0	0	0	0	0	1
TRIR (Total Recordable Incident Rate)	<1	0.46	0.47	0.48	0.49	1	1.02	0.51	0.52	0.52	0.52	0.52	0.51	0.52
Quality Performance														
Customer Complaints - per MLBS	3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	2.33	3.0	2.7	3.3	3.6	3.0
Return as % of sales	0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.75%	0.29%	0.26%	0.32%	0.55%	0.41%
Delivery Performance														
% on time in full	95.00%	99.56%	98.80%	99.40%	98.11%	99.03%	95.32%	97.34%	97.20%	96.44%	98.20%	98.15%	99.16%	98.06%
% by line items	99.00%	99.56%	98.80%	99.40%	98.11%	99.03%	95.32%	97.34%	97.19%	96.44%	98.20%	98.15%	99.16%	98.06%
Costs														
Yield	85.7%	84.70%	85.49%	85.23%	84.50%	85.02%	85.93%	86.22%	85.01%	85.21%	85.46%	86.73%	87.36%	85.54%
Alt/Regrind Compound Consumption Ratio	19.9%	17.39%	20.13%	19.99%	18.38%	18.39%	18.70%	16.73%	16.92%	21.09%	20.23%	21.22%	17.76%	18.86%
Direct Labour \$/lb produced	\$0.167	\$ 0.173	\$ 0.175	\$ 0.161	\$ 0.202	\$ 0.183	\$ 0.167	\$ 0.177	\$ 0.182	\$ 0.194	\$ 0.190	\$ 0.169	\$ 0.220	\$ 0.181
Indirect Labour (incl D&D) \$/lb produced	\$0.176	\$ 0.212	\$ 0.229	\$ 0.192	\$ 0.271	\$ 0.234	\$ 0.181	\$ 0.198	\$ 0.208	\$ 0.240	\$ 0.238	\$ 0.204	\$ 0.317	\$ 0.222
Inventory														
Days - TTM (Trailing 12 Months)	54.1	57	59	62	64	64	65	66	67	68	69	70	71	68

Comments

Quality: Two issues drove most of this total. Over \$10,000 for Eclipse return due to black marks from co-extruder on non-vision surfaces and cracking internal walls running cap stock X0375 die on Line 13. \$12,000 from X0490 recut on white and black that was weeks in development exhibited significant dimensional control issues.

Costs: ALT/Regrind CC Ration: Cap stock die production was suspended for the Eclipse huddle visit and resumption was not possible on V796 due to technical issues and very demanding production requirements.

Labour: Considerable direct labour cost for shutdown activities drove up DL costs per lb. Two employees for much of the month doing scrap cutdowns to grind material from past year(s) obsolesence. Considerable Indirect resource utilization for shutdown activities drove up these costs per lb for the month.

Inventory: Sales lower vs budget.

Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	31,325	37,280	(5,955)	(16.0%)	37,118	(5,793)	(15.6%)	
Units Shipped ('000)	30,618	34,740	(4,123)	(11.9%)	36,738	(6,120)	(16.7%)	
Bookings (\$'000)	\$ 39,737	\$ 46,841	\$ (7,104)	(15.2%)	\$ 50,018	\$ (10,281)	(20.6%)	
Backlog ('\$000)	\$ 2,009	\$ 2,119	\$ (110)	(5.2%)	\$ 3,634	\$ (1,625)	(44.7%)	
Gross Revenue	\$ 43,467	\$ 51,746	\$ (8,278)	(16.0%)	\$ 52,687	\$ (9,220)	(17.5%)	
Adj. to Gross Revenue	(2,352)	(3,183)	832	(26.1%)	(2,920)	569	(19.5%)	
Net Revenue	41,116	48,563	(7,447)	(15.3%)	49,767	(8,651)	(17.4%)	
Material	26,670	30,569	(3,898)	(12.8%)	32,620	(5,950)	(18.2%)	
Labor	9,592	9,960	(368)	(3.7%)	10,973	(1,381)	(12.6%)	
Other COGS	2,000	1,948	52	2.7%	1,960	40	2.1%	
Total COGS	38,262	42,476	(4,214)	(9.9%)	45,553	(7,290)	(16.0%)	
Gross Margin	2,853	6,087	(3,233)	(53.1%)	4,214	(1,361)	(32.3%)	
Gross Margin %	6.9%	12.5%			8.5%			
R&D	—	—	—	N/A	—	—	N/A	
Sales & Marketing	207	309	(102)	(33.0%)	291	(84)	(28.7%)	
Administrative	3,830	3,954	(124)	(3.1%)	4,006	(176)	(4.4%)	
Other Opex	(105)	(228)	124	(54.2%)	(165)	60	(36.5%)	
Total Opex	3,933	4,036	(102)	(2.5%)	4,133	(200)	(4.8%)	
EBITDA	(1,080)	2,051	(3,131)	(152.6%)	81	(1,161)	(1427.0%)	
EBITDA %	(2.6%)	4.2%			0.2%			
Net Income (Loss)	\$ (3,933)	\$ (738)	\$ (3,195)	433.1%	\$ (2,405)	\$ (1,528)	63.6%	
Capex	\$ (2,084)	\$ (1,365)	\$ (718)	52.6%	\$ (3,745)	\$ 1,661	(44.4%)	
Opex Overview:								
Payroll	\$ 642	\$ 729	\$ (87)	(11.9%)	\$ 759	\$ (117)	(15.4%)	
Bonus	—	—	—	N/A	—	—	N/A	
Commissions	—	—	—	N/A	—	—	N/A	
Marketing	66	119	(53)	(44.4%)	115	(48)	(42.2%)	
Benefits	—	—	—	N/A	—	—	N/A	
Travel and entertainment	17	7	10	137.3%	10	7	67.3%	
Rent and facilities	—	—	—	N/A	—	—	N/A	
Insurance	42	49	(7)	(14.1%)	47	(5)	(10.3%)	
Professional fees	32	31	1	4.2%	36	(4)	(10.8%)	
Utilities, repair, maintenance, and security	34	27	7	28.2%	26	8	31.6%	
Corporate OH Fees	3,218	3,281	(64)	(1.9%)	3,299	(81)	(2.5%)	
Bad Debts	(3)	(5)	2	(40.5%)	(13)	10	(78.4%)	
FX	21	—	21	N/A	(82)	103	(126.0%)	
JV Loss (Income)	(146)	(228)	82	(36.1%)	(83)	(63)	76.2%	
Other Expenses	(11)	25	(36)	(143.0%)	21	(32)	(151.4%)	
Total Opex	\$ 3,913	\$ 4,036	\$ (122)	(3.0%)	\$ 4,136	\$ (223)	(5.4%)	

Key Customers – Full Year Woodbridge

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
ROYAL VINYL BILT LIMITED	\$	9,266	\$	11,057	\$	(1,791)	(16.2%)	\$	10,577	\$	(1,311)	(12.4%)	10.9%	10.1%	82	8.2%	7.9%	301	38.1%
QUAKER WINDOW PRODUCTS		5,825		6,028		(203)	(3.4%)		5,345		480	9.0%	11.3%	10.8%	53	4.9%	8.5%	280	32.9%
ALL WEATHER WIN. LTD-EDMO		2,811		5,314		(2,503)	(47.1%)		2,047		764	37.3%	27.2%	19.4%	781	40.3%	17.2%	1,005	58.6%
VINYL BILT WINDOWS & DOORS CC		2,006		3,779		(1,773)	(46.9%)		4,689		(2,683)	(57.2%)	(18.8%)	(15.2%)	(363)	23.9%	(20.5%)	165	(8.1%)
VINYL PRO WINDOW SYSTEMS		3,410		3,587		(178)	(5.0%)		3,893		(484)	(12.4%)	6.1%	6.0%	10	1.8%	5.7%	40	7.0%
WINDSOR WINDOW CO		3,875		3,710		165	4.5%		3,491		384	11.0%	20.9%	21.3%	(37)	(1.7%)	19.0%	195	10.3%
DASHWOOD INDUSTRIES LTD.		2,450		2,891		(442)	(15.3%)		2,976		(527)	(17.7%)	17.2%	15.8%	132	8.3%	15.3%	182	11.9%
OSTACO 2000 WINDOORS INC		1,249		1,911		(662)	(34.7%)		1,810		(561)	(31.0%)	16.1%	13.7%	237	17.3%	11.3%	474	41.7%
ALLSCO BLDG SUPPLIES LTD		1,383		1,580		(197)	(12.4%)		1,520		(137)	(9.0%)	(14.8%)	(14.5%)	(28)	1.9%	3.9%	(1,870)	(473.6%)
TERREBONNE		1,707		1,197		510	42.5%		1,510		197	13.1%	(4.7%)	(5.2%)	51	(9.8%)	(8.8%)	411	(46.8%)
PGT INDUSTRIES		1,201		1,115		87	7.8%		954		247	25.9%	0.0%	0.0%	—	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS IN		59		861		(802)	(93.1%)		754		(695)	(92.2%)	85.5%	15.2%	7,033	462.8%	13.4%	7,212	538.0%
CLERA		572		821		(250)	(30.4%)		969		(397)	(41.0%)	25.1%	20.5%	458	22.3%	16.4%	876	53.6%
SEYMOUR WINDOWS LTD.		634		791		(157)	(19.8%)		822		(189)	(22.9%)	14.3%	14.0%	29	2.1%	17.1%	(276)	(16.1%)
WARDCO WINDOW & DOOR MFG		673		733		(60)	(8.2%)		874		(201)	(23.0%)	33.4%	32.1%	127	3.9%	32.2%	117	3.6%
CENTENNIAL WINDOWS LTD		494		633		(138)	(21.9%)		717		(223)	(31.1%)	57.4%	49.3%	809	16.4%	37.1%	2,034	54.9%
MASON WINDOWS		348		462		(114)	(24.6%)		449		(101)	(22.6%)	9.0%	8.1%	91	11.2%	8.0%	99	12.4%
GREAT LAKES WINDOW INC.		246		400		(153)	(38.4%)		364		(117)	(32.3%)	13.4%	9.1%	428	47.1%	8.0%	537	67.1%
ORAN LTD.		448		357		92	25.8%		517		(69)	(13.3%)	10.5%	11.0%	(49)	(4.4%)	8.0%	253	31.7%
INTEGRAL WINDOW SYSTEMS		391		308		83	26.9%		315		76	24.2%	8.0%	8.0%	0	0.0%	8.0%	-	0.0%
Other		4,419		4,212		207	4.9%		8,091		(3,672)	(45.4%)	(24.4%)	(30.4%)	598	(19.7%)	10.5%	(3,498)	(331.6%)
Total Gross	\$	43,467	\$	51,746	\$	(8,278)	(16.0%)	\$	52,687	\$	(9,220)	(17.5%)	11.8%	6.7%	510	76.3%	8.0%	378	47.3%

Laval Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	4,612	4,020	592	14.7%	19,150	19,038	112	0.6%
Units Shipped ('000)	4,737	4,433	305	6.9%	18,815	19,115	(300)	(1.6%)
Bookings (\$'000)	\$ 7,129	\$ 7,154	\$ (24)	(0.3%)	\$ 32,007	\$ 32,769	\$ (763)	(2.3%)
Backlog (\$'000)	\$ 2,512	\$ 1,897	\$ 614	32.4%	\$ 2,512	\$ 1,897	\$ 614	32.4%
Gross Revenue	\$ 8,750	\$ 8,227	\$ 523	6.4%	\$ 34,485	\$ 35,684	\$ (1,199)	(3.4%)
Adj. to Gross Revenue	(875)	(681)	(194)	28.4%	(2,943)	(2,824)	(119)	4.2%
Net Revenue	7,875	7,546	329	4.4%	31,542	32,861	(1,318)	(4.0%)
Material	3,719	3,510	209	5.9%	14,632	15,210	(579)	(3.8%)
Labor	1,459	1,495	(36)	(2.4%)	5,843	6,249	(406)	(6.5%)
Other COGS	473	634	(161)	(25.4%)	1,907	2,074	(167)	(8.0%)
Total COGS	5,651	5,639	12	0.2%	22,381	23,533	(1,152)	(4.9%)
Gross Margin	2,224	1,907	317	16.6%	9,161	9,328	(167)	(1.8%)
Gross Margin %	28.2%	25.3%			29.0%	28.4%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	470	452	18	4.0%	1,739	1,853	(115)	(6.2%)
Administrative	754	758	(4)	(0.5%)	2,970	3,030	(59)	(2.0%)
Other Opex	3	—	3	N/A	(7)	—	(7)	N/A
Total Opex	1,228	1,210	18	1.5%	4,702	4,883	(181)	(3.7%)
EBITDA	996	696	299	43.0%	4,459	4,445	14	0.3%
EBITDA %	12.6%	9.2%			14.1%	13.5%		
Net Income (Loss)	\$ 659	\$ 292	\$ 367	125.9%	\$ 3,139	\$ 2,936	\$ 203	6.9%
Capex	\$ (229)	\$ (128)	\$ (101)	79.2%	\$ (1,030)	\$ (1,235)	\$ 205	(16.6%)
Opex Overview:								
Payroll	\$ 321	\$ 350	\$ (28)	(8.1%)	\$ 1,262	\$ 1,377	\$ (116)	(8.4%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	243	186	58	31.0%	758	799	(42)	(5.2%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	17	8	10	126.7%	50	31	19	59.6%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	12	14	(2)	(15.0%)	53	57	(4)	(6.7%)
Professional fees	24	20	5	24.8%	87	78	9	11.3%
Utilities, repair, maintenance, anc	19	15	4	25.5%	66	64	2	3.4%
Corporate OH Fees	534	545	(10)	(1.9%)	2,124	2,178	(55)	(2.5%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	3	—	3	N/A	(7)	—	(7)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	53	74	(21)	(28.2%)	309	297	12	4.2%
Total Opex	\$ 1,228	\$ 1,210	\$ 18	1.5%	\$ 4,702	\$ 4,883	\$ (181)	(3.7%)

Management Discussion

Net Revenue – Q4-19: +\$329K:

- Sales volume up 6.9% or \$195k due to increased demand from Schluter, Extreme, Golden & Terrebonne; offset by decreased demand from Laflamme, Atlantic, Gentek.
- Unfavorable rebates and discounts \$102k driven by YTD rebate adjustments for Schluter (\$147k); offset by lower rebate for Laflamme, Solaris & Atlantic.
- Favorable mix impact of \$22k primarily driven by customer mix
- Unfavorable F/X of \$110k (actual rate of 1.32 [or \$USD 0.7576] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q4-19: +\$299K:

- Material COGS:** Increase in costs by \$209k driven by increased volume \$241k and product mix \$48k (increased sales on products purchased for resale); offset by improved yields \$80k (88.97% vs 84%).
- Labor COGS:** Decrease in costs by \$36k driven by WSIB refund \$38k, lower headcount (7) & vacations taken during shutdown \$116k; offset by increase in production volumes +14.7% \$119k.
- Other COGS:** Decrease in cost by \$161k primarily driven by favorable net absorption of \$99k (increased production), Panes Warranty reversal \$91k and T&D Capitalization \$51k (Boulet); offset by increase freight (\$54k – sales volume) and additional maintenance expense (\$26k – Lifttrucks, Water damage, shutdown)
- Sales and Marketing:** Increase in cost by \$18k driven by higher advertising (timing) \$58k; offset by lower product development costs \$16k; offset by lower wages \$24k (lower headcount & vacations taken).
- Administrative:** In line with budget.
- Other Opex:** In line with budget.

Key Customers – Gross Sales and Gross Margin %: Laval

	Gross Sales (\$'000)														Gross Margin %																	
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%	
Customer:																																
SOLARIS QUEBEC P & F INC.	\$ 1,007	\$ 1,002	\$ 5	0.5%	\$ 1,082	\$ (75)	(6.9%)	\$ 4,265	\$ 4,075	\$ 190	4.7%	\$ 4,262	\$ 3	0.1%	23.8%	25.0%	(121)	(4.8%)	23.0%	83	3.6%	24.1%	23.7%	33	1.4%	22.9%	113	4.9%				
ATLANTIC WINDOWS	859	916	(57)	(6.3%)	848	11	1.3%	3,352	3,635	(283)	(7.8%)	3,475	(123)	(3.5%)	14.0%	12.1%	186	15.4%	13.1%	89	6.8%	14.6%	12.3%	227	18.5%	12.6%	196	15.5%				
SCHLUTER SYSTEMS L.P.	890	578	312	54.0%	825	65	7.9%	2,664	2,557	107	4.2%	2,796	(132)	(4.7%)	16.2%	31.7%	(1,550)	(48.9%)	21.8%	(565)	(25.9%)	22.7%	22.8%	(6)	(0.3%)	21.4%	136	6.4%				
LAFLAMME PORTES	518	575	(57)	(10.0%)	556	(38)	(6.9%)	1,959	2,478	(519)	(20.9%)	2,426	(467)	(19.3%)	(13.0%)	(19.5%)	644	(33.0%)	(12.8%)	(27)	2.1%	(13.3%)	(19.4%)	618	(31.8%)	(13.4%)	12	(0.9%)				
PTES & FEN ISOTHERMIC INC	570	522	48	9.2%	624	(54)	(8.6%)	2,064	1,999	65	3.3%	2,163	(99)	(4.6%)	22.2%	28.9%	(669)	(23.1%)	10.3%	1,198	116.8%	22.0%	29.0%	(703)	(24.2%)	23.9%	(188)	(7.9%)				
PORTES & FENETRES ABRITEK	454	480	(26)	(5.3%)	397	57	14.5%	1,629	1,824	(195)	(10.7%)	1,742	(113)	(6.5%)	29.8%	31.9%	(207)	(6.5%)	31.5%	(168)	(5.3%)	30.4%	32.0%	(153)	(4.8%)	31.1%	(68)	(2.2%)				
ATIS PORTES & FENETRES	419	443	(24)	(5.4%)	462	(43)	(9.3%)	1,713	1,552	161	10.3%	1,669	44	2.6%	(17.7%)	(25.5%)	779	(30.6%)	(16.5%)	(126)	7.7%	(16.8%)	(25.7%)	891	(34.7%)	(15.2%)	(153)	10.0%				
EXTREME ENTRANCE SYSTEMS	393	283	110	38.8%	342	51	14.8%	1,491	1,587	(96)	(6.0%)	1,619	(128)	(7.9%)	16.0%	24.7%	(876)	(35.4%)	17.3%	(127)	(7.4%)	15.6%	24.8%	(913)	(36.9%)	16.9%	(125)	(7.4%)				
FENERGIC INC	342	305	37	12.2%	340	2	0.6%	1,074	1,105	(31)	(2.8%)	1,260	(186)	(14.8%)	17.1%	25.2%	(814)	(32.2%)	13.8%	328	23.8%	16.1%	25.1%	(908)	(36.1%)	15.0%	107	7.1%				
LES FENETRES CONCEPT.	235	262	(27)	(10.3%)	279	(44)	(15.8%)	1,163	1,231	(68)	(5.5%)	1,131	32	2.8%	16.1%	16.0%	9	0.6%	18.3%	(215)	(11.8%)	15.6%	16.3%	(62)	(3.8%)	17.9%	(225)	(12.6%)				
P & C EDDY BOULET INC	326	319	7	2.1%	208	118	56.6%	1,041	971	70	7.2%	849	192	22.6%	24.6%	6.0%	1,863	312.8%	25.0%	(41)	(1.6%)	23.3%	6.1%	1,721	282.1%	20.8%	250	12.0%				
PRODUITS DALMEN PRODUCTS	140	174	(34)	(19.7%)	128	12	9.2%	499	873	(374)	(42.9%)	692	(193)	(27.9%)	16.5%	16.1%	45	2.8%	15.6%	92	5.9%	17.6%	16.0%	160	10.0%	14.3%	330	23.0%				
KENTO WINDOWS & DOORS	125	129	(4)	(3.4%)	111	14	12.3%	644	694	(50)	(7.2%)	674	(30)	(4.4%)	34.5%	30.2%	431	14.3%	29.7%	482	16.2%	32.7%	30.6%	208	6.8%	31.3%	137	4.4%				
GENTEK BUILDING PROD. LTD	43	97	(54)	(56.1%)	95	(52)	(55.2%)	198	646	(448)	(69.4%)	528	(330)	(62.6%)	6.4%	11.3%	(492)	(43.4%)	1.1%	537	510.1%	6.2%	12.0%	(577)	(48.2%)	13.6%	(743)	(54.5%)				
GOLDEN WINDOWS	158	76	82	108.3%	107	51	48.0%	621	350	271	77.5%	512	109	21.3%	(0.9%)	(3.9%)	301	(76.3%)	5.6%	(654)	(116.7%)	(1.7%)	(3.0%)	131	(43.0%)	5.2%	(697)	(133.2%)				
ENTREPRISES DOCO INC.	105	142	(37)	(26.3%)	125	(20)	(16.2%)	419	576	(157)	(27.2%)	503	(84)	(16.6%)	22.2%	21.8%	33	1.5%	(0.8%)	2,296	(2869.8%)	22.6%	21.9%	76	3.5%	(3.5%)	2,616	(743.5%)				
FUTURA MANUFACTURIER	101	150	(49)	(32.6%)	96	5	5.4%	393	475	(82)	(17.4%)	453	(60)	(13.3%)	9.4%	20.7%	(1,130)	(54.7%)	26.0%	(1,667)	(64.0%)	7.1%	20.9%	(1,374)	(65.8%)	22.8%	(1,570)	(68.8%)				
G.R. THÉRIAULT	122	108	14	12.7%	128	(6)	(4.9%)	412	449	(37)	(8.3%)	433	(21)	(4.9%)	24.5%	35.2%	(1,069)	(30.4%)	7.8%	1,669	213.6%	23.7%	34.2%	(1,043)	(30.5%)	10.0%	1,372	136.9%				
PORTES ET FENETRES LGC	93	84	9	10.6%	93	(0)	(0.1%)	446	384	62	16.1%	435	11	2.5%	39.2%	54.8%	(1,558)	(28.5%)	31.2%	800	25.7%	39.7%	55.0%	(1,525)	(27.7%)	21.8%	1,797	82.6%				
LAS ENTERPRISES	76	103	(27)	(26.4%)	97	(21)	(21.8%)	360	420	(60)	(14.2%)	423	(63)	(14.8%)	49.7%	52.4%	(272)	(5.2%)	35.1%	1,465	41.8%	49.5%	51.3%	(175)	(3.4%)	37.9%	1,162	30.6%				
Other	1,775	1,479	296	20.0%	1,827	(52)	(2.8%)	8,078	7,803	275	3.5%	9,166	(1,088)	(11.9%)	65.1%	54.1%	1,106	20.4%	2.7%	6,240	2280.3%	60.9%	63.2%	(224)	(3.5%)	23.7%	3,726	157.4%				
Total Gross	\$ 8,750	\$ 8,227	\$ 523	6.4%	\$ 8,770	\$ (20)	(0.2%)	\$ 34,485	\$ 35,684	\$ (1,199)	(3.4%)	\$ 37,211	\$ (2,726)	(7.3%)	25.4%	23.2%	224	9.7%	23.7%	177	7.5%	26.7%	26.5%	21	0.8%	24.0%	276	11.5%				

Management Discussion

- Strong performance despite soft market conditions including Golden, Solaris, Isothermic and Schluter due to new launches, winter bookings and some catch-up of prior lower sales.
- Good pickup from Extreme after softer sales in the past.

Key Performance Indicators - Laval

ENERGI Laval Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Health & Safety														
Recordable Incidents	0	1	1	0	0	0	1	0	0	0	0	0	0	3
TRIR (Total Recordable Incident Rate)	<1	4.95	4.95	4.12	4.3	4.31	4.31	4.15	4.10	3.3	3.29	3.32	2.5	3.3
Quality Performance														
Customer Complaints - per MLBS	22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	18.34	24.9	23.4	24.5	16.7	24.7
Return as % of sales	0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.25%	0.15%	0.73%	0.61%	1.54%	0.52%
Delivery Performance														
% on time in full	95.00%	99.73%	99.75%	99.58%	99.82%	99.81%	99.74%	99.70%	99.59%	99.67%	99.80%	99.55%	99.85%	99.72%
% by line items	99.00%	99.73%	99.75%	99.58%	99.82%	99.81%	99.74%	99.70%	99.59%	99.67%	99.80%	99.55%	99.85%	99.72%
Costs														
Yield	84.00%	85.48%	85.19%	86.89%	87.96%	87.33%	87.28%	86.16%	87.53%	88.59%	88.70%	88.96%	89.49%	87.49%
Alt/Regrind Compound Consumption Ratio	20.89%	20.18%	19.41%	18.40%	16.35%	19.89%	20.16%	19.03%	18.85%	14.20%	17.97%	18.60%	22.25%	18.60%
Direct Labour \$/lb produced	\$0.192	\$ 0.195	\$0.184	\$ 0.186	\$ 0.115	\$ 0.191	\$ 0.194	\$ 0.217	\$ 0.194	\$ 0.193	\$ 0.183	\$ 0.151	\$ 0.263	\$ 0.186
Indirect Labour (incl D&D) \$/lb produced	\$0.237	\$ 0.267	\$0.219	\$ 0.208	\$ 0.216	\$ 0.223	\$ 0.196	\$ 0.255	\$ 0.192	\$ 0.198	\$ 0.200	\$ 0.202	\$ 0.326	\$ 0.219
Inventory														
Days - TTM (Trailing 12 Months)	69.3	67	66.4	68	69	68	70	70	70	70	71	72	72	70

Comments:

Quality: 19 complaints Fenêtres Concept (\$5k in value), 7 by Abritek (\$1k in value), 4 by Isothermic (\$4k in value), 3 by Solaris (\$17k in value), 3 by Extreme Entrance Windows (\$1k in value), 1 by Groupe Atlanta (\$2k in value) and 1 by Schlüter Systems (\$2k in value).

Costs: Labour: Low out put jobs. However, performed better than the annual target.

Inventory: Sales lower vs budget

Full Year Laval P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	19,150	19,038	112	0.6%	19,947	(797)	(4.0%)
Units Shipped ('000)	18,815	19,115	(300)	(1.6%)	19,803	(988)	(5.0%)
Bookings (\$'000)	\$ 32,007	\$ 32,769	\$ (763)	(2.3%)	\$ 36,193	\$ (4,187)	(11.6%)
Backlog ('\$000)	\$ 2,512	\$ 1,897	\$ 614	32.4%	\$ 2,942	\$ (431)	(14.6%)
Gross Revenue	\$ 34,485	\$ 35,684	\$ (1,199)	(3.4%)	\$ 37,211	\$ (2,726)	(7.3%)
Adj. to Gross Revenue	(2,943)	(2,824)	(119)	4.2%	(3,256)	313	(9.6%)
Net Revenue	31,542	32,861	(1,318)	(4.0%)	33,956	(2,413)	(7.1%)
Material	14,632	15,210	(579)	(3.8%)	16,229	(1,597)	(9.8%)
Labor	5,843	6,249	(406)	(6.5%)	6,587	(745)	(11.3%)
Other COGS	1,907	2,074	(167)	(8.0%)	2,233	(326)	(14.6%)
Total COGS	22,381	23,533	(1,152)	(4.9%)	25,049	(2,667)	(10.6%)
Gross Margin	9,161	9,328	(167)	(1.8%)	8,907	254	2.9%
Gross Margin %	29.0%	28.4%			26.2%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	1,739	1,853	(115)	(6.2%)	2,003	(264)	(13.2%)
Administrative	2,970	3,030	(59)	(2.0%)	3,071	(101)	(3.3%)
Other Opex	(7)	—	(7)	N/A	17	(23)	(140.8%)
Total Opex	4,702	4,883	(181)	(3.7%)	5,090	(388)	(7.6%)
EBITDA	4,459	4,445	14	0.3%	3,816	642	16.8%
EBITDA %	14.1%	13.5%			11.2%		
Net Income (Loss)	\$ 3,139	\$ 2,936	\$ 203	6.9%	\$ 2,573	\$ 566	22.0%
Capex	\$ (1,030)	\$ (1,235)	\$ 205	(16.6%)	\$ (1,614)	\$ 584	(36.2%)
Opex Overview:							
Payroll	\$ 1,262	\$ 1,377	\$ (116)	(8.4%)	\$ 1,449	\$ (187)	(12.9%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	758	799	(42)	(5.2%)	819	(61)	(7.5%)
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	50	31	19	59.6%	44	6	12.6%
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	53	57	(4)	(6.7%)	51	2	4.3%
Professional fees	87	78	9	11.3%	95	(8)	(8.3%)
Utilities, repair, maintenance, and security	66	64	2	3.4%	71	(4)	(5.9%)
Corporate OH Fees	2,124	2,178	(55)	(2.5%)	2,180	(56)	(2.6%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	(7)	—	(7)	N/A	17	(23)	(140.8%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	309	297	12	4.2%	365	(56)	(15.3%)
Total Opex	\$ 4,702	\$ 4,883	\$ (181)	(3.7%)	\$ 5,093	\$ (391)	(7.7%)

Key Customers – Full Year Laval

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
SOLARIS QUEBEC P & F INC.	\$	4,265	\$	4,075	\$	190	4.7%	\$	4,262	\$	3	0.1%	24.1%	23.7%	33	1.4%	22.9%	112	4.9%
ATLANTIC WINDOWS		3,352		3,635		(283)	(7.8%)		3,475		(123)	(3.5%)	14.6%	12.3%	227	18.5%	12.7%	190	15.0%
SCHLUTER SYSTEMS L.P.		2,664		2,557		107	4.2%		2,796		(132)	(4.7%)	22.7%	22.8%	(6)	(0.3%)	21.4%	129	6.0%
LAFLAMME PORTES		1,959		2,478		(519)	(20.9%)		2,426		(467)	(19.3%)	(13.3%)	(19.4%)	618	(31.8%)	(13.3%)	5	(0.4%)
PTES & FEN ISOTHERMIC INC		2,064		1,999		65	3.3%		2,163		(99)	(4.6%)	22.0%	29.0%	(703)	(24.2%)	21.9%	8	0.4%
PORTES & FENETRES ABRITEK		1,629		1,824		(195)	(10.7%)		1,742		(113)	(6.5%)	30.4%	32.0%	(153)	(4.8%)	31.2%	(72)	(2.3%)
ATIS PORTES & FENETRES		1,713		1,552		161	10.3%		1,669		44	2.6%	(16.8%)	(25.7%)	891	(34.7%)	(15.4%)	(136)	8.8%
EXTREME ENTRANCE SYSTEMS		1,491		1,587		(96)	(6.0%)		1,619		(128)	(7.9%)	15.6%	24.8%	(913)	(36.9%)	16.9%	(129)	(7.6%)
FENERGIC INC		1,074		1,105		(31)	(2.8%)		1,260		(186)	(14.8%)	16.1%	25.1%	(908)	(36.1%)	14.8%	123	8.3%
LES FENETRES CONCEPT.		1,163		1,231		(68)	(5.5%)		1,131		32	2.8%	15.6%	16.3%	(62)	(3.8%)	17.9%	(230)	(12.8%)
P & C EDDY BOULET INC		1,041		971		70	7.2%		849		192	22.6%	23.3%	6.1%	1,721	282.1%	21.3%	199	9.3%
PRODUITS DALMEN PRODUCTS		499		873		(374)	(42.9%)		692		(193)	(27.9%)	17.6%	16.0%	160	10.0%	14.5%	318	22.0%
KENTO WINDOWS & DOORS		644		694		(50)	(7.2%)		674		(30)	(4.4%)	32.7%	30.6%	208	6.8%	31.2%	150	4.8%
GENTEK BUILDING PROD. LTD		198		646		(448)	(69.4%)		528		(330)	(62.6%)	6.2%	12.0%	(577)	(48.2%)	12.5%	(630)	(50.4%)
GOLDEN WINDOWS		621		350		271	77.5%		512		109	21.3%	(1.7%)	(3.0%)	131	(43.0%)	5.3%	(701)	(132.9%)
ENTREPRISES DOCO INC.		419		576		(157)	(27.2%)		503		(84)	(16.6%)	22.6%	21.9%	76	3.5%	(3.2%)	2,582	(811.8%)
FUTURA MANUFACTURIER		393		475		(82)	(17.4%)		453		(60)	(13.3%)	7.1%	20.9%	(1,374)	(65.8%)	23.2%	(1,604)	(69.2%)
G.R. THÉRIAULT		412		449		(37)	(8.3%)		433		(21)	(4.9%)	23.7%	34.2%	(1,043)	(30.5%)	9.7%	1,405	144.8%
PORTES ET FENETRES LGC		446		384		62	16.1%		435		11	2.5%	39.7%	55.0%	(1,525)	(27.7%)	22.8%	1,696	74.5%
LAS ENTERPRISES		360		420		(60)	(14.2%)		423		(63)	(14.8%)	49.5%	51.3%	(175)	(3.4%)	37.6%	1,195	31.8%
Other		8,078		7,803		275	3.5%		9,166		(1,088)	(11.9%)	60.9%	63.2%	(224)	(3.5%)	2.4%	5,854	2450.3%
Total Gross	\$	34,485	\$	35,684	\$	(1,199)	(3.4%)	\$	37,211	\$	(2,726)	(7.3%)	26.7%	26.5%	21	0.8%	23.9%	280	11.7%

Delmont Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	4,713	5,701	(988)	(17.3%)	20,887	24,343	(3,456)	(14.2%)
Units Shipped ('000)	5,194	5,779	(585)	(10.1%)	21,990	24,886	(2,896)	(11.6%)
Bookings (\$'000)	\$ 8,480	\$ 9,486	\$ (1,006)	(10.6%)	\$ 37,091	\$ 41,360	\$ (4,269)	(10.3%)
Backlog (\$'000)	\$ 1,244	\$ 1,812	\$ (568)	(31.4%)	\$ 1,244	\$ 1,812	\$ (568)	(31.4%)
Gross Revenue	\$ 9,312	\$ 9,898	\$ (587)	(5.9%)	\$ 39,413	\$ 43,100	\$ (3,687)	(8.6%)
Adj. to Gross Revenue	(315)	(289)	(26)	9.1%	(1,153)	(1,242)	89	(7.2%)
Net Revenue	8,996	9,609	(613)	(6.4%)	38,260	41,858	(3,598)	(8.6%)
Material	4,436	4,662	(226)	(4.8%)	18,877	20,394	(1,517)	(7.4%)
Labor	1,827	2,089	(262)	(12.6%)	7,545	8,373	(828)	(9.9%)
Other COGS	1,178	756	422	55.9%	3,819	3,394	426	12.5%
Total COGS	7,441	7,507	(66)	(0.9%)	30,242	32,161	(1,919)	(6.0%)
Gross Margin	1,555	2,103	(547)	(26.0%)	8,017	9,697	(1,679)	(17.3%)
Gross Margin %	17.3%	21.9%			21.0%	23.2%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	22	45	(23)	(51.6%)	128	181	(53)	(29.4%)
Administrative	671	677	(6)	(0.9%)	2,640	2,695	(56)	(2.1%)
Other Opex	—	—	—	N/A	—	—	—	N/A
Total Opex	693	722	(29)	(4.1%)	2,767	2,876	(109)	(3.8%)
EBITDA	862	1,381	(518)	(37.5%)	5,250	6,820	(1,570)	(23.0%)
EBITDA %	9.6%	14.4%			13.7%	16.3%		
Net Income (Loss)	\$ 370	\$ 900	\$ (530)	(58.9%)	\$ 3,341	\$ 5,006	\$ (1,664)	(33.2%)
Capex	\$ (269)	\$ (136)	\$ (133)	97.8%	\$ (996)	\$ (1,171)	\$ 175	(15.0%)
Opex Overview:								
Payroll	\$ 177	\$ 191	\$ (14)	(7.2%)	\$ 667	\$ 753	\$ (85)	(11.3%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	—	—	—	N/A	0	—	0	N/A
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	—	—	—	N/A	1	—	1	N/A
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	—	—	—	N/A	—	—	—	N/A
Professional fees	—	—	—	N/A	—	—	—	N/A
Utilities, repair, maintenance, anc	12	11	0	2.5%	39	45	(6)	(14.3%)
Corporate OH Fees	496	496	(0)	(0.0%)	1,989	1,983	6	0.3%
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	—	—	—	N/A	—	—	—	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	8	24	(16)	(65.8%)	71	96	(25)	(25.8%)
Total Opex	\$ 693	\$ 722	\$ (29)	(4.1%)	\$ 2,767	\$ 2,876	\$ (109)	(3.8%)

Management Discussion

Net Revenue – Q4-19: (\$613K)

- Sales volume down 10.1% or \$973k driven by decreased demand from PGT (\$972k), Polaris (\$310k), ComfortView (\$111k); offset by increased demand from Brunswick +\$150k, NewSouth +\$100k and Sierra Pacific +\$199k
- Unfavorable Returns \$36k driven by PGT bowling (4850/4851), Polaris 9149 (die flow), Atrium 2697 (glazing bead pocket) and GDIC (Die 6625 die flow issues)
- Unfavorable Rebates \$20k primarily driven by increased demand from Sierra Pacific and true up Polaris rebate
- Favorable mix impact of \$416k or \$0.08/lb primarily driven by product mix (Qubicaamf bowling and PGT dark cap)

EBITDA – Q4-19: (\$518K)

- Material COGS:** Decrease in costs by \$226k primarily driven by decreased sales volumes \$472k and product mix \$11k; offset by increased E&O/LCM inventory reserves \$82k (ComfortView Clay FG & Weatherstrip, Sierra Pacific, PGT), FG write-offs \$90k (PGT Bowling, Polaris Die Flow, Atrium glazing bead, PGT base corners & shine lines; Polaris out of spec & GDIC die flow issues), decreased alt material/regrind usage \$49k, RM usage dark cap \$36k.
- Labor COGS:** Decrease in cost by \$262K driven by lower headcount (7) due to reduced production volumes (17.3%).
- Other COGS:** Increase in cost by \$422k driven by unfavorable net absorption of \$544k; offset by higher tooling recovery \$44k, freight costs \$42k (lower sales volume) and utilities \$36k (lower production volumes)
- Sales and Marketing:** Decrease in costs by \$23k, primarily driven by 1 less headcount (CSR temp) \$12k and reversal of Made in USA \$12k.
- Administrative:** Decrease in costs by \$6k, primarily driven by lower wages/benefits.

Key Customers – Gross Sales and Gross Margin %: Delmont

	Gross Sales (\$'000)														Gross Margin %																	
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%	
Customer:																																
PGT Industries Inc	\$ 4,646	\$ 5,619	\$ (973)	(17.3%)	\$ 4,309	\$ 337	7.8%	\$ 20,757	\$ 22,984	\$ (2,227)	(9.7%)	\$ 20,107	\$ 650	3.2%	15.0%	16.6%	(160)	(9.6%)	17.8%	(273)	(15.4%)	19.7%	19.2%	47	2.4%	15.1%	455	30.0%				
Polaris Technologies	1,090	1,350	(260)	(19.3%)	940	150	16.0%	5,042	5,822	(780)	(13.4%)	3,577	1,465	41.0%	10.8%	16.1%	(523)	(32.5%)	15.5%	(468)	(30.2%)	15.8%	17.7%	(188)	(10.6%)	16.3%	(50)	(3.1%)				
Comfort View Products	567	678	(111)	(16.4%)	613	(46)	(7.5%)	2,211	3,135	(924)	(29.5%)	2,920	(709)	(24.3%)	11.8%	16.1%	(425)	(26.4%)	12.2%	(41)	(3.4%)	18.4%	16.1%	224	13.9%	12.3%	605	49.0%				
Sierra Pacific Windows	774	565	209	37.0%	688	86	12.5%	2,862	2,560	302	11.8%	2,632	230	8.7%	3.6%	9.6%	(592)	(61.9%)	6.8%	(319)	(46.8%)	8.2%	9.9%	(174)	(17.5%)	6.2%	200	32.3%				
Atrium Windows & Doors	365	353	12	3.4%	411	(46)	(11.2%)	1,432	1,580	(148)	(9.4%)	1,581	(149)	(9.4%)	34.7%	45.3%	(1,064)	(23.5%)	35.8%	(108)	(3.0%)	37.8%	47.4%	(954)	(20.1%)	35.7%	211	5.9%				
Regency Plus, Inc.	508	477	31	6.5%	385	123	31.9%	1,940	2,060	(120)	(5.8%)	1,662	278	16.7%	20.3%	16.4%	390	23.9%	19.5%	77	4.0%	20.7%	17.9%	278	15.5%	14.5%	621	43.0%				
Brunswick Bowling And Billiards	392	242	150	62.0%	233	159	68.2%	1,793	1,729	64	3.7%	1,751	42	2.4%	39.1%	78.1%	(3,904)	(50.0%)	39.9%	(86)	(2.2%)	40.7%	48.9%	(823)	(16.8%)	41.0%	(34)	(0.8%)				
Qubicaamf Worlwide LCC	228	177	51	28.8%	153	75	49.0%	1,009	892	117	13.1%	864	145	16.8%	40.2%	59.9%	(1,970)	(32.9%)	35.9%	424	11.8%	44.6%	55.0%	(1,039)	(18.9%)	44.8%	(14)	(0.3%)				
NewSouth Window Solutions, LLC	225	125	100	80.0%	219	6	2.7%	571	682	(111)	(16.3%)	769	(198)	(25.7%)	37.1%	47.2%	(1,011)	(21.4%)	42.5%	(538)	(12.7%)	37.8%	39.6%	(180)	(4.5%)	34.0%	379	11.1%				
Great Day Improvement, LLC	133	110	23	20.9%	120	13	10.8%	415	463	(48)	(10.4%)	482	(67)	(13.9%)	29.0%	35.5%	(642)	(18.1%)	32.5%	(347)	(10.7%)	34.5%	40.1%	(553)	(13.8%)	30.2%	433	14.3%				
Yoders Window & Siding	91	42	49	116.7%	1	90	9000.0%	304	300	4	1.3%	259	45	17.4%	27.5%	69.0%	(4,157)	(60.2%)	0.0%	2,748	N/A	30.2%	43.5%	(1,337)	(30.7%)	35.6%	(541)	(15.2%)				
Fairway Building Products	–	18	(18)	(100.0%)	–	-	N/A	60	139	(79)	(56.8%)	121	(61)	(50.4%)	#DIV/0!	44.4%	–	#VALUE!	#DIV/0!	NA	#DIV/0!	11.7%	26.9%	(1,520)	(56.4%)	19.8%	(811)	(40.9%)				
Graber Manufacturing Llc	–	–	-	N/A	–	-	N/A	–	92	(92)	(100.0%)	92	(92)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	42.9%	–	#VALUE!	42.4%	NA	#VALUE!				
Columbia Industries, Inc.	69	–	69	N/A	5	64	1280.0%	122	58	64	110.3%	63	59	93.7%	14.8%	#DIV/0!	–	#DIV/0!	20.0%	(522)	(26.1%)	6.9%	17.2%	(1,033)	(59.9%)	19.0%	(1,210)	(63.6%)				
Jeld-Wen Windows & Doors	10	2	8	400.0%	4	6	150.0%	32	27	5	18.5%	36	(4)	(11.1%)	13.1%	100.0%	(8,692)	(86.9%)	0.0%	1,308	N/A	18.6%	26.9%	(836)	(31.1%)	11.8%	679	57.8%				
Constant Distribution LLC	–	–	-	N/A	–	-	N/A	7	–	7	N/A	7	-	0.0%	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	(12.3%)	#DIV/0!	–	#DIV/0!	(50.0%)	3,774	(75.5%)				
CGI	23	15	8	53.3%	5	18	360.0%	97	48	49	102.1%	11	86	781.8%	2.0%	0.0%	198	N/A	0.0%	198	N/A	6.4%	0.0%	643	N/A	0.0%	643	N/A				
East Central Indiana Vinyl MFG, LLI	14	–	14	N/A	16	(2)	(12.5%)	37	22	15	68.2%	43	(6)	(14.0%)	46.6%	#DIV/0!	–	#DIV/0!	43.8%	284	6.5%	30.2%	45.5%	(1,524)	(33.5%)	35.7%	(550)	(15.4%)				
Lakeland Polymers, LLC	9	–	9	N/A	21	(12)	(57.1%)	27	9	18	200.0%	53	(26)	(49.1%)	(118.0%)	#DIV/0!	–	#DIV/0!	(4.8%)	(11,320)	2377.3%	(102.8%)	(316.7%)	21,385	(67.5%)	(45.9%)	(5,693)	124.1%				
JP Industrial Products Inc	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
Other	168	125	42	33.6%	121	47	38.8%	695	498	197	39.5%	1,108	(413)	(37.3%)	8.7%	89.7%	(8,104)	(90.3%)	5.7%	302	53.3%	14.1%	81.3%	(6,715)	(82.6%)	7.1%	707	100.0%				
Total Gross	\$ 9,312	\$ 9,898	\$ (587)	(5.9%)	\$ 8,244	\$ 1,068	13.0%	\$ 39,413	\$ 43,100	\$ (3,687)	(8.6%)	\$ 38,138	\$ 1,275	3.3%	16.7%	21.2%	(454)	(21.4%)	18.8%	(208)	(11.1%)	20.8%	22.7%	(183)	(8.1%)	17.7%	318	18.0%				

Management Discussion

- PGT continues to under perform.
- Pickup from Sierra, Atrium and NSW.
- Comfort view slower sales in Q4 2019 possibly timing
- Qubicaamf and Brunswick continue being positive from momentum gained in Q3.

Key Performance Indicators - Delmont

ENERGI Delmont Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Health & Safety														
Recordable Incidents	0	0	0	2	1	0	0	0	0	0	0	1	1	5
TRIR (Total Recordable Incident Rate)	<1	2.87	2.87	2.87	4.25	4.25	4.25	4.25	3.59	2.89	2.89	3.69	3.69	4.25
Quality Performance														
Customer Complaints - per MLBS	3.2	2.8	3.2	3.7	2.9	3.0	3.4	3.6	4.8	2.8	2.5	3.1	2.7	3
Return as % of sales	0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.37%	1.08%	0.79%	0.17%	1.01%	0.12%
Delivery Performance														
% on time in full	95.00%	99.71%	99.80%	99.73%	99.58%	99.55%	99.64%	99.67%	99.51%	99.55%	99.69%	99.59%	99.93%	99.66%
% by line items	99.00%	99.50%	99.38%	99.39%	99.25%	99.05%	99.40%	99.27%	99.05%	99.15%	99.42%	99.05%	99.75%	99.31%
Costs														
Yield	85.7%	81.36%	82.71%	83%	83%	83%	82%	82%	83.65%	83%	86%	84%	83%	83%
Alt/Regrind Compound Consumption Ratio	17.1%	25.4%	19.8%	19.5%	23%	18%	21%	19%	28.0%	24%	24%	21%	23%	22%
Direct Labour \$/lb produced	\$0.167	\$0.178	\$0.174	\$ 0.165	\$ 0.181	\$ 0.178	\$ 0.180	\$ 0.183	\$ 0.186	\$ 0.187	\$ 0.158	\$ 0.183	\$ 0.259	\$ 0.182
Indirect Labour (incl D&D) \$/lb produced	\$0.176	\$0.151	\$0.177	\$ 0.163	\$ 0.181	\$ 0.187	\$ 0.171	\$ 0.166	\$ 0.171	\$ 0.177	\$ 0.162	\$ 0.182	\$ 0.284	\$ 0.177
Inventory														
Days - TTM (Trailing 12 Months)	58.7	62.0	62.1	65	67	67	70	71	73.0	73	74	73	71	66

Comments:

Safety: Worker attempted to catch heavy baseplate from falling and tore his bicep due to the weight (Lost Time).

Quality: 3 CC December - 2 PGT , 1 Polaris

Costs: Yield: End of year push for orders created shorter runs.

Labour: Lower pounds produced.

Inventory: Higher FG from planned inventory builds YTD 2019.

Full Year Delmont P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	20,887	24,343	(3,456)	(14.2%)	20,561	326	1.6%
Units Shipped ('000)	21,990	24,886	(2,896)	(11.6%)	21,921	69	0.3%
Bookings (\$'000)	\$ 37,091	\$ 41,360	\$ (4,269)	(10.3%)	\$ 35,856	\$ 1,235	3.4%
Backlog ('\$000)	\$ 1,244	\$ 1,812	\$ (568)	(31.4%)	\$ 1,483	\$ (239)	(16.1%)
Gross Revenue	\$ 39,413	\$ 43,100	\$ (3,687)	(8.6%)	\$ 38,138	\$ 1,275	3.3%
Adj. to Gross Revenue	(1,153)	(1,242)	89	(7.2%)	(1,103)	(50)	4.6%
Net Revenue	38,260	41,858	(3,598)	(8.6%)	37,036	1,224	3.3%
Material	18,877	20,394	(1,517)	(7.4%)	18,975	(97)	(0.5%)
Labor	7,545	8,373	(828)	(9.9%)	7,668	(123)	(1.6%)
Other COGS	3,819	3,394	426	12.5%	3,615	205	5.7%
Total COGS	30,242	32,161	(1,919)	(6.0%)	30,257	(15)	(0.1%)
Gross Margin	8,017	9,697	(1,679)	(17.3%)	6,778	1,239	18.3%
Gross Margin %	21.0%	23.2%			18.3%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	128	181	(53)	(29.4%)	121	6	5.1%
Administrative	2,640	2,695	(56)	(2.1%)	2,623	16	0.6%
Other Opex	—	—	—	N/A	—	—	N/A
Total Opex	2,767	2,876	(109)	(3.8%)	2,745	23	0.8%
EBITDA	5,250	6,820	(1,570)	(23.0%)	4,034	1,217	30.2%
EBITDA %	13.7%	16.3%			10.9%		
Net Income (Loss)	\$ 3,341	\$ 5,006	\$ (1,664)	(33.2%)	\$ 2,400	\$ 941	39.2%
Capex	\$ (996)	\$ (1,171)	\$ 175	(15.0%)	\$ (1,425)	\$ 429	(30.1%)
Opex Overview:							
Payroll	\$ 667	\$ 753	\$ (85)	(11.3%)	\$ 639	\$ 29	4.5%
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	0	—	0	N/A	—	0	N/A
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	1	—	1	N/A	2	(1)	(66.6%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	—	—	—	N/A	—	—	N/A
Professional fees	—	—	—	N/A	—	—	N/A
Utilities, repair, maintenance, and security	39	45	(6)	(14.3%)	43	(4)	(9.6%)
Corporate OH Fees	1,989	1,983	6	0.3%	1,985	4	0.2%
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	—	—	—	N/A	—	—	N/A
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	71	96	(25)	(25.8%)	76	(5)	(6.5%)
Total Opex	\$ 2,767	\$ 2,876	\$ (109)	(3.8%)	\$ 2,747	\$ 20	0.7%

Key Customers – Full Year Delmont

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Fcst	\$	%			Fcst	Bud	BPs	%	Fcst	BPs	%			
Customer:																			
PGT Industries Inc	\$	20,757	\$	22,984	\$	(2,227)	(9.7%)	\$	20,107	\$	650	3.2%	19.7%	19.2%	47	2.4%	15.4%	427	27.7%
Polaris Technologies		5,042		5,822		(780)	(13.4%)		3,577		1,465	41.0%	15.8%	17.7%	(188)	(10.6%)	16.2%	(40)	(2.5%)
Comfort View Products		2,211		3,135		(924)	(29.5%)		2,920		(709)	(24.3%)	18.4%	16.1%	224	13.9%	12.3%	606	49.2%
Sierra Pacific Windows		2,862		2,560		302	11.8%		2,632		230	8.7%	8.2%	9.9%	(174)	(17.5%)	6.3%	192	30.6%
Atrium Windows & Doors		1,432		1,580		(148)	(9.4%)		1,581		(149)	(9.4%)	37.8%	47.4%	(954)	(20.1%)	35.7%	210	5.9%
Regency Plus, Inc.		1,940		2,060		(120)	(5.8%)		1,662		278	16.7%	20.7%	17.9%	278	15.5%	15.0%	563	37.4%
Brunswick Bowling And Billiards		1,793		1,729		64	3.7%		1,751		42	2.4%	40.7%	48.9%	(823)	(16.8%)	40.9%	(27)	(0.7%)
Qubicaamf Worlwide LCC		1,009		892		117	13.1%		864		145	16.8%	44.6%	55.0%	(1,039)	(18.9%)	44.0%	64	1.4%
NewSouth Window Solutions, LLC		571		682		(111)	(16.3%)		769		(198)	(25.7%)	37.8%	39.6%	(180)	(4.5%)	35.2%	259	7.3%
Great Day Improvement, LLC		415		463		(48)	(10.4%)		482		(67)	(13.9%)	34.5%	40.1%	(553)	(13.8%)	30.5%	405	13.3%
Yoders Window & Siding		304		300		4	1.3%		259		45	17.4%	30.2%	43.5%	(1,337)	(30.7%)	35.5%	(534)	(15.0%)
Fairway Building Products		60		139		(79)	(56.8%)		121		(61)	(50.4%)	11.7%	26.9%	(1,520)	(56.4%)	19.8%	(811)	(40.9%)
Graber Manufacturing Llc		–		92		(92)	(100.0%)		92		(92)	(100.0%)	#DIV/0!	42.9%	–	#VALUE!	42.4%	NA	#VALUE!
Columbia Industries, Inc.		122		58		64	110.3%		63		59	93.7%	6.9%	17.2%	(1,033)	(59.9%)	19.0%	(1,214)	(63.7%)
Jeld-Wen Windows & Doors		32		27		5	18.5%		36		(4)	(11.1%)	18.6%	26.9%	(836)	(31.1%)	11.1%	745	67.0%
Constant Distribution LLC		7		–		7	N/A		7		-	0.0%	(12.3%)	#DIV/0!	–	#DIV/0!	(57.1%)	4,489	(78.6%)
CGI		97		48		49	102.1%		11		86	781.8%	6.4%	0.0%	643	N/A	0.0%	643	N/A
East Central Indiana Vinyl MFG, LL		37		22		15	68.2%		43		(6)	(14.0%)	30.2%	45.5%	(1,524)	(33.5%)	37.2%	(699)	(18.8%)
Lakeland Polymers, LLC		27		9		18	200.0%		53		(26)	(49.1%)	(102.8%)	(316.7%)	21,385	(67.5%)	(37.7%)	(6,508)	172.5%
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		695		498		197	39.5%		1,108		(413)	(37.3%)	14.1%	81.3%	(6,715)	(82.6%)	7.0%	711	100.9%
Total Gross	\$	39,413	\$	43,100	\$	(3,687)	(8.6%)	\$	38,138	\$	1,275	3.3%	20.8%	22.7%	(183)	(8.1%)	17.8%	306	17.2%

Everett Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	3,534	3,603	(69)	(1.9%)	15,729	16,527	(798)	(4.8%)
Units Shipped ('000)	3,749	4,108	(359)	(8.7%)	15,371	17,263	(1,892)	(11.0%)
Bookings (\$'000)	\$ 6,130	\$ 7,041	\$ (911)	(12.9%)	\$ 24,880	\$ 29,808	\$ (4,928)	(16.5%)
Backlog ('000)	\$ 1,245	\$ 2,601	\$ (1,356)	(52.1%)	\$ 1,245	\$ 2,601	\$ (1,356)	(52.1%)
Gross Revenue	\$ 6,126	\$ 6,946	\$ (820)	(11.8%)	\$ 24,943	\$ 29,448	\$ (4,505)	(15.3%)
Adj. to Gross Revenue	(317)	(367)	50	(13.6%)	(1,100)	(1,568)	468	(29.9%)
Net Revenue	5,809	6,579	(770)	(11.7%)	23,843	27,880	(4,037)	(14.5%)
Material	3,076	3,136	(61)	(1.9%)	12,371	13,105	(734)	(5.6%)
Labor	1,502	1,560	(58)	(3.7%)	6,177	6,142	35	0.6%
Other COGS	792	1,037	(245)	(23.7%)	2,505	3,380	(874)	(25.9%)
Total COGS	5,370	5,733	(364)	(6.3%)	21,053	22,627	(1,574)	(7.0%)
Gross Margin	439	846	(406)	(48.0%)	2,790	5,253	(2,463)	(46.9%)
Gross Margin %	7.6%	12.9%			11.7%	18.8%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	54	59	(4)	(7.6%)	315	335	(20)	(6.1%)
Administrative	694	765	(71)	(9.3%)	2,977	3,119	(143)	(4.6%)
Other Opex	(1)	—	(1)	N/A	(6)	—	(6)	N/A
Total Opex	747	824	(76)	(9.3%)	3,286	3,455	(169)	(4.9%)
EBITDA	(308)	22	(330)	(1514.4%)	(496)	1,798	(2,294)	(127.6%)
EBITDA %	(5.3%)	0.3%			(2.1%)	6.5%		
Net Income (Loss)	\$ (724)	\$ (299)	\$ (425)	142.1%	\$ (1,952)	\$ 541	\$ (2,493)	(461.2%)
Capex	\$ (540)	\$ —	\$ (540)	N/A	\$ (2,170)	\$ (752)	\$ (1,417)	188.4%
Opex Overview:								
Payroll	\$ 129	\$ 207	\$ (78)	(37.7%)	\$ 686	\$ 827	\$ (142)	(17.1%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	16	20	(4)	(18.6%)	165	180	(15)	(8.1%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	1	3	(2)	(66.7%)	6	17	(11)	(65.5%)
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	36	36	(0)	(1.3%)	152	161	(8)	(5.3%)
Professional fees	—	—	—	N/A	17	—	17	N/A
Utilities, repair, maintenance, anc	1	1	0	44.8%	5	7	(2)	(24.1%)
Corporate OH Fees	532	533	(1)	(0.2%)	2,130	2,129	1	0.1%
Bad Debts	0	—	0	N/A	0	—	0	N/A
FX	(1)	—	(1)	N/A	(6)	—	(6)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	33	24	9	38.9%	130	134	(4)	(2.8%)
Total Opex	\$ 747	\$ 824	\$ (76)	(9.3%)	\$ 3,286	\$ 3,455	\$ (169)	(4.9%)

Management Discussion

Net Revenue – Q4-19: (\$770K)

- Sales volume down 8.7% or \$575k driven by decreased volume from Simonton, Westeck, KGW and Van Isle; offset by increased volume from CDA, All Weather and Western.
- Returns & accruals favorable by \$13k (improved quality process)
- Rebates favorable by \$5k
- Lower ASP by \$213k primarily driven by delay in capstock sales; and new agreements with lower ASP for Cascade (\$0.18/lb or \$73k)

EBITDA – Q4-19: (\$330K)

- **Material COGS:** Decrease in costs by \$61k driven by sales volume decrease \$274k; offset by decreased regrind/alt material usage (16.2% vs 25% - primarily lack of WHT 801 regrind) \$117k; Trials of PolyOne material \$34k, increased Inventory reserves \$28k (Glazing beads/accessories for Simonton/CDA) and FG write-down customer returns (West Coast & CDA) \$18k
- **Labor COGS:** Decrease in costs by \$58k (lower headcount & fringe benefits). Production volumes down 1.9%
- **Other COGS:** Decrease in cost by \$245k driven by favorable net absorption \$118k (plan was to pull 505k lbs from inventory, actual pull of 216k lbs), increased tool & die recovery of \$84k and steel inventory adjustment \$40k
- **Sales and Marketing:** Decrease in costs by \$4k driven by customer fabrication tooling support related to the West Coast Platform (\$32k); offset by reversal of Made in USA accruals +\$36k
- **Administrative:** Decrease in costs by \$71k primarily driven by lower labor (2 less headcount)
- **Other Opex:** In line with plan.

Key Customers – Gross Sales and Gross Margin %: Everett

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
Simonton	\$ 2,426	\$ 2,563	\$ (136)	(5.3%)	\$ 2,224	\$ 202	9.1%	\$ 9,562	\$ 10,859	\$ (1,297)	(11.9%)	\$ 10,221	\$ (659)	(6.4%)	8.3%	14.1%	(585)	(41.5%)	4.9%	340	70.0%	12.2%	19.5%	(728)	(37.3%)	9.1%	317	34.9%
Coeur d'Alene	1,100	1,071	29	2.7%	669	431	64.4%	3,684	4,000	(316)	(7.9%)	2,804	880	31.4%	(4.4%)	0.6%	(502)	(815.6%)	0.1%	(456)	(3048.0%)	0.9%	6.4%	(551)	(85.8%)	3.7%	(279)	(75.3%)
Westeck	372	485	(113)	(23.3%)	484	(112)	(23.1%)	1,643	1,972	(329)	(16.7%)	1,791	(148)	(8.3%)	21.8%	19.7%	209	10.6%	16.1%	568	35.2%	23.9%	25.4%	(154)	(6.1%)	18.7%	524	28.1%
Cascade	456	618	(162)	(26.1%)	631	(175)	(27.7%)	2,073	1,988	85	4.3%	2,083	(10)	(0.5%)	(39.0%)	(8.9%)	(3,015)	339.7%	(10.0%)	(2,904)	290.9%	(27.1%)	(3.4%)	(2,373)	706.5%	(10.8%)	(1,631)	151.4%
All Weather	381	213	169	79.2%	339	42	12.5%	1,455	1,117	338	30.3%	1,309	146	11.2%	(13.0%)	(5.7%)	(736)	129.6%	(9.7%)	(330)	33.9%	(4.4%)	0.2%	(459)	(2169.2%)	(2.2%)	(222)	103.5%
KGW	174	278	(104)	(37.3%)	232	(58)	(24.8%)	955	1,155	(201)	(17.4%)	1,081	(126)	(11.7%)	28.0%	7.6%	2,040	267.5%	25.0%	303	12.1%	32.3%	12.8%	1,951	152.9%	29.8%	243	8.1%
Lindsay	226	324	(97)	(30.0%)	246	(20)	(8.0%)	907	1,278	(371)	(29.0%)	1,145	(238)	(20.8%)	13.9%	7.7%	619	80.7%	3.7%	1,020	278.8%	13.2%	14.3%	(117)	(8.2%)	9.1%	410	45.3%
Solar	–	75	(75)	(100.0%)	260	(260)	(100.0%)	453	300	153	50.9%	1,651	(1,198)	(72.6%)	#DIV/0!	5.3%	–	#VALUE!	10.4%	NA	#VALUE!	13.3%	11.9%	144	12.1%	7.3%	596	81.3%
ATI	–	95	(95)	(100.0%)	3	(3)	(100.0%)	17	387	(370)	(95.6%)	345	(328)	(95.1%)	#DIV/0!	4.2%	–	#VALUE!	(133.3%)	NA	#VALUE!	(315.8%)	11.1%	(32,687)	(2945.6%)	14.0%	(32,975)	(2359.8%)
Win-Dor	–	56	(56)	(100.0%)	76	(76)	(100.0%)	9	771	(762)	(98.8%)	626	(617)	(98.6%)	#DIV/0!	12.5%	–	#VALUE!	9.2%	NA	#VALUE!	134.5%	19.8%	11,471	579.2%	18.6%	11,589	622.3%
Northerm - Yukon	130	133	(2)	(1.5%)	214	(84)	(39.0%)	657	694	(37)	(5.4%)	789	(132)	(16.7%)	29.3%	39.9%	(1,061)	(26.6%)	35.0%	(573)	(16.4%)	41.4%	43.0%	(158)	(3.7%)	40.1%	128	3.2%
Van Isle	–	134	(134)	(100.0%)	114	(114)	(100.0%)	315	694	(380)	(54.7%)	697	(382)	N/A	#DIV/0!	17.0%	–	#VALUE!	69.3%	NA	#VALUE!	12.2%	23.3%	(1,118)	(47.9%)	72.4%	(6,025)	(83.2%)
Whisper Walls	179	154	25	16.3%	149	30	19.9%	677	604	73	12.2%	681	(4)	(0.6%)	46.3%	40.4%	598	14.8%	38.3%	809	21.1%	49.2%	45.8%	342	7.5%	46.9%	228	4.9%
West Coast Designed	100	84	16	19.0%	110	(10)	(9.2%)	379	439	(61)	(13.8%)	429	(50)	(11.7%)	32.7%	37.5%	(480)	(12.8%)	37.3%	(454)	(12.2%)	42.6%	43.1%	(47)	(1.1%)	36.0%	666	18.5%
Hometime	5	64	(59)	(92.4%)	91	(86)	(94.7%)	169	402	(233)	(58.1%)	327	(158)	(48.5%)	(1.3%)	31.8%	(3,302)	(104.0%)	23.1%	(2,434)	(105.5%)	27.5%	35.2%	(766)	(21.8%)	29.3%	(178)	(6.1%)
Western	215	167	48	28.9%	18	197	1096.0%	511	671	(160)	(23.9%)	238	273	114.5%	35.9%	36.8%	(89)	(2.4%)	16.7%	1,920	115.2%	32.2%	43.0%	(1,074)	(25.0%)	22.5%	975	43.3%
Coastal	145	95	50	52.9%	92	53	57.6%	316	366	(51)	(13.8%)	321	(5)	(1.7%)	46.3%	21.5%	2,474	115.0%	33.7%	1,256	37.3%	43.5%	30.2%	1,331	44.2%	39.1%	438	11.2%
Modern	86	91	(5)	(5.5%)	106	(20)	(18.6%)	256	374	(118)	(31.7%)	351	(95)	(27.2%)	24.1%	34.7%	(1,056)	(30.5%)	17.9%	619	34.5%	21.0%	36.4%	(1,539)	(42.3%)	18.3%	271	14.8%
Avanti	–	66	(66)	(100.0%)	32	(32)	(100.0%)	98	298	(200)	(67.3%)	249	(151)	(60.8%)	#DIV/0!	37.0%	–	#VALUE!	43.8%	NA	#VALUE!	34.2%	40.5%	(630)	(15.6%)	35.2%	(100)	(2.9%)
Oasis	20	46	(26)	(56.4%)	41	(21)	(50.9%)	116	193	(77)	(39.9%)	188	(72)	(38.3%)	34.5%	14.6%	1,995	137.0%	12.2%	2,232	183.1%	23.7%	17.5%	627	35.9%	9.3%	1,448	156.5%
Other	109	136	(27)	(19.7%)	118	(9)	(7.2%)	693	885	(191)	(21.6%)	764	(71)	(9.3%)	26.0%	39.5%	(1,345)	(34.1%)	22.1%	397	18.0%	35.5%	34.6%	90	2.6%	35.4%	11	0.3%
Total Gross	\$ 6,126	\$ 6,946	\$ (820)	(11.8%)	\$ 6,249	\$ (122)	(2.0%)	\$ 24,943	\$ 29,448	\$ (4,505)	(15.3%)	\$ 28,090	\$ (3,147)	(11.2%)	7.2%	12.2%	(500)	(41.1%)	8.9%	(177)	(19.8%)	11.7%	18.6%	(685)	(36.8%)	13.6%	(182)	(13.4%)

Management Discussion

- Improvement in Simonton however, slightly behind budget.
- Positive quarter for CDA and All Weather.
- Western now part of PGT
- KGW, Lindsay, All-Weather and Cascade had softer sales for the quarter
- Win-dor and Van Isle – Lost business to competitor at the start of the year

Key Performance Indicators - Everett

ENERGI Everett Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Health & Safety														
<i>Recordable Incidents</i>	1	0	0	0	1	1	0	0	0	0	1	0	0	3
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	0	1	2.12	1.8	2.14	2.14	2.24	3.23	3.23	3.22	2.24
Quality Performance														
<i>Customer Complaints - per MLBS</i>	8.0	1.7	2.8	4.1	2.1	2.4	3.8	2.8	4.4	2.2	4.0	3.9	3.1	3.1
<i>Return as % of sales</i>	0.30%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	0.06%	0.28%	0.30%	0.87%	0.73%	0.04%	0.37%
Delivery Performance														
<i>% on time in full</i>	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.75%	100.00%	100.00%	100%	100.00%	100.00%	99.98%
<i>% by line items</i>	99.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.10%	100.00%	100.00%	100%	100.00%	100.00%	99.93%
Costs														
<i>Yield</i>	85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.7%	83.8%	89.8%	90.2%	90%	89%	88%	89.6%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	32.0%	18.4%	21.4%	18.3%	17.3%	16.4%	19.8%	19.6%	18%	17%	12%	20%	19.3%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.182	\$ 0.189	\$ 0.170	\$ 0.166	\$ 0.209	\$ 0.184	\$ 0.223	\$ 0.172	\$ 0.181	\$ 0.159	\$ 0.191	\$ 0.285	\$ 0.188
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$ 0.180	\$ 0.201	\$ 0.191	\$ 0.192	\$ 0.209	\$ 0.199	\$ 0.282	\$ 0.182	\$ 0.176	\$ 0.185	\$ 0.209	\$ 0.337	\$ 0.205
Inventory														
<i>Days - TTM (Trailing 12 Months)</i>	84.5	84.4	85.6	87.2	87.8	88.8	91.7	92.7	93.6	92.9	93	91.0	91.0	92.9

Comments

Cost: Labour: Shut down, holiday and vacation pay not accrued

Inventory: Sales lower vs budget.

Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	15,729	16,527	(798)	(4.8%)	18,519	(2,790)	(15.1%)
Units Shipped ('000)	15,371	17,263	(1,892)	(11.0%)	16,932	(1,561)	(9.2%)
Bookings (\$'000)	\$ 24,880	\$ 29,808	\$ (4,928)	(16.5%)	\$ 26,978	\$ (2,098)	(7.8%)
Backlog ('\$000)	\$ 1,245	\$ 2,601	\$ (1,356)	(52.1%)	\$ 1,148	\$ 97	8.4%
Gross Revenue	\$ 24,943	\$ 29,448	\$ (4,505)	(15.3%)	\$ 28,090	\$ (3,147)	(11.2%)
Adj. to Gross Revenue	(1,100)	(1,568)	468	(29.9%)	(1,483)	383	(25.8%)
Net Revenue	23,843	27,880	(4,037)	(14.5%)	26,607	(2,764)	(10.4%)
Material	12,371	13,105	(734)	(5.6%)	13,359	(988)	(7.4%)
Labor	6,177	6,142	35	0.6%	6,705	(529)	(7.9%)
Other COGS	2,505	3,380	(874)	(25.9%)	2,876	(371)	(12.9%)
Total COGS	21,053	22,627	(1,574)	(7.0%)	22,941	(1,887)	(8.2%)
Gross Margin	2,790	5,253	(2,463)	(46.9%)	3,667	(877)	(23.9%)
Gross Margin %	11.7%	18.8%			13.8%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	315	335	(20)	(6.1%)	247	68	27.4%
Administrative	2,977	3,119	(143)	(4.6%)	3,129	(152)	(4.9%)
Other Opex	(6)	—	(6)	N/A	11	(16)	(153.6%)
Total Opex	3,286	3,455	(169)	(4.9%)	3,387	(101)	(3.0%)
EBITDA	(496)	1,798	(2,294)	(127.6%)	280	(776)	(277.0%)
EBITDA %	(2.1%)	6.5%			1.1%		
Net Income (Loss)	\$ (1,952)	\$ 541	\$ (2,493)	(461.2%)	\$ (775)	\$ (1,177)	151.9%
Capex	\$ (2,170)	\$ (752)	\$ (1,417)	188.4%	\$ (1,856)	\$ (314)	16.9%
<u>Opex Overview:</u>							
Payroll	\$ 686	\$ 827	\$ (142)	(17.1%)	\$ 816	\$ (131)	(16.0%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	165	180	(15)	(8.1%)	104	61	58.6%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	6	17	(11)	(65.5%)	14	(8)	(59.1%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	152	161	(8)	(5.3%)	162	(9)	(5.8%)
Professional fees	17	—	17	N/A	—	17	N/A
Utilities, repair, maintenance, and security	5	7	(2)	(24.1%)	7	(2)	(28.0%)
Corporate OH Fees	2,130	2,129	1	0.1%	2,129	2	0.1%
Bad Debts	0	—	0	N/A	(3)	3	(105.6%)
FX	(6)	—	(6)	N/A	11	(16)	(153.6%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	130	134	(4)	(2.8%)	149	(19)	(12.6%)
Total Opex	\$ 3,286	\$ 3,455	\$ (169)	(4.9%)	\$ 3,390	\$ (104)	(3.1%)

Key Customers – Full Year Everett

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
Simonton	\$	9,562	\$	10,859	\$	(1,297)	(11.9%)	\$	10,221	\$	(659)	(6.4%)	12.2%	19.5%	(728)	(37.3%)	8.6%	363	42.1%
Coeur d'Alene		3,684		4,000		(316)	(7.9%)		2,804		880	31.4%	0.9%	6.4%	(551)	(85.8%)	3.3%	(237)	(72.1%)
Westeck		1,643		1,972		(329)	(16.7%)		1,791		(148)	(8.3%)	23.9%	25.4%	(154)	(6.1%)	18.3%	559	30.5%
Cascade		2,073		1,988		85	4.3%		2,083		(10)	(0.5%)	(27.1%)	(3.4%)	(2,373)	706.5%	(10.7%)	(1,643)	154.2%
All Weather		1,455		1,117		338	30.3%		1,309		146	11.2%	(4.4%)	0.2%	(459)	(2169.2%)	(3.1%)	(124)	39.7%
KGW		955		1,155		(201)	(17.4%)		1,081		(126)	(11.7%)	32.3%	12.8%	1,951	152.9%	29.3%	295	10.1%
Lindsay		907		1,278		(371)	(29.0%)		1,145		(238)	(20.8%)	13.2%	14.3%	(117)	(8.2%)	8.5%	468	55.2%
Solar		453		300		153	50.9%		1,651		(1,198)	(72.6%)	13.3%	11.9%	144	12.1%	7.6%	572	75.5%
ATI		17		387		(370)	(95.6%)		345		(328)	(95.1%)	(315.8%)	11.1%	(32,687)	(2945.6%)	13.3%	(32,911)	(2468.3%)
Win-Dor		9		771		(762)	(98.8%)		626		(617)	(98.6%)	134.5%	19.8%	11,471	579.2%	18.1%	11,647	645.2%
Northerm - Yukon		657		694		(37)	(5.4%)		789		(132)	(16.7%)	41.4%	43.0%	(158)	(3.7%)	39.4%	197	5.0%
Van Isle		315		694		(380)	(54.7%)		697		(382)	(54.8%)	12.2%	23.3%	(1,118)	(47.9%)	72.2%	(6,000)	(83.1%)
Whisper Walls		677		604		73	12.2%		681		(4)	(0.6%)	49.2%	45.8%	342	7.5%	46.0%	322	7.0%
West Coast Designed		379		439		(61)	(13.8%)		429		(50)	(11.7%)	42.6%	43.1%	(47)	(1.1%)	36.1%	649	18.0%
Hometime		169		402		(233)	(58.1%)		327		(158)	(48.5%)	27.5%	35.2%	(766)	(21.8%)	28.4%	(91)	(3.2%)
Western		511		671		(160)	(23.9%)		238		273	114.5%	32.2%	43.0%	(1,074)	(25.0%)	22.3%	997	44.8%
Coastal		316		366		(51)	(13.8%)		321		(5)	(1.7%)	43.5%	30.2%	1,331	44.2%	38.3%	515	13.4%
Modern		256		374		(118)	(31.7%)		351		(95)	(27.2%)	21.0%	36.4%	(1,539)	(42.3%)	18.2%	276	15.2%
Avanti		98		298		(200)	(67.3%)		249		(151)	(60.8%)	34.2%	40.5%	(630)	(15.6%)	35.7%	(155)	(4.3%)
Oasis		116		193		(77)	(39.9%)		188		(72)	(38.3%)	23.7%	17.5%	627	35.9%	9.6%	1,416	147.9%
Other		693		885		(191)	(21.6%)		764		(71)	(9.3%)	35.5%	34.6%	90	2.6%	41.5%	(600)	(14.5%)
Total Gross	\$	24,943	\$	29,448	\$	(4,505)	(15.3%)	\$	28,090	\$	(3,147)	(11.2%)	11.7%	18.6%	(685)	(36.8%)	13.1%	(131)	(10.0%)

Terrebonne Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ 4,579	\$ 5,752	\$ (1,173)	(20.4%)	\$ 20,510	\$ 21,343	\$ (833)	(3.9%)
Backlog ('\$000)	\$ 1,050	\$ 3,301	\$ (2,250)	(68.2%)	\$ 1,050	\$ 3,301	\$ (2,250)	(68.2%)
Gross Revenue	\$ 5,608	\$ 5,933	\$ (325)	(5.5%)	\$ 20,539	\$ 22,008	\$ (1,469)	(6.7%)
Adj. to Gross Revenue	(311)	(279)	(32)	11.6%	(991)	(1,032)	41	(4.0%)
Net Revenue	5,297	5,655	(357)	(6.3%)	19,549	20,976	(1,428)	(6.8%)
Material	3,405	3,336	68	2.0%	12,383	12,328	55	0.4%
Labor	1,113	1,104	9	0.8%	4,136	4,402	(266)	(6.0%)
Other COGS	693	582	111	19.1%	2,091	2,329	(238)	(10.2%)
Total COGS	5,211	5,023	188	3.7%	18,610	19,059	(450)	(2.4%)
Gross Margin	87	632	(545)	(86.3%)	939	1,917	(978)	(51.0%)
Gross Margin %	1.6%	11.2%			4.8%	9.1%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	103	113	(9)	(8.2%)	417	424	(7)	(1.6%)
Administrative	608	605	4	0.6%	2,308	2,370	(62)	(2.6%)
Other Opex	18	–	18	N/A	34	–	34	N/A
Total Opex	729	717	12	1.7%	2,759	2,794	(35)	(1.3%)
EBITDA	(642)	(85)	(557)	652.5%	(1,820)	(877)	(943)	107.4%
EBITDA %	(12.1%)	(1.5%)			(9.3%)	(4.2%)		
Net Income (Loss)	\$ (669)	\$ (124)	\$ (545)	439.7%	\$ (1,910)	\$ (1,027)	\$ (883)	86.0%
Capex	\$ (21)	\$ –	\$ (21)	N/A	\$ (141)	\$ (287)	\$ 146	(50.8%)
Opex Overview:								
Payroll	\$ 249	\$ 275	\$ (25)	(9.2%)	\$ 998	\$ 1,058	\$ (60)	(5.7%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	26	26	1	3.0%	59	87	(28)	(32.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	3	4	(1)	(14.7%)	10	15	(4)	(30.2%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	33	8	24	291.7%	65	31	34	109.8%
Utilities, repair, maintenance, anc	13	21	(8)	(38.5%)	54	79	(24)	(31.0%)
Corporate OH Fees	375	371	4	1.0%	1,463	1,478	(15)	(1.0%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	18	–	18	N/A	34	–	34	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	11	12	(1)	(6.9%)	75	46	29	63.1%
Total Opex	\$ 729	\$ 717	\$ 12	1.7%	\$ 2,759	\$ 2,794	\$ (35)	(1.3%)

Management Discussion

Net Revenue – Q4-19: (\$357)K

- Sales volume decreased \$444k due to decreased demand from Vaillancourt, AMI and Ventana; offset by increased demand from Abritek and ATIS
- Unfavorable rebates/returns of \$48k primarily driven by new rebate program for all ATIS customers.
- Favorable ASP of \$203k due to customer/product mix
- Unfavorable F/X of \$69k (actual rate of 1.32 [or \$USD 0.7576] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q4-19: (\$557K)

- Material COGS:** Increase in costs by \$68K primarily driven by customer/product mix \$120k, increased supplier price increases for glass, steel and aluminum \$114k and increased inventory reserves \$33k (Ostaco discontinued laminate stainable oak); offset by sales volume decrease \$198k
- Labor COGS:** Increase in costs by \$9k due to inefficiencies with employees not producing at full capacity \$67k; offset by WSIB refund \$16k and lower IDL headcount \$42k
- Other COGS:** Increase in cost by \$111k driven by unfavorable net absorption \$159k and Solaris Warranty Claim \$22k; offset by decreased freight \$44k, lower maintenance & factory expenses \$21k & lower utilities \$4k
- Sales and Marketing:** Decrease in cost by \$9k driven by decreased CSR headcount.
- Administrative:** In line with plan.
- Other Opex:** Increase in cost by \$18k driven by unfavorable F/X revaluation of working capital balances.

Key Customers – Gross Sales and Gross Margin %: Terrebonne

	Gross Sales (\$'000)														Gross Margin %																							
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var											
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%										
Customer:																																						
A.M.I.	\$	873	\$	1,023	\$	(150)	(14.7%)	\$	797	\$	76	9.5%	\$	3,627	\$	3,800	\$	(173)	(4.5%)	\$	3,511	\$	116	3.3%	6.7%	0.0%	667	N/A	0.0%	667	N/A	8.1%	0.0%	815	N/A	0.0%	815	N/A
GOLDEN WINDOWS		504		557		(53)	(9.6%)		505		(1)	(0.3%)		2,132		2,067		65	3.2%		2,290		(158)	(6.9%)	(31.9%)	0.0%	(3,194)	N/A	0.0%	(3,194)	N/A	(23.7%)	0.0%	(2,368)	N/A	0.0%	(2,368)	N/A
OSTACO 2000 WINDOORS INC		446		515		(69)	(13.3%)		458		(12)	(2.5%)		1,768		1,909		(141)	(7.4%)		1,906		(138)	(7.2%)	0.9%	0.0%	93	N/A	0.0%	93	N/A	5.9%	0.0%	588	N/A	0.0%	588	N/A
PORTES & FENETRES ABRITEK		583		259		324	125.1%		305		278	91.2%		1,546		962		584	60.7%		1,147		399	34.7%	(14.9%)	0.0%	(1,490)	N/A	0.0%	(1,490)	N/A	(14.8%)	0.0%	(1,484)	N/A	0.0%	(1,484)	N/A
DASHWOOD INDUSTRIES INC		261		235		26	11.0%		191		70	36.5%		996		873		123	14.1%		922		74	8.0%	7.2%	0.0%	724	N/A	0.0%	724	N/A	13.0%	0.0%	1,300	N/A	0.0%	1,300	N/A
P & F ISOTHERMIC INC		310		150		160	106.6%		283		27	9.5%		942		558		384	68.9%		815		127	15.6%	(21.1%)	0.0%	(2,106)	N/A	0.0%	(2,106)	N/A	(9.2%)	0.0%	(916)	N/A	0.0%	(916)	N/A
VAILLANCOURT INC.		268		623		(355)	(57.0%)		125		143	114.1%		937		2,309		(1,372)	(59.4%)		800		137	17.1%	(4.6%)	0.0%	(461)	N/A	0.0%	(461)	N/A	(6.0%)	0.0%	(602)	N/A	0.0%	(602)	N/A
CANADIAN VINYLTEK WINDOWS C		103		97		6	5.8%		118		(15)	(13.1%)		387		360		27	7.4%		555		(168)	(30.3%)	43.8%	0.0%	4,377	N/A	0.0%	4,377	N/A	43.8%	0.0%	4,378	N/A	0.0%	4,378	N/A
FENERGIC INC		49		136		(87)	(64.1%)		165		(116)	(70.4%)		152		502		(350)	(69.7%)		532		(380)	(71.4%)	10.9%	0.0%	1,087	N/A	0.0%	1,087	N/A	12.6%	0.0%	1,264	N/A	0.0%	1,264	N/A
EXTREME WINDOW AND		101		151		(50)	(33.0%)		96		5	5.3%		462		561		(99)	(17.7%)		511		(49)	(9.6%)	(9.5%)	0.0%	(948)	N/A	0.0%	(948)	N/A	8.0%	0.0%	800	N/A	0.0%	800	N/A
VENTANA WINDOWS & DOORS INC		–		132		(132)	(100.0%)		103		(103)	(100.0%)		68		490		(422)	(86.1%)		484		(416)	(85.9%)	#DIV/0!	0.0%	–	N/A	0.0%	NA	N/A	(6.2%)	0.0%	(619)	N/A	0.0%	(619)	N/A
Fenêtres Concept		154		109		45	40.9%		119		35	29.1%		487		405		82	20.3%		437		50	11.5%	(9.1%)	0.0%	(911)	N/A	0.0%	(911)	N/A	(7.5%)	0.0%	(749)	N/A	0.0%	(749)	N/A
MASON WINDOWS LTD		107		84		23	27.4%		85		22	25.9%		344		310		34	10.9%		328		16	4.8%	(22.5%)	0.0%	(2,252)	N/A	0.0%	(2,252)	N/A	(19.1%)	0.0%	(1,913)	N/A	0.0%	(1,913)	N/A
CEN		65		81		(16)	(19.4%)		80		(15)	(18.4%)		381		303		78	25.9%		292		89	30.6%	(0.5%)	0.0%	(47)	N/A	0.0%	(47)	N/A	6.7%	0.0%	666	N/A	0.0%	666	N/A
TRI-STATE WINDOW FACTORY		101		33		68	206.0%		81		20	24.7%		411		165		246	149.0%		356		55	15.4%	17.8%	0.0%	1,782	N/A	0.0%	1,782	N/A	22.9%	0.0%	2,286	N/A	0.0%	2,286	N/A
FMC		96		78		18	23.2%		58		38	65.7%		369		249		120	48.2%		259		110	42.5%	(3.5%)	0.0%	(345)	N/A	0.0%	(345)	N/A	(0.4%)	0.0%	(44)	N/A	0.0%	(44)	N/A
ATLANTIC WINDOWS		33		78		(45)	(57.1%)		68		(35)	(50.7%)		246		290		(44)	(15.3%)		274		(28)	(10.4%)	(16.3%)	0.0%	(1,629)	N/A	0.0%	(1,629)	N/A	17.7%	0.0%	1,771	N/A	0.0%	1,771	N/A
YKK AP VINYL		88		92		(4)	(3.8%)		63		25	40.5%		371		329		42	12.9%		225		146	65.0%	23.4%	0.0%	2,340	N/A	0.0%	2,340	N/A	37.1%	0.0%	3,709	N/A	0.0%	3,709	N/A
LORENDO INC.		58		43		15	34.8%		56		2	3.5%		207		205		2	0.8%		226		(19)	(8.6%)	(12.0%)	0.0%	(1,195)	N/A	0.0%	(1,195)	N/A	(5.4%)	0.0%	(539)	N/A	0.0%	(539)	N/A
MAR		47		29		18	62.0%		60		(13)	(21.7%)		242		122		120	98.7%		250		(8)	(3.0%)	(26.9%)	0.0%	(2,688)	N/A	0.0%	(2,688)	N/A	(5.3%)	0.0%	(527)	N/A	0.0%	(527)	N/A
Other		1,362		1,428		(67)	(4.7%)		1,207		155	12.8%		4,464		5,239		(775)	(14.8%)		4,567		(103)	(2.3%)	23.4%	44.2%	(2,087)	(47.2%)	(19.1%)	4,250	(222.2%)	17.6%	207.1%	(18,944)	(91.5%)	(6.9%)	2,450	(355.6%)
Total Gross	\$	5,608	\$	5,933	\$	(325)	(5.5%)	\$	5,023	\$	585	11.7%	\$	20,539	\$	22,008	\$	(1,469)	(6.7%)	\$	20,687	\$	(147)	(0.7%)	1.5%	10.7%	(910)	(85.5%)	(4.6%)	614	(133.7%)	5.0%	8.4%	(336)	(39.9%)	(1.5%)	655	(436.7%)

Management Discussion

- Major contributions from Abritek and PF Isothermic
- Vaillancourt– Soft sales in 2019 with no big projects at hand, better vs PY YTD
- Ventana – Customer went bankrupt

Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Health & Safety														
<i>Recordable Incidents</i>	0	0	0	0	0	0	0	2	0	1	0	1	0	4
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.9	3.8	3.83	4.82	3.87	3.8
Quality Performance														
<i>Customer Complaints - per MLBS</i>	3.2	3.98	3.9	3.6	3.7	3.4	2	2	1.9	3.9	3.4	2.3	3.5	3
<i>Return as % of sales</i>	1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	1.02%	0.89%	0.74%	0.97%	3.54%	0.99%
Delivery Performance														
<i>% on time in full</i>	95.00%	100.00%	95.71%	95.55%	78.35%	80.32%	73.88%	71.10%	83.02%	89.05%	72.48%	77%	94.26%	84.22%
<i>% by line items</i>	95.00%	95.38%	95.71%	95.55%	78.35%	80.32%	73.88%	71.10%	83.02%	89.05%	72.48%	77%	94.26%	83.84%
Costs														
<i>Direct Labour \$/FPV</i>	\$0.174	\$ 0.143	\$0.148	\$ 0.159	\$ 0.165	\$ 0.185	\$ 0.198	\$ 0.192	\$ 0.168	\$ 0.187	\$ 0.178	\$ 0.170	\$ 0.236	\$ 0.177
<i>Indirect Labour (incl D&D) \$/FPV</i>	\$0.069	\$ 0.096	\$0.073	\$ 0.063	\$ 0.054	\$ 0.055	\$ 0.056	\$ 0.048	\$ 0.044	\$ 0.051	\$ 0.049	\$ 0.053	\$ 0.097	\$ 0.058
Inventory														
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75	71.4	70	69	66	65	62	62	62	63	62	63	62

Comments:

Quality: quality issues increasing due to cold temperatures

Delivery: Issues with raw material delivery

Labour: lower volume but maintaining headcount due to inventory build forecasted in January 2020. Less FPV due to lack of material

Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	—	—	—	N/A	—	—	N/A
Units Shipped ('000)	—	—	—	N/A	—	—	N/A
Bookings (\$'000)	\$ 20,510	\$ 21,343	\$ (833)	(3.9%)	\$ 20,249	\$ 260	1.3%
Backlog ('\$000)	\$ 1,050	\$ 3,301	\$ (2,250)	(68.2%)	\$ 1,025	\$ 25	2.4%
Gross Revenue	\$ 20,539	\$ 22,008	\$ (1,469)	(6.7%)	\$ 20,687	\$ (147)	(0.7%)
Adj. to Gross Revenue	(991)	(1,032)	41	(4.0%)	(1,023)	32	(3.1%)
Net Revenue	19,549	20,976	(1,428)	(6.8%)	19,664	(115)	(0.6%)
Material	12,383	12,328	55	0.4%	12,124	259	2.1%
Labor	4,136	4,402	(266)	(6.0%)	4,530	(394)	(8.7%)
Other COGS	2,091	2,329	(238)	(10.2%)	3,397	(1,306)	(38.5%)
Total COGS	18,610	19,059	(450)	(2.4%)	20,052	(1,442)	(7.2%)
Gross Margin	939	1,917	(978)	(51.0%)	(388)	1,327	(342.0%)
Gross Margin %	4.8%	9.1%			(2.0%)		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	417	424	(7)	(1.6%)	383	33	8.7%
Administrative	2,308	2,370	(62)	(2.6%)	2,381	(72)	(3.0%)
Other Opex	34	—	34	N/A	(63)	97	(152.9%)
Total Opex	2,759	2,794	(35)	(1.3%)	2,701	58	2.2%
EBITDA	(1,820)	(877)	(943)	107.4%	(3,089)	1,269	(41.1%)
EBITDA %	(9.3%)	(4.2%)			(15.7%)		
Net Income (Loss)	\$ (1,910)	\$ (1,027)	\$ (883)	86.0%	\$ (3,162)	\$ 1,252	(39.6%)
Capex	\$ (141)	\$ (287)	\$ 146	(50.8%)	\$ (517)	\$ 376	(72.7%)
Opex Overview:							
Payroll	\$ 998	\$ 1,058	\$ (60)	(5.7%)	\$ 1,029	\$ (31)	(3.0%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	59	87	(28)	(32.3%)	57	2	3.3%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	10	15	(4)	(30.2%)	15	(5)	(31.5%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	—	—	—	N/A	0	(0)	(100.0%)
Professional fees	65	31	34	109.8%	59	7	11.5%
Utilities, repair, maintenance, and security	54	79	(24)	(31.0%)	70	(16)	(22.2%)
Corporate OH Fees	1,463	1,478	(15)	(1.0%)	1,484	(21)	(1.4%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	34	—	34	N/A	(63)	97	(152.9%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	75	46	29	63.1%	51	25	48.5%
Total Opex	\$ 2,759	\$ 2,794	\$ (35)	(1.3%)	\$ 2,704	\$ 55	2.0%

Key Customers – Full Year Terrebonne

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY		Var		PY	Var		
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
A.M.I.	\$	3,627	\$	3,800	\$	(173)	(4.5%)	\$	3,511	\$	116	3.3%	8.1%	0.0%	815	N/A	0.0%	815	N/A
GOLDEN WINDOWS		2,132		2,067		65	3.2%		2,290		(158)	(6.9%)	(23.7%)	0.0%	(2,368)	N/A	0.0%	(2,368)	N/A
OSTACO 2000 WINDOORS INC		1,768		1,909		(141)	(7.4%)		1,906		(138)	(7.2%)	5.9%	0.0%	588	N/A	0.0%	588	N/A
PORTES & FENETRES ABRITEK		1,546		962		584	60.7%		1,147		399	34.7%	(14.8%)	0.0%	(1,484)	N/A	0.0%	(1,484)	N/A
DASHWOOD INDUSTRIES INC		996		873		123	14.1%		922		74	8.0%	13.0%	0.0%	1,300	N/A	0.0%	1,300	N/A
P & F ISOTHERMIC INC		942		558		384	68.9%		815		127	15.6%	(9.2%)	0.0%	(916)	N/A	0.0%	(916)	N/A
VAILLANCOURT INC.		937		2,309		(1,372)	(59.4%)		800		137	17.1%	(6.0%)	0.0%	(602)	N/A	0.0%	(602)	N/A
CANADIAN VINYLTEK WINDOWS C		387		360		27	7.4%		555		(168)	(30.3%)	43.8%	0.0%	4,378	N/A	0.0%	4,378	N/A
FENERGIC INC		152		502		(350)	(69.7%)		532		(380)	(71.4%)	12.6%	0.0%	1,264	N/A	0.0%	1,264	N/A
EXTREME WINDOW AND		462		561		(99)	(17.7%)		511		(49)	(9.6%)	8.0%	0.0%	800	N/A	0.0%	800	N/A
VENTANA WINDOWS & DOORS IN		68		490		(422)	(86.1%)		484		(416)	(85.9%)	(6.2%)	0.0%	(619)	N/A	0.0%	(619)	N/A
Fenêtres Concept		487		405		82	20.3%		437		50	11.5%	(7.5%)	0.0%	(749)	N/A	0.0%	(749)	N/A
MASON WINDOWS LTD		344		310		34	10.9%		328		16	4.8%	(19.1%)	0.0%	(1,913)	N/A	0.0%	(1,913)	N/A
CEN		381		303		78	25.9%		292		89	30.6%	6.7%	0.0%	666	N/A	0.0%	666	N/A
TRI-STATE WINDOW FACTORY		411		165		246	149.0%		356		55	15.4%	22.9%	0.0%	2,286	N/A	0.0%	2,286	N/A
FMC		369		249		120	48.2%		259		110	42.5%	(0.4%)	0.0%	(44)	N/A	0.0%	(44)	N/A
ATLANTIC WINDOWS		246		290		(44)	(15.3%)		274		(28)	(10.4%)	17.7%	0.0%	1,771	N/A	0.0%	1,771	N/A
YKK AP VINYL		371		329		42	12.9%		225		146	65.0%	37.1%	0.0%	3,709	N/A	0.0%	3,709	N/A
LORENDO INC.		207		205		2	0.8%		226		(19)	(8.6%)	(5.4%)	0.0%	(539)	N/A	0.0%	(539)	N/A
MAR		242		122		120	98.7%		250		(8)	(3.0%)	(5.3%)	0.0%	(527)	N/A	0.0%	(527)	N/A
Other		4,464		5,239		(775)	(14.8%)		4,567		(103)	(2.3%)	17.6%	207.1%	(18,944)	(91.5%)	(8.5%)	2,611	(307.3%)
Total Gross	\$	20,539	\$	22,008	\$	(1,469)	(6.7%)	\$	20,687	\$	(147)	(0.7%)	5.0%	8.4%	(336)	(39.9%)	(1.9%)	692	(369.2%)

ECS Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	20,925	23,185	(2,260)	(9.7%)	94,835	101,346	(6,511)	(6.4%)
Units Shipped ('000)	20,814	23,185	(2,371)	(10.2%)	94,874	101,346	(6,472)	(6.4%)
Bookings (\$'000)	\$ 2,231	\$ 2,005	\$ 226	11.3%	\$ 8,361	\$ 8,827	\$ (466)	(5.3%)
Backlog ('\$000)	\$ 370	\$ 181	\$ 189	105.0%	\$ 370	\$ 181	\$ 189	105.0%
External Revenue	\$ 2,088	\$ 1,913	\$ 175	9.2%	\$ 8,282	\$ 8,852	\$ (570)	(6.4%)
Affiliate Revenue	\$ 12,711	\$ 12,790	\$ (79)	(0.6%)	\$ 59,476	\$ 63,572	\$ (4,096)	(6.4%)
Gross Revenue	\$ 14,799	\$ 16,561	\$ (1,763)	(10.6%)	\$ 67,758	\$ 72,424	\$ (4,666)	(6.4%)
Adj. to Gross Revenue	(16)	(6)	(10)	172.5%	1	(28)	29	(103.1%)
Net Revenue	14,783	16,556	(1,772)	(10.7%)	67,759	72,396	(4,637)	(6.4%)
Material	12,324	14,517	(2,193)	(15.1%)	56,578	63,287	(6,709)	(10.6%)
Labor	430	511	(81)	(15.8%)	1,766	2,009	(242)	(12.1%)
Other COGS	1,259	1,437	(178)	(12.4%)	5,475	6,032	(558)	(9.2%)
Total COGS	14,013	16,466	(2,453)	(14.9%)	63,819	71,328	(7,509)	(10.5%)
Gross Margin	770	90	680	758.1%	3,940	1,068	2,872	268.9%
Gross Margin %	5.2%	0.5%			5.8%	1.5%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	31	41	(10)	(23.5%)	154	163	(9)	(5.4%)
Administrative	444	438	6	1.4%	1,747	1,782	(35)	(2.0%)
Other Opex	(44)	—	(44)	N/A	(242)	—	(242)	N/A
Total Opex	431	479	(48)	(10.0%)	1,658	1,945	(286)	(14.7%)
EBITDA	338	(389)	728	(186.9%)	2,282	(877)	3,159	(360.3%)
EBITDA %	2.3%	(2.4%)			3.4%	(1.2%)		
Net Income (Loss)	\$ 161	\$ (575)	\$ 736	(127.9%)	\$ 1,599	\$ (1,616)	\$ 3,215	(198.9%)
Capex	\$ (236)	\$ (99)	\$ (137)	138.4%	\$ (347)	\$ (601)	\$ 254	(42.3%)
Opex Overview:								
Payroll	\$ 133	\$ 137	\$ (4)	(3.0%)	\$ 546	\$ 562	\$ (15)	(2.7%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	1	3	(3)	(80.1%)	4	13	(9)	(68.0%)
Marketing	—	1	(1)	(100.0%)	—	1	(1)	(100.0%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	5	3	3	103.7%	16	9	7	83.3%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	17	17	0	0.7%	69	69	(1)	(1.0%)
Professional fees	0	(0)	1	(261.7%)	2	(0)	2	(677.5%)
Utilities, repair, maintenance, anc	3	3	(0)	(6.9%)	12	20	(8)	(41.3%)
Corporate OH Fees	315	317	(2)	(0.6%)	1,246	1,271	(25)	(1.9%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	(44)	—	(44)	N/A	(242)	—	(242)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	2	(0)	2	(627.6%)	6	1	5	630.7%
Total Opex	\$ 431	\$ 479	\$ (48)	(10.0%)	\$ 1,658	\$ 1,945	\$ (286)	(14.7%)

Management Discussion

Net Revenue – Q4-19: (\$1,772K)

- Sales volume down 10.2% or \$1,693k mainly driven by decreased demand from affiliate customers -12.1% or -\$1,759k (Everett -18.6% or \$404k; Delmont -13.9% or \$494k; Woodbridge -11.8% or \$696k and Laval -5.6% or \$165k); offset by increased external customers demand 4.6% or \$66k (increases from Nuform and Vinyl Co; offset by Vinyl Profiles)
- Favorable price/mix of \$71K primarily driven by scrap sales and product mix to Everett.
- Unfavorable F/X of \$151k (actual rate of 1.32 [or \$USD 0.7576] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q4-19: +\$728K

- Material COGS:** Decrease in costs by \$2,193k due to decreased sales volume \$1,417k, improved scrap utilization & MUV \$109k, lower resin prices \$446k & additive prices \$77k and favorable F/X of \$190k; offset by TiO2 price increase \$46k
- Labor COGS:** Decrease in cost by \$81k driven by lower headcount due to lower production volumes (9.7%) and vacation utilization during plant shutdown.
- Other COGS:** Decrease in cost by \$178k primarily driven by favorable freight expenses \$168k (lower volume, new PDI contract, trackmobile repairs).
- Sales and Marketing:** In line with budget
- Administrative:** In line with budget
- Other Opex:** Decrease in cost by \$44k driven by favorable F/X revaluation of working capital balances

Full Year ECS P&L Summary

\$'000		FY		Var		PY	Var	
		Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)		94,835	101,346	(6,511)	(6.4%)	106,695	(11,861)	(11.1%)
Units Shipped ('000)		94,874	101,346	(6,472)	(6.4%)	106,807	(11,933)	(11.2%)
Bookings (\$'000)		\$ 8,361	\$ 8,827	\$ (466)	(5.3%)	\$ 7,907	\$ 454	5.7%
Backlog ('\$000)		\$ 370	\$ 181	\$ 189	105.0%	\$ 119	\$ 251	210.5%
	External Revenue	\$ 8,282	\$ 8,107	\$ 175	2.2%	\$ 8,388	\$ (106)	(1.3%)
	Affiliate Revenue	\$ 59,476	\$ 59,555	\$ (79)	(0.1%)	\$ 68,481	\$ (9,004)	(13.1%)
Gross Revenue		\$ 67,758	\$ 72,424	\$ (4,666)	(6.4%)	\$ 76,869	\$ (9,110)	(11.9%)
Adj. to Gross Revenue		1	(28)	29	(103.1%)	(14)	15	(106.0%)
Net Revenue		67,759	72,396	(4,637)	(6.4%)	76,854	(9,095)	(11.8%)
Material		56,578	63,287	(6,709)	(10.6%)	60,763	(4,185)	(6.9%)
Labor		1,766	2,009	(242)	(12.1%)	1,880	(114)	(6.1%)
Other COGS		5,475	6,032	(558)	(9.2%)	5,926	(451)	(7.6%)
Total COGS		63,819	71,328	(7,509)	(10.5%)	68,569	(4,750)	(6.9%)
Gross Margin		3,940	1,068	2,872	268.9%	8,286	(4,345)	(52.4%)
Gross Margin %		5.8%	1.5%			10.8%		
R&D		—	—	—	N/A	—	—	N/A
Sales & Marketing		154	163	(9)	(5.4%)	156	(2)	(1.3%)
Administrative		1,747	1,782	(35)	(2.0%)	1,765	(18)	(1.0%)
Other Opex		(242)	—	(242)	N/A	369	(611)	(165.7%)
Total Opex		1,658	1,945	(286)	(14.7%)	2,290	(632)	(27.6%)
EBITDA		2,282	(877)	3,159	(360.3%)	5,996	(3,714)	(61.9%)
EBITDA %		3.4%	(1.2%)			7.8%		
Net Income (Loss)		\$ 1,599	\$ (1,616)	\$ 3,215	(198.9%)	\$ 5,305	\$ (3,706)	(69.9%)
Capex		\$ (347)	\$ (601)	\$ 254	(42.3%)	\$ (600)	\$ 253	(42.2%)
Opex Overview:								
Payroll		\$ 546	\$ 562	\$ (15)	(2.7%)	\$ 550	\$ (3)	(0.6%)
Bonus		—	—	—	N/A	—	—	N/A
Commissions		4	13	(9)	(68.0%)	1	3	399.6%
Marketing		—	1	(1)	(100.0%)	—	—	N/A
Benefits		—	—	—	N/A	—	—	N/A
Travel and entertainment		16	9	7	83.3%	9	8	92.0%
Rent and facilities		—	—	—	N/A	—	—	N/A
Insurance		69	69	(1)	(1.0%)	68	1	1.6%
Professional fees		2	(0)	2	(677.5%)	—	2	N/A
Utilities, repair, maintenance, and security		12	20	(8)	(41.3%)	18	(6)	(35.5%)
Corporate OH Fees		1,246	1,271	(25)	(1.9%)	1,276	(30)	(2.3%)
Bad Debts		—	—	—	N/A	3	(3)	(100.0%)
FX		(242)	—	(242)	N/A	369	(611)	(165.7%)
JV Loss (Income)		—	—	—	N/A	—	—	N/A
Other Expenses		6	1	5	630.7%	0	6	12529.3%
Total Opex		\$ 1,658	\$ 1,945	\$ (286)	(14.7%)	\$ 2,293	\$ (635)	(27.7%)

Full Year ECS P&L Summary

\$'000		FY		Var		PY		Var	
		Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)		94,835	101,346	(6,511)	(6.4%)	106,695	(11,861)	(11.1%)	
Units Shipped ('000)		94,874	101,346	(6,472)	(6.4%)	106,807	(11,933)	(11.2%)	
Bookings (\$'000)		\$ 8,361	\$ 8,827	\$ (466)	(5.3%)	\$ 7,907	\$ 454	5.7%	
Backlog ('\$000)		\$ 370	\$ 181	\$ 189	105.0%	\$ 119	\$ 251	210.5%	
	External Revenue	\$ 8,282	\$ 8,107	\$ 175	2.2%	\$ 8,388	\$ (106)	(1.3%)	
	Affiliate Revenue	\$ 59,476	\$ 59,555	\$ (79)	(0.1%)	\$ 68,481	\$ (9,004)	(13.1%)	
Gross Revenue		\$ 67,758	\$ 72,424	\$ (4,666)	(6.4%)	\$ 76,869	\$ (9,110)	(11.9%)	
Adj. to Gross Revenue		1	(28)	29	(103.1%)	(14)	15	(106.0%)	
Net Revenue		67,759	72,396	(4,637)	(6.4%)	76,854	(9,095)	(11.8%)	
Material		56,578	63,287	(6,709)	(10.6%)	60,763	(4,185)	(6.9%)	
Labor		1,766	2,009	(242)	(12.1%)	1,880	(114)	(6.1%)	
Other COGS		5,475	6,032	(558)	(9.2%)	5,926	(451)	(7.6%)	
Total COGS		63,819	71,328	(7,509)	(10.5%)	68,569	(4,750)	(6.9%)	
Gross Margin		3,940	1,068	2,872	268.9%	8,286	(4,345)	(52.4%)	
Gross Margin %		5.8%	1.5%			10.8%			
R&D		—	—	—	N/A	—	—	N/A	
Sales & Marketing		154	163	(9)	(5.4%)	156	(2)	(1.3%)	
Administrative		1,747	1,782	(35)	(2.0%)	1,765	(18)	(1.0%)	
Other Opex		(242)	—	(242)	N/A	369	(611)	(165.7%)	
Total Opex		1,658	1,945	(286)	(14.7%)	2,290	(632)	(27.6%)	
EBITDA		2,282	(877)	3,159	(360.3%)	5,996	(3,714)	(61.9%)	
EBITDA %		3.4%	(1.2%)			7.8%			
Net Income (Loss)		\$ 1,599	\$ (1,616)	\$ 3,215	(198.9%)	\$ 5,305	\$ (3,706)	(69.9%)	
Capex		\$ (347)	\$ (601)	\$ 254	(42.3%)	\$ (600)	\$ 253	(42.2%)	
Opex Overview:									
Payroll		\$ 546	\$ 562	\$ (15)	(2.7%)	\$ 550	\$ (3)	(0.6%)	
Bonus		—	—	—	N/A	—	—	N/A	
Commissions		4	13	(9)	(68.0%)	1	3	399.6%	
Marketing		—	1	(1)	(100.0%)	—	—	N/A	
Benefits		—	—	—	N/A	—	—	N/A	
Travel and entertainment		16	9	7	83.3%	9	8	92.0%	
Rent and facilities		—	—	—	N/A	—	—	N/A	
Insurance		69	69	(1)	(1.0%)	68	1	1.6%	
Professional fees		2	(0)	2	(677.5%)	—	2	N/A	
Utilities, repair, maintenance, and security		12	20	(8)	(41.3%)	18	(6)	(35.5%)	
Corporate OH Fees		1,246	1,271	(25)	(1.9%)	1,276	(30)	(2.3%)	
Bad Debts		—	—	—	N/A	3	(3)	(100.0%)	
FX		(242)	—	(242)	N/A	369	(611)	(165.7%)	
JV Loss (Income)		—	—	—	N/A	—	—	N/A	
Other Expenses		6	1	5	630.7%	0	6	12529.3%	
Total Opex		\$ 1,658	\$ 1,945	\$ (286)	(14.7%)	\$ 2,293	\$ (635)	(27.7%)	

Key Customers – Gross Sales and Gross Margin %: ECS

	Gross Sales (\$'000)														Gross Margin %																							
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var											
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%										
<u>Customer:</u>																																						
Vinyl Profiles, LLC	\$	677	\$	868	\$	(191)	(22.0%)	\$	229	\$	448	195.8%	\$	2,756	\$	3,826	\$	(1,070)	(28.0%)	\$	1,961	\$	795	40.6%	23.8%	50.4%	(2,658)	(52.8%)	6.2%	1,761	284.9%	31.2%	49.6%	(1,842)	(37.2%)	11.4%	1,980	174.5%
Nuform Building Technologies Inc	559	357	202	56.6%	642	(83)	(12.9%)	1,838	1,596	242	15.2%	2,950	(1,112)	(37.7%)	22.6%	11.4%	1,117	97.8%	57.9%	(3,526)	(60.9%)	17.6%	11.6%	593	51.0%	28.4%	(1,079)	(38.1%)										
The Vinyl Company Inc.	398	257	141	54.7%	381	17	4.6%	1,399	1,099	299	27.2%	1,834	(435)	(23.7%)	12.8%	17.9%	(510)	(28.5%)	27.7%	(1,491)	(53.8%)	15.1%	17.9%	(278)	(15.5%)	27.0%	(1,181)	(43.8%)										
Vinylume Products Inc	151	141	10	6.7%	157	(6)	(3.7%)	642	650	(8)	(1.2%)	688	(46)	(6.7%)	24.5%	21.3%	324	15.2%	21.2%	326	15.4%	24.1%	21.3%	284	13.3%	20.6%	347	16.8%										
Accord Plastics Corp.	90	136	(46)	(33.9%)	211	(121)	(57.4%)	587	593	(6)	(1.0%)	378	209	55.4%	18.9%	19.4%	(54)	(2.8%)	18.7%	14	0.8%	18.3%	19.4%	(112)	(5.7%)	15.0%	328	21.8%										
Window Seal Limited	(15)	118	(133)	(112.7%)	10	(25)	(255.0%)	102	474	(372)	(78.5%)	17	85	512.7%	33.3%	476.6%	(44,326)	(93.0%)	31.3%	202	6.5%	34.2%	124.7%	(9,050)	(72.6%)	7.4%	2,680	363.5%										
New Customers (L.B. Plastics)	–	111	(111)	(100.0%)	19	(19)	(100.0%)	–	422	(422)	(100.0%)	113	(113)	(100.0%)	0.0%	127.4%	(12,738)	(100.0%)	#DIV/0!	NA	#DIV/0!	0.0%	37.6%	(3,763)	(100.0%)	75.7%	(7,575)	(100.0%)										
Prasad Plastics Limited	13	9	4	36.9%	–	13	N/A	55	111	(56)	(50.4%)	36	19	51.4%	12.5%	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	10.5%	#DIV/0! –	#DIV/0!	161.9%	(15,141)	(93.5%)												
Superior Extrusions Ltd	9	3	6	232.5%	11	(2)	(15.8%)	44	38	6	17.1%	46	(2)	(3.7%)	#DIV/0!	0.8% –	#VALUE!	16.3%	NA	#VALUE!	#DIV/0!	3.1% –	#VALUE!	9.8%	NA	#VALUE!												
Vytron Corporation	17	4	13	300.9%	–	17	N/A	30	17	13	75.9%	29	1	3.8%	20.0%	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	19.4%	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!												
Plastibec Ltee	–	–	-	N/A	–	-	N/A	6	–	6	N/A	6	(0)	(5.3%)	0.0%	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	4.0%	#DIV/0! –	#DIV/0!	7.7%	(373)	(48.3%)												
Vinyl Profiles (2011)	16	–	16	N/A	–	16	N/A	94	–	94	N/A	6	88	1526.7%	(26.7%)	0.0%	(2,667)	N/A	0.0%	(2,667)	N/A	19.2%	0.0%	1,919	N/A	28.1%	(889)	(31.7%)										
Fence Outlet MDC, LLC	25	–	25	N/A	–	25	N/A	46	–	46	N/A	–	46	N/A	35.3%	0.0%	3,529	N/A	#DIV/0!	NA	#DIV/0!	32.6%	0.0%	3,256	N/A	(10.6%)	4,312	(408.1%)										
INFINITY EXTRUSIONS INC.	50	–	50	N/A	–	50	N/A	125	–	125	N/A	20	105	535.2%	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	233.3%	#DIV/0! –	#DIV/0!	42.9%	19,045	444.1%												
Resin Technology, LLC	–	–	-	N/A	–	-	N/A	328	–	328	N/A	–	328	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	52.4%	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!												
0	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!												
0	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!												
0	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!												
	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!												
	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!												
Other	12,809	14,556	(1,747)	(12.0%)	14,198	(1,389)	(9.8%)	59,708	63,600	(3,892)	(6.1%)	68,786	(9,078)	(13.2%)	2.7%	(2.2%)	492	(222.7%)	8.9%	(623)	(69.7%)	3.7%	(1.1%)	477	(445.7%)	9.7%	(598)	(61.8%)										
Total Gross	\$	14,799	\$	16,561	\$	(1,763)	(10.6%)	\$	15,857	\$	(1,058)	(6.7%)	\$	67,758	\$	72,424	\$	(4,666)	(6.4%)	\$	76,869	\$	(9,110)	(11.9%)	5.2%	0.5%	466	860.3%	10.3%	(508)	(49.4%)	5.9%	1.6%	430	269.4%	10.8%	(494)	(45.6%)

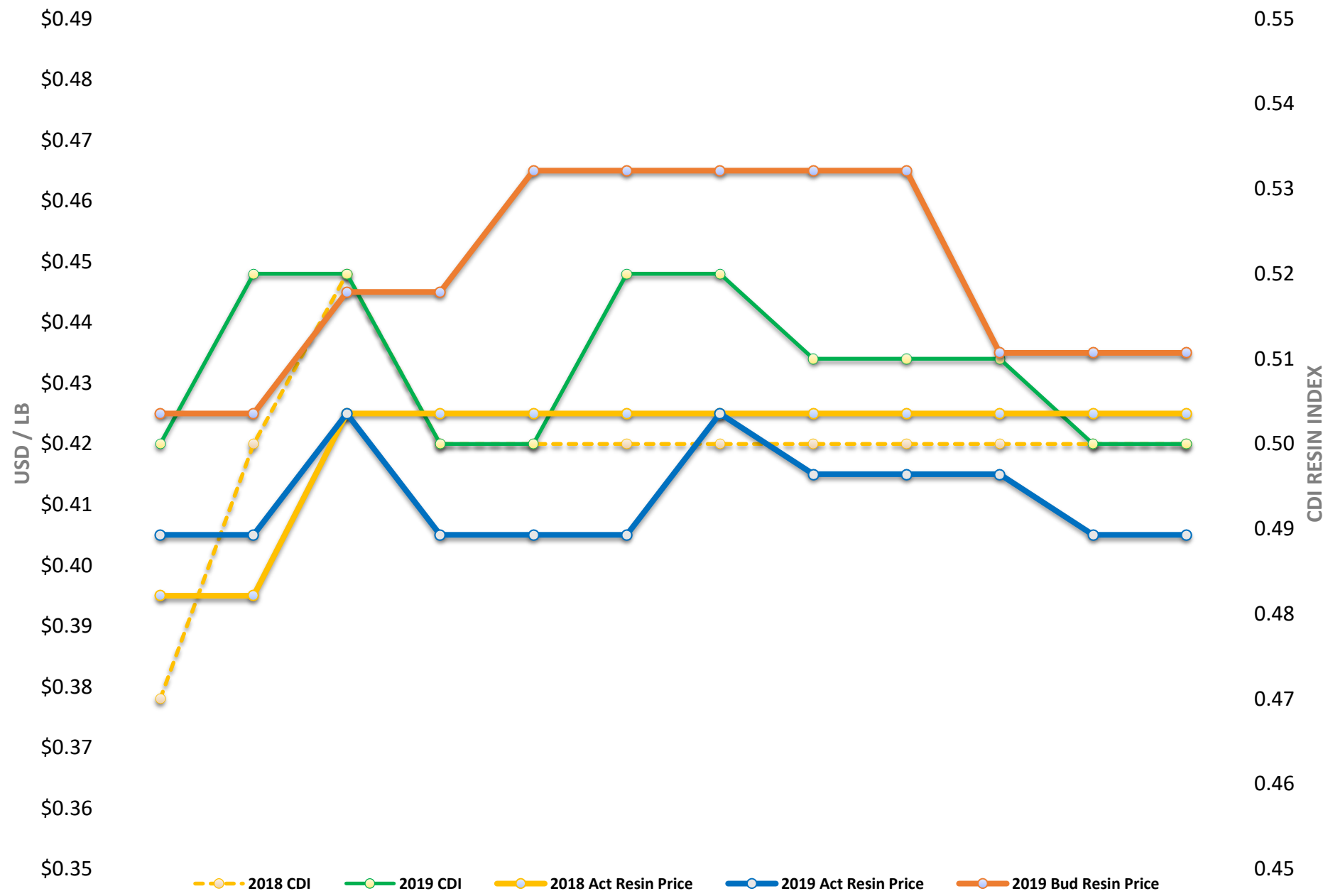
Management Discussion

- Vinyl Profiles – Market conditions impacting sales. However, 40.6% improvement in YTD vs PY.
- Strong pickup from Nuform as a result of growing wall business (i.e. carwash)
- Improvement in orders from Vinyl Company

ECS Material Cost Summary

US \$'000	YTD Sep-19	Q4-19	FY	YTD Sep-19	Q4-19	FY	YTD Sep-19	Q4-19	FY
	Act	Act	Act	AOP	AOP	AOP	Actual-AOP	Actual-AOP	Actual-AOP
Sales									
Total Sales - Non-Patio & Doors - S'000	\$ 52,976	\$ 14,783	\$ 67,759	\$ 55,840	\$ 16,556	\$ 72,396	\$ (2,864)	\$ (1,772)	\$ (4,637)
Total Sales - Non-Patio & Doors - Lbs	74,059	20,814	94,874	78,161	23,185	101,346	(4,101)	(2,371)	(6,472)
Materials - ASP									
ADDITIVE	32.4208	10.8776	\$ 43.30	32.0719	\$ 11	\$ 5.78	\$ 0.3488	\$ (0.0779)	\$ 37.5215
ADDITIVE (IMPACT MODIFIER)	13.9581	4.3453	\$ 18.30	14.9852	\$ 5	\$ 2.69	\$ (1.0271)	\$ (0.6497)	\$ 15.6138
ADDITIVE (PROCESSING AID)	14.2121	4.3249	\$ 18.54	15.3094	\$ 5	\$ 2.75	\$ (1.0973)	\$ (0.7782)	\$ 15.7891
FILLER	1.8465	0.6370	\$ 2.48	1.8826	\$ 1	\$ 0.34	\$ (0.0361)	\$ 0.0044	\$ 2.1452
LUBRICANT	8.3013	2.7514	\$ 11.05	8.3958	\$ 3	\$ 1.51	\$ (0.0945)	\$ (0.0472)	\$ 9.5458
PIGMENT - C	16.8736	5.6245	\$ 22.50	25.3108	\$ 8	\$ 4.54	\$ (8.4371)	\$ (2.8124)	\$ 17.9552
PIGMENT - G	26.0312	8.4342	\$ 34.47	28.4324	\$ 9	\$ 5.10	\$ (2.4012)	\$ (1.0433)	\$ 29.3621
PIGMENT - HC	49.4484	17.4200	\$ 66.87	53.0307	\$ 18	\$ 9.52	\$ (3.5823)	\$ (0.2569)	\$ 57.3501
PIGMENT - PC	61.8354	13.8726	\$ 75.71	64.1662	\$ 21	\$ 11.52	\$ (2.3307)	\$ (7.5162)	\$ 64.1910
PKG	-	-	\$ -	69.0853	\$ 23	\$ 12.40	\$ (69.0853)	\$ (23.0284)	\$ (12.3999)
PLASTICIZER	7.7172	2.5715	\$ 10.29	8.0938	\$ 3	\$ 1.45	\$ (0.3767)	\$ (0.1264)	\$ 8.8360
RESIN	3.7076	1.2256	\$ 4.93	4.0886	\$ 1	\$ 0.73	\$ (0.3810)	\$ (0.0806)	\$ 4.2036
STABILIZER	30.3472	9.4792	\$ 39.83	29.8691	\$ 10	\$ 5.36	\$ 0.4781	\$ (0.4772)	\$ 34.4652
TIO2	12.7960	4.2220	\$ 17.02	13.0080	\$ 4	\$ 2.34	\$ (0.2120)	\$ (0.1340)	\$ 14.6817
Material Other							\$ -	\$ -	\$ -
Materials - \$'000									
ADDITIVE	\$ 1,091	\$ 294	\$ 1,385	\$ 1,268	\$ 385	\$ 1,653	\$ (177)	\$ (91)	\$ (268)
ADDITIVE (IMPACT MODIFIER)	\$ 4,200	\$ 1,106	\$ 5,305	\$ 4,747	\$ 1,408	\$ 6,156	\$ (548)	\$ (303)	\$ (850)
ADDITIVE (PROCESSING AID)	\$ 739	\$ 181	\$ 920	\$ 855	\$ 254	\$ 1,109	\$ (116)	\$ (73)	\$ (189)
FILLER	\$ 883	\$ 277	\$ 1,160	\$ 925	\$ 276	\$ 1,201	\$ (42)	\$ 1	\$ (41)
LUBRICANT	\$ 1,533	\$ 424	\$ 1,957	\$ 1,600	\$ 475	\$ 2,075	\$ (67)	\$ (51)	\$ (118)
PIGMENT - C	\$ 4	\$ -	\$ 4	\$ 27	\$ 8	\$ 34	\$ (22)	\$ (8)	\$ (30)
PIGMENT - G	\$ 724	\$ 172	\$ 896	\$ 900	\$ 267	\$ 1,168	\$ (176)	\$ (95)	\$ (271)
PIGMENT - HC	\$ 498	\$ 158	\$ 655	\$ 624	\$ 185	\$ 809	\$ (127)	\$ (27)	\$ (154)
PIGMENT - PC	\$ 86	\$ 31	\$ 116	\$ 80	\$ 24	\$ 104	\$ 6	\$ 7	\$ 13
PKG	\$ -	\$ -	\$ -	\$ 278	\$ 75	\$ 353	\$ (278)	\$ (75)	\$ (353)
PLASTICIZER	\$ 241	\$ 58	\$ 299	\$ 266	\$ 79	\$ 345	\$ (25)	\$ (21)	\$ (45)
RESIN	\$ 23,931	\$ 6,576	\$ 30,507	\$ 27,937	\$ 7,931	\$ 35,868	\$ (4,006)	\$ (1,355)	\$ (5,361)
STABILIZER	\$ 3,028	\$ 844	\$ 3,872	\$ 3,172	\$ 941	\$ 4,113	\$ (144)	\$ (97)	\$ (241)
TIO2	\$ 7,749	\$ 2,219	\$ 9,967	\$ 8,519	\$ 2,538	\$ 11,057	\$ (770)	\$ (319)	\$ (1,089)
Scrap	\$ 246	\$ 103	\$ 349	\$ -	\$ -	\$ -	\$ 246	\$ 103	\$ 349
BOM Scrap (not in P&L and 2019 AOP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PIP Savings	\$ (22)	\$ (6.09)	\$ (28)	\$ (160)	\$ (53)	\$ (212)	\$ 138	\$ 46	\$ 184
Kronos Rebates (\$0.075/lb/0.065/0.01)	\$ (340)	\$ (124)	\$ (464)	\$ (442)	\$ (131)	\$ (573)	\$ 102	\$ 7	\$ 109
Resin Rebate & Discount	\$ (700)	\$ (227)	\$ (927)	\$ (838)	\$ (264)	\$ (1,102)	\$ 138	\$ 37	\$ 175
Amortization Timing	\$ 125	\$ 133	\$ 258	\$ (412)	\$ 283	\$ (129)	\$ 538	\$ (150)	\$ 387
Packaging	\$ 237	\$ 67	\$ 304	\$ 275	\$ 77	\$ 352	\$ (38)	\$ (10)	\$ (48)
Material Other	\$ 8	\$ 33	\$ 41	\$ (852)	\$ (241)	\$ (1,093)	\$ 861	\$ 273	\$ 1,134
Total Material Costs	\$ 44,262	\$ 12,317	\$ 56,579	\$ 48,770	\$ 14,517	\$ 63,287	\$ (4,508)	\$ (2,200)	\$ (6,708)

Historical Resin Price Chart



Key Performance Indicators - ECS

ENERGI Compound Solutions	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD 2019
Health & Safety														
<i>Recordable(effects TRIR)</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Near Misses</i>	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental														
<i>Recordable(effects TRIR)</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Near Misses</i>	2	0	1	0	0	0	0	0	0	0	0	0	0	1
Quality Performance														
<i>Concerns per million Good Lbs</i>	0.3	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.1
<i>Return as % of sales (%)</i>	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	0.0%	0.3%	0.0%	0.0%
Delivery Performance														
<i>% on time</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Material Cost														
<i>Yield</i>	99%	100%	100%	100%	100%	100%	100%	100%	99%	100%	99%	99%	99%	100%
<i>Production Scrap</i>	1.00%	0.5%	0.4%	0.2%	0.2%	0.1%	0.5%	0.4%	0.54%	0.48%	0.80%	0.74%	0.79%	0%
<i>Total Material Usage Variance</i>	2.00%	0.7%	0.7%	0.4%	0.5%	0	(0)	(0)	0	0	0	(0)	0	1%
<i>Direct Labour \$/lb produced</i>	0.009	0.009	0.008	0.007	0.008	0.009	0.005	0.008	0.007	0.008	0.008	0.008	0.010	0.008
<i>Indirect Labour (incl D&D) \$/lb produced</i>	0.017	0.020	0.018	0.015	0.018	0.018	0.014	0.014	0.012	0.013	0.018	0.017	0.024	0.016
Inventory														
<i>Days - TTM (Trailing 12 Months)</i>	46	50	49	42	41	32	31	43	42	42	42	41	40	41
Freight														
<i>Freight \$ as % of net sales</i>	3.9%	3.2%	3.6%	4.0%	4.1%	3.2%	3.4%	2.7%	3.5%	4.1%	3.3%	3.3%	3.3%	3.5%

COMMENTS:

Labour: Vacation taken in December, productivity slow in addition to year end stock count.

Full Year ECS P&L Summary

\$'000		FY		Var		PY		Var	
		Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)		94,835	101,346	(6,511)	(6.4%)	106,695	(11,861)	(11.1%)	
Units Shipped ('000)		94,874	101,346	(6,472)	(6.4%)	106,807	(11,933)	(11.2%)	
Bookings (\$'000)		\$ 8,361	\$ 8,827	\$ (466)	(5.3%)	\$ 7,907	\$ 454	5.7%	
Backlog ('\$000)		\$ 370	\$ 181	\$ 189	105.0%	\$ 119	\$ 251	210.5%	
	External Revenue	\$ 8,282	\$ 8,107	\$ 175	2.2%	\$ 8,388	\$ (106)	(1.3%)	
	Affiliate Revenue	\$ 59,476	\$ 59,555	\$ (79)	(0.1%)	\$ 68,481	\$ (9,004)	(13.1%)	
Gross Revenue		\$ 67,758	\$ 72,424	\$ (4,666)	(6.4%)	\$ 76,869	\$ (9,110)	(11.9%)	
Adj. to Gross Revenue		1	(28)	29	(103.1%)	(14)	15	(106.0%)	
Net Revenue		67,759	72,396	(4,637)	(6.4%)	76,854	(9,095)	(11.8%)	
Material		56,578	63,287	(6,709)	(10.6%)	60,763	(4,185)	(6.9%)	
Labor		1,766	2,009	(242)	(12.1%)	1,880	(114)	(6.1%)	
Other COGS		5,475	6,032	(558)	(9.2%)	5,926	(451)	(7.6%)	
Total COGS		63,819	71,328	(7,509)	(10.5%)	68,569	(4,750)	(6.9%)	
Gross Margin		3,940	1,068	2,872	268.9%	8,286	(4,345)	(52.4%)	
Gross Margin %		5.8%	1.5%			10.8%			
R&D		—	—	—	N/A	—	—	N/A	
Sales & Marketing		154	163	(9)	(5.4%)	156	(2)	(1.3%)	
Administrative		1,747	1,782	(35)	(2.0%)	1,765	(18)	(1.0%)	
Other Opex		(242)	—	(242)	N/A	369	(611)	(165.7%)	
Total Opex		1,658	1,945	(286)	(14.7%)	2,290	(632)	(27.6%)	
EBITDA		2,282	(877)	3,159	(360.3%)	5,996	(3,714)	(61.9%)	
EBITDA %		3.4%	(1.2%)			7.8%			
Net Income (Loss)		\$ 1,599	\$ (1,616)	\$ 3,215	(198.9%)	\$ 5,305	\$ (3,706)	(69.9%)	
Capex		\$ (347)	\$ (601)	\$ 254	(42.3%)	\$ (600)	\$ 253	(42.2%)	
Opex Overview:									
Payroll		\$ 546	\$ 562	\$ (15)	(2.7%)	\$ 550	\$ (3)	(0.6%)	
Bonus		—	—	—	N/A	—	—	N/A	
Commissions		4	13	(9)	(68.0%)	1	3	399.6%	
Marketing		—	1	(1)	(100.0%)	—	—	N/A	
Benefits		—	—	—	N/A	—	—	N/A	
Travel and entertainment		16	9	7	83.3%	9	8	92.0%	
Rent and facilities		—	—	—	N/A	—	—	N/A	
Insurance		69	69	(1)	(1.0%)	68	1	1.6%	
Professional fees		2	(0)	2	(677.5%)	—	2	N/A	
Utilities, repair, maintenance, and security		12	20	(8)	(41.3%)	18	(6)	(35.5%)	
Corporate OH Fees		1,246	1,271	(25)	(1.9%)	1,276	(30)	(2.3%)	
Bad Debts		—	—	—	N/A	3	(3)	(100.0%)	
FX		(242)	—	(242)	N/A	369	(611)	(165.7%)	
JV Loss (Income)		—	—	—	N/A	—	—	N/A	
Other Expenses		6	1	5	630.7%	0	6	12529.3%	
Total Opex		\$ 1,658	\$ 1,945	\$ (286)	(14.7%)	\$ 2,293	\$ (635)	(27.7%)	

Key Customers – Full Year ECS

	Gross Sales (\$'000)									Gross Margin %												
	FY		FY		Var		PY		Var		FY		FY		Var							
	Fcast		Bud		\$		%		Act		\$		%		Fcast		Bud		BPs		%	
Customer:																						
Vinyl Profiles, LLC	\$	2,756	\$	3,826	\$	(1,070)	(28.0%)	\$	1,961	\$	795	40.6%	31.2%	49.6%	(1,842)	(37.2%)						
Nuform Building Technologies Inc		1,838		1,596		242	15.2%		2,950		(1,112)	(37.7%)	17.6%	11.6%	593	51.0%						
The Vinyl Company Inc.		1,399		1,099		299	27.2%		1,834		(435)	(23.7%)	15.1%	17.9%	(278)	(15.5%)						
Vinylume Products Inc		642		650		(8)	(1.2%)		688		(46)	(6.7%)	24.1%	21.3%	284	13.3%						
Accord Plastics Corp.		587		593		(6)	(1.0%)		378		209	55.4%	18.3%	19.4%	(112)	(5.7%)						
Window Seal Limited		102		474		(372)	(78.5%)		17		85	512.7%	34.2%	124.7%	(9,050)	(72.6%)						
New Customers (L.B. Plastics)		–		422		(422)	(100.0%)		113		(113)	(100.0%)	0.0%	37.6%	(3,763)	(100.0%)						
Prasad Plastics Limited		55		111		(56)	(50.4%)		36		19	51.4%	10.5%	#DIV/0!	–	#DIV/0!						
Superior Extrusions Ltd		44		38		6	17.1%		46		(2)	(3.7%)	#DIV/0!	3.1%	–	#VALUE!						
Vytron Corporation		30		17		13	75.9%		29		1	3.8%	19.4%	#DIV/0!	–	#DIV/0!						
Plastibec Ltee		6		–		6	N/A		6		(0)	(5.3%)	4.0%	#DIV/0!	–	#DIV/0!						
Vinyl Profiles (2011)		94		–		94	N/A		6		88	1526.7%	19.2%	0.0%	1,919	N/A						
Fence Outlet MDC, LLC		46		–		46	N/A		–		46	N/A	32.6%	0.0%	3,256	N/A						
INFINITY EXTRUSIONS INC.		125		–		125	N/A		20		105	535.2%	233.3%	#DIV/0!	–	#DIV/0!						
Resin Technology, LLC		328		–		328	N/A		–		328	N/A	52.4%	#DIV/0!	–	#DIV/0!						
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!						
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!						
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!						
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!						
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!						
Other		59,708		63,600		(3,892)	(6.1%)		68,786		(9,078)	(13.2%)	3.7%	(1.1%)	477	(445.7%)						
Total Gross	\$	67,758	\$	72,424	\$	(4,666)	(6.4%)	\$	76,869	\$	(9,110)	(11.9%)	5.9%	1.6%	430	269.4%						

Corporate Office Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Backlog ('000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Gross Revenue	\$ –	\$ 44	\$ (44)	(100.0%)	\$ –	\$ 164	\$ (164)	(100.0%)
Adj. to Gross Revenue	8	–	8	N/A	0	–	0	N/A
Net Revenue	8	44	(36)	(81.2%)	0	164	(164)	(100.0%)
Material	(212)	(600)	388	(64.7%)	70	–	70	N/A
Labor	(357)	309	(666)	(215.5%)	559	1,236	(677)	(54.8%)
Other COGS	403	276	127	46.1%	1,191	1,104	87	7.8%
Total COGS	(165)	(15)	(150)	987.9%	1,820	2,340	(520)	(22.2%)
Gross Margin	174	60	114	192.1%	(1,820)	(2,175)	355	(16.3%)
Gross Margin %		134.3%				(1322.6%)		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	852	1,000	(148)	(14.8%)	3,685	3,982	(297)	(7.5%)
Administrative	(2,039)	(1,023)	(1,016)	99.3%	(5,591)	(4,179)	(1,412)	33.8%
Other Opex	(4)	–	(4)	N/A	35	–	35	N/A
Total Opex	(1,190)	(23)	(1,168)	5144.4%	(1,871)	(198)	(1,673)	846.3%
EBITDA	1,364	82	1,282	1559.5%	51	(1,978)	2,029	(102.6%)
EBITDA %		185.6%				(1202.4%)		
Net Income (Loss)	\$ 50	\$ (1,145)	\$ 1,195	(104.4%)	\$ (4,944)	\$ (8,401)	\$ 3,457	(41.2%)
Capex	\$ (20)	\$ (855)	\$ 835	(97.7%)	\$ (41)	\$ (2,706)	\$ 2,665	(98.5%)
Opex Overview:								
Payroll	\$ 1,166	\$ 1,386	\$ (220)	(15.8%)	\$ 5,128	\$ 5,478	\$ (350)	(6.4%)
Bonus	(393)	340	(733)	(215.6%)	616	1,361	(744)	(54.7%)
Commissions	59	86	(27)	(31.7%)	243	345	(102)	(29.6%)
Marketing	158	153	5	3.5%	535	594	(59)	(10.0%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	204	369	(165)	(44.7%)	969	1,509	(540)	(35.8%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	123	105	18	17.4%	462	444	18	4.1%
Office Expense	8	14	(6)	(43.6%)	44	46	(2)	(5.3%)
IT	372	475	(102)	(21.5%)	1,587	1,830	(243)	(13.3%)
Bad Debts	51	–	51	N/A	176	–	176	N/A
FX	(4)	–	(4)	N/A	35	–	35	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(2,936)	(2,951)	15	(0.5%)	(11,667)	(11,805)	137	(1.2%)
Total Opex	\$ (1,190)	\$ (23)	\$ (1,168)	5144.4%	\$ (1,871)	\$ (198)	\$ (1,673)	846.3%

Management Discussion

EBITDA – Q4 2019: +\$1,282K

- **Gross Revenue:** Represents Consolidated price increase adjustment not achieved
- **Material COGS:** Intercompany profit elimination lower than budget
- **Labor COGS:** Reversal of YTD Bonus accrual of \$561k and nil accrual for December 2019
- **Other COGS:** Product Yellowing Warranty Accrual (\$124k)
- **Sales & Marketing:** lower by \$148K largely due to lower Wages and commissions \$141K due to staff exits and revision in commission estimate, and lower Travel and Entertainment by \$56K due to less travel by Sales staff. Offset by Bad Debt Top up of \$51K
- **Administrative:** lower by \$1,016K due to YTD bonus accrual reversal of \$618k and Nil December accrual (impact of \$115K). In addition, lower wages by \$106K, lower Travel costs by \$109K and lower IT costs by \$102K, offset by unfavorable FX on Corporate OH Recovery of \$29K and professional fee for IT and payroll consultants \$18K
- **Other Opex:** represents FX Loss on CAD/US Cash Transactions

Full Year Corporate Office P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Backlog ('\$000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Gross Revenue	\$ –	\$ 164	\$ (164)	(100.0%)	\$ 0	\$ (0)	(100.0%)
Adj. to Gross Revenue	0	–	0	N/A	72	(72)	(100.0%)
Net Revenue	0	164	(164)	(100.0%)	72	(72)	(100.0%)
Material	70	–	70	N/A	(293)	363	(123.9%)
Labor	559	1,236	(677)	(54.8%)	159	400	251.7%
Other COGS	1,191	1,104	87	7.8%	802	389	48.5%
Total COGS	1,820	2,340	(520)	(22.2%)	668	1,152	172.5%
Gross Margin	(1,820)	(2,175)	355	(16.3%)	(596)	(1,224)	205.3%
Gross Margin %	(566)4983.2%	(1322.6%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,685	3,982	(297)	(7.5%)	3,842	(158)	(4.1%)
Administrative	(5,591)	(4,179)	(1,412)	33.8%	(6,735)	1,144	(17.0%)
Other Opex	35	–	35	N/A	134	(98)	(73.7%)
Total Opex	(1,871)	(198)	(1,673)	846.3%	(2,759)	888	(32.2%)
EBITDA	51	(1,978)	2,029	(102.6%)	2,163	(2,112)	(97.6%)
EBITDA %	159216.6%	(1202.4%)			3013.6%		
Net Income (Loss)	\$ (4,944)	\$ (8,401)	\$ 3,457	(41.2%)	\$ (3,324)	\$ (1,619)	48.7%
Capex	\$ (41)	\$ (2,706)	\$ 2,665	(98.5%)	\$ (366)	\$ 325	(88.8%)
Opex Overview:							
Payroll	\$ 5,128	\$ 5,478	\$ (350)	(6.4%)	\$ 5,077	\$ 51	1.0%
Bonus	616	1,361	(744)	(54.7%)	159	457	287.7%
Commissions	243	345	(102)	(29.6%)	186	57	30.8%
Marketing	535	594	(59)	(10.0%)	584	(49)	(8.4%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	969	1,509	(540)	(35.8%)	1,137	(168)	(14.8%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	462	444	18	4.1%	395	67	16.9%
Office Expense	44	46	(2)	(5.3%)	53	(9)	(17.6%)
IT	1,587	1,830	(243)	(13.3%)	1,367	221	16.1%
Bad Debts	176	–	176	N/A	(58)	234	(403.5%)
FX	35	–	35	N/A	134	(98)	(73.7%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,667)	(11,805)	137	(1.2%)	(11,793)	126	(1.1%)
Total Opex	\$ (1,871)	\$ (198)	\$ (1,673)	846.3%	\$ (2,757)	\$ 886	(32.1%)

Plant Capacity Utilization

ENERGI Capacity Utilization: 2019

ENERGI Everett Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,444,542	1,111,051	1,414,685	1,361,135	1,398,525	1,391,248	1,016,473	1,555,970	1,502,025	1,507,000	1,256,000	773,801
Monthly capacity utilization(L/K)%(No seasonal adjustment)	60%	46%	59%	56%	58%	58%	42%	64%	62%	62%	52%	32%

ENERGI Delmont Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,809,686	1,765,002	1,904,176	1,699,937	1,649,127	1,753,097	1,944,109	1,874,721	1,774,185	1,982,729	1,631,103	1,098,705
Monthly capacity utilization(L/K)%(No seasonal adjustment)	57%	56%	60%	54%	52%	55%	61%	59%	56%	63%	51%	35%

ENERGI Woodbridge Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	2,601,062	2,268,000	2,750,274	2,196,896	2,658,445	3,225,935	3,272,912	2,999,000	2,367,000	2,564,603	2,751,000	1,667,746
Monthly capacity utilization(L/K)%(No seasonal adjustment)	50%	44%	53%	43%	52%	63%	64%	58%	46%	50%	53%	32%

ENERGI Laval Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,327,474	1,510,928	1,657,493	1,701,406	1,816,951	1,791,200	1,182,682	1,744,864	1,805,185	1,921,594	1,674,844	1,015,659
Monthly capacity utilization(L/K)%	36%	41%	45%	46%	49%	48%	32%	47%	49%	52%	45%	27%

ECS Capacity utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Total available capacity lbs/month (A)*	13,227,720											
Actual Good Lbs produced(B)	7,187,792	7,248,608	8,717,783	7,717,344	8,754,525	9,535,934	8,203,851	8,781,712	7,762,024	8,137,033	7,811,477	4,947,529
Monthly Capacity utilization %(B/A)%	54%	55%	66%	58%	66%	72%	62%	66%	59%	62%	59%	37%

Terrebonne Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Available Shift Capacity(based on One 10Hr shift)(\$)(000)	\$3,000											
Actual Finished Production Value (000)(\$CAD)	\$ 1,313	\$ 1,519	\$ 1,703	\$ 1,707	\$ 2,101	\$ 1,997	\$ 2,317	\$ 2,536	\$ 2,350	\$ 2,970	\$ 2,881	\$ 1,555
Capacity utilization based on NO seasonal adjustment and one 10hr shift	44%	51%	57%	57%	70%	67%	77%	85%	78%	99%	96%	52%