



# Quarterly Operating Review – June

JULY 30, 2020

# Agenda

- Executive Summary
- F2 Forecast
- Quad Process / Forever Project Review
- Sales & Commercial Review
- Operational Review
- Appendix

# Executive Summary

# Executive Summary

## Good news / positives to business and plan

- Duraco PF EBITDA was in line with plan and Infinity PF EBIDA was \$97k higher
- Transit Packaging grew 139% to Plan; Ampac and TMS continue to overdeliver to Plan, new accounts Bluff City Packaging & Georgia Pacific added \$46k to sales
- Distribution and Wall Hangings up 126% & 219% primarily Essentra and Mixtiles
  - Finalize new program with Adventa & Shutterfly in Wall Hangings segment
- GE Appliance and LaFrance overdeliver to Plan, 9.5% & 4.9% respectively
- Launched new websites; duraco.com and teacherstape.com
- Infinity set an all-time monthly sales record with revenue \$352k higher than plan and \$385k higher than PY
- Duraco paid down \$1.3m on the revolver in June

## Risks / challenges to business and plan

- Duraco revenue was \$286k less than plan and \$73k less than PY.
- Both POP and Appliance segment off Plan by 18%; market uncertainty challenging both segments
  - Overall segment is slow, we are winning key projects in POP, next few weeks will give us visibility to holiday season projects
  - Whirlpool down 27% to Plan, July is seeing 15% improvement over previous months
- Industrial sales continue to underperform, Stay at Home order limiting ability expand customer base

## Other material items

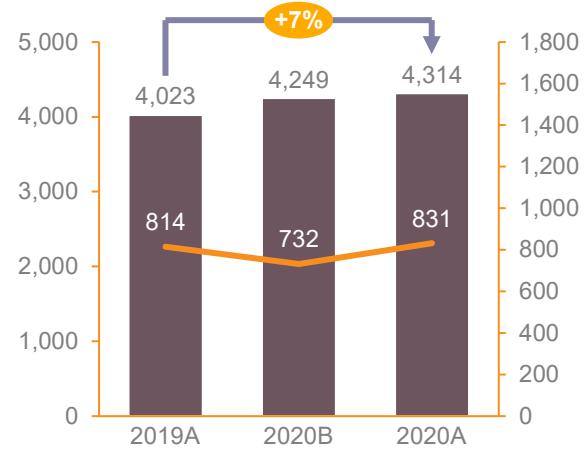


- 0 safety incidents in June

# Consolidated Financial Metrics

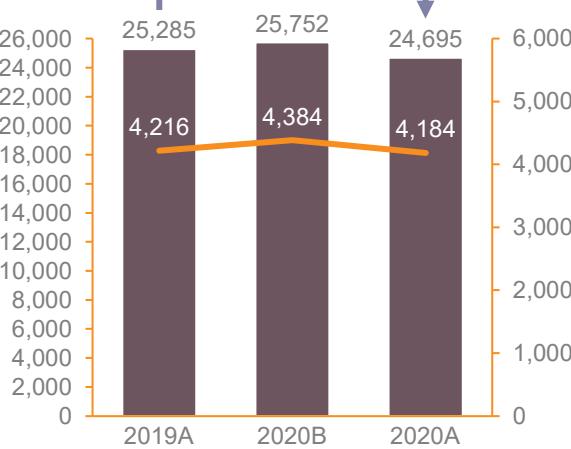
**June MTD**

\$000s



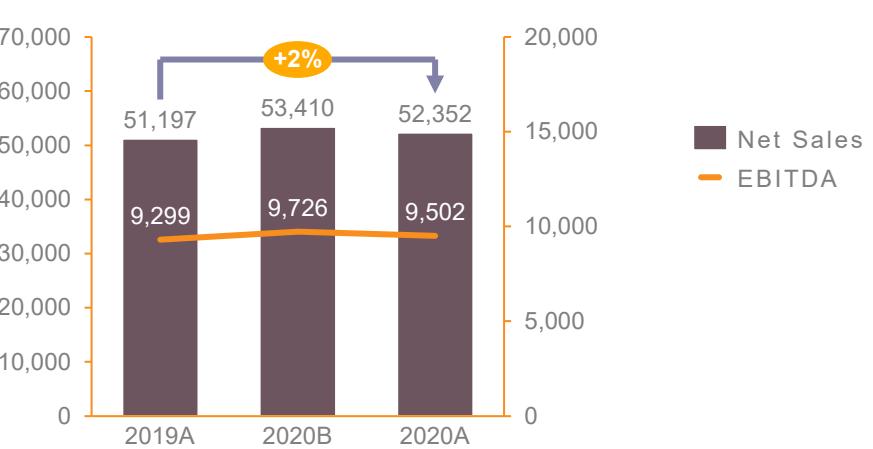
**June YTD**

\$000s



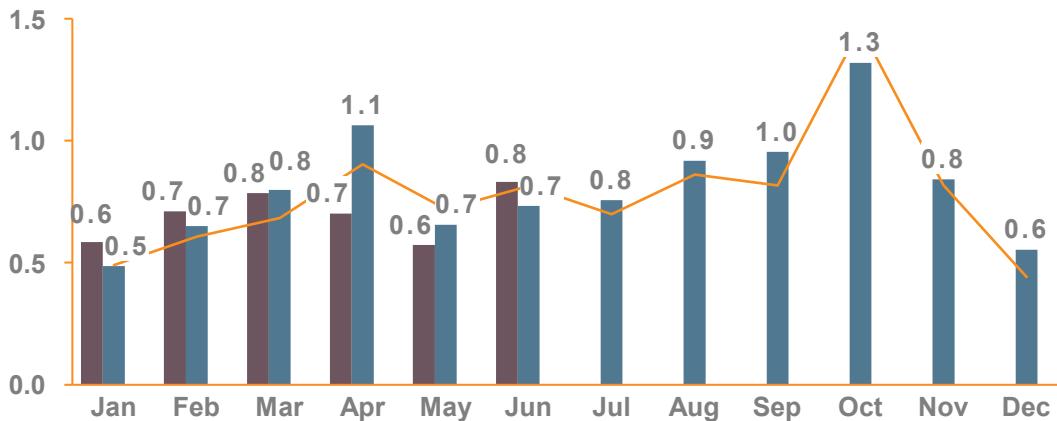
**FY (6+6 Plan)**

\$000s



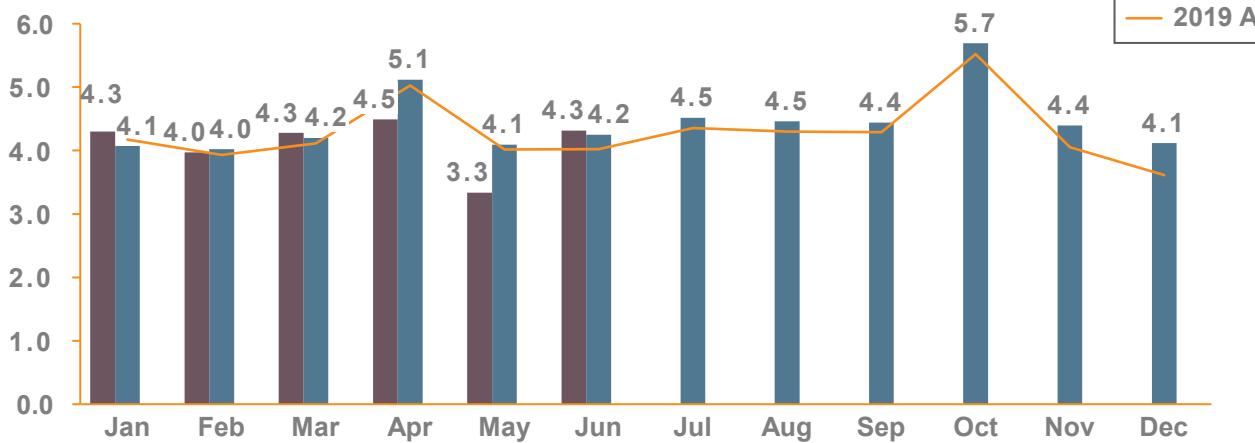
**Monthly EBITDA**

\$ millions

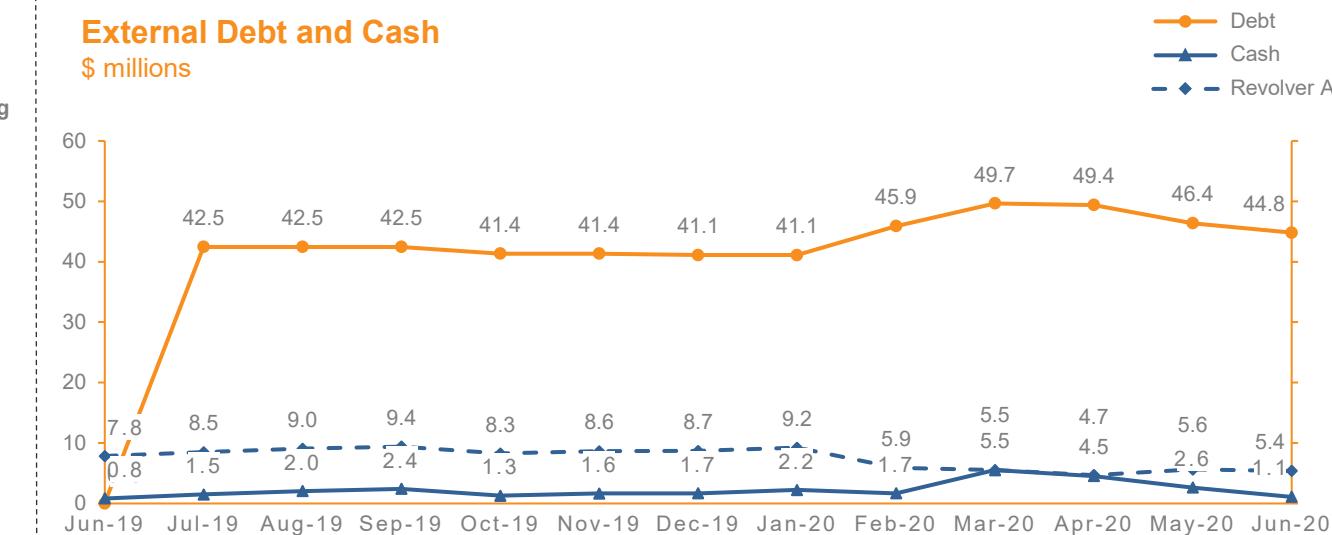
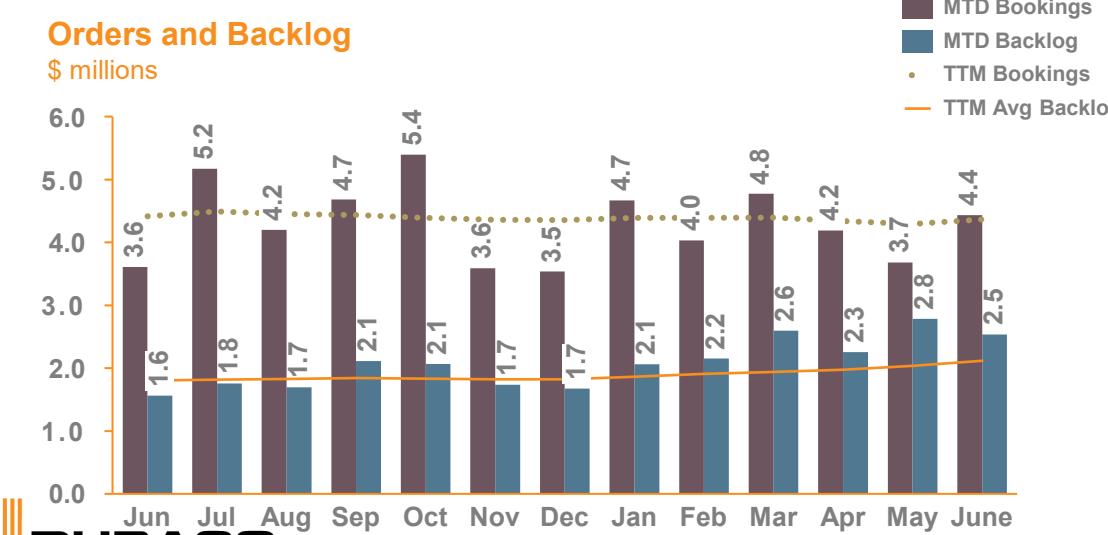
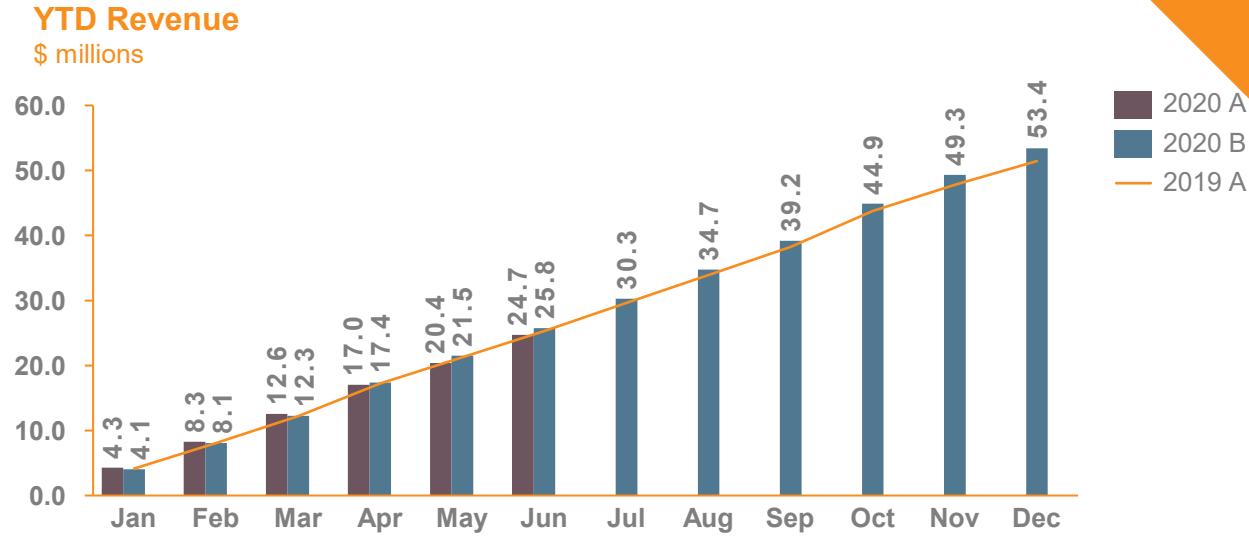
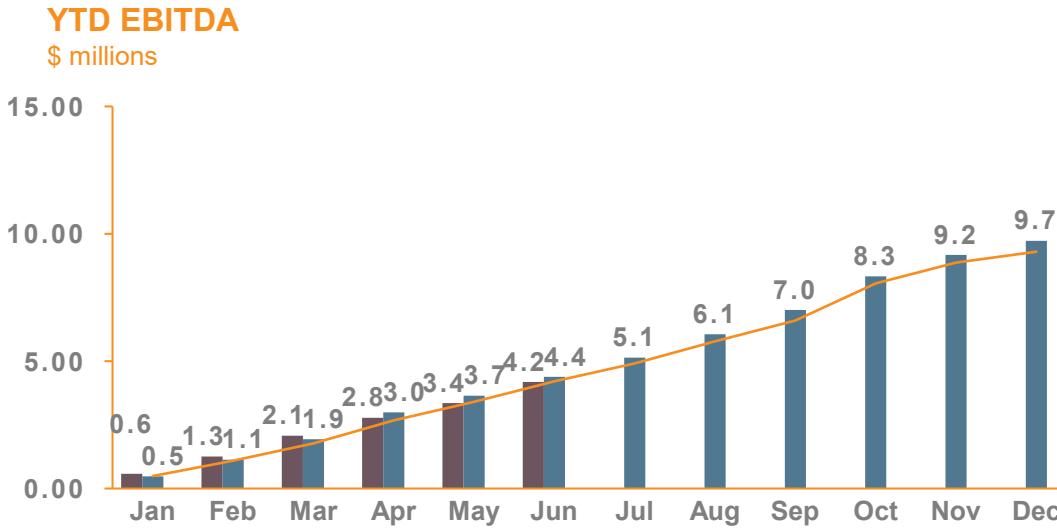


**Monthly Net Revenue**

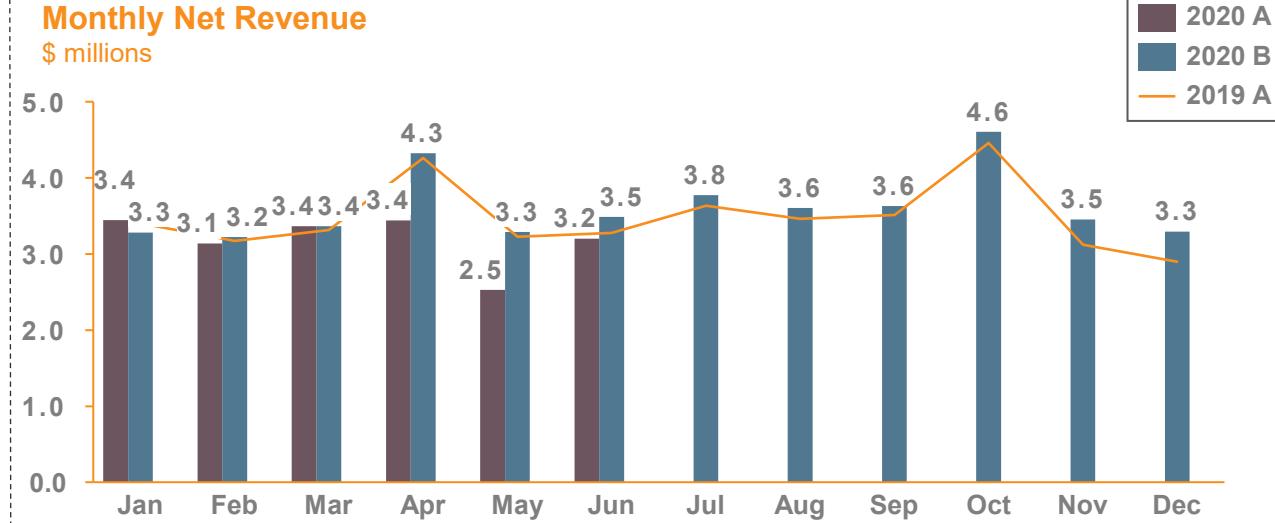
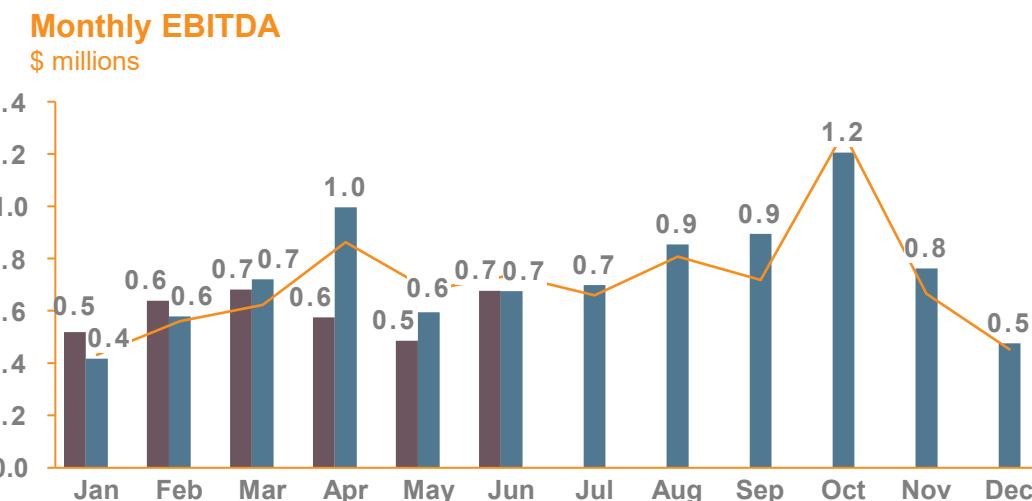
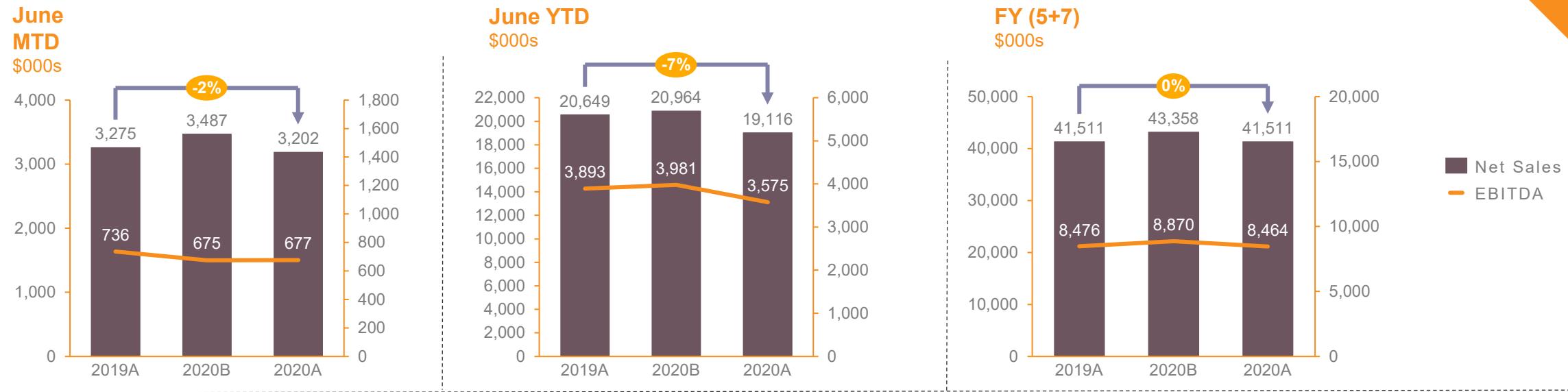
\$ millions



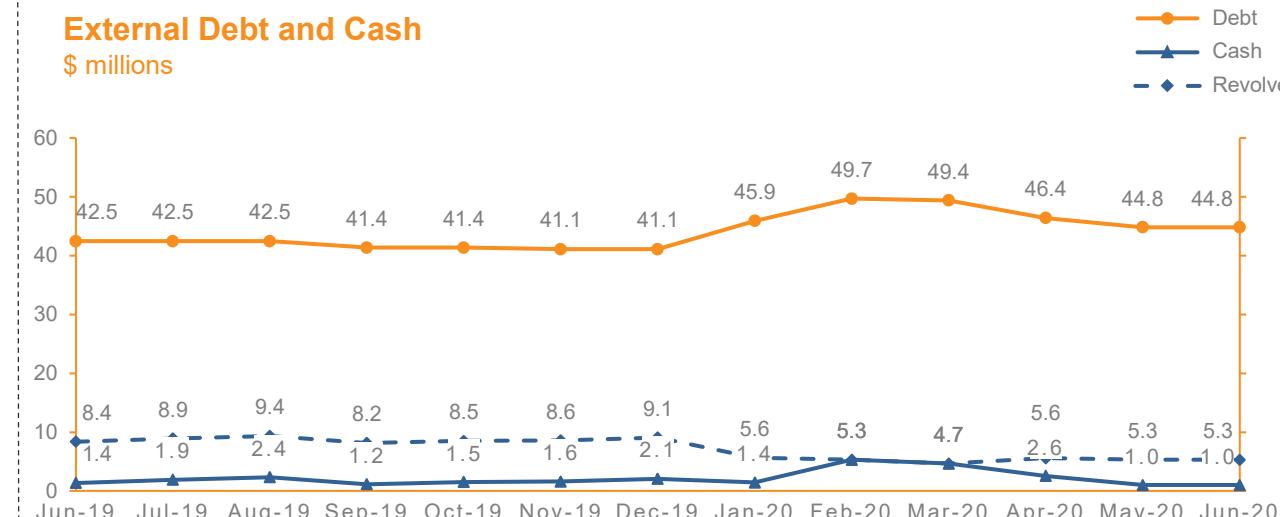
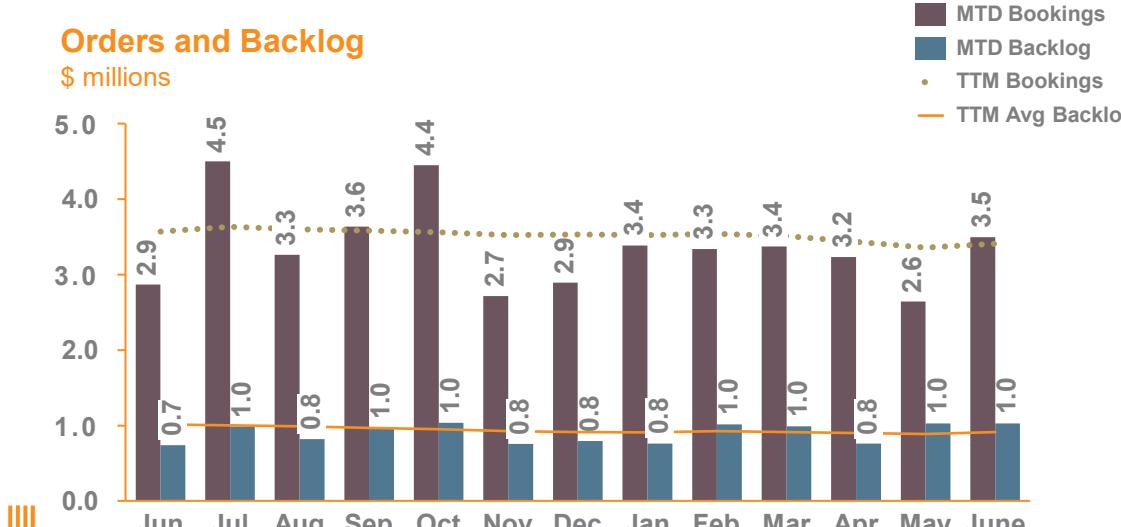
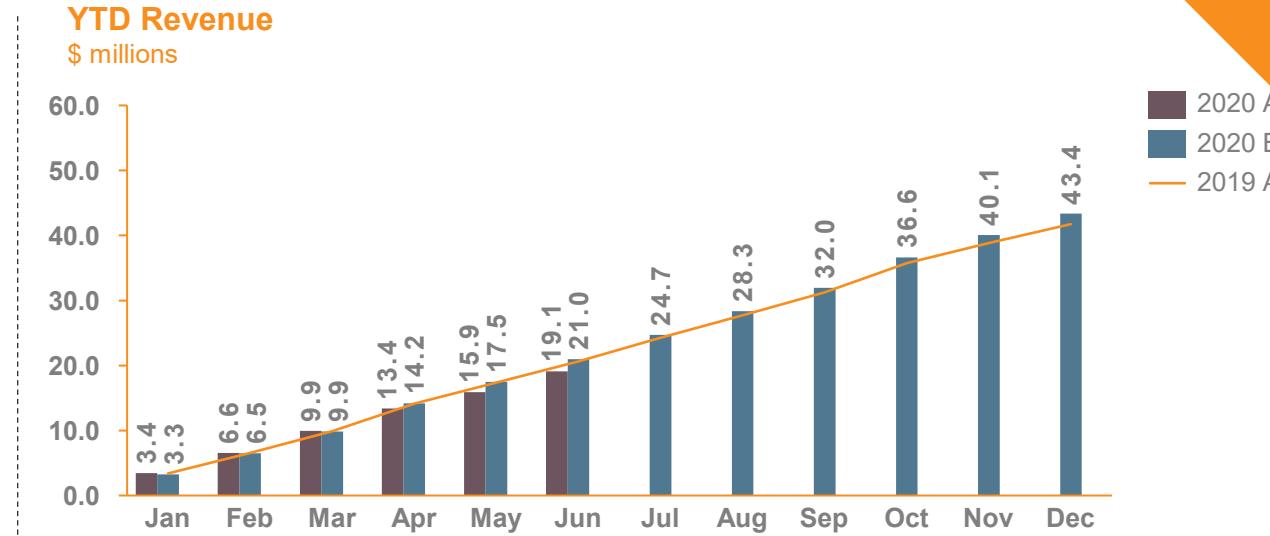
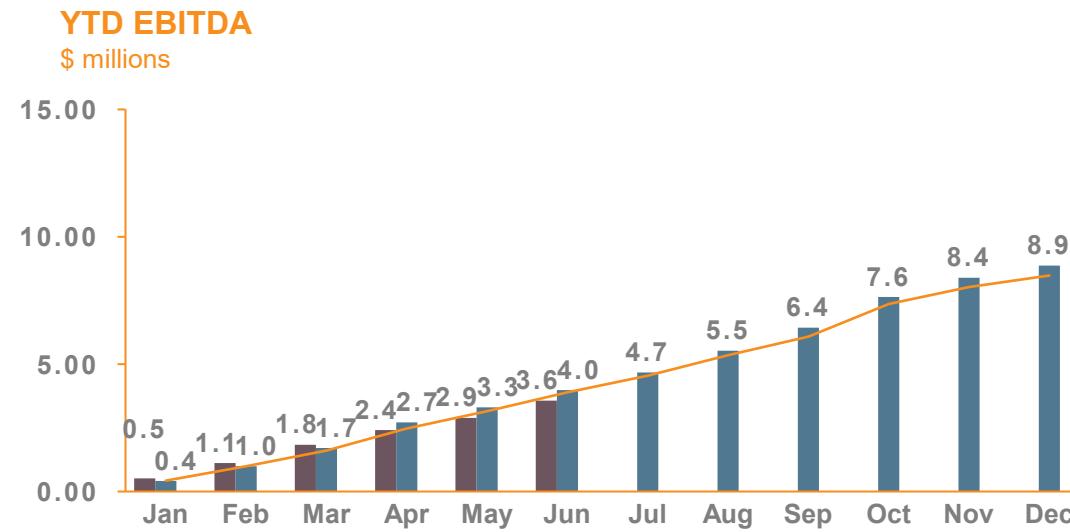
# Consolidated Financial Metrics – con't



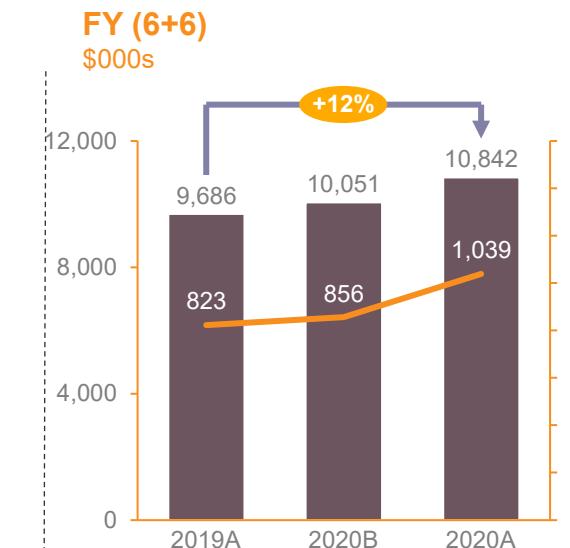
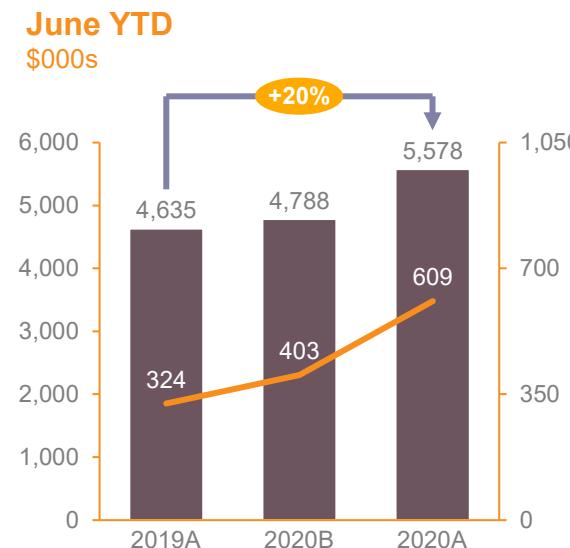
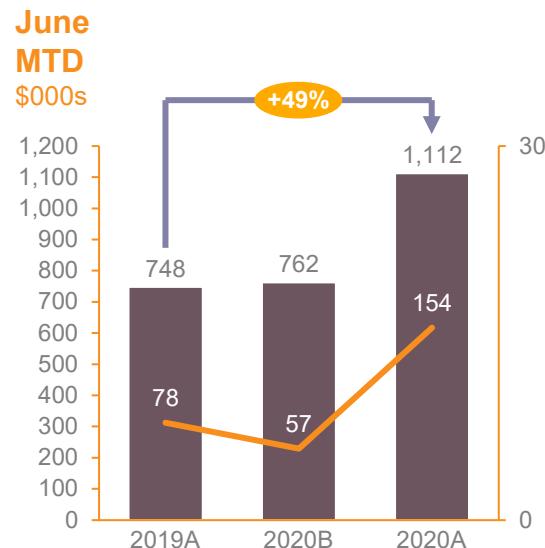
# Duraco Financial Metrics



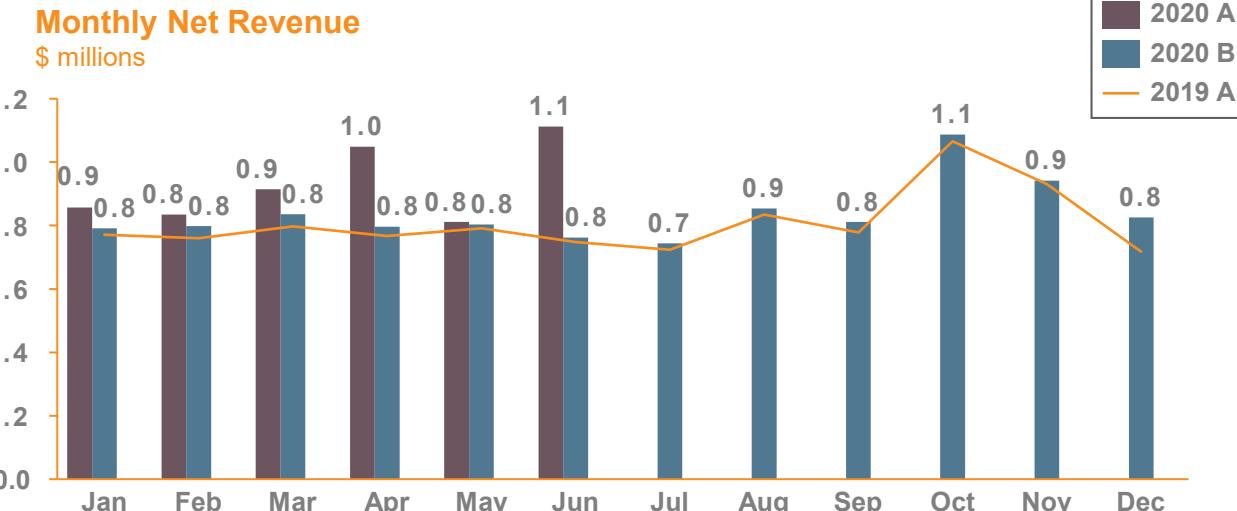
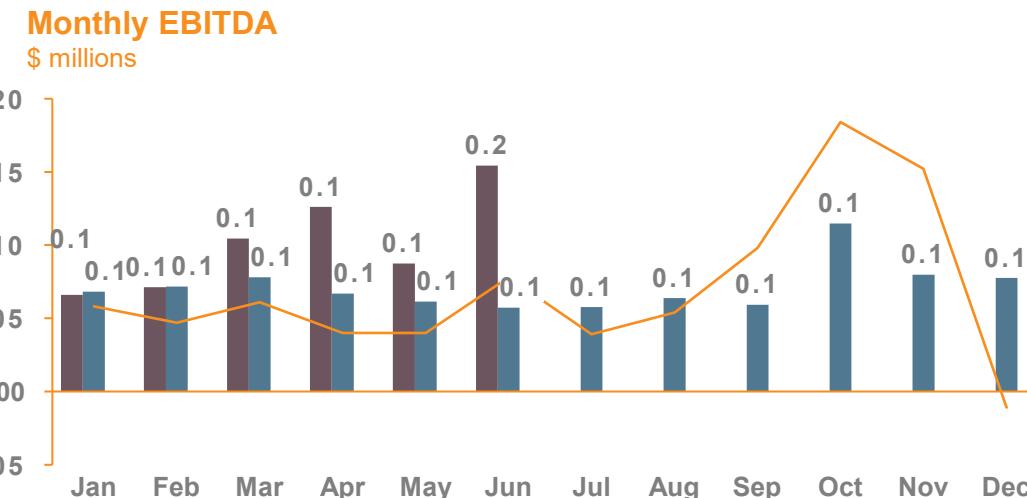
# Duraco Financial Metrics – con't



# Infinity Financial Metrics



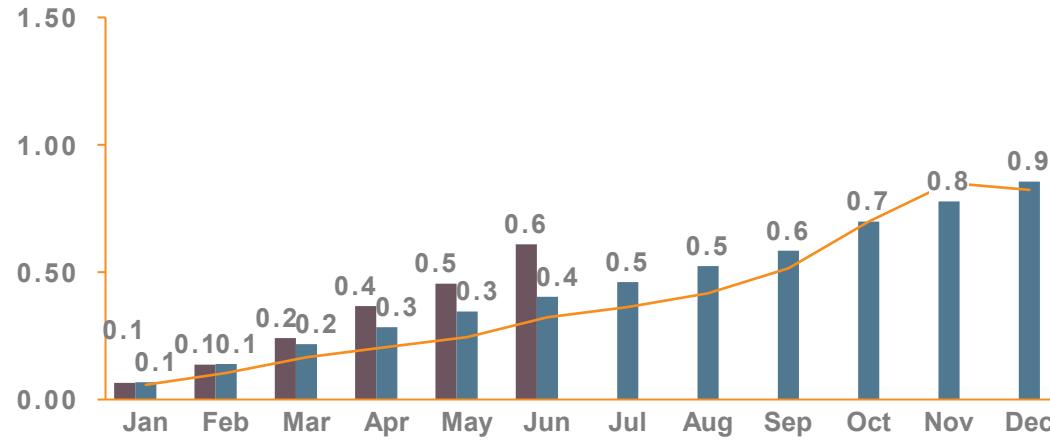
Net Sales  
EBITDA



# Infinity Financial Metrics – con't

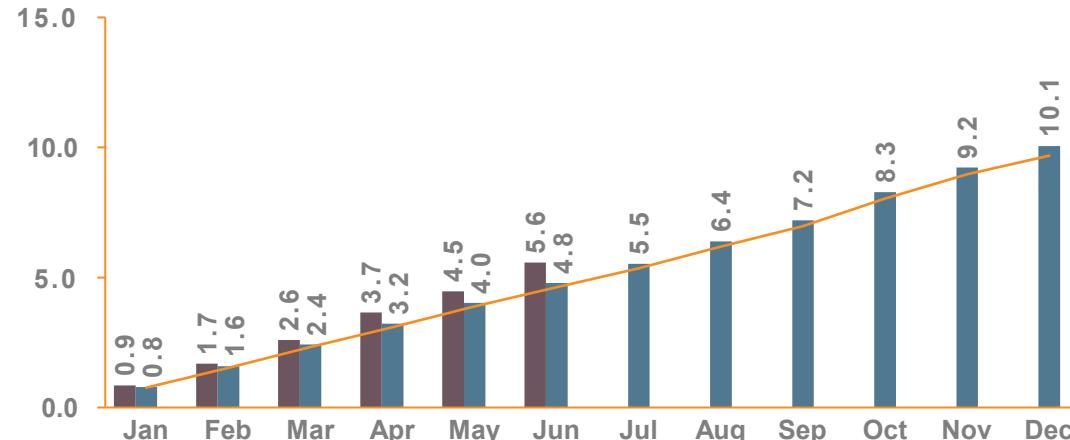
**YTD EBITDA**

\$ millions



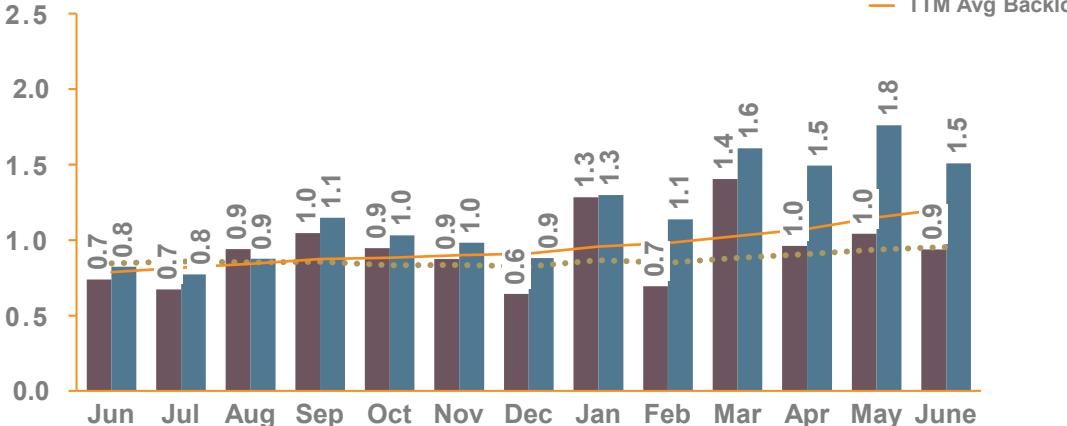
**YTD Revenue**

\$ millions



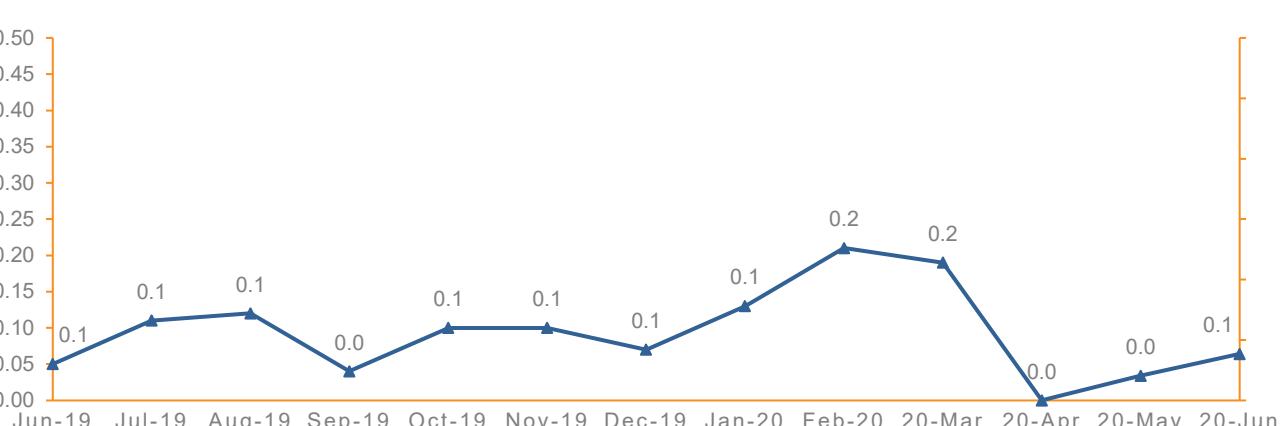
**Orders and Backlog**

\$ millions



**External Debt and Cash**

\$ millions



## Forecast (v1) – June performance

	Actual			Forecast			Variance		
	Duraco	Infinity	Cons	Duraco	Infinity	Cons	Duraco	Infinity	Cons
Revenue	3,202	1,112	4,314	1,996	762	2,758	1,206	350	1,556
PF EBITDA	677	154	831	39	57	96	638	97	735

- Duraco revenue was significantly better than F1 forecast due to \$650k higher POP, \$120k higher transit packaging, \$160k higher white goods, \$180k higher distribution, and \$70k higher white goods. Industrial was in line with expectations.
- Infinity posted an all time record sales month due largely to strong demand for release liner, which more than doubled from PY.
- Higher volume and higher cash containment savings partially offset by unfavorable mix were the main drivers for the PF EBITDA improvement compared to forecast.

# Carveout

## STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
IT Carveout	<span style="background-color: red; width: 10px; height: 10px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>Network carveout was completed in March.</li> <li>Work on ERP is ongoing. Go-Live is in August. BPCS has been extended by one month through the end of August.</li> <li>Phone system implementation is scheduled to be completed in August; two additional delays from Essentra porting the Duraco phone numbers have pushed the implementation from July into August.</li> </ul>	Q2 2020	N/A	N/A
Ceridian/HR	<span style="background-color: #808080; width: 10px; height: 10px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>Completed on June 26th</li> </ul>	Q2 2020	N/A	N/A
Service Centers	<span style="background-color: #808080; width: 10px; height: 10px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>All sites exited</li> </ul>	Q2 2020	N/A	N/A
Treasury	<span style="background-color: #808080; width: 10px; height: 10px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>Complete</li> </ul>	Q1 2020	N/A	N/A
Finance Shared Services	<span style="background-color: #808080; width: 10px; height: 10px; display: inline-block;"></span>	<ul style="list-style-type: none"> <li>TSA ended on June 30<sup>th</sup></li> </ul>	Q2 2020	N/A	N/A

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

Complete
  Just started
  On Track
  At Risk
  Behind Schedule

# Forecast (F2)

## Forecast (F2)

- A 6+6 forecast has been created to attempt to give a more accurate indication of the 2020 outturn.
- Revenue forecasts were created for both businesses based on information from customers, our sales team, and recent trends.
- The forecast assumes that the overall macroeconomic conditions do not improve from where we are today and that some of the recent demand at Duraco is related to pent up demand rather than an underlying improvement that will be sustained in 2020.
- All Duraco cost savings programs remain in effect, and furloughs will be flexed up and down with volume.
- Duraco is looking to the future and is adding a few roles that were in the plan back into the forecast that will drive long term value
  - Associate Product Manager
  - Sr. Process Engineer
  - Lab Assistant
- Duraco will also work on replacing the Technical Director who is on long term disability

# F2 Forecast Overview

## Management Discussion:

- The chart to the right compares the previous forecast (F1) to the revised forecast (F2).
- As shown, the F2 forecast assumes that a recovery will not occur in H2.
- Overall revenue improves by \$1.9m and PF EBITDA is \$828k higher than F1
  - Duraco revenue is \$1.3m higher than F1, a result of the stronger performance through Q2 and rephasing the second half.
  - Infinity revenue is \$600k higher due to sustained volume increases.
  - PF EBITDA at Duraco is \$0.6m higher than F1 due to a strong Q2 and higher cost savings than forecast partially offset by an unfavorable mix change (lower POP and higher Transit Packaging).
  - PF EBITDA at Infinity is \$235k higher due to volume offset by unfavorable mix (higher release liner).
- Liquidity improves by \$860k for year end.
- 6+6 as shown will break the Q4 Debt to EBITDA covenant. We would need to deliver ~\$600k of additional EBITDA to avoid this.

Scenario	F1 Forecast (from April)	F2 Forecast (6+6)
Growth Curve (compared to Plan)		
Description	[from April] Current run rate holds with moderate recovery beginning in August. Balanced view that assumes continued lower revenue with a growing recovery from September.	Forecast assumes June and July run rate increases are pent up demand rather than a sustained increase in demand. Forecast assumes relatively flat demand August - December.
What happens to POP?	POP continues to be -50% to Plan through July with the decline softening through the end of the year. Top 20 POP customers see improvement from Sept - Dec.	POP continues to be -30% of plan through the remainder of 2020.
What happens to Appliance?	Whirlpool continues decline through August with slight improvement through Q4. GE High Bond program slows with production but gains momentum from Sept - Dec	Appliance remains down 25% into the fourth quarter where it improves slightly to down 20%
Infinity	Assumes Infinity will deliver plan for May - December.	Increased revenue and EBITDA based on current trend and VP's sales forecast.
Year End Liquidity	3,612	4,471
Covenants Broken	Debt to EBITDA in Q3 and Q4	Debt to EBITDA in Q4
Revenue % Variance to PL (Duraco only)	-19.3%	-16.4%
Revenue % Variance to PL (Consolidated)	-14.9%	-11.4%
Consolidated Rev	45,466	47,335
Consolidated PF EBITDA	6,241	7,069
Consolidated AOP EBITDA	9,760	9,760

# F2 Forecast Consolidated– Compared to Plan

	Q1 Actual	Q2 Actual	Q3 Forecast	Q4 Forecast	FY Forecast	Q1 Plan	Q2 Plan	Q3 Plan	Q4 Plan	2020 PL	Q1 v to PL	Q2 v to PL	Q3 v to PL	Q4 v to PL	FY Variance	
Revenue	\$ 12,554	\$ 12,141	\$ 11,202	\$ 11,438	\$ 47,335	\$ 12,293	\$ 13,459	\$ 13,415	\$ 14,242	\$ 53,409	\$ 261	\$ (1,318)	\$ (2,213)	\$ (2,804)	\$ (6,074)	
DM	\$ (4,459)	\$ (4,520)	\$ (4,275)	\$ (4,259)	\$ (17,513)	\$ (4,322)	\$ (4,747)	\$ (4,761)	\$ (5,030)	\$ (18,858)	\$ (137)	\$ 227	\$ 486	\$ 771	\$ 1,345	
	DM %	35.5%	37.2%	38.2%	37.2%	37.0%	35.2%	35.3%	35.5%	35.3%	35.3%					
DL	\$ (1,430)	\$ (1,348)	\$ (1,276)	\$ (1,292)	\$ (5,345)	\$ (1,465)	\$ (1,464)	\$ (1,410)	\$ (1,540)	\$ (5,879)	\$ 35	\$ 116	\$ 134	\$ 248	\$ 534	
CM	\$ 6,665	\$ 6,274	\$ 5,651	\$ 5,888	\$ 24,478	\$ 6,507	\$ 7,248	\$ 7,244	\$ 7,673	\$ 28,672	\$ 158	\$ (975)	\$ (1,593)	\$ (1,785)	\$ (4,195)	
Other COGS	\$ (1,882)	\$ (1,759)	\$ (1,738)	\$ (1,855)	\$ (7,235)	\$ (1,856)	\$ (1,964)	\$ (1,900)	\$ (2,053)	\$ (7,774)	\$ (26)	\$ 205	\$ 162	\$ 198	\$ 540	
GM	\$ 4,783	\$ 4,514	\$ 3,913	\$ 4,033	\$ 17,243	\$ 4,650	\$ 5,284	\$ 5,344	\$ 5,620	\$ 20,898	\$ 132	\$ (769)	\$ (1,431)	\$ (1,587)	\$ (3,655)	
	GM %	38.1%	37.2%	34.9%	35.3%	36.4%	37.8%	39.3%	39.8%	39.5%	39.1%					
OPEX	\$ (2,455)	\$ (2,248)	\$ (2,339)	\$ (2,552)	\$ (9,594)	\$ (2,724)	\$ (2,883)	\$ (2,797)	\$ (2,944)	\$ (11,347)	\$ 268	\$ 635	\$ 458	\$ 392	\$ 1,753	
EBITDA	\$ 2,327	\$ 2,266	\$ 1,574	\$ 1,480	\$ 7,648	\$ 1,927	\$ 2,400	\$ 2,548	\$ 2,676	\$ 9,551	\$ 400	\$ (134)	\$ (973)	\$ (1,195)	\$ (1,902)	
Addbacks	\$ 75	\$ 250	\$ 57	\$ 57	\$ 439	\$ 86	\$ 50	\$ 36	\$ 36	\$ 208	\$ (11)	\$ 200	\$ 21	\$ 21	\$ 231	
Bank EBITDA	\$ 2,402	\$ 2,516	\$ 1,632	\$ 1,538	\$ 8,087	\$ 2,013	\$ 2,450	\$ 2,584	\$ 2,712	\$ 9,759	\$ 389	\$ 66	\$ (952)	\$ (1,174)	\$ (1,671)	
	EBITDA %	19.1%	20.7%	14.6%	13.4%	17.1%	16.4%	18.2%	19.3%	19.0%	18.3%					
PF Adjusted EBITDA	\$ 2,078	\$ 2,104	\$ 1,442	\$ 1,445	\$ 7,069	\$ 2,013	\$ 2,450	\$ 2,584	\$ 2,712	\$ 9,759	\$ 65	\$ (346)	\$ (1,142)	\$ (1,267)	\$ (2,689)	
	PF EBITDA %	16.6%	17.3%	12.9%	12.6%	14.9%	16.4%	18.2%	19.3%	19.0%	18.3%					
Operating Cash flow	\$ 758	\$ 2,502	\$ 1,244	\$ 687	\$ 5,191	\$ (93)	\$ 1,605	\$ 1,482	\$ 3,319	\$ 6,312	\$ 851	\$ 897	\$ (238)	\$ (2,631)	\$ (1,121)	
Investing Cash flow	\$ (5,716)	\$ (366)	\$ (552)	\$ (280)	\$ (6,914)	\$ (650)	\$ (425)	\$ (331)	\$ (159)	\$ (1,564)	\$ (5,066)	\$ 59	\$ (221)	\$ (121)	\$ (5,350)	
Financing Cash flow	\$ 8,580	\$ (6,432)	-	\$ (2,014)	\$ 134	\$ (421)	\$ (1,421)	\$ (700)	\$ (2,116)	\$ (4,657)	\$ 9,001	\$ (5,011)	\$ 700	\$ 102	\$ 4,792	
Total Cash Flow	\$ 3,622	\$ (4,296)	\$ 692	\$ (1,607)	\$ (1,588)	\$ (1,163)	\$ (241)	\$ 451	\$ 1,044	\$ 91	\$ 4,785	\$ (4,055)	\$ 241	\$ (2,651)	\$ (1,679)	
	Ending Cash Balance	\$ (86)	\$ 994	\$ 1,777	\$ 171	\$ 171	\$ 357	\$ 116	\$ 567	\$ 1,611	\$ 1,611	\$ (443)	\$ 878	\$ 1,210	\$ (1,440)	\$ (1,440)
Available Liquidity	\$ (86)	\$ 5,294	\$ 6,077	\$ 4,471	\$ 4,471	\$ 7,357	\$ 6,416	\$ 7,567	\$ 8,611	\$ 8,611	\$ (7,443)	\$ (1,122)	\$ (1,490)	\$ (4,140)	\$ (4,140)	



# F2 Forecast Consolidated– Compared to Plan

Jan 20 Feb 20 Mar 20 Apr 20 May 20 Jun 20 Jul 20 Aug 20 Sep 20 Oct 20 Nov 20 Dec 20

## Bank EBITDA Calculation

	\$713	\$825	\$864	\$841	\$699	\$976	\$597	\$508	\$527	\$741	\$527	\$270
Consolidated TTM Bank EBITDA	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950	\$11,058	\$10,710	\$10,155	\$9,683	\$8,796	\$8,351	\$8,088
<b>Fixed Charge Coverage Ratio (Section 6.1)</b>												
Bank EBITDA	\$713	\$825	\$864	\$841	\$699	\$976	\$597	\$508	\$527	\$741	\$527	\$270
i - Unfinanced Capital Expenditures	\$ 39	\$ 330	\$ 42	\$ 38	\$ 55	\$ 207	\$ 218	\$ 212	\$ 56	\$ 65	\$ 85	\$ 65
ii - Management Fees paid or incurred	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
iii - Income/franchise taxes paid or incurred	-	-	-	-	-	-	-	-	-	-	-	-
iv - Restricted Distributions paid in cash	-	-	-	-	-	-	-	-	-	-	-	-
v - Contingent Purchase Price Obligations paid in cash	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow (Numerator)	\$591	\$411	\$739	\$719	\$561	\$685	\$295	\$212	\$387	\$593	\$358	\$122
Interest Expense	\$ 285	\$ 285	\$ 285	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260
<i>Less: Interest Received</i>												
a Net Cash Interest	\$285	\$285	\$285	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260
b Regularly scheduled principal payments	\$ -	\$ -	\$ 278		\$ 278			\$ 278				\$ 278
Fixed Charges (Denominator)	\$ 285	\$ 285	\$ 563	\$ 260	\$ 260	\$ 538	\$ 260	\$ 260	\$ 538	\$ 260	\$ 260	\$ 538
TTM Numerator	\$ 8,943	\$ 8,900	\$ 9,123	\$ 9,043	\$ 8,939	\$ 8,873	\$ 8,321	\$ 7,568	\$ 7,102	\$ 6,230	\$ 5,942	\$ 5,674
TTM Denominator	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,505	\$ 4,480	\$ 4,455	\$ 4,430	\$ 4,405	\$ 4,658	\$ 4,355	\$ 4,330	\$ 4,305
<b>Fixed Charge Coverage Ratio</b>	<b>1.97</b>	<b>1.96</b>	<b>2.01</b>	<b>2.01</b>	<b>2.00</b>	<b>1.99</b>	<b>1.88</b>	<b>1.72</b>	<b>1.52</b>	<b>1.43</b>	<b>1.37</b>	<b>1.32</b>
Covenant Status	1.10 Pass	1.10 Pass	1.10 Pass			1.10 Pass			1.10 Pass			1.10 Pass
<b>Total Debt to EBITDA Ratio (Section 6.2)</b>												
+ Outstanding amount of Revolving Loans	\$ -	\$4,200	\$7,000	\$7,000	\$4,000	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
+ Outstanding Principal Balance - Term Loan	\$41,099	\$43,099	\$42,679	\$42,397	\$42,397	\$42,122	\$42,122	\$42,122	\$42,122	\$41,847	\$41,847	\$41,572
+ Outstanding Principal Balance - Other Debt	\$ -	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300
- Qualified Cash	(2,078)	(1,445)	(3,000)	(3,000)	(2,605)	(1,085)	(525)	(1,236)	(1,777)	(423)	(778)	(171)
Bank Debt	\$39,021	\$47,155	\$47,979	\$47,697	\$45,092	\$45,037	\$45,597	\$44,886	\$44,345	\$45,425	\$45,070	\$45,402
Consolidated TTM Bank EBITDA	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950	\$11,058	\$10,710	\$10,155	\$9,683	\$8,796	\$8,351	\$8,088
<b>Leverage Ratio</b>	<b>3.61</b>	<b>4.29</b>	<b>4.29</b>	<b>4.32</b>	<b>4.12</b>	<b>4.07</b>	<b>4.26</b>	<b>4.42</b>	<b>4.58</b>	<b>5.16</b>	<b>5.40</b>	<b>5.61</b>
Maximum Permitted Total Debt to EBITDA Ratio for the defined period.	6.00				5.75				5.50			5.25
Status	Pass				Pass				Pass			Fail

# Quad Process / Forever Project

# Quad Analysis Project

## Completed Items

- Best path forward is Lift and Shift model.
- Identified and progressing project plan elements:
  - Tasks, timelines, accountabilities
- Identify Infinity President open concerns about the consolidation
  1. Loss of business
  2. Space
  3. Losing key employees
  4. Backfilling operators in FP
  5. Business methodology
- Finalized Forest Park future state layout

## Key Open Items

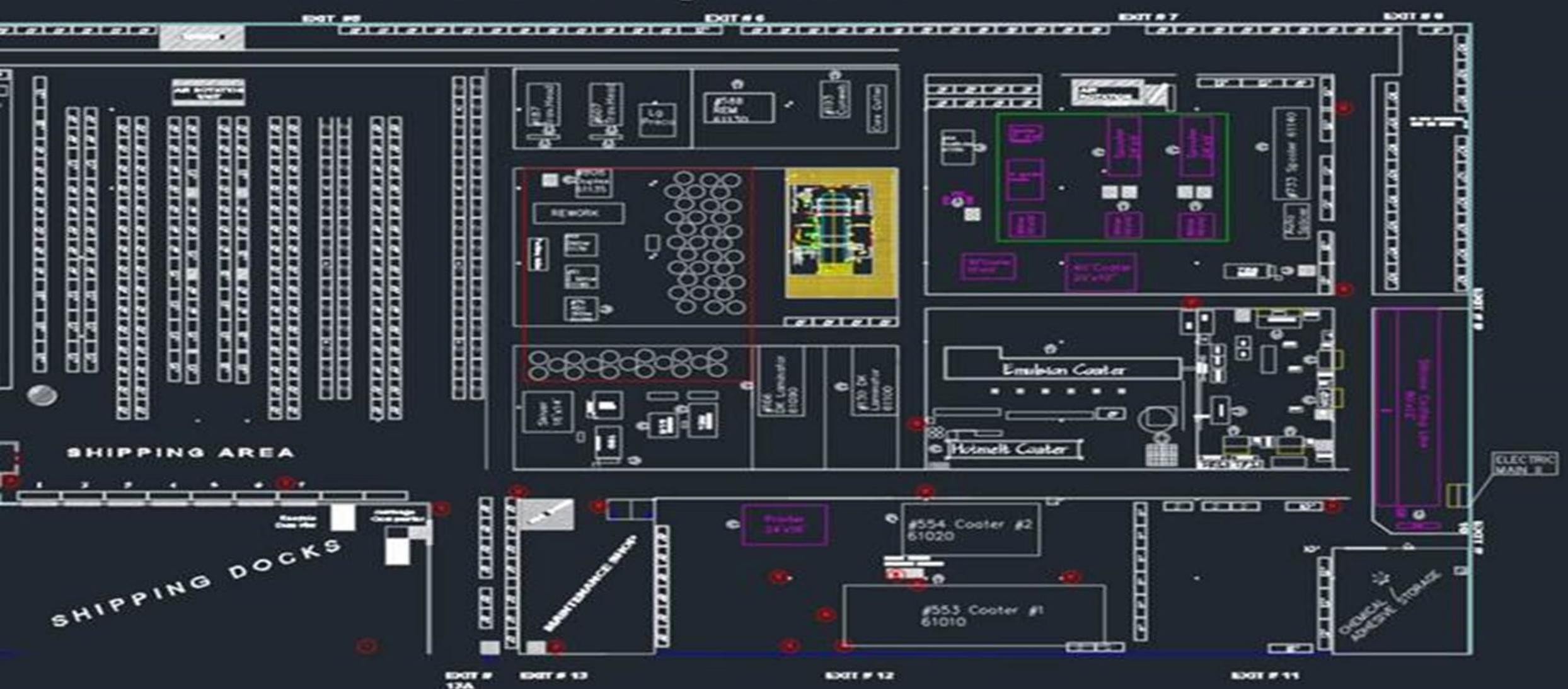
- **Business Case Scenario's**
  - Outside warehouse for 1000 pallet positions
  - 6' Aisle w/partial outside WHSE
  - Overall 1x costs incl. capex will be higher than the underwrite, driven mainly by:
    - Higher moving costs
    - Building upgrades
    - Higher severance
- **Space Constraints**
  - Future capabilities/kit
  - Warehouse space

**Hard costs for capital aligned to each plan needs to be finalized**

## Next Steps

- Getting quotes on narrow Aisle and outside warehouse storage.
- Get final lease costs forklifts and warehouse space to support scenarios
- Continue to define risks and put mitigation plans in place
- Finalize costs for scenarios proposed
- **Final Business case finalized by 8/14**

**BUILDING LAYOUT- REV 05**  
**07/07/2020 - Project Quad**



# Workstream Status Updates

Business Case	Plant Relocation	People Planning	Sales, Marketing, Customer Service	IT
<p><u>Status Update:</u> Business cases for alternate scenarios established</p> <p><u>Milestones:</u></p> <ul style="list-style-type: none"> <li>Determine final costs for business case by 8/7</li> <li>Business case finalized by 8/14</li> </ul> <p><u>Risks/Mitigation:</u> 1: Risk: CapEx and 1x costs higher than originally planned</p>	<p><u>Status Update:</u> Plans well underway with key focus</p> <ul style="list-style-type: none"> <li>Final future state layout and quotes</li> <li>Defining costs to relocate machinery</li> <li>Inventory reduction to clear space</li> <li>Equipment move timing drafted</li> </ul> <p><u>Milestones:</u></p> <ul style="list-style-type: none"> <li>Get final costs on 6' Aisle scenario by 8/3</li> <li>Finish outside warehousing model by 8/3</li> </ul> <p><u>Risks/Mitigation:</u> 1: Risk: <b>space constraints</b> 2: Risk: Ramp rate is insufficient 3: Risk: 6' Aisle scenario affects our efficiencies of pulling orders timely</p>	<p><u>Status Update:</u> A defined HR Smartsheet Plan drafted that includes:</p> <ul style="list-style-type: none"> <li>Communication Plan</li> <li>ABC people identified at Infinity</li> <li>Outlined stay bonus matrix created and put into BC.</li> <li>Recruiting actions</li> <li>Hiring and training plan</li> </ul> <p><u>Milestones:</u></p> <ul style="list-style-type: none"> <li>Finalize plan by 8/14</li> <li><b>Develop retention/severance plans by 9/4</b></li> <li>Recruit and train in FP plan by 9/18</li> <li>Develop Communication plan by 9/18</li> </ul> <p><u>Risks/Mitigation:</u> <b>1: Key personnel don't move, call off or leave early</b> <b>2: Timely replacement hiring process</b> 3: Union seniority rules prevent us placement of people</p>	<p><u>Status Update:</u></p> <ul style="list-style-type: none"> <li>High level planning ongoing with new VP of Sales and Marketing and IST</li> </ul> <p><u>Milestones:</u></p> <ul style="list-style-type: none"> <li><b>Coordinated customer retention plan by 8/31</b></li> </ul> <p><u>Risks/Mitigation:</u> TBD</p>	<p><u>Status Update:</u></p> <ul style="list-style-type: none"> <li>Determined IST system will be uplifted into current system at FP</li> <li>Determined 3<sup>rd</sup> party IT group will develop integration plan timing and costs</li> </ul> <p><u>Milestones:</u></p> <ul style="list-style-type: none"> <li>Involve 3<sup>rd</sup> party resource by TBD</li> </ul> <p><u>Risks/Mitigation:</u> TBD</p>



# Sales Team

# Project Adapt

## DEVELOP AND DELIVER A HIGH-PERFORMING, NIMBLE SALES TEAM

- 30 – 45 day efforts on track
- Top 3 priorities
  - Lead Management process
  - Pipeline expansion
  - Strategic Verticals: focused execution

	<b>Key Elements</b>	<b>30 Day</b>	<b>45 Day</b>	<b>60 Day</b>	<b>90 Day</b>	<b>Year End</b>
People	Talent: - Assessment - training - upgrading	Assessment	Expectations	Remediation		Focused Team
Processes	Leads Pipeline Strategic Verticals (SV)	Pipeline Reporting SV Quantify	Establish Team Pipeline Reporting SV Reporting	Lead Reporting Pipeline Reporting SV Reporting	Lead Reporting Pipeline Reporting SV Reporting	Flywheel of Opportunity
Metrics	KPI's General Metrics	Identified	Reporting	Reporting	Reporting	Reporting
Tools	Digital Other Marketing Industry Engagement	Websites	Updated Digital Strategy	Enhanced Digital Sales Channels		CRM

# Top 20 Pipeline

**TOTAL PIPELINE VALUE: \$7.2MM**

**Top 20 %: 55% of Total**

**Criteria:**

- Closes in 2020
- High annualized value (>\$50K)

**Key Points:**

- Solid start – now build out
- 4 have initial PO commitments
- Appliance: large value/limited scope
- Transit: largest & fastest growing
- Education: leverage to other accounts

**Top 3:**

- GE: Top Loader refresh @ \$300K annual
- Bluff City: Nike DTC pkg @ \$175K annual
- Sleek Socket wall mount @ \$180K annual

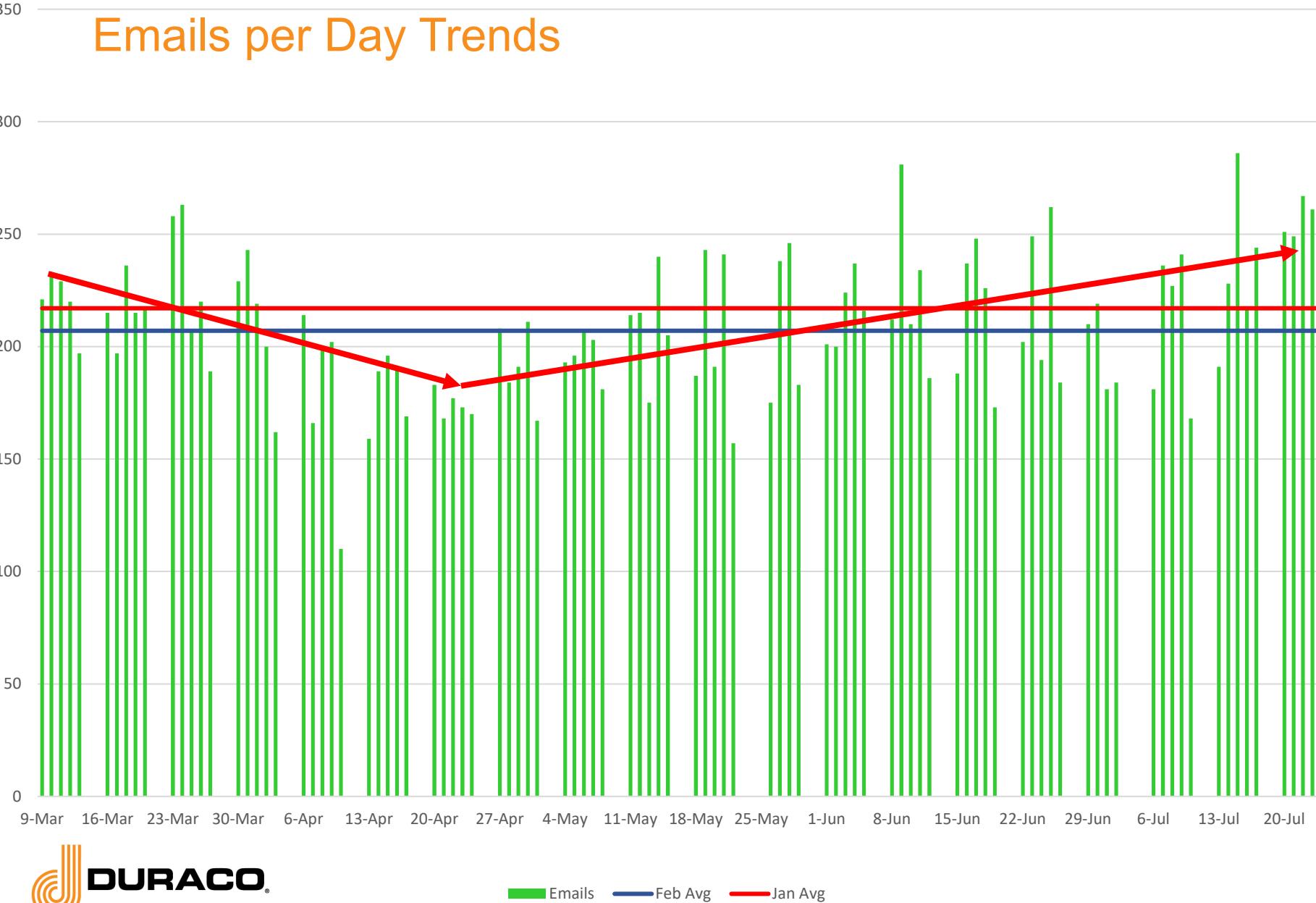
Segment	#	2020 Potential	%	Annual Value	%
<b>Transit Packaging</b>	4	\$ 170,000	32%	\$ 2,125,000	54%
<b>Appliance</b>	3	\$ 130,000	25%	\$ 999,000	25%
<b>Industrial</b>	3	\$ 115,000	22%	\$ 363,000	9%
<b>Decorative</b>	2	\$ 45,000	8%	\$ 300,000	8%
<b>Education</b>	1	\$ 45,000	8%	\$ 60,000	2%
<b>POP</b>	1	\$ 25,000	5%	\$ 120,000	3%
<b>Grand Total</b>	<b>14</b>	<b>\$ 530,000</b>	<b>100%</b>	<b>\$ 3,967,000</b>	<b>100%</b>

# Strategic Verticals

## ROY OBJECTIVE: CONVERT ASSUMPTIONS INTO TANGIBLE RESULTS & CREDIBLE 2021 EXPECTATIONS

	Status	Top 20 Pipeline Annualized value	30 - 60 Day	60 - 90 Day	Year End
Transit Packaging	Growth	\$ 2.1MM	Expand Active Pipeline Promote 'hidden gems' Convert late-stage opportunities	Expand pipeline Continued conversion	Update vertical potential
Decorative - Wallhangings - Recover/Refurbish - ?DIY?	Explore	\$0.3MM	Develop target list Convert late-stage opportunities Update web content	Engage all targets Add 1 – 2 pipeline projects	Provide vertical potential
Appliance	Growth	\$1.0MM	Continued engagement with target accounts	Expand pipeline	Reassess total potential
Windows & Doors	Assess	\$0	Continued engagement with target accounts Engage emergency/municipal targets	Expand pipeline	Reassess total potential
RV & Trailer	Assess	\$0	Continued engagement with targets	Expand pipeline Convert 1 late stage project	Reassess total potential

## Emails per Day Trends



### Management Discussion:

- Week of Feb 3 – 227
- Week of Feb 10 – 220
- Week of Feb 17 – 189
- Week of Feb 24 – 194
- Week of Mar 2 – 215
- Week of Mar 9 – 220
- Week of Mar 16 – 216
- (Started Working Remotely)**
- Week of Mar 23 – 227
- Week of Mar 30 – 211
- Week of Apr 6 – 179
- Week of Apr 13 – 181
- Week of Apr 20 – 174
- Week of Apr 27 – 192
- Week of May 4 – 196
- Week of May 11 – 210
- Week of May 18 – 204
- Week of May 26 – 211
- Week of Jun 1 – 216
- Week of Jun 8 – 225
- Week of Jun 15 – 215
- Week of Jun 22 – 218
- Week of Jun 29 – 199
- Week of Jul 6 – 211
- Week of Jul 13 – 233
- Week of Jul 20 – 253

# Marketing / Product Management

# New Websites

## DURACO + TEACHER'S TAPE

Looking forward, we should expect to see:

- **Increased traffic**

- With an SEO friendly website built to obtain a higher search presence
- With new pages focused on targeting applications, key markets and capabilities
- Being a centralized hub to direct all marketing campaign traffic

- **Increased conversion rates**

- With additional and prominent calls to action
- With functionality to track touchpoint utilization
- With revamped and eCommerce friendly product pages

- **More engagement**

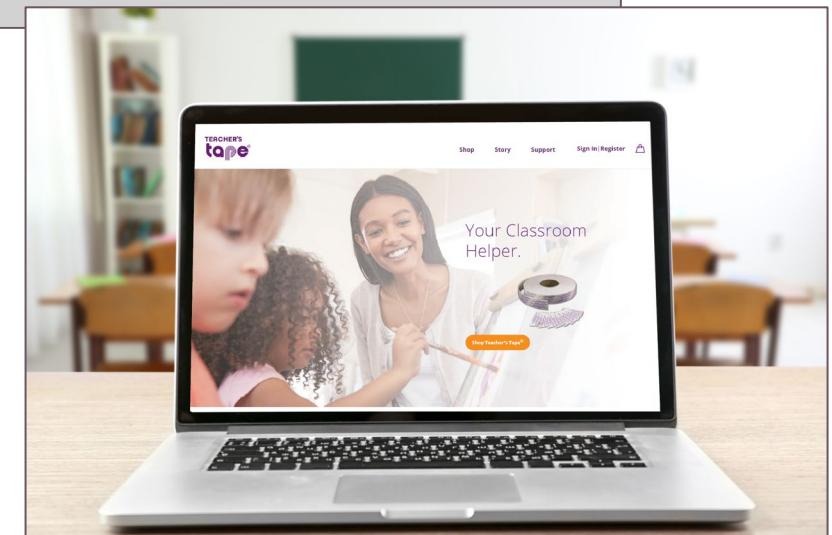
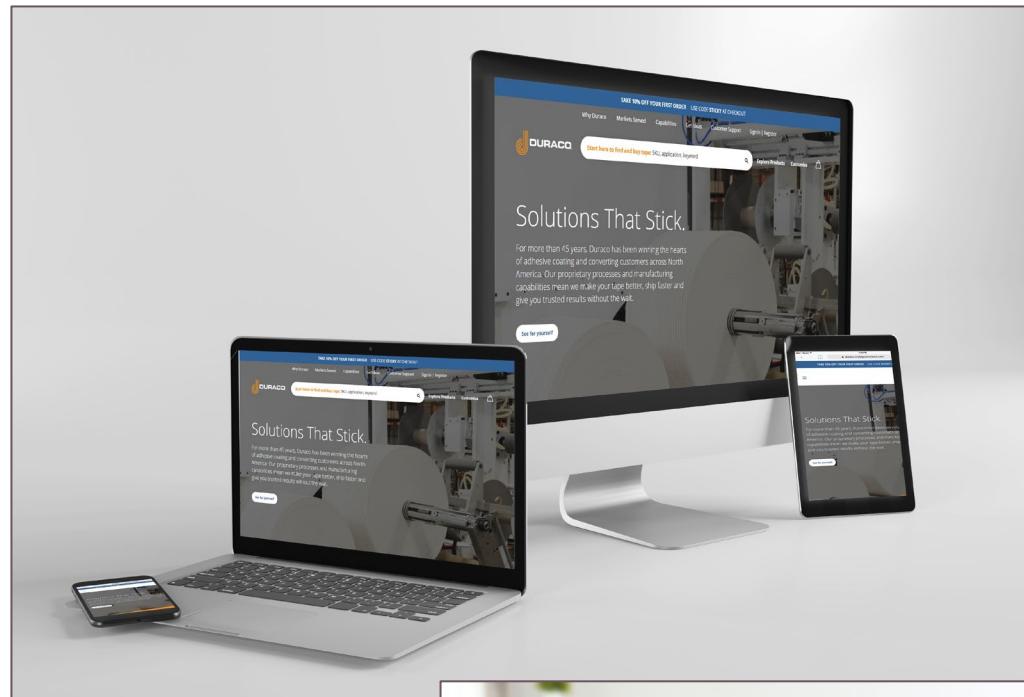
- With a new blog that will feature rich content that will be targeted to the adhesive industry and our key target markets.
- With a simplified site architecture built to accommodate different levels of prospects + customers
- With the ability to engage on any device

- **Better user + customer experience**

- With numerous touchpoints and tools for customers to filter and find the product for their application
- With an enhanced search experience built to accommodate different levels of users.
- Enhanced security certificate to ensure a safe and seamless transaction experience
- A website built to be utilized on all devices

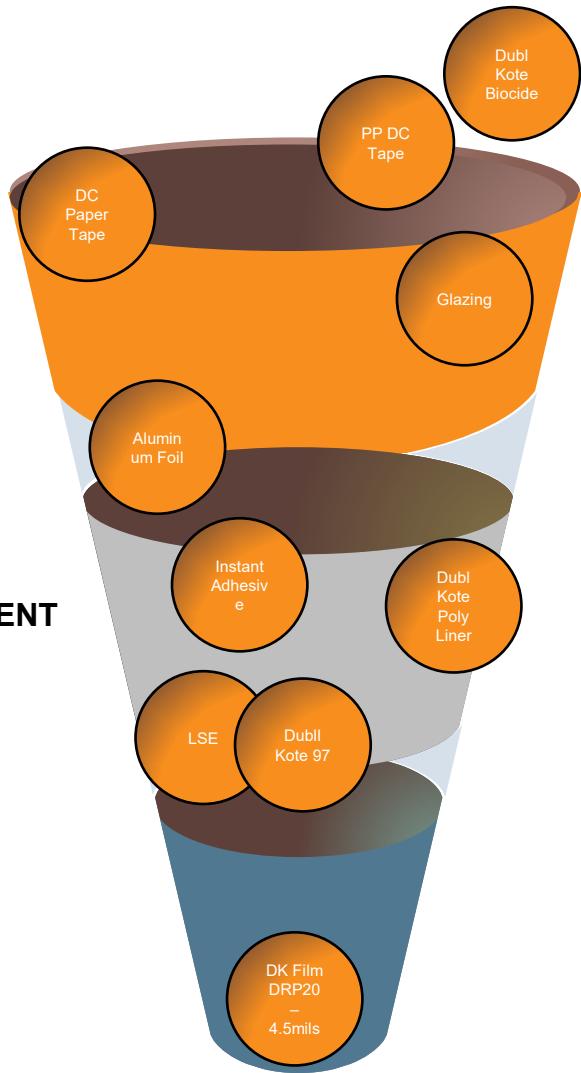


**Increased sales because of all of the above**



# Product Development

**IDEATION**



**DEVELOPMENT**

**LAUNCH**

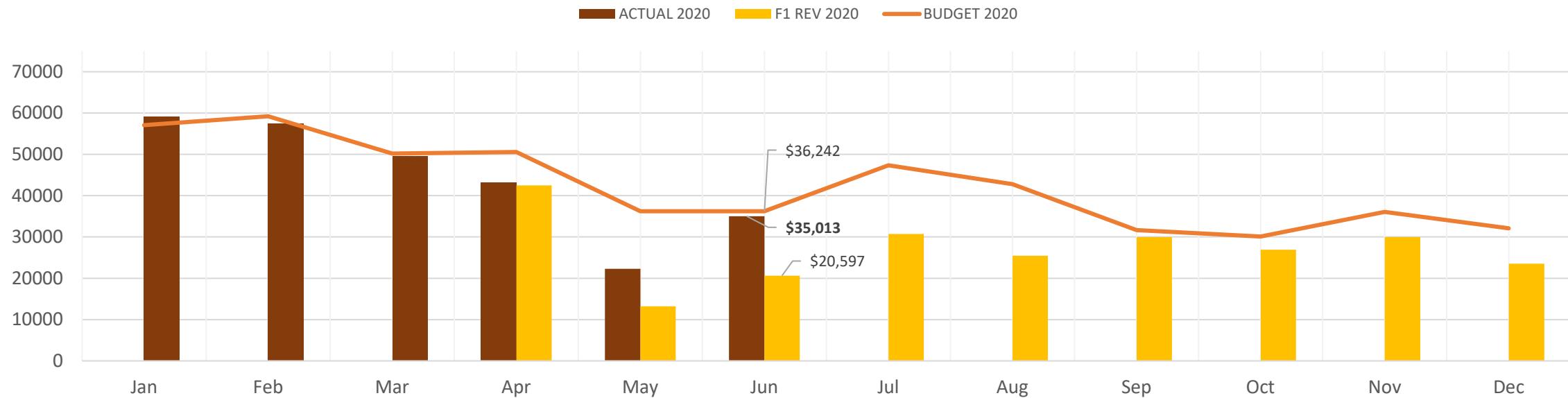


PRODUCTS	DESCRIPTION	MARKETS / USAGE	
DK Film DRP20 – 4.5 mils thick	DK Film with a hi-tack acrylic adhesive.	Industrial – Competing against 3M 200 and 300 adhesives.	7/28/2020
LSE	.Adhesive for DFFT or film tape that bonds to LSE / Powder Coated / UV coated surfaces.	Focus will be on POP industry.	9/30/2020
Dubl Kote 97	In conjunction with above. Developed for Tema with higher initial tack and wet out than standard Dubl Kote	Primarily POP industry but also industrial applications where higher tack is important.	9/30/2020
Dubl Kote Poly Liner	Our standard Dubl Kote product line, provided with a Polypropylene or Polyethylene liner	POP – Replacing our paper protective liner with a plastic film that allows for easier release, without tearing. Primarily plastic profile extruders	TBD
Instant Adhesives	Cyanoacrylate adhesive that is bottled – similar to Krazy Glue or Loctite.	POP industry – For assembly of plastic parts where a tape is not practical	8/28/2020
Aluminum Foil	3 to 5 mil thick aluminum with a rubber based adhesive. Designed to be slit and die cut as comparable to Avery FT-0815.	General industrial but focus on appliance.	TBD
Glazing Tape	DFFT to meet AAMA 810,1	Window industry for glazing.	11/2/2020
DC Paper Tape	Paper carrier with double coated rubber based adhesive.	Transit Packaging. Shannon Packaging.	TBD
PP Double Coated Tape	Double coated tape with PP carrier. Greater elongation can provide less residue and harder to tear.	Packaging and POP. Superior Packaging.	TBD
Dubl Kote Biocide	Dubl Kote with XLPE carrier with biocide to not allow germs to grow.	POP	TBD

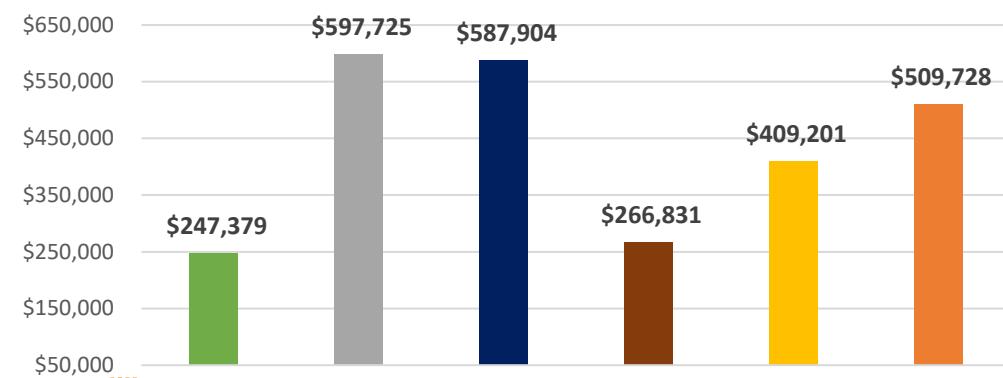
# Cost Savings

# Duraco Cost Savings 2020 – Actuals

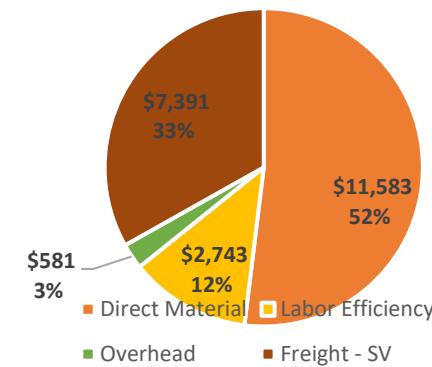
## Cost Savings Monthly Results



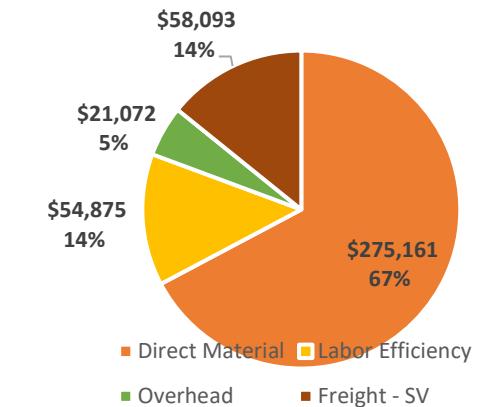
## Cost Saving Yearly Comparison



## June COST SAVINGS



## 2020 COST SAVINGS - F1 REV



# Cost Savings Breakdown

## JUNE BUDGET VS ACTUAL GAP REASONS

BUDGET	\$36K	ACTUAL
--------	-------	--------

- |                                     |        |
|-------------------------------------|--------|
| • 4 Volume related projects         | \$1.3k |
| – Mondi liner                       | \$1.3k |
| • 3 Project launch delay / forecast | \$9.0k |
| – Mondi liner                       | \$1.1k |
| – 10" Rotary upgrade to 20"         | \$2.5k |
| – Elastapro                         | \$1.6k |
| – Avery Denison Hot Melt            | \$1.5k |
| – RFQ Mylar                         | \$1.8k |
| – Foam Vendor change                | \$0.5k |
| • 2 Projects removed                | \$1.5k |
| – Amber Liner                       | \$1.0k |
| – 5256 line speed                   | \$0.5k |

**TOTAL MISS= \$11.8**

## JUNE PROJECTS THAT EXCEEDED PLAN

- |                    |        |
|--------------------|--------|
| • UPS Agreement    | \$1.5k |
| • Ampac GB Project | \$0.5k |
| • BB Liner         | \$5.5k |
| • Freight Savings  | \$3.5k |

**Total above \$11.0**

# Appendix

# Duraco 2020 Open Roles

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

# Commercial and Sales

# Commercial Bowling Chart by Industry Segment

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



# Top Customers by MTD and YTD Sales and GVA

Parent Customer (Industry)	Current Month Sales	Current Month Plan	Month % of Plan	PY Month Sales	MoM % Change	Current Month GVA %	PY Month GVA %	Current Year Sales	Current Year Plan	YTD % of Plan	Prior Year Sales	YoY % Change	Current Year GVA %	Prior Year GVA %
Whirlpool (Appliance)	185,515	252,592	73%	253,063	-26.7%	47.0%	47.1%	1,083,057	1,419,127	102%	1,444,241	-25.0%	48.1%	43.5%
Circle Graphics (POP)	181,518	64,596	281%	54,427	233.5%	74.7%	73.4%	446,313	152,213	81%	122,977	262.9%	73.4%	73.3%
Ampac (Transit Packaging)	172,569	38,500	448%	38,088	353.1%	40.2%	56.7%	744,167	231,000	68%	157,531	372.4%	40.7%	56.3%
Essentra (Distribution)	159,594	44,749	357%	62,025	157.3%	53.4%	57.2%	682,282	426,572	124%	529,794	28.8%	54.1%	54.2%
Mixtiles (Wall Hangings)	91,091	10,789	844%	7,770	1072.4%	79.9%	84.3%	677,473	231,956	88%	204,136	231.9%	80.5%	82.8%
WestRock (POP)	84,268	60,264	140%	58,763	43.4%	78.5%	76.8%	564,107	434,908	99%	430,997	30.9%	76.9%	74.6%
La France Corporation (Appliance)	83,880	80,000	105%	123,607	-32.1%	67.5%	71.2%	348,956	185,000	124%	229,186	52.3%	69.7%	70.0%
GE Appliances (Appliance)	80,614	73,590	110%	13,033	518.5%	39.6%	38.9%	213,256	295,851	31%	90,494	135.7%	38.4%	47.6%
Menasha (POP)	70,092	85,158	82%	77,156	-9.2%	73.0%	75.1%	421,708	562,979	96%	541,004	-22.1%	73.7%	73.0%
CS PACKAGING (POP)	64,589	0	Infinity	0	Infinity	32.7%	NaN	66,587	45,031	101%	45,492	46.4%	32.8%	32.4%
Imagine Print Solutions (POP)	59,964	77,241	78%	74,144	-19.1%	79.1%	82.7%	303,095	461,384	100%	459,826	-34.1%	80.7%	81.2%
RR Donnelley (POP)	52,131	106,887	49%	123,622	-57.8%	67.8%	69.7%	280,139	447,911	98%	438,773	-36.2%	72.4%	71.2%
Hennessy Industries - Bada (Automotive & Transport)	46,474	33,338	139%	40,949	13.5%	62.1%	60.9%	179,260	216,698	100%	216,287	-17.1%	62.1%	61.1%
Ardent Displays And Packaging (POP)	41,372	1,653	2503%	1,575	2526.5%	73.8%	83.9%	67,922	22,047	100%	22,011	208.6%	77.6%	84.6%
ULINE (Distribution)	40,637	21,281	191%	20,691	96.4%	87.5%	87.6%	49,598	44,406	96%	42,517	16.7%	87.6%	87.4%
TMS TECHNICAL MACHINERY SOLUTIONS (Transit Packaging)	35,962	30,000	120%	0	Infinity	43.7%	NaN	231,332	180,000	0%	0	Infinity	43.7%	NaN
PCA Corporation (POP)	33,007	41,209	80%	41,938	-21.3%	84.4%	83.6%	163,318	246,404	130%	320,015	-49.0%	84.9%	84.2%
GP Corrugated Tolleson AZ (Transit Packaging)	29,959		Infinity	0	Infinity	45.3%	NaN	59,918		NaN	0	Infinity	45.3%	NaN
Hatteras Press (POP)	29,559	3,396	870%	3,236	813.6%	68.3%	81.1%	143,547	28,932	101%	29,150	392.4%	71.1%	78.2%
QUAD GRAPHICS NEW BERLIN (POP)	28,040	64,793	43%	48,207	-41.8%	73.2%	76.4%	195,325	159,391	74%	118,718	64.5%	74.9%	79.8%
Veritiv - St Louis (POP)	25,851	5,319	486%	5,068	410.1%	52.3%	83.3%	137,047	27,938	100%	28,008	389.3%	53.6%	84.6%
Sifftron (POP)	25,493	20,001	127%	21,824	16.8%	85.2%	60.5%	323,196	204,000	100%	203,101	59.1%	75.4%	70.4%
Schwarz Supply Source (POP)	23,925	29,301	82%	27,753	-13.8%	79.3%	79.7%	24,145	31,804	95%	30,296	-20.3%	79.4%	79.6%
Plastic Products Company Incorporated (Appliance)	22,070	22,000	100%	22,264	-0.9%	47.0%	47.2%	124,082	145,000	92%	132,751	-6.5%	46.1%	47.4%
Miller Studio (POP)	19,308	8,922	216%	8,502	127.1%	67.8%	73.7%	77,120	89,823	101%	90,701	-15.0%	68.9%	71.1%
Bernard Group (POP)	18,729	10,656	176%	6,948	169.6%	84.8%	89.8%	92,247	127,872	89%	113,734	-18.9%	79.8%	80.1%
BCI Drake Division (POP)	18,635	16,617	112%	15,834	17.7%	82.0%	80.5%	22,915	21,791	98%	21,269	7.7%	82.2%	81.7%
ATLANTIC PACKAGING (Distribution)	18,391	5,645	326%	5,465	236.5%	72.2%	73.8%	111,636	194,578	91%	177,017	-36.9%	74.6%	73.4%
PRESSURE SENSITIVE NETWORK (POP)	17,809	19,665	91%	11,649	52.9%	56.9%	61.7%	94,463	86,940	160%	138,882	-32.0%	60.0%	55.3%
Donaldson (Industrial)	17,690	27,080	65%	24,009	-26.3%	60.3%	59.8%	171,252	176,021	98%	172,418	-0.7%	59.7%	57.8%
Flower City Printing Company (POP)	16,768	32,000	52%	14,730	13.8%	78.5%	79.1%	167,251	192,000	79%	151,031	10.7%	75.2%	76.2%
CANPLEX PROFILES (POP)	15,802	20,900	76%	17,967	-12.1%	59.4%	56.6%	85,884	83,995	92%	77,441	10.9%	61.8%	54.5%
BLUFF CITY PACKAGING (Transit Packaging)	15,720	1,957	803%	1,871	740.3%	57.8%	75.7%	42,174	4,527	94%	4,271	887.4%	57.5%	75.1%
Repro Graphics (POP)	15,350	0	Infinity	0	Infinity	74.2%	NaN	15,350	824	109%	896	1612.7%	74.2%	74.7%
Marvin Windows (Industrial)	15,334	1,416	1083%	1,179	1200.7%	63.1%	69.7%	43,466	28,181	92%	25,834	68.2%	65.6%	66.7%
SCHNEIDER ELECTRIC MEXICO S.A. de C.V. (Industrial)	15,204	17,711	86%	19,498	-22.0%	62.9%	66.9%	140,772	115,120	113%	130,340	8.0%	65.0%	64.5%
<b>Total</b>	<b>3,203,635</b>	<b>3,496,500</b>	<b>92%</b>	<b>3,282,178</b>	<b>-2.4%</b>	<b>67.2%</b>	<b>70.2%</b>	<b>19,152,050</b>	<b>21,021,477</b>	<b>98%</b>	<b>20,691,888</b>	<b>-7.4%</b>	<b>69.8%</b>	<b>70.1%</b>



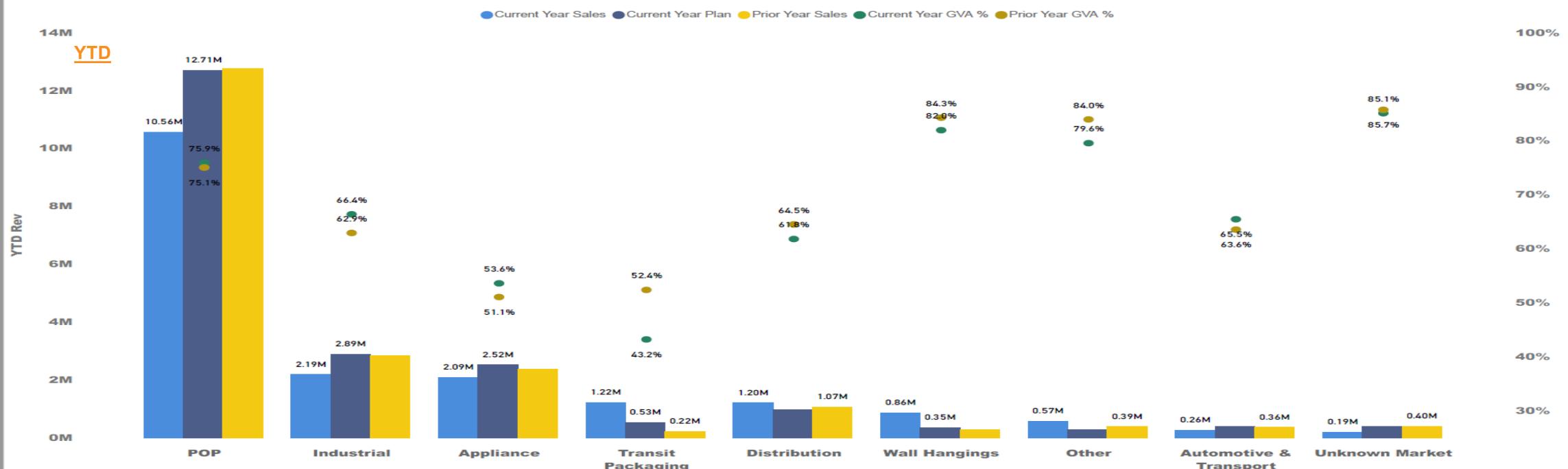
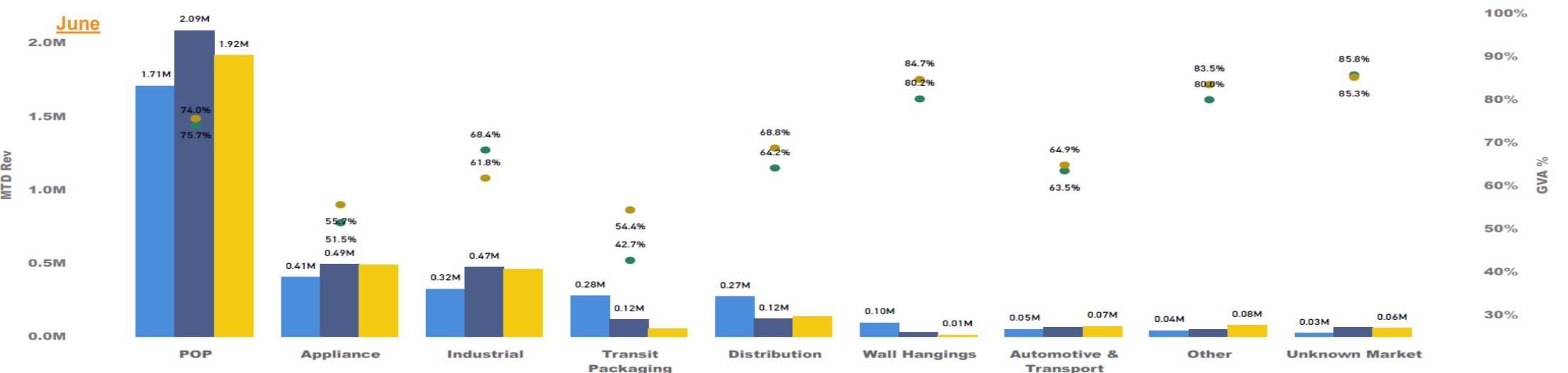
# YTD Sales and YTD GVA

Industry	Current Year Sales	Prior Year Sales	YoY \$ Change	YoY % Change	Current Year Plan	YTD Plan % Change	Current Year GVA	Prior Year GVA	YoY Change in GVA	Current Year GVA %	Prior Year GVA %	YoY GVA % Change
Industrial	2.19M	2.85M	(\$0.65M)	-23.0%	2.89M	-1.4%	1.46M	1.79M	(\$0.34M)	66.4%	62.9%	3.5%
Appliance	2.09M	2.38M	(\$0.29M)	-12.3%	2.52M	-5.5%	1.12M	1.22M	(\$0.10M)	53.6%	51.1%	2.5%
Automotive & Transport	0.26M	0.36M	(\$0.10M)	-26.8%	0.39M	-7.0%	0.17M	0.23M	(\$0.06M)	65.5%	63.6%	1.9%
POP	10.56M	12.76M	(\$2.20M)	-17.2%	12.71M	0.4%	8.02M	9.58M	(\$1.56M)	75.9%	75.1%	0.9%
Unknown Market	0.19M	0.40M	(\$0.21M)	-51.8%	0.39M	2.4%	0.16M	0.34M	(\$0.18M)	85.1%	85.7%	-0.6%
Wall Hangings	0.86M	0.27M	\$0.59M	218.0%	0.35M	-21.9%	0.71M	0.23M	\$0.48M	82.0%	84.3%	-2.3%
Distribution	1.20M	1.07M	\$0.14M	12.7%	0.96M	10.8%	0.74M	0.69M	\$0.05M	61.8%	64.5%	-2.7%
Other	0.57M	0.39M	\$0.18M	47.5%	0.29M	33.6%	0.46M	0.33M	\$0.13M	79.6%	84.0%	-4.4%
Transit Packaging	1.22M	0.22M	\$1.00M	460.9%	0.53M	-59.2%	0.53M	0.11M	\$0.41M	43.2%	52.4%	-9.2%
<b>Total</b>	<b>19.15M</b>	<b>20.69M</b>	<b>(\$1.54M)</b>	<b>-7.4%</b>	<b>21.02M</b>	<b>-1.6%</b>	<b>13.36M</b>	<b>14.51M</b>	<b>(\$1.15M)</b>	<b>69.8%</b>	<b>70.1%</b>	<b>-0.4%</b>

# Revenue by Customer Segment

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

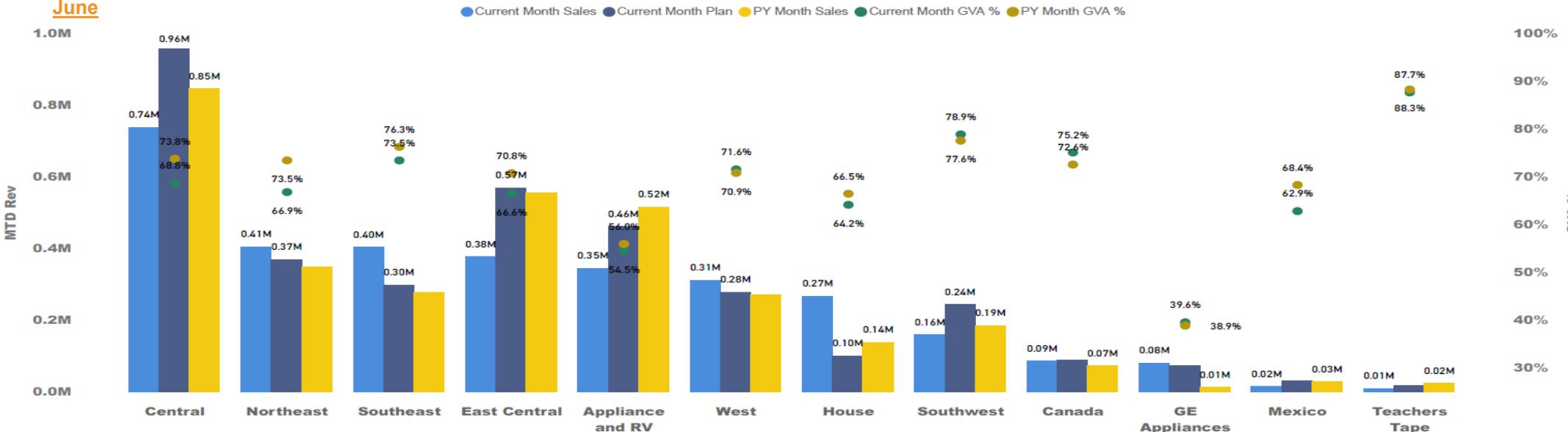
● Current Month Sales ● Current Month Plan ● PY Month Sales ● Current Month GVA % ● PY Month GVA %



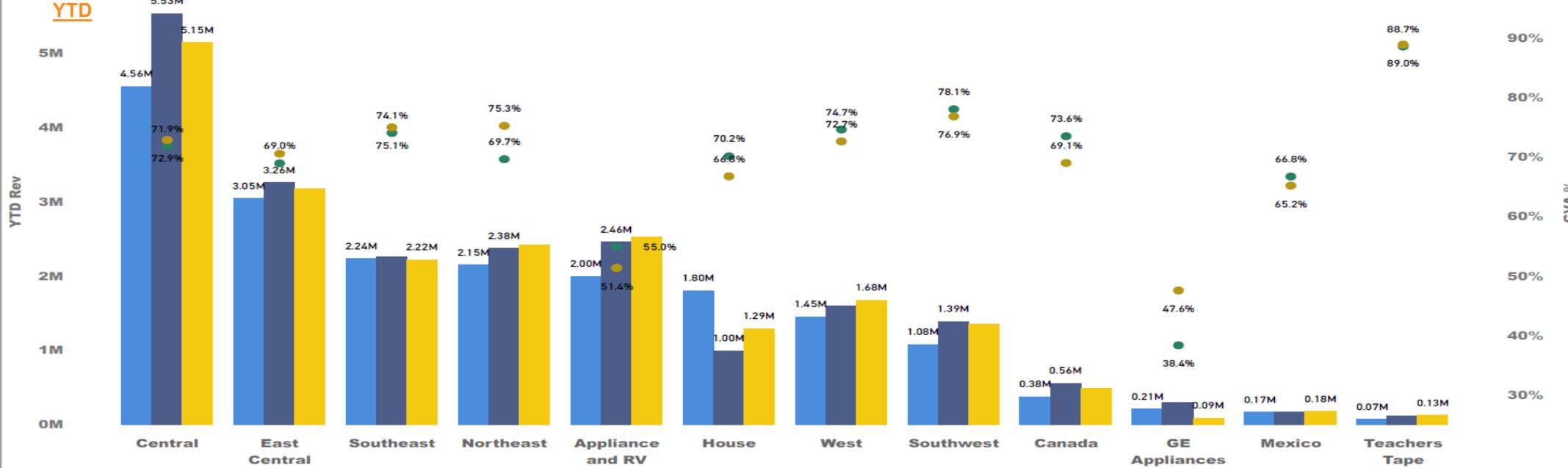
# Revenue by Region

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

June



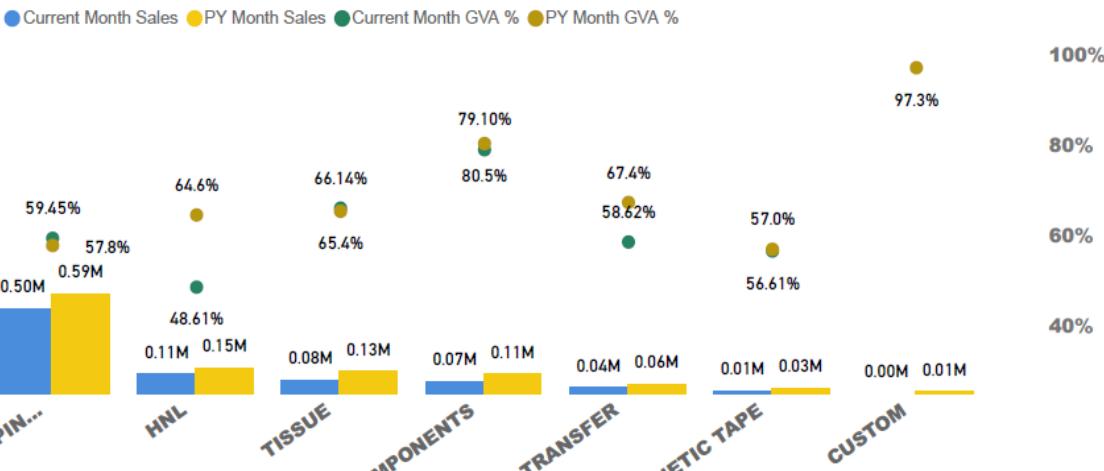
YTD



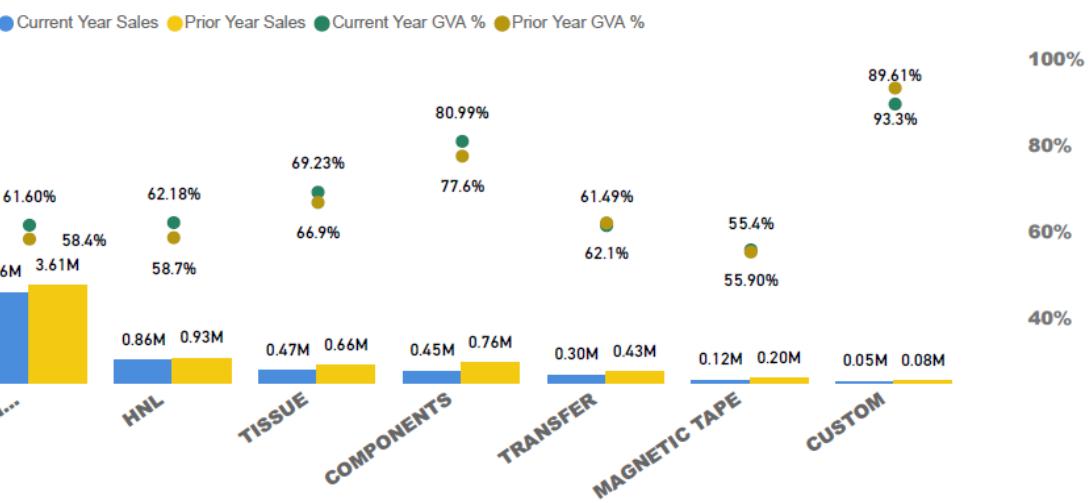
# Revenue by Product Category

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

June



YTD



## Management Discussion:

Film continues to be the only product line with MoM growth being up \$212k (54.3%) . This was led by growth in our products that are focused on the Transit Packaging initiative:

- 4481 – Up \$111k
  - Ampac – Up \$167k
- Tear Tape – Up \$71k
- 4581 – Up \$35k

The Foam line did underperform previous MoM by \$26k.

- Duraco High Bond was almost break even showing MoM being down only \$108 (-0.1%).
- GE Appliance initiative is beginning to take hold, being up \$60k.
- Dubl Kote also saw an increase MoM of \$59k led by increased demand from Circle Graphics (Up \$106k).

Removable product family is growing. Early marketing plan was based around entire family, which consists of 12 product lines. Growth led by:

- Remo One – Up \$99k
- Remo One Film – Up \$67k
- Remo Two Clear – Up \$14k

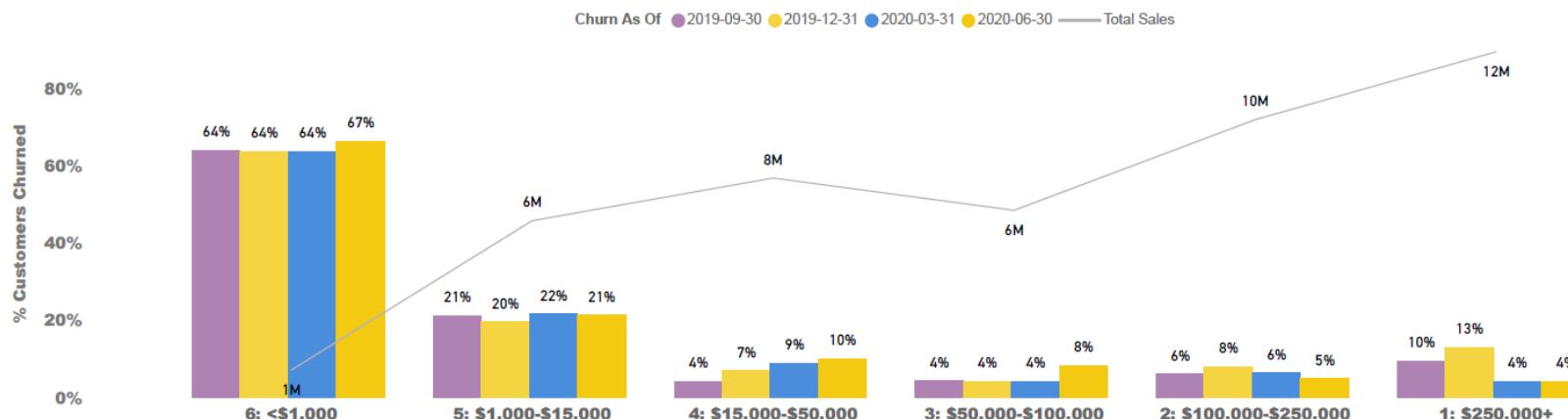
Hook and Loop, after a good start to the year, has seen a drop in recent month, being down in June MoM \$35k. This month decrease was led by :

- Bradford Company – Down \$24k
- Quad Graphics – Down \$11k
- RR Donnelly – Down \$11k

# Customer Churn

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

## % of Customers Churned



## Management Discussion:

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

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

### Details:

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

- Paroc – stopped ordering due to tape specifications

#### Customers \$100k - \$250k (3 accounts)

- Essentra Nottingham - ceased operations end of 2019. Moved from \$250k tier
- Bergmann Group – business moved to Metallon
- Undercover – foam tape business lost to competitor

#### Customers \$50k - \$100k (8 accounts)

- ARI Packaging – Glue dot project for Nestle did not repeat
- Robin Enterprises Company – RSM is actively engaged
- Summit Manufacturing - RSM is actively engaged
- Menasha Hartford - account now bills to Neenah location
- PCA of America – large Duraco Red project not repeat
- 3 Canadian duplicate accounts also show as churned

#### Customers \$15k - \$50k (27 accounts)

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

#### Customers \$1k - \$15k (304 accounts)

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

#### Customers under \$1k (3006 accounts)

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

# 2020 Commercial KPIs



# Sales Dashboard

Date Range

1/1/2020

6/30/2020

Industry

All

Territory

All

Sales Tier

All

Account Classification

All

As of

% of Month

MTD Sales

PY MTD Sales

Month Plan

YTD Sales

PY YTD Sales

YTD Plan

06/30

100%

\$3.20M

\$3.28M

\$3.50M

\$19.15M

\$20.69M

\$21.02M

-78.5K -2.4% -292.... -8.4%

-1.5M -7.4% -1.9M -8.9%

## Segment

Industry	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %	YTD Sales
POP	\$1,708,399.10	\$2,094,023	-18.4%	\$1,915,615.88	-10.8%	\$10,564,346.
Appliance	\$405,551.31	\$494,250	-17.9%	\$491,485.25	-17.5%	\$2,086,880.
Industrial	\$324,231.49	\$455,797	-28.9%	\$462,038.77	-29.8%	\$2,192,100.
Transit Packaging	\$277,442.35	\$110,861	150.3%	\$52,924.09	424.2%	\$1,215,875.
Distribution	\$273,968.56	\$122,851	123.0%	\$140,260.64	95.3%	\$1,204,332.
Wall Hangings	\$95,554.28	\$29,966	218.9%	\$11,423.53	736.5%	\$860,694.
Automotive & Transport	\$52,144.94	\$63,168	-17.5%	\$70,416.17	-25.9%	\$264,791.
Other	\$41,034.75	\$47,172	-13.0%	\$79,286.85	-48.2%	\$572,012.
Unknown Market	\$25,308.46	\$78,412	-67.7%	\$58,726.88	-56.9%	\$191,017.
Total	\$3,203,635.24	\$3,496,500	-8.4%	\$3,282,178.06	-2.4%	\$19,152,049.

## Territory

Territory	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %
Appliance and RV	\$345,939.96	\$461,615	-25.1%	\$517,205.35	-33.
Canada	\$86,446.53	\$85,776	0.8%	\$73,013.90	18.
Central	\$738,394.57	\$951,957	-22.4%	\$846,448.64	-12.
East Central	\$378,267.31	\$570,264	-33.7%	\$555,474.05	-31.
GE Appliances	\$80,614.42	\$73,590	9.5%	\$13,033.10	518.
House	\$267,701.13	\$102,906	160.1%	\$138,691.99	93.
Mexico	\$15,203.74	\$24,996	-39.2%	\$28,785.31	-47.
Northeast	\$405,814.07	\$357,571	13.5%	\$349,121.05	16.
Southeast	\$404,077.88	\$316,513	27.7%	\$279,075.43	44.
Total	\$3,203,635.24	\$3,496,500	-8.4%	\$3,282,178.06	-2.4%

## Customers

Customer Name	Acct Number	MTD Sales	Month Plan	MTD Plan Δ %
Whirlpool Corporation - Marion	1	\$43,705.28	\$105,619	-58.6%
Whirlpool Corporation - Clyde	1	\$112,876.24	\$93,954	20.1%
RR DONNELLEY - CUDAHY	1	\$42,009.37	\$82,798	-49.3%
La France Corporation	1	\$83,879.60	\$80,000	4.8%
GE Appliances	1	\$80,614.42	\$73,590	9.5%
QUAD GRAPHICS NEW BERLIN	1	\$28,039.86	\$64,793	-56.7%
Circle Graphics	2	\$181,518.20	\$64,596	181.0%
<b>Total</b>	<b>32051</b>	<b>\$3,203,635.24</b>	<b>\$3,496,500</b>	<b>-8.4%</b>

## Products

Product Family	MTD Sales	PY MTD	MTD Δ %	YTD
FOAM	\$1,781,016.20	\$1,806,706.47	-1.4%	\$10,126,477.9
FILM	\$602,643.75	\$390,488.28	54.3%	\$3,400,952.0
WEATHER STRIPPING & GASKET	\$501,334.62	\$592,062.78	-15.3%	\$3,364,800.9
HNL	\$114,913.59	\$149,694.42	-23.2%	\$857,596.1
TISSUE	\$80,886.35	\$132,548.11	-39.0%	\$468,424.8
COMPONENTS	\$71,473.26	\$113,559.05	-37.1%	\$454,261.2
TRANSFER	\$36,695.20	\$56,533.90	-35.1%	\$304,727.2
MAGNETIC TAPE	\$14,432.27	\$20,436.80	-51.0%	\$122,157.4
<b>Total</b>	<b>\$3,203,635.24</b>	<b>\$3,282,178.06</b>	<b>-2.4%</b>	<b>\$19,152,049.6</b>

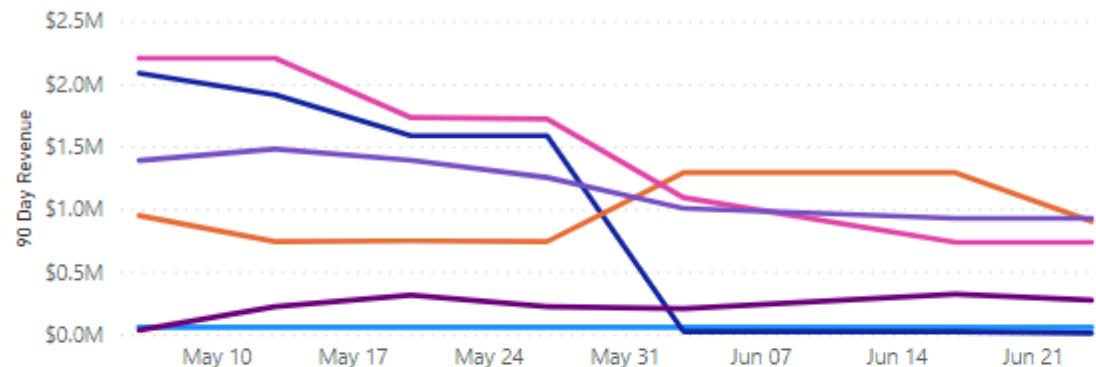


# DURACO Historical Pipeline Analysis

Date Range  
1/1/2019 6/30/2020

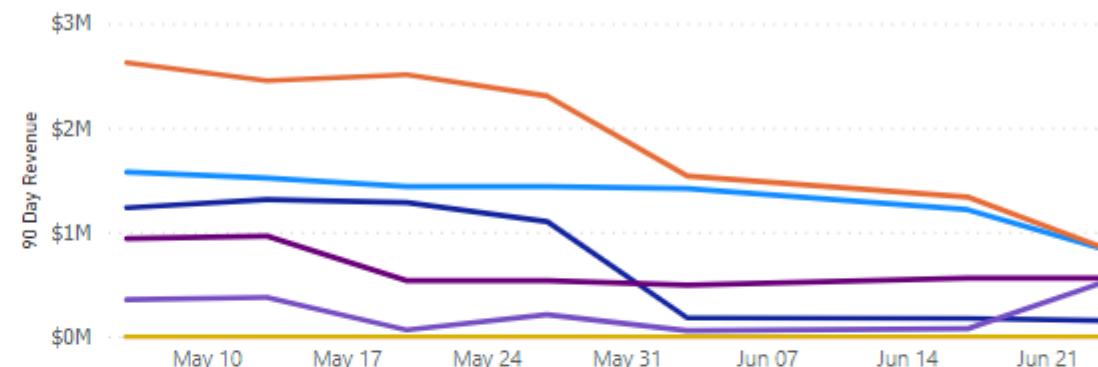
## 90 Day Revenue by Date and Opp Owner

Opp Owner ● Greg Precup ● Jake Schoch ● Kevin Fierro ● Nick Darling ● Rick Mucino ● Todd Compton



## 90 Day Revenue by Date and Stage

Stage ● 2 - Propositi... ● 3 - Present... ● 4 - Com... ● 5 - Imple... ● 6 - Closed ... ● 6 - Closed ... ● 6 - Closed ...



Date	Greg Precup	Jake Schoch	Kevin Fierro	Nick Darling	Rick Mucino	Todd Compton	Total
5/6/20	\$62,250.00	\$2,092,606.00	\$955,000.00	\$38,500.00	\$2,213,000.00	\$1,396,000.00	<b>\$6,757,356.00</b>
5/13/20	\$62,250.00	\$1,920,640.00	\$746,000.00	\$226,500.00	\$2,213,000.00	\$1,488,000.00	<b>\$6,656,390.00</b>
5/20/20	\$62,250.00	\$1,592,819.00	\$753,000.00	\$319,000.00	\$1,738,000.00	\$1,397,000.00	<b>\$5,862,069.00</b>
5/27/20	\$62,250.00	\$1,592,819.00	\$747,000.00	\$228,000.00	\$1,728,000.00	\$1,260,000.00	<b>\$5,618,069.00</b>
6/3/20	\$62,250.00	\$28,650.00	\$1,298,000.00	\$210,000.00	\$1,100,000.00	\$1,014,000.00	<b>\$3,712,900.00</b>
6/17/20	\$62,250.00	\$28,650.00	\$1,298,000.00	\$328,000.00	\$741,000.00	\$933,000.00	<b>\$3,390,900.00</b>
6/24/20	\$62,250.00	\$15,000.00	\$908,000.00	\$278,000.00	\$741,000.00	\$933,000.00	<b>\$2,937,250.00</b>
<b>Total</b>	<b>\$435,750.00</b>	<b>\$7,271,184.00</b>	<b>\$6,705,000.00</b>	<b>\$1,628,000.00</b>	<b>\$10,474,000.00</b>	<b>\$8,421,000.00</b>	<b>\$34,934,934.00</b>





# Inside Sales: Manager Report

Date Range

1/1/2020

5/30/2020

Inside Sales Rep

All

Avg Customer Actions

34.9

Target: 50/week

% Outbound Actions

47.0%

Target: 50%

Avg Samples Sent

2.7

Target: 3/week

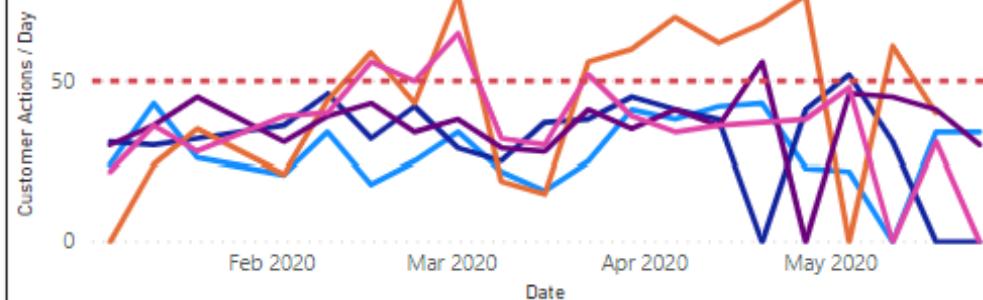
Avg RSM Engagements

2.0

Target: 1/week

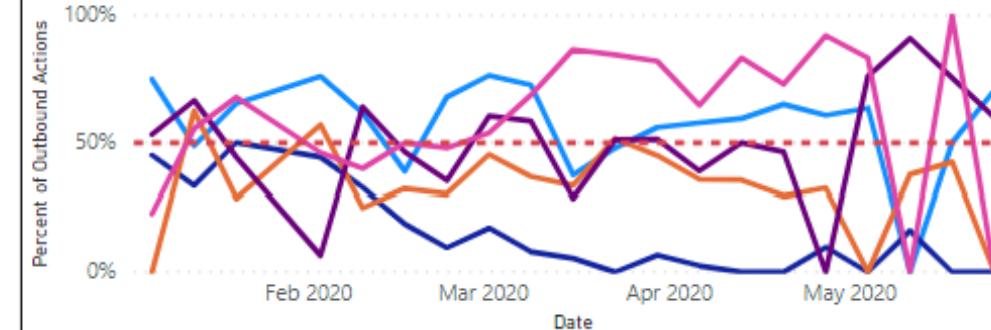
## Customer Actions

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



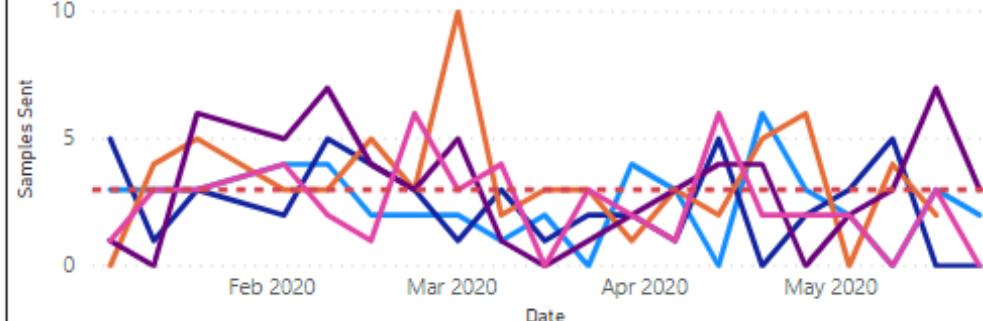
## Percent of Outbound Actions

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



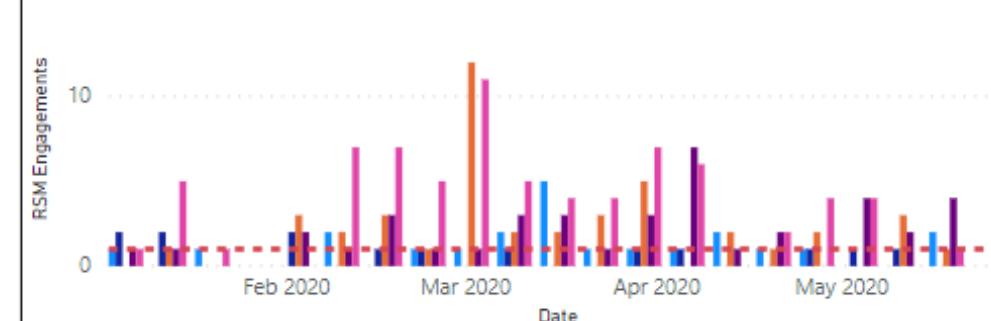
## Samples Sent

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



## RSM Engagements

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





## Churned Customers

Date Range  
1/1/2020 6/30/2020

Industry  
All ▾

Territory  
All ▾

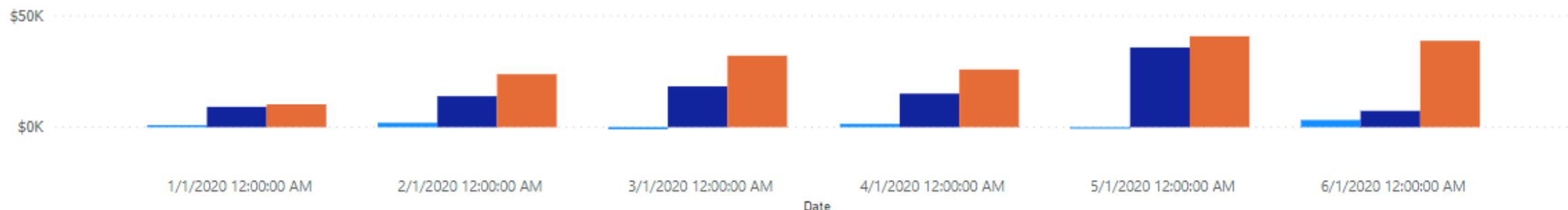
Sales Tier  
All ▾

Account Classification  
All ▾

As of	MTD All Churners	YTD All Churners	2019 Sales	2018 Sales	2019 Churned Sales	2020 Target	2020 Quota	Savings to Quota
06/30	\$38.81K	\$171.69K	\$16.96K	\$1.56M	(\$1.54M)	\$140K	\$157K	\$15K

### Sales From Churners

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



Churn Cohort	Customer Name	Acct Number	Previous Sales Tier	2020 Sales	2019 Churned Sales	2019 Sales	2018 Sales	2017 Sales
Jun	FREEMAN EXPOSITIONS - SAN DIEGO	61001321	4: \$15,000-\$50,000		\$25,826.08	\$25,826.08		
Mar	Metelix Products Inc	61006674	4: \$15,000-\$50,000		\$22,629.14	\$23,856.39	\$1,227.25	
Feb	G And C Equipment Manufacturing	64001765	4: \$15,000-\$50,000		\$0.00	\$23,443.70	\$23,443.70	\$31,966.60
Apr	Essentra Components Louisville	611	4: \$15,000-\$50,000		(\$21,785.79)	\$22,986.84	\$44,772.64	\$102,158.67
Jun	Intek Plastics Incorporated	61000097	4: \$15,000-\$50,000		\$17,639.27	\$22,647.62	\$5,008.35	\$446.78
May	Rand Whitney Container - Northeast LLC	66001630	4: \$15,000-\$50,000		(\$15,588.33)	\$19,878.96	\$35,467.29	\$20,030.00
Mar	RAPID INK	68000396	4: \$15,000-\$50,000	\$645.71	\$3,783.70	\$19,452.88	\$15,669.18	\$11,928.30
Jun	Ernest Packaging Solutions	67000750	4: \$15,000-\$50,000		(\$5,387.22)	\$18,316.41	\$23,703.63	\$11,733.18
May	WestRock Healthcare Packaging - Ireland Ltd.	61006689	4: \$15,000-\$50,000		\$17,365.00	\$17,365.00	\$0.00	
Total	Total Churned Sales	36348089044		\$171,689.75	(\$1,897,222.24)	\$921,681.79	\$2,818,904.03	\$3,293,098.15





## Share of Wallet: New Customers

Date Range	Sales Tier Filter	Industry	Territory	Account Classification
1/1/2020 - 6/30/2020	All	All	All	All
As of <b>06/30</b>	<b>MTD Sales 2020 New</b> <b>\$78.01K</b>	<b>2019 MTD New Cust Sales</b> <b>\$56.46K</b>	<b>YTD Sales 2020 New</b> <b>\$634.53K</b>	<b>2019 YTD New Cust Sales</b> <b>\$280.31K</b>
		38%		126%
	<b>MTD New Accounts</b> <b>81</b>	<b>2019 MTD New Accounts</b> <b>153</b>	<b>YTD New Accounts</b> <b>606</b>	<b>2019 YTD New Accounts</b> <b>992</b>
		-47%		-39%

### 2020 New Customer Sales vs 2019



### 2020 New Customer Accounts vs 2019



Customer Name	Acct Number	Industry	Sales Tie
Key Interiors	61007015	Other	8: New C
TMS TECHNICAL MACHINERY SOLUTIONS	61006789	Transit Packaging	7: New C
GP Corrugated Tolleson AZ	61006967	Transit Packaging	8: New C
TEMA NORTH AMERICA LLC	66003306	Industrial	7: New C
RAMCEL	61007020	Other	8: New C
EI Paso Paper Box	67001129	Transit Packaging	7: New C
Cellofoam North America Inc	66003130	Industrial	7: New C
HSC	61006860	Distribution	7: New C
Metallon	61006851	Industrial	7: New C
Party City Inc	62012543	POP	7: New C
Tailored Label	61007057	Distribution	8: New C
KD Services	61006798	Transit Packaging	7: New C
Traylor-Aecon General Partnership	61007054	Industrial	8: New C
Octa Inc.	62013085	Industrial	7: New C
Pergo Medikal ve Ilac Sanayi A.S.	61006807	Other	7: New C
AppInApp - Israel	61006846	Wall Hangings	7: New C
<b>Total</b>			



# Marketing & Product Management Overview

# Marketing Measurement

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

	# of Days	22	20	20	24	19	22	22	20	19	25	18	22	253	
Top Level Bowling Chart															
KPI															
<b>Awareness</b>															
Total Website Visitors	PY	12,767	11,645	12,418	12,118	13,021	13,560	13,040	12,110	11,160	11,867	11,478	10,000	145,184	
	Fcst/Act	11,237	31,369	44,341	8,777	6,870	5,651	13,040	12,110	11,160	11,867	11,478	10,000	177,900	
New Website Users	PY	11,863	10,645	11,380	11,150	12,031	12,691	12,190	11,159	10,249	10,902	10,696	5,869	130,825	
	Fcst/Act	9,549	11,275	39,494	8,391	5,148	5,035	12,190	11,159	10,249	10,902	10,696	5,869	139,957	
Web Pages Visited Per Session	PY	4	4	4	4	4	3	4	4	4	4	3	4	3.72	
	Fcst/Act	4	4	4	4	4	5	4	4	4	4	3	4	3.87	
Average Website Session	PY	113	124	113	108	111	100	105	110	116	123	100	132	112.91	
	Fcst/Act	120	108	115	137	145	184	105	110	116	123	100	132	125.00	
Website Bounce Rate	PY	51%	47%	48%	48%	45%	50%	47%	46%	51%	49%	55%	49%	49%	
	Fcst/Act	51%	54%	56%	54%	48%	49%	47%	46%	51%	49%	55%	49%	51%	
Website Abandoned Cart Rate	PY	74%	75%	71%	72%	72%	71%	76%	74%	74%	83%	71%	73%	74%	
	Fcst/Act	72%	76%	79%	81%	80%	76%	76%	74%	74%	83%	71%	73%	76%	
<b>Lead Generation/Customer Acquisition</b>															
CTR (Impressions/Clicks)	PY	N/A													
	Fcst/Act	4%	4%	5%	3%	3%	4%								
Total Leads	PY	154	117	155	218	289	198	57	28	32	75	59	90	1,472	
	Plan	162	123	163	229	303	208	60	29	34	79	62	95	1,546	
	Fcst/Act	119	46	64	18	6	25	60	29	34	79	62	95	636	
Total Prospects	Avg.	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
	Plan	7.14	2.76	3.84	1.08	0.36	1.5	3.591	1.764	2.016	4.725	3.717	5.67	38	
	Fcst/Act	2	4	0	4	3	3							16	
Total New Customers Acquired	PY	N/A													
	Fcst/Act	0	0	0	0	0	0								
ROAS (Google Ads Only)	PY	N/A	\$0												
	Fcst/Act	0	0	0	0	0	0							\$0	
<b>Customer Retention</b>															
1K - 50K Customers Emailed (Non-Churn)	PY	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Fcst/Act	0	50,000	48,000	48,000	48,000	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	
<b>Customer Reactivation</b>															
Customers Emailed (Churn)	PY	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Fcst/Act	0	890	890	1020	1180	1265	1180	1180	1180	1180	1180	1180	1180	
1K - 50K Customer Actions (Churn)	PY	0	0	0	0	0	\$0								
	Plan	287	51	41	55	53	33								
	Fcst/Act	287	51	41	55	0	33								

# Social Media Metrics

JUNE 2020

PLATFORM	POSTS	ENGAGEMENTS	REACTIONS	SHARES	COMMENTS	FOLLOWERS
LINKEDIN	8	156	129	20	7	395
					+2	+19
FACEBOOK	8	64	53	11	0	36
					-2	+2
INSTAGRAM	9	47	0	0	0	21
					0	+7
TWITTER	5	7	4	3	0	5
					0	0

**June Overview:** To the right, are the posts that received the most engagement, however, each post has a different engagement depending on the platform that it is posted on. There was total of 75 unique clicks, from various landing pages that were shared.

**Recommendations:** posts of our people tend to receive the most engagement which would be a good opportunity to have photo shoots of our people and people using our products and/or applying our products to applications. What is interesting about the Duraco social media platforms is that images with text seem to do well compared to images without text. Now, that we have a good foundation established it would be interesting to try A/B testing with both copy and graphics. More videos would also be great to utilize as they generate the most engagement. Posting more frequently may be beneficial as most industries tend to post once per day.





**EMPLOYEE SPOTLIGHT**  
Meet Andrew Shallcross

“Clear is kind.  
Unclear is unkind.”

- Brené Brown

HIGH PERFORMING TAPE PRODUCTS FOR  
TRUCKS | TRAILERS | SPECIALTY VEHICLES



TAPES THAT WITHSTAND COMMERCIAL USE  
AND PROVIDE EASE OF INSTALLATION!

TRY A SAMPLE!

# Infinity Overview

# Infinity Tapes

## UPDATE

- We finished June at 152% of June 2019, bringing our YTD number to 121% of 2019 YTD, with a sales growth of \$979,700. All territories are up over last year, as follows:
- Andre (Canada) at 124% YTD over PY, at \$158K. Not all accounts in Canada are assigned to Andre.
- Art (Midwest) at 104% YTD over PY, at \$262K. Loss of PolyAir Chicago, \$34K last year, biggest negative impact.
- Jeff (South) at 116% YTD over PY, at \$110K. Jewelry TV continuing strong every month.
- MAT (Mid Atlantic) at 204% YTD over PY, at \$620K. New accounts from last year and this year maturing and growing.
- HSE accounts at 116% YTD over PY, at \$3,632K vs \$3,127K.
- Belle-Pack & Polybond are captured under a category together and show results in the Bowler.





**infinity tapes**  
infinite possibilities

# Infinity Tapes

PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
<b>GROWTH</b>															
Infinity Tapes Total Sales	\$4,680.6 \$4,891.0 <b>\$5,660.3</b>	PY Plan Fcst/Act	\$776.7 \$812.0 <b>\$865.8</b>	\$779.4 \$814.0 <b>\$853.5</b>	\$816.5 \$812.0 <b>\$933.6</b>	\$777.2 \$821.0 <b>\$1,053.4</b>	\$785.4 \$779.0 <b>\$824.1</b>	\$745.4 \$799.0 <b>\$1,129.9</b>	\$725.9 \$799.0 <b>\$1,100.0</b>	\$835.8 \$873.0 <b>\$900.0</b>	\$775.3 \$810.0 <b>\$900.0</b>	\$1,062.5 \$1,100.0 <b>\$1,100.0</b>	\$924.9 \$966.0 <b>\$966.0</b>	\$745.4 \$779.0 <b>\$779.0</b>	\$9,750.6 \$10,218.0 <b>\$11,405.3</b>
Bellepak	\$562.0 \$586.7 <b>\$648.9</b>	PY Plan Fcst/Act	\$75.9 \$97.8 <b>\$121.7</b>	\$130.6 \$97.8 <b>\$96.0</b>	\$124.1 \$97.8 <b>\$116.4</b>	\$78.9 \$97.8 <b>\$105.9</b>	\$67.8 \$97.8 <b>\$96.3</b>	\$84.8 \$97.8 <b>\$112.6</b>	\$113.1 \$97.8 <b>\$97.8</b>	\$103.1 \$97.8 <b>\$97.8</b>	\$64.2 \$97.8 <b>\$97.8</b>	\$125.8 \$97.8 <b>\$97.8</b>	\$139.1 \$97.8 <b>\$97.8</b>	\$66.1 \$97.8 <b>\$97.8</b>	\$1,173.4 \$1,173.4 <b>\$1,235.7</b>
Sealed Air: Nine locations	\$455.3 \$480.7 <b>\$538.8</b>	PY Plan Fcst/Act	\$79.5 \$78.2 <b>\$78.7</b>	\$49.7 \$78.2 <b>\$92.0</b>	\$94.0 \$78.2 <b>\$81.1</b>	\$71.2 \$82.0 <b>\$103.0</b>	\$110.4 \$82.0 <b>\$80.0</b>	\$50.5 \$82.0 <b>\$104.0</b>	\$71.4 \$82.0 <b>\$82.0</b>	\$72.6 \$82.0 <b>\$82.0</b>	\$72.9 \$82.0 <b>\$82.0</b>	\$90.4 \$82.0 <b>\$82.0</b>	\$79.5 \$82.0 <b>\$82.0</b>	\$78.2 \$82.0 <b>\$82.0</b>	\$920.3 \$972.7 <b>\$1,030.8</b>
Poly Pak Ind	\$246.3 \$246.3 <b>\$215.1</b>	PY Plan Fcst/Act	\$49.2 \$49.2 <b>\$34.4</b>	\$27.9 \$27.9 <b>\$35.7</b>	\$48.6 \$48.6 <b>\$18.9</b>	\$38.8 \$38.8 <b>\$25.8</b>	\$32.1 \$32.1 <b>\$40.6</b>	\$49.6 \$49.6 <b>\$59.8</b>	\$40.5 \$40.5 <b>\$40.5</b>	\$51.4 \$51.4 <b>\$51.4</b>	\$36.5 \$36.5 <b>\$36.5</b>	\$40.7 \$40.7 <b>\$40.7</b>	\$62.9 \$62.9 <b>\$62.9</b>	\$53.2 \$53.2 <b>\$53.2</b>	\$531.4 \$531.4 <b>\$500.2</b>
PAC WW: Three locations	\$255.7 \$260.1 <b>\$247.9</b>	PY Plan Fcst/Act	\$52.4 \$43.3 <b>\$28.1</b>	\$31.5 \$43.3 <b>\$49.2</b>	\$32.5 \$43.3 <b>\$35.2</b>	\$54.4 \$43.3 <b>\$43.4</b>	\$33.1 \$43.3 <b>\$28.4</b>	\$51.9 \$43.3 <b>\$63.6</b>	\$17.2 \$43.3 <b>\$49.6</b>	\$63.5 \$43.3 <b>\$43.3</b>	\$45.3 \$43.3 <b>\$43.3</b>	\$47.6 \$43.3 <b>\$43.3</b>	\$33.3 \$43.3 <b>\$43.3</b>	\$47.3 \$43.3 <b>\$43.3</b>	\$509.9 \$520.1 <b>\$514.2</b>
Nelmar	\$125.1 \$338.4 <b>\$317.3</b>	PY Plan Fcst/Act	\$32.7 \$37.8 <b>\$22.9</b>	\$15.2 \$37.8 <b>\$73.0</b>	\$6.0 \$37.8 <b>\$75.8</b>	\$23.4 \$75.0 <b>\$76.1</b>	\$7.2 \$75.0 <b>\$4.6</b>	\$40.7 \$75.0 <b>\$65.0</b>	\$43.1 \$75.0 <b>\$7.0</b>	\$73.4 \$37.8 <b>\$70.0</b>	\$7.8 \$37.8 <b>\$70.0</b>	\$94.7 \$37.8 <b>\$70.0</b>	\$81.0 \$37.8 <b>\$7.0</b>	\$19.5 \$37.8 <b>\$7.0</b>	\$444.8 \$602.4 <b>\$485.3</b>
Polybond	\$212.5 \$214.9 <b>\$229.0</b>	PY Plan Fcst/Act	\$40.1 \$35.8 <b>\$41.7</b>	\$28.4 \$35.8 <b>\$28.3</b>	\$30.8 \$35.8 <b>\$58.0</b>	\$41.3 \$35.8 <b>\$22.4</b>	\$43.1 \$35.8 <b>\$25.7</b>	\$28.8 \$35.8 <b>\$52.8</b>	\$39.1 \$35.8 <b>\$41.6</b>	\$50.7 \$35.8 <b>\$35.8</b>	\$55.0 \$35.8 <b>\$35.8</b>	\$32.3 \$35.8 <b>\$35.8</b>	\$40.2 \$35.8 <b>\$35.8</b>	\$0.0 \$35.8 <b>\$35.8</b>	\$429.9 \$429.9 <b>\$449.7</b>
Mercury Plastics/PPA CA	\$181.3 \$208.2 <b>\$312.9</b>	PY Plan Fcst/Act	\$14.6 \$34.7 <b>\$0.0</b>	\$18.1 \$34.7 <b>\$37.8</b>	\$35.9 \$34.7 <b>\$54.8</b>	\$47.9 \$34.7 <b>\$50.5</b>	\$46.8 \$34.7 <b>\$59.8</b>	\$18.0 \$34.7 <b>\$110.1</b>	\$33.6 \$34.7 <b>\$73.3</b>	\$35.4 \$34.7 <b>\$36.0</b>	\$18.7 \$34.7 <b>\$36.0</b>	\$63.8 \$34.7 <b>\$36.0</b>	\$32.5 \$34.7 <b>\$36.0</b>	\$51.1 \$34.7 <b>\$36.0</b>	\$416.4 \$416.4 <b>\$566.1</b>
Classic Pkg	\$151.9 \$164.7 <b>\$112.0</b>	PY Plan Fcst/Act	\$50.3 \$50.3 <b>\$24.9</b>	\$12.7 \$12.7 <b>\$0.0</b>	\$12.7 \$25.4 <b>\$25.4</b>	\$25.4 \$25.4 <b>\$49.4</b>	\$25.4 \$25.4 <b>\$12.3</b>	\$25.3 \$25.4 <b>\$0.0</b>	\$25.7 \$25.4 <b>\$25.4</b>	\$24.9 \$50.9 <b>\$38.1</b>	\$50.9 \$50.9 <b>\$38.1</b>	\$50.9 \$50.9 <b>\$38.1</b>	\$36.9 \$25.4 <b>\$38.1</b>	\$25.4 \$50.3 <b>\$328.1</b>	\$366.4 \$393.0 <b>\$328.1</b>
Zims Bagging	\$181.3 \$165.7 <b>\$203.0</b>	PY Plan Fcst/Act	\$8.7 \$27.6 <b>\$23.5</b>	\$92.8 \$27.6 <b>\$5.7</b>	\$8.3 \$27.6 <b>\$28.3</b>	\$9.4 \$27.6 <b>\$77.9</b>	\$33.3 \$27.6 <b>\$41.5</b>	\$28.8 \$27.6 <b>\$26.1</b>	\$7.1 \$27.6 <b>\$40.1</b>	\$9.1 \$27.6 <b>\$27.6</b>	\$23.7 \$27.6 <b>\$27.6</b>	\$15.3 \$27.6 <b>\$27.6</b>	\$49.3 \$27.6 <b>\$27.6</b>	\$45.7 \$27.6 <b>\$27.6</b>	\$331.4 \$331.4 <b>\$381.1</b>
Bron Tapes-5 of 10 locations buying	\$143.4 \$194.5 <b>\$272.0</b>	PY Plan Fcst/Act	\$11.4 \$32.4 <b>\$32.5</b>	\$29.9 \$32.4 <b>\$93.0</b>	\$28.5 \$32.4 <b>\$7.4</b>	\$19.5 \$32.4 <b>\$34.0</b>	\$13.0 \$32.4 <b>\$60.2</b>	\$41.1 \$32.4 <b>\$44.8</b>	\$48.3 \$32.4 <b>\$95.2</b>	\$32.8 \$32.4 <b>\$25.0</b>	\$17.4 \$32.4 <b>\$25.0</b>	\$15.9 \$32.4 <b>\$25.0</b>	\$15.3 \$32.4 <b>\$25.0</b>	\$16.8 \$32.4 <b>\$25.0</b>	\$289.7 \$389.0 <b>\$492.2</b>
North Coast Plastics	\$109.5 \$109.5 <b>\$113.0</b>	PY Plan Fcst/Act	\$19.0 \$19.0 <b>\$25.0</b>	\$33.0 \$33.0 <b>\$7.5</b>	\$25.0 \$7.5 <b>\$23.0</b>	\$7.5 \$17.5 <b>\$15.0</b>	\$17.5 \$17.5 <b>\$25.0</b>	\$7.5 \$15.0 <b>\$15.0</b>	\$15.0 \$17.5 <b>\$22.4</b>	\$17.5 \$26.7 <b>\$22.4</b>	\$26.7 \$42.5 <b>\$22.4</b>	\$42.5 \$32.5 <b>\$22.4</b>	\$32.5 \$7.5 <b>\$22.4</b>	\$251.2 \$251.2 <b>\$239.8</b>	
Poly Air-Only one location buying now	* \$160.8 \$68.1 <b>\$72.1</b>	PY Plan Fcst/Act	\$32.8 \$11.4 <b>\$7.0</b>	\$24.1 \$11.4 <b>\$14.0</b>	\$22.8 \$11.4 <b>\$14.0</b>	\$35.5 \$11.4 <b>\$16.0</b>	\$28.9 \$11.4 <b>\$7.0</b>	\$16.6 \$11.4 <b>\$14.0</b>	\$10.3 \$11.4 <b>\$15.1</b>	\$10.3 \$11.4 <b>\$11.4</b>	\$14.0 \$11.4 <b>\$11.4</b>	\$14.0 \$11.4 <b>\$11.4</b>	\$14.0 \$11.4 <b>\$11.4</b>	\$10.3 \$11.4 <b>\$11.4</b>	\$233.9 \$136.2 <b>\$143.9</b>



# Operations and Manufacturing

# Operations Dashboard

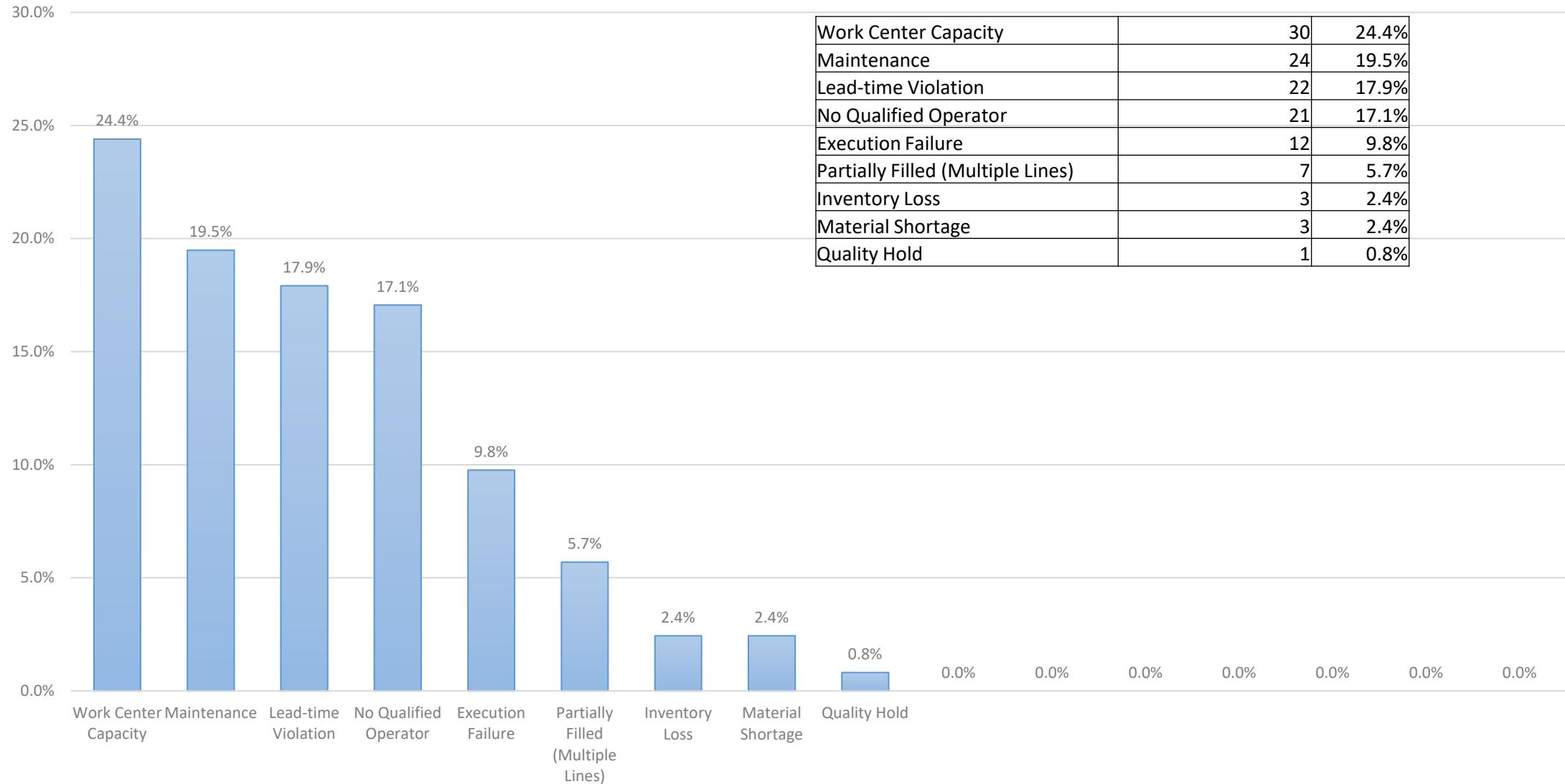
	PRIORITY	UOM		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Safety	Total Recordable Incident Rate (TRIR Rolling 12M)	#	PY	0	0	0	0	0	0	0	0.83	1.66	1.66	1.66	2.8	2.8
			Plan	2.3	2.3	2.3	2.3	2.3	2.3	2.3	1.66	0.83	0.83	0.83	0.83	0.83
			Actual	2.3	2.3	2.3	2.3	2.3	0	0	0	0	0	0	0	0
	DART Score	#	PY	0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

# Operations Dashboard Cont.

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

OTIF-94.5% for June

### Failure Code Pareto for Ship Dates Selected



# Financial Review

# Duraco Summary P&L – June 2020

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Gross Revenue	\$ 3,207	\$ 3,496	\$ (290)	(8.3%)	\$ 3,282	\$ (75)	(2.3%)	\$ 19,149	\$ 21,021	\$ (1,873)	(8.9%)	\$ 20,730	\$ (1,582)	(7.6%)			
Net Revenue	3,202	3,487	(286)	(8.2%)	3,275	(73)	(2.2%)	19,116	20,964	(1,848)	(8.8%)	20,649	(1,533)	(7.4%)			
Material	1,107	1,125	18	1.6%	1,049	(58)	(5.5%)	6,172	6,783	611	9.0%	6,998	(826)	(11.8%)			
DM %	34.6%	32.3%			32.0%			32.3%	32.4%			33.9%					
Labor	372	409	36	8.9%	382	10	2.6%	2,287	2,513	227	9.0%	2,350	(63)	(2.7%)			
DL %	11.6%	11.7%			11.7%			12.0%	12.0%			11.4%					
Other COGS	405	487	82	16.9%	416	11	2.6%	2,801	2,954	153	5.2%	2,603	197	7.6%			
Total COGS	1,884	2,021	136	6.8%	1,847	(37)	(2.0%)	11,260	12,250	990	8.1%	11,952	(692)	(5.8%)			
Gross Margin	1,317	1,466	(149)	(10.2%)	1,427	(110)	(7.7%)	7,857	8,714	(857)	(9.8%)	8,698	(841)	(9.7%)			
Gross Margin %	41.1%	42.0%			43.6%			41.1%	41.6%			42.1%					
R&D	8	32	24	75.4%	23	(15)	(65.1%)	87	209	122	58.3%	152	(65)	(42.6%)			
Sales & Marketing	275	420	145	34.6%	269	6	2.1%	1,802	2,448	645	26.4%	2,003	(201)	(10.0%)			
Administrative	249	339	91	26.7%	141	108	76.4%	1,818	2,105	287	13.6%	896	922	102.9%			
Other Opex	–	–	–	0	–	–	0	(1)	–	1		–	(1)	N/A			
Total Opex	531	791	260	32.9%	433	98	22.7%	3,706	4,762	1,056	22.2%	3,051	655	21.5%			
EBITDA	786	675	111	16.5%	995	(209)	(21.0%)	4,150	3,952	198	5.0%	5,647	(1,496)	(26.5%)			
EBITDA %	24.6%	19.4%			30.4%			21.7%	18.9%			27.3%					
Bank allowable EBITDA add-backs	35	–	35	0	(204)	239		159	87	72	83.2%	(1,339)	1,499	(111.9%)			
Bank EBITDA	821	675	146	21.7%	791	31	3.9%	4,310	4,039	271	6.7%	4,307	3	0			
	25.7%	19.4%			24.1%			22.5%				20.9%					
(Standalone Costs)	(145)	–	(145)		(54)	(91)	(0)	(736)	(58)	(678)	1169.7%	(415)	(321)	1			
PF Adjusted EBITDA	677	675	2	0.2%	737	(60)	(8.1%)	3,574	3,981	(407)	(10.2%)	3,893	(319)	(8.2%)			
Indicative %	21.1%	19.4%			22.5%			18.7%	19.0%			18.9%					
Net Income (Loss)	\$ (346)	\$ (279)	\$ (66)	23.8%	\$ 814	\$ (1,160)	142.5%	\$ (2,951)	\$ (2,531)	\$ (419)	16.6%	\$ 4,493	\$ (7,443)	165.7%			
\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Fcst	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
<b>Opex Overview:</b>																	
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 264	\$ 377	113	30.0%	\$ 221	\$ 43	19.4%	\$ 1,634	\$ 2,128	\$ 495	23.3%	\$ 1,361	\$ 273	20.0%			
Benefits (Medical, Dental, Life, AD&D & 401K)	29	55	25	46.6%	31	(2)	(5.2%)	269	322	\$ 53	16.5%	210	59	28.0%			
Bonus	86	86	0	0.0%	32	54	168.3%	516	516	\$ 0	0.0%	219	297	135.4%			
Marketing	33	79	47	59.1%	35	(3)	(7.8%)	289	476	\$ 187	39.3%	445	(155)	(35.0%)			
Commissions	5	5	(0)	(0.0%)	8	(3)	(33.2%)	29	24	\$ (5)	(22.5%)	55	(26)	(46.9%)			
Travel and Entertainment	2	29	27	91.9%	11	(8)	(77.6%)	54	183	\$ 129	70.7%	100	(47)	(46.6%)			
Rent and Facilities	1	11	10	92.0%	17	(16)	(94.7%)	5	46	\$ 41	88.7%	112	(107)	(95.3%)			
Insurance	9	14	5	33.5%	4	5	124.1%	90	89	\$ (0)	(0.1%)	24	65	269.4%			
Professional Fees	41	13	(28)	(211.2%)	3	38	1166.8%	201	174	\$ (27)	(15.5%)	28	173	617.5%			
Utilities, Repairs, Maint. & Security	–	3	3	100.0%	3	(3)	(100.0%)	6	17	\$ 11	66.4%	29	(24)	(80.9%)			
Office Supplies	3	1	(2)	(164.0%)	8	(5)	(63.5%)	24	7	\$ (17)	(254.4%)	31	(7)	(23.1%)			
IT	23	63	40	62.8%	25	(1)	(4.8%)	215	416	\$ 201	48.4%	168	47	28.0%			
Bad Debt	(2)	3	6	172.2%	7	(10)	(134.2%)	29	22	\$ (7)	(32.5%)	23	7	28.8%			
Real Estate Taxes	13	13	0	0.0%	13	1	4.4%	85	85	\$ 0	0.0%	81	4	4.4%			
Other Expenses	24	39	15	39.1%	16	7	44.8%	262	257	\$ (5)	(2.1%)	165	98	59.2%			
Total Opex	\$ 531	\$ 791	\$ 260	32.9%	\$ 433	\$ 98	22.7%	\$ 3,706	\$ 4,762	\$ 1,056	22.2%	\$ 3,051	\$ 655	21.5%			

## Management Discussion:

### COGS

- Material % of revenue is unfavorable to plan and PY due to lower POP and higher transit packaging.
- DL is lower than plan due to lower volume and cost controls.
- Other COGS is well below plan due to cost savings (furloughs, travel, and overhead cost reductions).

### OPEX

- OPEX is favorable to plan due to furloughs, deferred hiring of open positions, and cost reductions.
- Add-backs relate to, Covid 19 sick pay, Lewis Lee costs and three months of LBC bank admin fees.

### Pro Forma Adjusted EBITDA

- PF Adj EBITDA further reduces Bank EBITDA for all incomplete plan headcount additions and IT expenses.

# Infinity Summary P&L – June 2020

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Gross Revenue																	
Discounts	\$ 1,130	\$ 778	\$ 352	45.3%	\$ 745	\$ 385	51.6%	\$ 5,660	\$ 4,885	\$ 775	15.9%	\$ 4,681	\$ 980	20.9%			
Returns	(15)	(4)	(12)	300.9%	(3)	(12)	410.7%	(33)	(24)	(21)	(12)	(21)	(12)	55.6%			
Rebates	(2)	(12)	9	(79.0%)	(2)	(0)	10.7%	(49)	(73)	(77)	29	(37.1%)					
Other	–	–	–	0	–	–	0	–	–	–	–	–	–	N/A			
Net Revenue	1,112	762	350	45.9%	748	364	48.7%	5,578	4,788	790	16.5%	4,635	943	20.3%			
Material	590	363	(228)	(62.9%)	342	(248)	(72.5%)	2,807	2,285	(522)	(22.8%)	2,191	616	28.1%			
DM %	53.1%	47.6%			45.8%			50.3%	47.7%			47.3%					
Labor	85	66	(19)	(28.3%)	70	(15)	(21.2%)	491	416	(75)	(18.0%)	459	32	7.0%			
DL %	7.6%	8.7%			9.4%			8.8%	8.7%			9.9%					
Other COGS	146	141	(5)	(3.8%)	136	(10)	(7.4%)	841	883	42	4.8%	901	(60)	(6.7%)			
Total COGS	821	569	(252)	(44.3%)	548	(273)	(49.8%)	4,139	3,584	(555)	(15.5%)	3,551	588	16.5%			
Gross Margin	291	193	98	50.7%	200	91	45.6%	1,440	1,204	236	19.6%	1,084	356	32.8%			
Gross Margin %	26.1%	25.3%			26.7%			25.8%	25.1%			23.4%					
R&D	–	–	–	0	–	–	0	–	–	–	–	–	–	N/A			
Sales & Marketing	59	29	(30)	(104.9%)	26	33	125.7%	281	196	(84)	(42.9%)	167	114	67.9%			
Administrative	109	119	10	8.4%	96	13	13.8%	638	652	14	2.2%	593	45	7.5%			
Other Opex	(22)	–	22	0	–	(22)	0	79	–	(79)	–	–	79	N/A			
Total Opex	146	148	2	1.0%	122	24	20.0%	998	849	(149)	(17.5%)	761	237	31.2%			
EBITDA	145	45	99	219.5%	78	67	85.7%	442	355	87	24.5%	324	119	36.6%			
EBITDA %	13.0%	5.9%			10.4%			7.9%	7.4%			7.0%					
Bank allowable EBITDA add-backs	10	12	(2)	(18.5%)	–	10	167	48	119	248.4%	–	167	N/A				
Bank EBITDA	154	57	97	169.6%	78	77	98.2%	609	403	206	51.1%	324	286	1			
(Standalone Costs)	–	–	–	0	–	–	0	–	–	–	0.0%	–	–	0.0%			
PF Adjusted EBITDA	154	57	97	169.6%	78	77	98.2%	609	403	206	51.1%	324	286	88.3%			
Indicative %	13.9%	7.5%			10.4%			10.9%				7.0%					
Net Income (Loss)	\$ 138	\$ 24	\$ 114	479.6%	\$ 62	\$ 76	(123.5%)	\$ 331	\$ 208	\$ 123	59.3%	\$ 222	\$ 108	(48.8%)			

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Fcst	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
<b>Opex Overview:</b>																	
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 35	\$ 42	8	18.1%	\$ 46	\$ (11)	(24.2%)	\$ 265	\$ 254	\$ (12)	(4.6%)	\$ 285	\$ (20)	(6.9%)			
Benefits (Medical, Dental, Life, AD&D & 401K)	11	13	2	12.4%	15	\$ (3)	(22.9%)	72	78	\$ 6	7.8%	84	(12)	(14.3%)			
Bonus	–	–	–	N/A	–	–	0	–	–	–	–	–	–	N/A			
Marketing	–	–	–	N/A	2	(2)	(100.0%)	–	–	–	–	2	(2)	(100.0%)			
Commissions	38	9	(29)	(315.0%)	6	32	562.6%	137	72	\$ (65)	(90.0%)	53	84	160.4%			
Travel and Entertainment	–	1	1	100.0%	1	(1)	(100.0%)	5	10	\$ 4	45.2%	103	(98)	(94.8%)			
Rent and Facilities	23	20	(3)	(14.2%)	17	5	31.4%	122	114	\$ (8)	(7.4%)	8	114	1366.6%			
Insurance	(1)	2	3	149.0%	1	(2)	(245.0%)	6	9	\$ 3	30.4%	4	2	43.7%			
Professional Fees	41	45	4	8.0%	15	26	165.5%	201	210	\$ 9	4.3%	105	96	91.7%			
Utilities, Repairs, Maint. & Security	1	1	(0)	(39.2%)	0	1	158.6%	4	4	\$ 0	7.5%	4	(0)	(2.9%)			
Office Supplies	9	9	(0)	(0.1%)	8	1	7.9%	46	50	\$ 3	7.0%	40	6	14.9%			
IT	7	6	(1)	(14.1%)	7	(0)	(3.4%)	37	37	\$ (0)	(0.2%)	37	0	0.4%			
Bad Debt	–	–	–	N/A	–	–	0	–	–	–	–	–	–	N/A			
Real Estate Taxes	–	–	–	N/A	3	(3)	(100.0%)	6	6	\$ –	0.0%	29	(23)	(78.3%)			
Other Expenses	(17)	0	17	15735.0%	1	(18)	(2310.2%)	96	6	\$ (90)	(1531.2%)	6	90	1458.9%			
Total Opex	\$ 146	\$ 148	\$ 1	1.0%	\$ 122	\$ 24	20.0%	\$ 998	\$ 849	####	(17.5%)	\$ 761	\$ 237	31.2%			

## Management Discussion:

### COGS

- DM is higher than plan due to unfavorable mix, which has been the trend all year. There is also a \$30k true up entry related to the way the COGS entry has been made historically.
- DL % is better than plan due to the sales mix trending further toward release liner (product spends less time in the factory but has a higher material %).
- Other COGS is slightly higher than plan, but this is largely due to higher volume.

### OPEX

- Sales and Marketing is higher than plan due to commissions on higher revenue.
- Infinity did receive \$22k from the bank related to the fraud that was written off in May. It appears that this is all we will receive.

### ADD-BACKS

- CI Consultant, former owner's life insurance costs, and COVID Hazard pay are partially offset by the fraud recovery

# Consolidated Summary P&L – June 2020

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Gross Revenue	\$ 4,337	\$ 4,274	\$ 63	1.5%	\$ 4,028	\$ 309	7.7%	\$ 24,809	\$ 25,906	\$ (1,097)	(4.2%)	\$ 25,411	\$ (602)	(2.4%)			
Net Revenue	4,314	4,249	64	1.5%	4,023	291	7.2%	24,695	25,752	(1,057)	(4.1%)	25,285	(590)	(2.3%)			
Material	1,698	1,487	(210)	(14.1%)	1,391	(306)	(22.0%)	8,979	9,068	89	1.0%	9,190	(210)	(2.3%)			
DM %	39.4%	35.0%						36.4%		35.2%					36.3%		
Labor	457	475	18	3.7%	452	(5)	(1.1%)	2,778	2,929	151	5.2%	2,809	(31)	(1.1%)			
DL %	10.6%	11.2%						11.2%		11.4%					11.1%		
Other COGS	551	628	77	12.3%	552	1	0.2%	3,641	3,837	195	5.1%	3,504	137	3.9%			
Total COGS	2,706	2,590	(116)	(4.5%)	2,395	(310)	(13.0%)	15,398	15,834	436	2.8%	15,503	(104)	(0.7%)			
Gross Margin	1,608	1,659	(51)	(3.1%)	1,627	(19)	(1.2%)	9,297	9,918	(622)	(6.3%)	9,782	(486)	(5.0%)			
Gross Margin %	37.3%	39.0%						37.6%		38.5%					38.7%		
R&D	8	32	24	75.4%	23	(15)	(65.1%)	87	209	122	58.3%	152	(65)	(42.6%)			
Sales & Marketing	333	448	115	25.7%	295	38	13.0%	2,083	2,644	561	21.2%	2,170	(87)	(4.0%)			
Administrative	358	458	101	22.0%	237	121	51.0%	2,456	2,758	302	10.9%	1,489	967	64.9%			
Other Opex	(22)	–	22	0	–	(22)	0	77	–	(77)	–	–	77	N/A			
Total Opex	677	939	262	27.9%	555	123	22.1%	4,704	5,611	907	16.2%	3,812	892	23.4%			
EBITDA	931	720	210	29.2%	1,072	(142)	(13.2%)	4,593	4,307	285	6.6%	5,970	(1,378)	(23.1%)			
EBITDA %	21.6%	16.9%						26.7%		18.6%					23.6%		
Bank allowable EBITDA add-backs	45	12	33	275.6%	(204)	249		327	135	192	142.0%	(1,339)	1,666	(124.4%)			
Bank EBITDA	976	732	244	33.3%	868	107	12.3%	4,919	4,442	477	10.7%	4,631	288	0			
(Standalone Costs)	(145)	–	(145)	N/A	(54)	(91)	(0)	(736)	(58)	(678)	1169.7%	(415)	(321)	1			
PF Adjusted EBITDA	831	732	99	13.5%	814	17	2.0%	4,183	4,384	(201)	(4.6%)	4,216	(33)	(0.8%)			
Indicative %	19.3%	17.2%						20.2%		16.9%					16.7%		
Net Income (Loss)	\$ (208)	\$ (256)	\$ 48	(18.7%)	\$ 876	\$ (1,084)	123.7%	\$ (2,620)	\$ (2,324)	\$ (296)	12.8%	\$ 4,715	\$ (7,335)	155.6%			
\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
Opex Overview:	Act	Fcst	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 298	\$ 419	\$ 121	28.8%	\$ 266	\$ 32	12.0%	\$ 1,899	\$ 2,382	\$ 483	20.3%	\$ 1,646	\$ 253	15.4%			
Benefits (Medical, Dental, Life, AD&D & 401K)	41	68	27	40.0%	45	(5)	(10.9%)	341	400	\$ 59	14.8%	294	47	15.9%			
Bonus	86	86	0	0.0%	32	54	168.3%	516	516	\$ 0	0.0%	219	297	135.4%			
Marketing	33	79	47	59.1%	38	(5)	(13.6%)	289	476	\$ 187	39.3%	447	(158)	(35.3%)			
Commissions	43	15	(29)	(196.3%)	14	29	210.6%	166	96	\$ (70)	(73.2%)	107	59	54.6%			
Travel and Entertainment	2	31	28	92.3%	12	(10)	(80.1%)	59	192	\$ 134	69.4%	204	(145)	(71.1%)			
Rent and Facilities	23	31	7	23.5%	34	(10)	(30.4%)	127	160	\$ 33	20.4%	120	7	5.6%			
Insurance	8	16	7	47.4%	5	4	74.3%	96	99	\$ 3	2.7%	29	67	234.2%			
Professional Fees	83	58	(25)	(42.3%)	19	64	340.2%	401	383	\$ (18)	(4.7%)	133	269	202.6%			
Utilities, Repairs, Maint. & Security	1	3	2	66.9%	4	(2)	(68.9%)	9	21	\$ 11	54.4%	33	(24)	(71.4%)			
Office Supplies	11	10	(2)	(18.0%)	16	(4)	(26.9%)	70	56	\$ (14)	(24.6%)	71	(1)	(1.8%)			
IT	30	69	39	56.0%	32	(1)	(4.5%)	251	453	\$ 201	44.5%	204	47	23.1%			
Bad Debt	(2)	3	6	172.2%	7	(10)	(134.2%)	29	22	\$ (7)	(32.5%)	23	7	28.8%			
Real Estate Taxes	13	13	0	0.0%	15	(2)	(13.1%)	91	91	\$ 0	0.0%	110	(19)	(17.3%)			
Other Expenses	7	39	32	82.1%	17	(10)	(59.3%)	358	263	\$ (95)	(36.2%)	171	187	109.5%			
Total Opex	\$ 677	\$ 939	\$ 262	27.9%	\$ 555	\$ 123	22.1%	\$ 4,704	\$ 5,611	\$ 907	16.2%	\$ 3,812	\$ 892	23.4%			



## Management Discussion:

### COGS

- Material costs were higher than plan in both businesses due largely to unfavorable mix.
- Direct Labor is lower than plan due to lower volume and mix.

### OPEX

- OPEX is favorable to plan due largely to timing of headcount additions, furloughs at Duraco, other cost savings, the \$22k fraud recovery, and IT expenses,

### ADD-BACKS

- Add-backs relate to Covid 19 sick pay, LBC admin fees, and, partially offset by the Infinity fraud recovery

### Pro Forma Adjusted EBITDA

- PF Adj EBITDA further reduces Bank EBITDA for all incomplete plan headcount additions and IT expenses.

# Consolidated Balance Sheet

\$'000	Jun-20		Jun-20		Variance		May-20		Variance		PY		Variance	
	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	
<b>Current Assets</b>														
Cash and cash equivalents	\$ 1,085	\$ 269	\$ 816	303.4%	\$ 2,605	\$ (1,520)	(58.3%)	\$ 817	\$ 268	32.8%	—	—	—	0
Short term investments	—	—	—	0	—	—	—	0	—	—	—	—	—	0
Accounts receivable, gross	6,244	6,761	(517)	(7.6%)	6,048	196	3.2%	6,596	(352)	(5.3%)	—	—	—	—
Accounts receivable, reserves	(160)	(130)	(31)	23.8%	(163)	2	(1.5%)	(95)	(65)	68.5%	—	—	—	—
Accounts receivable, net	6,084	6,631	(548)	(8.3%)	5,885	198	3.4%	6,501	(418)	(6.4%)	—	—	—	—
Inventory, gross	7,098	7,509	(410)	(5.5%)	7,367	(269)	(3.6%)	8,294	(1,196)	(14.4%)	—	—	—	—
Inventory, reserves	(1,026)	(1,038)	12	(1.1%)	(1,076)	51	(4.7%)	(1,060)	34	(3.2%)	—	—	—	—
Inventory, net	6,072	6,471	(399)	(6.2%)	6,290	(218)	(3.5%)	7,234	(1,162)	(16.1%)	—	—	—	—
Prepaid expenses and other current assets	444	266	178	66.7%	421	23	5.5%	2,571	(2,127)	(82.7%)	—	—	—	—
Current portion of deferred taxes	—	—	—	0	—	—	—	0	—	—	—	—	—	0
Other current assets	—	—	—	0	—	—	—	0	—	—	—	—	—	0
<b>Total Current Assets</b>	<b>13,685</b>	<b>13,637</b>	<b>47</b>	<b>0.3%</b>	<b>15,201</b>	<b>(1,516)</b>	<b>(10.0%)</b>	<b>17,124</b>	<b>(3,439)</b>	<b>(20.1%)</b>	—	—	—	—
<b>Non-Current Assets</b>														
Property, plant & equipment, gross	14,906	15,204	(298)	(2.0%)	14,698	207	1.4%	14,872	34	0.2%	—	—	—	—
Accumulated depreciation	(2,621)	(2,626)	5	(0.2%)	(2,540)	(81)	3.2%	(2,011)	(610)	30.3%	—	—	—	—
Property, plant & equipment, net	12,284	12,578	(293)	(2.3%)	12,158	126	1.0%	12,861	(576)	(4.5%)	—	—	—	—
Identifiable intangible assets, gross	4,606	4,606	—	0.0%	4,694	(88)	(1.9%)	700	3,906	557.8%	—	—	—	—
Accumulated amortization	(5,747)	(5,747)	—	0.0%	(5,268)	(479)	9.1%	(312)	(5,435)	1744.3%	—	—	—	—
Identifiable intangible assets, net	56,417	56,329	88	0.2%	56,896	(479)	(0.8%)	57,859	(1,441)	(2.5%)	—	—	—	—
Deferred financing cost	—	—	—	0	—	—	—	0	—	—	—	—	—	0
Other non-current assets	5,234	—	5,234	0	5,234	—	0.0%	—	5,234	0	—	—	—	—
<b>Total Non-Current Assets</b>	<b>73,936</b>	<b>68,907</b>	<b>5,030</b>	<b>7.3%</b>	<b>74,289</b>	<b>(353)</b>	<b>(0.5%)</b>	<b>70,720</b>	<b>3,217</b>	<b>4.5%</b>	—	—	—	—
<b>Total Assets</b>	<b>\$ 87,621</b>	<b>\$ 82,544</b>	<b>\$ 5,077</b>	<b>6.2%</b>	<b>\$ 89,490</b>	<b>\$ (1,869)</b>	<b>(2.1%)</b>	<b>\$ 87,843</b>	<b>\$ (222)</b>	<b>(0.3%)</b>	—	—	—	—
<b>Current Liabilities</b>														
Current portion of long-term debt	1,100	\$ 1,739	\$ (639)	(36.7%)	\$ —	0.0%	\$ —	1,060	\$ 40	3.8%	—	—	—	—
Notes Payable	2,700	(0)	2,700	N/A	4,488	(1,788)	(39.8%)	—	2,700	0	—	—	—	—
Accounts payable	2,661	2,708	(47)	(1.7%)	2,525	136	5.4%	2,756	(95)	(3.4%)	—	—	—	—
Accrued liabilities	2,626	1,808	818	45.2%	2,360	266	11.3%	1,560	1,066	68.4%	—	—	—	—
Accrued compensation	—	—	—	0	—	—	—	0	—	—	—	—	—	0
Income taxes payable	0	(363)	363	(100.0%)	0	(0)	(0.0%)	—	0	0	—	—	—	0
Other current liabilities	263	277	(14)	(5.1%)	263	—	0.0%	(233)	496	(213.2%)	—	—	—	—
<b>Total Current Liabilities</b>	<b>9,350</b>	<b>6,169</b>	<b>3,181</b>	<b>51.6%</b>	<b>10,736</b>	<b>(1,386)</b>	<b>(12.9%)</b>	<b>5,143</b>	<b>4,207</b>	<b>81.8%</b>	—	—	—	—
<b>Long-term liabilities</b>														
Long-term debt less current maturities	41,022	39,120	1,901	4.9%	41,297	(275)	(0.7%)	41,414	(392)	(0.9%)	—	—	—	—
Deferred income taxes	—	—	—	0	—	—	—	0	—	—	—	—	—	0
Other non-current liabilities	963	1,006	(43)	(4.2%)	964	(1)	(0.1%)	(930)	1,893	(203.5%)	—	—	—	—
<b>Total Long-Term Liabilities</b>	<b>41,985</b>	<b>40,126</b>	<b>1,859</b>	<b>4.6%</b>	<b>42,261</b>	<b>(276)</b>	<b>(0.7%)</b>	<b>40,484</b>	<b>1,501</b>	<b>3.7%</b>	—	—	—	—
<b>Total Liabilities</b>	<b>51,335</b>	<b>46,295</b>	<b>5,040</b>	<b>10.9%</b>	<b>52,996</b>	<b>(1,661)</b>	<b>(3.1%)</b>	<b>45,626</b>	<b>5,709</b>	<b>12.5%</b>	—	—	—	—
<b>Shareholders' Equity</b>														
Common stock	43,501	43,501	—	0.0%	43,501	—	0.0%	39,392	4,109	10.4%	—	—	—	—
Capital in excess of stated value	—	—	—	0	—	—	—	0	—	—	—	—	—	0
Retained earnings	(7,215)	(7,252)	37	(0.5%)	(7,007)	(208)	3.0%	1,359	(8,575)	(630.8%)	—	—	—	—
Accumulated other comprehensive income	—	—	—	0	—	—	—	0	1,782	(1,782) (100.0%)	—	—	—	—
Other equity transactions	—	—	—	0	—	—	—	0	(317)	317 (100.0%)	—	—	—	—
<b>Total Shareholders' Equity</b>	<b>36,286</b>	<b>36,249</b>	<b>37</b>	<b>0.1%</b>	<b>36,494</b>	<b>(208)</b>	<b>(0.6%)</b>	<b>42,217</b>	<b>(5,931)</b>	<b>(14.0%)</b>	—	—	—	—
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 87,621</b>	<b>\$ 82,544</b>	<b>\$ 5,077</b>	<b>6.2%</b>	<b>\$ 89,490</b>	<b>\$ (1,869)</b>	<b>(2.1%)</b>	<b>\$ 87,843</b>	<b>\$ (222)</b>	<b>(0.3%)</b>	—	—	—	—

## Management Discussion:

- A/R is lower than plan and PY due to the lower revenue at Duraco in Q2 partially offset by the increase at Infinity.
- Inventory is lower than plan due to cash saving programs as a result of lower volume. (note the PY had ~\$700k purchase accounting related inventory asset)
- Fixed assets are lower than plan due to timing of asset acquisitions and CAPEX deferral.

# Consolidated Cashflow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$
<b>Cash flow from operations</b>																
Net income (Loss)	\$ (346)	\$ (279)	(66)	23.8%	\$ —	\$ (346)	0	\$ (2,951)	\$ (2,531)	\$ (419)	16.6%	\$ 1,024,057	\$ (1,027,007)	(100.3%)		
Depreciation, amortization and other	553	554	(0)	(0.1%)	—	553	0	3,320	3,324	(3)	(0.1%)	197,977	(194,657)	(98.3%)		
Capitalized fees & expenses	21	19	1	6.1%	19	1	6.1%	122	116	6	5.1%	—	—	122		
Gain (loss) on sale of fixed assets	—	—	—	—	—	0	—	8	—	8	0	—	—	8		
Non-cash interest expense	293	266	27	10.3%	313	(20)	(6.5%)	1,574	1,602	(28)	(1.7%)	—	—	1,574		
Non-cash dividends	—	—	—	—	—	—	—	—	—	—	—	(1,564,492)	1,564,492	(100.0%)		
Deferred income tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Change in operating assets and liabilities:</i>																
Accounts receivable	41	339	(298)	(87.8%)	104	(63)	(60.2%)	995	(250)	1,245	(498.8%)	(803,786)	804,781	(100.1%)		
Inventory	130	15	115	765.8%	232	(102)	(44.0%)	591	344	247	71.7%	181,950	(181,360)	(99.7%)		
Prepaid expenses and other current assets	33	130	(97)	(74.8%)	1,862	(1,829)	(98.2%)	(76)	104	(180)	(172.6%)	(879,623)	879,547	(100.0%)		
Accounts payable	62	7	55	744.7%	(1)	63	(7569.9%)	(513)	(482)	(31)	6.5%	170,222	(170,736)	(100.3%)		
Accrued expenses	226	104	123	118.4%	(4)	230	(5817.2%)	186	(270)	456	(168.7%)	100,958	(100,772)	(99.8%)		
Accrued income taxes	(0)	(68)	68	(100.0%)	35	(35)	(100.0%)	(0)	(694)	694	(100.0%)	—	(0)			
Other changes in operating assets and liabilities	—	—	—	—	—	—	—	(63)	—	(63)	—	(858,304)	858,242	(100.0%)		
Other cash flow from operations	—	—	—	—	—	—	—	(1)	—	(1)	—	—	(1)	(1)		
<b>Total Cash Flow from Operations</b>	<b>\$ 1,014</b>	<b>\$ 1,086</b>	<b>\$ (73)</b>	<b>(6.7%)</b>	<b>\$ 601</b>	<b>\$ 413</b>	<b>68.7%</b>	<b>\$ 3,192</b>	<b>\$ 1,263</b>	<b>\$ 1,929</b>	<b>152.8%</b>	<b>\$ (2,431,041)</b>	<b>\$ 2,434,233</b>	<b>(100.1%)</b>		
<b>Cash flow from investing</b>																
Additions to property, plant and equipment	\$ (207)	\$ (135)	\$ (72)	53.6%	\$ —	\$ (207)	—	\$ (694)	\$ (938)	\$ 244	(26.0%)	\$ —	\$ (694)			
Acquisitions of companies, net of cash acquired	—	—	—	—	—	—	—	(5,234)	—	(5,234)	—	—	(5,234)			
Investment in intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Earnout payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other cash flow from investing (goodwill)	—	—	—	—	—	—	—	—	—	—	—	1,564,057	(1,564,057)	(100.0%)		
<b>Total Cash Flow from Investing</b>	<b>\$ (207)</b>	<b>\$ (135)</b>	<b>\$ (72)</b>		<b>\$ —</b>	<b>\$ (207)</b>		<b>\$ (5,929)</b>	<b>\$ (938)</b>	<b>\$ (4,991)</b>	<b>532.1%</b>	<b>\$ —</b>	<b>\$ (5,929)</b>			
<b>Cash flow from financing</b>																
Proceeds from the issuance (repayment) of ST	\$ (1,300)	\$ —	\$ (1,300)	—	\$ —	\$ (1,300)	—	\$ (1,500)	\$ 700	\$ (2,200)	(314.3%)	\$ —	\$ (1,500)			
Proceeds from the issuance of debt	—	—	—	—	—	—	—	6,200	0	6,200	3874999986.6%	—	6,200			
Repayment of debt	(1,056)	(1,068)	12	(1.1%)	—	(1,056)	—	(2,552)	(2,542)	(10)	0.4%	—	(2,552)			
Capital lease	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	174,312	(174,312)	(100.0%)		
Common stock cash dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Preferred stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other cash flow from financing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Flow from Financing</b>	<b>\$ (2,356)</b>	<b>\$ (1,068)</b>	<b>\$ (1,288)</b>	<b>120.6%</b>	<b>\$ —</b>	<b>\$ (2,356)</b>		<b>\$ 2,148</b>	<b>\$ (1,842)</b>	<b>\$ 3,990</b>	<b>(216.6%)</b>	<b>\$ 174,312</b>	<b>\$ (172,163)</b>	<b>\$ (1)</b>		
<b>Effect of FX rates on cash and cash equivalents</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>		<b>\$ —</b>	<b>\$ —</b>		<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>		<b>\$ —</b>	<b>\$ —</b>			
<b>Net change in cash</b>	<b>\$ (1,549)</b>	<b>\$ (117)</b>	<b>\$ (1,433)</b>	<b>1229.7%</b>	<b>\$ 601</b>	<b>\$ (2,150)</b>	<b>(357.8%)</b>	<b>\$ (588)</b>	<b>\$ (1,517)</b>	<b>\$ 929</b>	<b>(61.2%)</b>	<b>\$ (692,672)</b>	<b>\$ 692,084</b>	<b>\$ (1)</b>		
Beginning cash	2,570	209	2,362	1132.5%	765	1,805	235.8%	17,690	4,719	12,970	274.8%	2,635,173	(2,617,484)	(1)		
Change in cash	(1,549)	(117)	(1,433)	1229.7%	601	(2,150)	(357.8%)	(588)	(1,517)	929	(61.2%)	(692,672)	692,084	(1)		
Ending cash	<b>\$ 1,021</b>	<b>\$ 92</b>	<b>\$ 929</b>	<b>1009.4%</b>	<b>\$ 1,366</b>	<b>\$ (345)</b>	<b>(25.3%)</b>	<b>\$ 17,101</b>	<b>\$ 3,202</b>	<b>\$ 13,899</b>	<b>434.1%</b>	<b>\$ 1,942,501</b>	<b>\$ (1,925,400)</b>	<b>\$ (1)</b>		

## Management Discussion:

- Operating cashflow was slightly lower than plan due to lower incoming cash (lower sales) partially offset by improved inventory reductions.
- \$1.3m payment was made on the revolver leaving \$2.7m to be paid.
- \$22k deferred comp payment is on the Earnout line in the investing section of the statement.
- Fixed Asset additions include payments for the Butt Splicer and IT equipment

# Consolidated OPEX Detail

\$'000

	YTD			Explanation of Variance			Variance Impact		
	Act	Bud	Variance B / (W)	One-Time / Non-recurring		Change in Run-rate	Other	Total Variance B / (W)	YoY Impact B / (W)
				Timing					
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	1,899	2,382	483		483			483	-
Benefits (Medical, Dental, Life, AD&D & 401K)	341	400	59					-	-
Bonus	516	516	0					-	-
Marketing	289	476	187					-	-
Commissions	166	96	(70)					-	-
Travel and Entertainment	59	192	134		134			134	-
Rent and Facilities	127	160	33					-	-
Insurance	96	99	3					-	-
Professional Fees	401	383	(18)		(18)			(18)	(18)
Utilities, Repairs, Maint. & Security	9	21	11					-	-
Office Supplies	70	56	(14)					-	-
IT	251	453	201		201			201	201
Bad Debt	29	22	(7)					-	-
Real Estate Taxes	91	91	0					-	-
Other Expenses	358	263	(95)					-	-
<b>Total Opex</b>	<b>4,704</b>	<b>5,611</b>	<b>907</b>	-	800	-	-	<b>800</b>	<b>184</b>
									<b>1,101</b>

## Management Discussion:

# One-time costs

	Act (06/19 - 06/20)	Fcst (06/19-06/20)	Variance F/(U)	Explanation of Variance								
				One-Time / Non-recurring	Timing	Change in Run-rate	Other	Original Fcst (06/19 - 06/20)	Updated Fcst (06/19 - 06/20)	Total Variance F/(U)	YoY Impact F/(U)	Annualized Impact F/(U)
Transaction Services Agreement (TSA)	\$ 1,046	\$ 817	\$ (228)	\$ (228)	\$ 1	\$ -	\$ -	\$ 791	\$ 973	\$ (182)	\$ (182)	\$ (1,092.00)
Opening Balance Sheet audit	4	5	1	\$ -	1	\$ -	\$ -	12	8	4	4	24
Asset Valuation Report	34	40	6	\$ -	6	\$ -	\$ -	40	30	10	10	60
ERP Implementation	406	600	194	\$ -	194	\$ -	\$ -	550	490	60	60	360
Website Build	228	400	172	\$ -	172	\$ -	\$ -	350	350	-	-	-
Data Analytics Platform	98	160	62	\$ -	62	\$ -	\$ -	160	106	54	-	-
IT System Upgrade	77	300	223	\$ -	223	\$ -	\$ -	300	352	(52)	(52)	(312)
Supply Chain Specialist	60	60	-	\$ -	-	\$ -	\$ -	60	60	-	-	(60)
Pricing Specialist	-	-	-	\$ -	-	\$ -	\$ -	-	-	-	-	-
Sales Force Efficiency Specialist	144	120	(24)	\$ -	(24)	\$ -	\$ -	134	119	15	15	90
M&R Setup	59	65	6	\$ -	6	\$ -	\$ -	40	37	3	3	18
HR Specialist	117	200	83	\$ -	83	\$ -	\$ -	147	122	25	25	150
Interim CFO Support Services	171	187	15	\$ -	15	\$ -	\$ -	171	171	-	-	-
IT Specialist	189	120	(69)	\$ -	(69)	\$ -	\$ -	126	156	(30)	(30)	(180)
Recruitment of new personnel	106	243	137	\$ -	137	\$ -	\$ -	-	-	-	-	-
Marketing/product roadmap study	36	-	(36)	\$ -	(36)	\$ -	\$ -	-	70	(70)	(70)	(420)
Rebranding	33	100	67	\$ -	67	\$ -	\$ -	75	50	25	25	150
Ceridian Implementation	1	-	(1)	\$ -	(1)	\$ -	\$ -	-	25	(25)	-	-
Other Acquisition Cost	28	-	(28)	\$ -	(28)	\$ -	\$ -	-	-	-	-	-
Growth & Strategy (Beckway)	155	-	(155)	\$ -	(155)	\$ -	\$ -	-	-	-	-	-
Other	5	-	(5)	\$ -	(5)	\$ -	\$ -	5	-	5	5	30
Infinity Restructuring Costs	54	50	(4)	\$ -	(4)	\$ -	\$ -	120	-	120	120	720
<b>Total 1x Costs</b>	<b>\$ 3,052</b>	<b>\$ 3,467</b>	<b>\$ 416</b>	<b>\$ -</b>	<b>\$ 279</b>	<b>\$ 137</b>	<b>\$ -</b>	<b>\$ 3,081</b>	<b>\$ 3,119</b>	<b>\$ (38)</b>	<b>\$ (67)</b>	<b>\$ (462)</b>

## Management Discussion:

- Duraco spent \$2.998m through June on restructuring, which is in line with the credit agreement.
- We will spend another \$500k during the next 12 months.

# Debt Leverage Ratios – June 2020

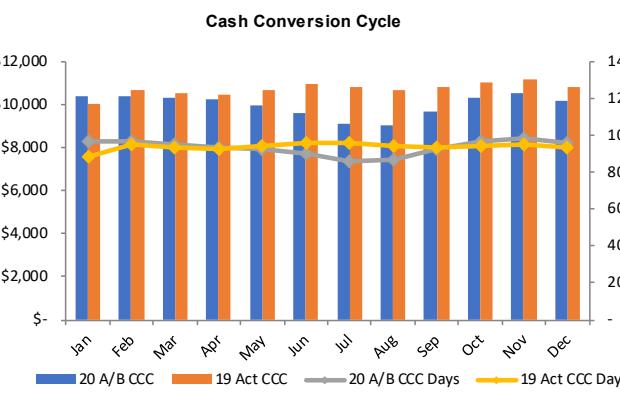
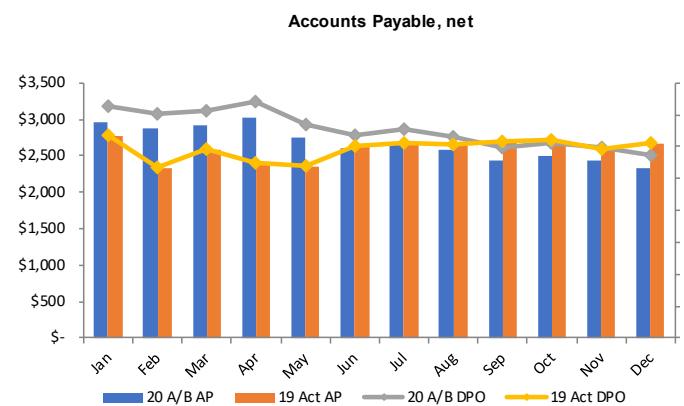
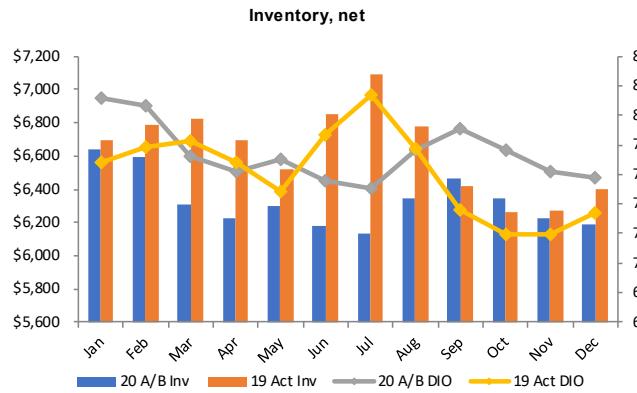
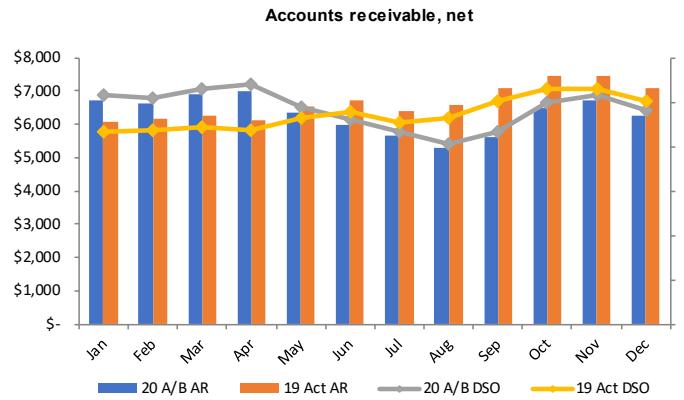
## Covenant Calculation Detail

	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20
<b>Bank EBITDA Calculation</b>													
<b>Bank EBITDA</b>	\$868	\$945	\$1,062	\$999	\$1,629	\$971	\$533	\$713	\$825	\$864	\$841	\$700	\$976
Consolidated TTM Bank EBITDA	\$10,049	\$10,045	\$10,190	\$10,378	\$10,803	\$10,853	\$10,603	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950	\$11,058
<b>Fixed Charge Coverage Ratio (Section 6.1)</b>													
Bank EBITDA	\$868	\$945	\$1,062	\$999	\$1,629	\$971	\$533	\$713	\$825	\$864	\$841	\$700	\$976
i - Unfinanced Capital Expenditures	\$ 33	\$ 14	\$ 14	\$ 63	\$ 80	\$ 242	\$ 60	\$ 39	\$ 330	\$ 42	\$ 38	\$ 55	\$ 207
ii - Management Fees paid or incurred	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
iii - Income/franchise taxes paid or incurred	-	-	-	-	-	-	-	-	-	-	-	-	-
iv - Restricted Distributions paid in cash	-	-	-	-	-	-	-	-	-	-	1	2	2
v - Contingent Purchase Price Obligations paid in cash	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow (Numerator)	\$751	\$848	\$965	\$853	\$1,465	\$646	\$389	\$591	\$411	\$739	\$718	\$559	\$683
Interest Expense	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 260	\$ 260	\$ 260
Less: Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-
a Net Cash Interest	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$260	\$260	\$260
b Regularly scheduled principal payments	\$ 278	\$ -	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ -	\$ 278
Fixed Charges (Denominator)	\$ 563	\$ 285	\$ 285	\$ 285	\$ 563	\$ 285	\$ 563	\$ 285	\$ 285	\$ 563	\$ 260	\$ 260	\$ 538
TTM Numerator	\$ 8,362	\$ 8,387	\$ 8,561	\$ 8,729	\$ 9,117	\$ 8,968	\$ 8,701	\$ 8,943	\$ 8,900	\$ 9,123	\$ 9,041	\$ 8,936	\$ 8,868
TTM Denominator	\$ 4,240	\$ 4,240	\$ 4,240	\$ 4,240	\$ 4,518	\$ 4,518	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,505	\$ 4,480	\$ 4,455
<b>Fixed Charge Coverage Ratio</b>	N/A	N/A	N/A	2.06	2.02	1.99	1.92	1.97	1.96	2.01	2.01	1.99	1.99
Covenant Status	Pass			1.10			1.10		1.10		1.10		1.10
<b>Total Debt to EBITDA Ratio (Section 6.2)</b>													
+ Outstanding amount of Revolving Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 7,000	\$ 7,000	\$ 4,000	\$ 2,700
+ Outstanding Principal Balance - Term Loan	\$42,474	\$42,474	\$42,474	\$42,474	\$41,359	\$41,359	\$41,099	\$41,099	\$43,099	\$42,679	\$42,397	\$42,397	\$42,122
+ Outstanding Principal Balance - Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
- Qualified Cash	(765)	(1,366)	(1,922)	(2,353)	(1,165)	(1,528)	(1,609)	(2,078)	(1,445)	(3,000)	(2,916)	(2,605)	(1,085)
Bank Debt	\$41,709	\$41,108	\$40,552	\$40,121	\$40,194	\$39,831	\$39,490	\$39,021	\$47,155	\$47,979	\$47,780	\$45,092	\$45,037
Consolidated TTM Bank EBITDA	\$10,049	\$10,045	\$10,190	\$10,378	\$10,803	\$10,853	\$10,603	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950	\$11,058
<b>Leverage Ratio</b>	4.15	4.09	3.98	3.87	3.72	3.67	3.72	3.61	4.29	4.29	4.33	4.12	4.07
Maximum Permitted Total Debt to EBITDA Ratio for the defined period:				6.25			6.25			6.00		5.75	
Status	Pass			Pass			Pass			Pass		Pass	

## Management Discussion:

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

# Consolidated Working Capital and Cash Conversion Cycle



## Management Discussion:

- 2020 CCC days have improved compared to PY due largely to lower inventory balances and higher A/P partially offset by higher A/R.
- 2020 A/P is higher than 2019 due largely to increased restructuring costs. This will begin to reduce when restructuring activities decline.
- Inventory has outperformed 2019 due to improvements in the stock model, lower volume, and an increased focus on reducing inventory. June 2019 – September 2019 are also artificially high due to a purchase accounting asset that was being written off.

# Information Systems and Technology

# Status of Key IT Initiatives

## STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
Infrastructure	<span style="color: green;">●</span>	<ul style="list-style-type: none"> <li>Essentra is handing over the Wi-Fi controller and plant switches in conjunction with vacating the offices. Essentra will be handing over the data circuit, allowing us to utilize two data circuits for our new SD-WAN connection.</li> </ul>	Q1 2020	N/A	N/A
ERP	<span style="color: red;">●</span>	<ul style="list-style-type: none"> <li>Project in process. Bartender and warehouse integration is continuing to move forward. 18 Pilot Intermec barcode scanners are ready. Factory Track is installed on all plant machines. Go live August 3.</li> </ul>	Q2 2020	N/A	N/A
Enterprise applications (other than ERP)	<span style="color: green;">●</span>	<ul style="list-style-type: none"> <li>Bartender is installed and printing. Bartender integration is ongoing as well as user training and familiarization. The search for a CRM has been restarted with a new team.</li> </ul>	Q4 2020	N/A	N/A
Telephony	<span style="color: red;">●</span>	<ul style="list-style-type: none"> <li>We have submitted port requests for all the numbers but many came back rejected due to incorrect information from Essentra. We have gone through several rounds of updating and re-submission of port requests and we are getting close to having everything approved. We will not make the go-live of 7/29. Go-live is now pushed to 8/18. The mobile device management software has been configured and deployed and we are now distributing the new phones.</li> </ul>	Q1 2020	N/A	N/A
End-points	<span style="color: red;">●</span>	<ul style="list-style-type: none"> <li>20% of the desktops are done. Refurbishing the replaced desktops and deploying out to the plant based upon a combination of operating system and resource usage priority.</li> </ul>	Q2 2020	N/A	N/A

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

# Consolidated Full year outlook and P&L

\$'000	YTD		Variance		FY		PY		Variance		TTM	
	Act	Bud	\$	%	Act		Act		\$	%	\$	
Gross Revenue	\$ 24,809	\$ 25,906	\$ (1,097)	(4.2%)	\$ 52,631	\$ 51,606	\$ 1,025	2.0%	\$ 51,004			
Net Revenue	24,695	25,752	(1,057)	(4.1%)	52,352	51,414	938	1.8%	50,824			
Material	8,979	9,068	89	1.0%	18,769	18,990	(222)	(1.2%)	18,780			
	36.4%	35.2%	(0)	(3.3%)	35.9%	36.9%						37.0%
Labor	2,778	2,929	151	5.2%	5,727	5,671	56	1.0%	5,640			
	11.2%	11.4%	0	1.1%	10.9%	11.0%						11.1%
Other COGS	3,641	3,837	195	5.1%	7,595	7,144	450	6.3%	7,281			
Total COGS	15,398	15,834	436	2.8%	32,090	31,806	284	0.9%	31,702			
Gross Margin	9,297	9,918	(622)	(6.3%)	20,262	19,608	654	3.3%	19,123			
Gross Margin %	37.6%	38.5%			38.7%	38.1%			37.6%			
R&D	87	209	122	58.3%	285	313	(27)	(8.7%)	248			
Sales & Marketing	2,083	2,644	561	21.2%	4,837	4,490	347	7.7%	4,403			
Administrative	2,456	2,758	302	10.9%	5,245	5,732	(487)	(8.5%)	6,699			
Other Opex	77	—	(77)	0	77	31	47	152.7%	108			
Total Opex	4,704	5,611	907	16.2%	10,445	10,565	(120)	(1.1%)	11,457			
EBITDA	4,593	4,307	285	6.6%	9,817	9,043	774	8.6%	7,665			
EBITDA %	18.6%	16.7%			18.8%	17.6%			15.1%			
Bank allowable EBITDA add-back	327	135	192	142.0%	399	1,727	(1,328)	(76.9%)	3,393			
Bank EBITDA	4,919	4,442	477	10.7%	10,216	10,770	(555)	(5.1%)	11,059			
(Standalone Costs)	(736)	(58)	(678)	(15.3%)	(691)	(1,453)	762	(52.5%)	(1,774)			
PF Adjusted EBITDA	4,183	4,384	(201)	-5%	9,525	9,317	208	2.2%	9,284			
Indicative %												
Net Income (Loss)	\$ (2,620)	\$ (2,324)	\$ (296)	12.8%	\$ (3,425)	\$ 662	\$ (4,086)	(617.7%)	\$ (6,673)			

\$'000	YTD		Variance		FY		PY		Variance		TTM	
	Act	Bud	\$	%	Bud	Act	\$	%	\$	%	\$	
<b>Opex Overview:</b>												
Payroll (Payroll, OT, SS & Taxes, .	\$ 1,899	\$ 2,382	483	20.3%	\$ 4,391	\$ 3,638	\$ 753	20.7%	\$ 3,891			
Benefits (Medical, Dental, Life, .	341	400	59	14.8%	780	649	131	20.2%	696			
Bonus	516	516	0	0.0%	1,031	548	484	88.3%	844			
Marketing	289	476	187	39.3%	765	898	(132)	(14.7%)	740			
Commissions	166	96	(70)	(73.2%)	304	233	71	30.5%	292			
Travel and Entertainment	59	160	101	63.2%	311	233	79	33.8%	171			
Rent and Facilities	127	192	65	33.9%	263	312	(50)	(15.9%)	236			
Insurance	96	99	3	2.7%	201	124	77	62.2%	191			
Professional Fees	401	383	(18)	(4.7%)	724	453	271	59.9%	722			
Utilities, Repairs, Maint. & Secu	9	21	11	54.4%	31	49	(18)	(37.0%)	25			
Office Supplies	70	56	(14)	(24.6%)	127	155	(27)	(17.7%)	154			
IT	251	453	201	44.5%	673	389	283	72.7%	437			
Bad Debt	29	22	(7)	(32.5%)	51	51	(0)	(0.2%)	58			
Real Estate Taxes	91	91	0	0.0%	176	209	(32)	(15.5%)	189			
Other Expenses	358	263	(95)	(36.2%)	615	2,624	(2,009)	(76.6%)	2,812			
Total Opex	\$ 4,704	\$ 5,611	\$ 907	16.2%	\$ 10,445	\$ 10,565	\$ (120)	(1.1%)	\$ 11,457			

# Consolidated Monthly P&L

\$'000													FY (6+6)		FY		Var
	20-Jan Act	20-Feb Act	20-Mar Act	20-Apr Act	20-May Act	20-Jun Act	20-Jul Bud	20-Aug Bud	20-Sep Bud	20-Oct Bud	20-Nov Bud	20-Dec Bud	Act	Bud	\$	%	
Gross Revenue	\$ 4,317	\$ 3,997	\$ 4,304	\$ 4,499	\$ 3,356	\$ 4,337	\$ 4,543	\$ 4,486	\$ 4,464	\$ 5,763	\$ 4,422	\$ 4,145	\$ 52,631	\$ 53,728	\$ (1,097)	(2.0%)	
Net Revenue	4,301	3,973	4,279	4,489	3,338	4,314	4,517	4,459	4,438	5,730	4,394	4,119	52,352	53,410	(1,057)	(2.0%)	
Material	1,564	1,369	1,526	1,641	1,181	1,698	1,616	1,581	1,563	2,003	1,577	1,449	18,769	18,858	(89)	(0.5%)	
Labor	36.4%	34.5%	35.7%	36.6%	35.4%	39.4%	35.8%	35.5%	35.2%	35.0%	35.9%	35.2%	35.9%	35.3%	35.3%	8.4%	
Other COGS	538	442	450	546	344	457	507	453	450	567	462	511	5,727	5,879	(151)	(2.6%)	
12.5%	11.1%	10.5%	12.2%	10.3%	10.6%	11.2%	10.2%	10.1%	9.9%	10.5%	12.4%	10.9%	11.0%	11.0%	14.3%		
Other COGS	649	603	631	658	550	551	662	611	627	796	610	648	7,595	7,790	(195)	(2.5%)	
Total COGS	2,751	2,415	2,607	2,846	2,075	2,706	2,786	2,646	2,640	3,366	2,649	2,608	32,096	32,526	(430)	(1.3%)	
Gross Margin	1,550	1,558	1,673	1,643	1,263	1,608	1,731	1,813	1,799	2,364	1,745	1,511	20,257	20,884	(627)	(3.0%)	
Gross Margin %	36.0%	39.2%	39.1%	36.6%	37.8%	37.3%	38.3%	40.6%	40.5%	41.3%	39.7%	36.7%	38.7%	39.1%			
R&D	27	13	13	18	9	8	35	30	31	37	30	35	285	407	(122)	(29.9%)	
Sales & Marketing	377	365	412	423	173	333	468	436	433	508	437	472	4,837	5,398	(561)	(10.4%)	
Administrative	442	377	431	472	376	358	484	442	439	512	449	464	5,245	5,547	(302)	(5.4%)	
Other Opex	—	(2)	1	—	100	(22)	79	—	—	—	—	—	156	—	—	156	
Total Opex	846	753	857	913	658	677	1,066	907	903	1,057	916	971	10,524	11,352	(828)	(7.3%)	
EBITDA	704	805	816	730	605	930	665	906	896	1,307	829	540	9,733	9,532	201	2.1%	
EBITDA %	16.4%	20.3%	19.1%	16.3%	18.1%	21.6%	14.7%	20.3%	20.2%	22.8%	18.9%	13.1%	18.6%	17.8%	0.7%		
Bank allowable EBITDA add-backs	9	20	48	111	94	45	12	12	12	12	12	12	399	207	192	92.6%	
Bank EBITDA	713	825	864	841	700	976	756	918	909	1,319	841	553	10,216	9,739	477	4.9%	
(Standalone Costs)	(129)	(115)	(80)	(140)	(127)	(145)	—	—	45	—	—	—	(691)	(13)	(678)	5235.5%	
PF Adjusted EBITDA	584	710	785	701	573	831	756	918	954	1,319	841	553	9,525	9,726	(201)	(2.1%)	
Indicative %															0		
Net Income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (208)	\$ (524)	\$ (97)	\$ (57)	\$ 273	\$ (90)	\$ (309)	\$ (3,425)	\$ (3,128)	\$ (296)	9.5%	

\$'000													FY (2+11)		FY		Var
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Act	Bud	\$	%	
<b>Opex Overview:</b>																	
Payroll (Payroll, OT, SS & Taxes, Temp)	368	317	304	361	250	298	434	381	381	467	381	447	4,391	\$ 4,874	\$ (483)	(9.9%)	
Benefits (Medical, Dental, Life, AD&C)	54	63	68	65	51	41	77	69	69	83	69	72	780	840	(59)	(7.1%)	
Bonus	86	86	86	86	86	86	86	86	86	86	86	86	1,031	1,031	(0)	(0.0%)	
Marketing	79	79	79	17	1	33	79	79	79	79	79	79	765	953	(187)	(19.7%)	
Commissions	15	15	31	39	22	43	15	21	18	39	27	19	304	234	70	30.0%	
Travel and Entertainment	23	10	26	(4)	1	2	39	31	31	40	34	30	263	344	(81)	(23.6%)	
Rent and Facilities	18	18	21	23	23	23	31	31	31	31	31	31	311	396	(85)	(21.4%)	
Insurance	18	15	17	21	17	8	20	16	16	20	16	16	201	204	(3)	(1.3%)	
Professional Fees	36	46	91	130	15	83	56	53	53	56	53	53	724	706	18	2.5%	
Utilities, Repairs, Maint. & Security	3	1	1	3	0	1	4	3	3	4	3	3	31	42	(11)	(26.8%)	
Office Supplies	11	10	16	15	7	11	9	10	10	10	10	10	127	114	14	12.2%	
IT	46	41	51	44	38	30	70	69	69	73	70	70	673	874	(201)	(23.0%)	
Bad Debt	12	(3)	3	16	4	(2)	4	3	3	4	3	3	51	44	7	16.3%	
Real Estate Taxes	20	16	13	16	13	13	16	13	13	16	13	13	176	176	(0)	(0.0%)	
Other Expenses	55	39	48	80	128	7	48	41	39	48	41	40	615	520	95	18.3%	
Total Opex	\$ 846	\$ 753	\$ 857	\$ 913	\$ 658	\$ 677	\$ 987	\$ 907	\$ 903	\$ 1,057	\$ 916	\$ 971	\$ 10,445	\$ 11,352	\$ (907)	(8.0%)	

# Consolidated Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var	PY	Var		
	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	6 m Act + 6 Bud	Bud	\$	Act	\$	%	
EBITDA - as reported	\$ 704	\$ 805	\$ 816	\$ 730	\$ 605	\$ 931	\$ 744	\$ 906	\$ 897	\$ 1,307	\$ 829	\$ 541	\$ 9,817	\$ 9,532	\$ 285	3.0%	\$ 9,043	\$ 774	8.6%
Depreciation and amortization	(569)	(570)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(6,740)	(6,743)	3	(0.0%)	(4,668)	(2,072)	44.4%
Interest and amortization	(281)	(277)	(296)	(257)	(272)	(314)	(294)	(291)	(279)	(286)	(277)	(286)	(3,409)	(3,431)	22	(0.6%)	(1,784)	(1,625)	91.0%
Other financial income/expense	(0)	(1)	(0)	(0)	0	(0)	–	–	–	–	–	–	(2)	–	(2)	N/A	31	(33)	(106.9%)
Non-financial income/expense	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	(8)	8	(100.0%)
Monitoring fees (including expenses)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(1,000)	(1,000)	0	(0.0%)	(500)	(500)	100.0%
Restructuring costs	(171)	(360)	(440)	(229)	(255)	(182)	(489)	(86)	(34)	(16)	(19)	(14)	(2,293)	(2,383)	89	(3.7%)	(1,452)	(842)	58.0%
Non-recurring items	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,383)	2,383	(100.0%)	(0)	0	(100.0%)
Taxes	–	–	–	–	–	–	158	17	3	(89)	20	93	203	–	203	N/A	0	203	253483560.4%
GAAP Net Income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (208)	\$ (524)	\$ (97)	\$ (57)	\$ 273	\$ (90)	\$ (309)	\$ (3,425)	\$ (6,408)	\$ 2,983	(46.6%)	\$ 662	\$ (4,086)	(617.7%)

## Management Discussion

# Consolidated Monthly Balance Sheet

\$'000	20-Jan	20-Feb	20-Mar	20-Apr	20-May	20-Jun	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	FY	PY
	Act	Act	Act	Act	Act	Act	Bud	Act						
<b>Current Assets</b>														
Cash and cash equivalents	2,206	1,659	5,513	4,579	2,605	1,085	989	525	777	(93)	513	698	698	1,675
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accounts receivable, gross	6,805	6,731	7,330	6,992	6,048	6,244	5,344	5,492	6,004	7,204	6,494	6,329	6,329	6,924
Accounts receivable, reserves	(142)	(140)	(142)	(159)	(163)	(160)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)
Accounts receivable, net	6,663	6,592	7,187	6,834	5,885	6,084	5,215	5,362	5,875	7,074	6,364	6,199	6,199	6,793
Inventory, gross	7,724	7,503	7,189	7,366	7,367	7,098	7,257	7,469	7,419	7,269	7,219	7,219	7,219	7,570
Inventory, reserves	(1,017)	(1,026)	(1,041)	(1,061)	(1,076)	(1,026)	(1,058)	(973)	(988)	(1,008)	(1,023)	(1,033)	(1,033)	(1,005)
Inventory, net	6,707	6,477	6,148	6,305	6,290	6,072	6,199	6,496	6,431	6,261	6,196	6,186	6,186	6,565
Prepaid expenses and other current assets	474	385	327	561	421	444	510	436	350	483	423	320	320	333
Current portion of deferred taxes	5,612	5,579	5,583	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	—
Other current assets	285	331	222	—	—	—	—	—	—	—	—	—	—	—
<b>Total Current Assets</b>	<b>16,049</b>	<b>15,113</b>	<b>19,175</b>	<b>18,278</b>	<b>15,201</b>	<b>13,685</b>	<b>12,914</b>	<b>12,820</b>	<b>13,432</b>	<b>13,726</b>	<b>13,497</b>	<b>13,403</b>	<b>13,403</b>	<b>15,366</b>
<b>Non-Current Assets</b>														
Property, plant & equipment, gross	15,328	14,564	14,605	14,643	14,698	14,906	15,076	15,176	15,201	15,226	15,251	15,276	15,276	15,359
Accumulated depreciation	(2,549)	(2,298)	(2,378)	(2,459)	(2,540)	(2,621)	(2,703)	(2,784)	(2,865)	(2,947)	(3,028)	(3,110)	(3,110)	(2,524)
Property, plant & equipment, net	12,779	12,266	12,227	12,184	12,158	12,284	12,374	12,392	12,336	12,279	12,223	12,166	12,166	12,834
Identifiable intangible assets, gross	700	4,694	4,694	4,606	4,694	4,606	—	—	—	—	—	—	—	—
Accumulated amortization	(3,701)	(3,831)	(4,310)	(4,789)	(5,268)	(5,747)	(6,226)	(6,705)	(7,184)	(7,663)	(8,142)	(8,621)	(8,621)	(3,217)
Identifiable intangible assets, net	54,470	58,333	57,854	57,375	56,896	56,417	55,850	55,371	54,892	54,413	53,935	53,456	53,456	54,954
Deferred financing cost	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other non-current assets	—	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	—
<b>Total Non-Current Assets</b>	<b>67,249</b>	<b>75,834</b>	<b>75,315</b>	<b>74,794</b>	<b>74,289</b>	<b>73,936</b>	<b>73,458</b>	<b>72,998</b>	<b>72,462</b>	<b>71,927</b>	<b>71,392</b>	<b>70,856</b>	<b>70,856</b>	<b>67,788</b>
<b>Total Assets</b>	<b>\$ 83,298</b>	<b>\$ 90,947</b>	<b>\$ 94,490</b>	<b>\$ 93,071</b>	<b>\$ 89,490</b>	<b>\$ 87,621</b>	<b>\$ 86,372</b>	<b>\$ 85,818</b>	<b>\$ 85,894</b>	<b>\$ 85,653</b>	<b>\$ 84,889</b>	<b>\$ 84,260</b>	<b>\$ 84,260</b>	<b>\$ 83,155</b>
<b>Current Liabilities</b>														
Current portion of long-term debt	1,462	1,462	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,462
Notes Payable	261	3,318	7,794	7,237	4,488	2,700	2,955	3,209	3,464	4,502	4,745	4,000	4,000	—
Accounts payable	3,016	2,736	3,084	2,954	2,525	2,661	2,689	2,457	2,413	2,599	2,265	2,408	2,408	2,921
Accrued liabilities	2,564	2,542	2,247	2,197	2,360	2,626	2,105	2,104	2,275	2,253	1,827	2,525	2,525	2,289
Accrued compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Income taxes payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	(233)	263	263	263	263	263	263	263	263	263	263	263	263	(233)
<b>Total Current Liabilities</b>	<b>7,070</b>	<b>10,321</b>	<b>14,488</b>	<b>13,751</b>	<b>10,736</b>	<b>9,350</b>	<b>9,112</b>	<b>9,133</b>	<b>9,516</b>	<b>10,717</b>	<b>10,201</b>	<b>10,296</b>	<b>10,296</b>	<b>6,440</b>
<b>Long-term liabilities</b>	<b>\$ -</b>	<b>-</b>												
Long-term debt less current maturities	39,638	41,638	41,579	41,297	41,297	41,022	41,022	41,022	41,022	40,748	40,748	40,474	40,474	39,638
Deferred income taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other non-current liabilities	(795)	967	966	965	964	963	962	961	960	959	957	956	956	(814)
<b>Total Long-Term Liabilities</b>	<b>38,843</b>	<b>42,605</b>	<b>42,546</b>	<b>42,262</b>	<b>42,261</b>	<b>41,985</b>	<b>41,984</b>	<b>41,983</b>	<b>41,981</b>	<b>41,706</b>	<b>41,705</b>	<b>41,430</b>	<b>41,430</b>	<b>38,824</b>
<b>Total Liabilities</b>	<b>45,913</b>	<b>52,926</b>	<b>57,033</b>	<b>56,013</b>	<b>52,996</b>	<b>51,335</b>	<b>51,095</b>	<b>51,116</b>	<b>51,497</b>	<b>52,423</b>	<b>51,906</b>	<b>51,726</b>	<b>51,726</b>	<b>45,263</b>
<b>Shareholders' Equity</b>														
Common stock	39,389	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	39,392
Capital in excess of stated value	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Retained earnings	(3,094)	(5,481)	(6,044)	(6,443)	(7,007)	(7,215)	(9,526)	(10,101)	(10,405)	(10,273)	(10,520)	(10,969)	(10,969)	(2,694)
Accumulated other comprehensive income	1,636	—	—	—	—	—	—	—	—	—	—	—	—	1,678
Other equity transactions	(545)	—	—	—	—	—	—	—	—	—	—	—	—	(485)
<b>Total Shareholders' Equity</b>	<b>37,385</b>	<b>38,021</b>	<b>37,457</b>	<b>37,058</b>	<b>36,494</b>	<b>36,286</b>	<b>33,975</b>	<b>33,400</b>	<b>33,096</b>	<b>33,229</b>	<b>32,982</b>	<b>32,532</b>	<b>32,532</b>	<b>37,891</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 83,298</b>	<b>\$ 90,947</b>	<b>\$ 94,490</b>	<b>\$ 93,071</b>	<b>\$ 89,490</b>	<b>\$ 87,621</b>	<b>\$ 85,071</b>	<b>\$ 84,516</b>	<b>\$ 84,593</b>	<b>\$ 85,652</b>	<b>\$ 84,888</b>	<b>\$ 84,259</b>	<b>\$ 84,259</b>	<b>\$ 83,154</b>

# Consolidated Balance Sheet – Year on Year Comparison

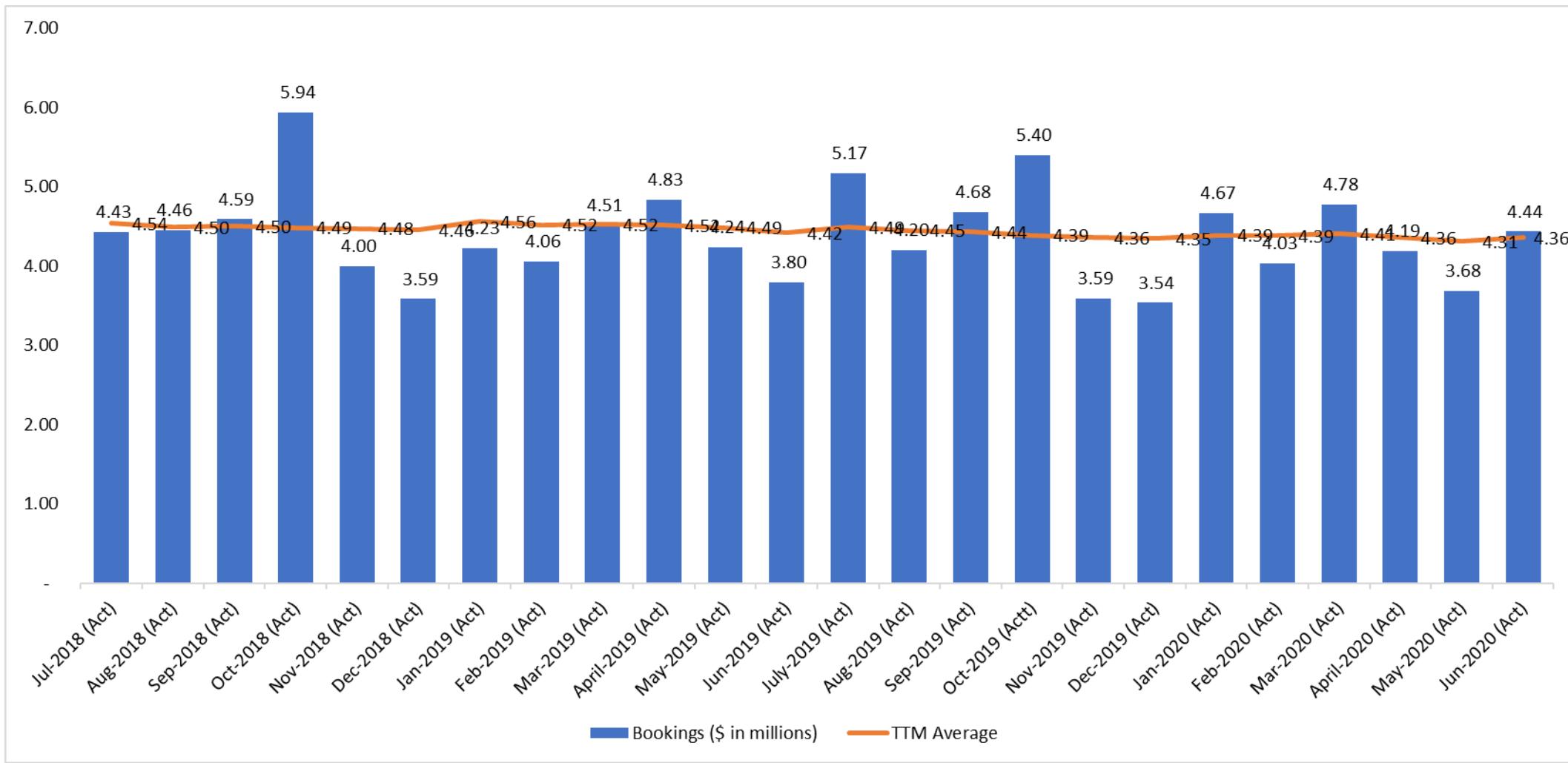
\$'000	YTD		Variance	
	CY	Dec-19	\$	%
<b><u>Current Assets</u></b>				
Cash and cash equivalents	\$ 1,085	\$ 1,675	\$ (590)	(35.2%)
Short term investments	–	–	–	–
<i>Accounts receivable, gross</i>	6,244	6,924	(680)	(9.8%)
<i>Accounts receivable, reserves</i>	(160)	(130)	(30)	22.9%
<i>Accounts receivable, net</i>	6,084	6,793	(710)	(10.4%)
<i>Inventory, gross</i>	7,098	7,570	(472)	(6.2%)
<i>Inventory, reserves</i>	(1,026)	(1,005)	(21)	2.1%
<i>Inventory, net</i>	6,072	6,565	(493)	(7.5%)
Prepaid expenses and other current assets	444	333	111	33.2%
Current portion of deferred taxes	–	–	–	–
Other current assets	–	–	–	–
<b>Total Current Assets</b>	<b>13,685</b>	<b>15,366</b>	<b>(1,682)</b>	<b>(10.9%)</b>
<b><u>Non-Current Assets</u></b>				
Property, plant & equipment, gross	14,906	15,359	(453)	(3.0%)
Accumulated depreciation	(2,621)	(2,524)	(97)	3.8%
Property, plant & equipment, net	12,284	12,834	(550)	(4.3%)
Identifiable intangible assets, gross	4,606	–	4,606	–
Accumulated amortization	(5,747)	(3,217)	(2,530)	78.7%
Identifiable intangible assets, net	56,417	54,954	1,464	2.7%
Deferred financing cost	–	–	–	–
Other non-current assets	5,234	–	5,234	–
<b>Total Non-Current Assets</b>	<b>73,936</b>	<b>67,788</b>	<b>6,148</b>	<b>9.1%</b>
<b>Total Assets</b>	<b>\$ 87,621</b>	<b>\$ 83,155</b>	<b>\$ 4,467</b>	<b>5.4%</b>
<b><u>Current Liabilities</u></b>				
Current portion of long-term debt	\$ 1,100	\$ 1,462	\$ (362)	(24.7%)
Notes Payable	2,700	–	2,700	–
Accounts payable	2,661	2,921	(260)	(8.9%)
Accrued liabilities	2,626	2,289	337	14.7%
Accrued compensation	–	–	–	–
Income taxes payable	0	0	–	0.0%
Other current liabilities	263	(233)	496	(213.2%)
<b>Total Current Liabilities</b>	<b>9,350</b>	<b>6,440</b>	<b>2,911</b>	<b>45.2%</b>
<b><u>Long-term liabilities</u></b>				
Long-term debt less current maturities	41,022	39,638	1,384	3.5%
Deferred income taxes	–	–	–	–
Other non-current liabilities	963	(814)	1,777	(218.3%)
<b>Total Long-Term Liabilities</b>	<b>41,985</b>	<b>38,824</b>	<b>3,161</b>	<b>8.1%</b>
<b>Total Liabilities</b>	<b>51,335</b>	<b>45,263</b>	<b>6,072</b>	<b>13.4%</b>
<b><u>Shareholders' Equity</u></b>				
Common stock	43,501	39,392	4,109	10.4%
Capital in excess of stated value	–	–	–	–
Retained earnings	(7,215)	(2,694)	(4,521)	167.8%
Accumulated other comprehensive income	–	1,678	(1,678)	(100.0%)
Other equity transactions	–	(485)	485	(100.0%)
<b>Total Shareholders' Equity</b>	<b>36,286</b>	<b>37,891</b>	<b>(1,605)</b>	<b>(4.2%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 87,621</b>	<b>\$ 83,154</b>	<b>\$ 4,467</b>	<b>5.4%</b>

# Consolidated Monthly Cash Flow

\$'000	20-Jan	20-Feb	20-Mar	20-Apr	20-May	20-Jun	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	FY (6+6)	FY	Variance	PY	
	Act	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Act	Bud	\$	%	Act
<b>Cash flow from operations</b>																	
Net Income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (208)	\$ (524)	\$ (97)	\$ (57)	\$ 273	\$ (90)	\$ (309)	\$ (3,425)	\$ (3,128)	\$ (296)	9.5%	\$ (438,690)
Depreciation, amortization and other	569	570	560	560	560	560	560	560	560	560	560	560	6,740	6,743	(3)	(0.0%)	569,786
Capitalized fees & expenses	19	21	21	21	21	21	21	21	21	21	21	21	246	233	13	5.6%	19,384
Gain (loss) on sale of fixed assets	–	8	–	–	–	–	–	–	–	–	–	–	8	–	8	–	–
Non-cash interest expense	261	256	276	237	251	293	274	270	258	265	257	265	3,164	3,198	(35)	(1.1%)	246,325
Non-cash dividends	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deferred income tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Change in operating assets and liabilities:</i>																	
Accounts receivable	130	72	(596)	354	948	(198)	(1,424)	(131)	188	(918)	371	1,069	(136)	(60)	(76)	127.1%	584,160
Inventory	(142)	230	329	(157)	14	218	(252)	(20)	65	170	65	10	531	379	152	40.1%	(336,896)
Prepaid expenses and other current assets	(141)	89	58	(233)	140	(23)	(64)	74	87	(134)	60	103	15	13	2	18.8%	87,266
Accounts payable	94	(279)	347	(129)	(429)	136	46	(332)	54	277	(523)	143	(594)	(448)	(147)	32.8%	513,086
Accrued expenses	275	(22)	(295)	(50)	163	266	(404)	(1)	171	(23)	92	180	353	481	(128)	(26.6%)	306,762
Accrued income taxes	–	–	–	–	(0)	(521)	(17)	(3)	89	(20)	(93)	(566)	(897)	330	(36.9%)	(330,478)	
Other changes in operating assets and liabilities	–	(63)	–	–	–	(14)	–	–	–	–	(77)	–	–	–	–	–	–
Other cash flow from operations	–	(2)	1	–	–	–	–	–	–	–	–	–	(1)	–	(1)	–	–
<b>Total Cash Flow from Operations</b>	<b>\$ 666</b>	<b>\$ 394</b>	<b>\$ 137</b>	<b>\$ 202</b>	<b>\$ 1,102</b>	<b>\$ 1,065</b>	<b>\$ (2,302)</b>	<b>\$ 326</b>	<b>\$ 1,345</b>	<b>\$ 581</b>	<b>\$ 792</b>	<b>\$ 1,949</b>	<b>\$ 6,257</b>	<b>\$ 6,514</b>	<b>\$ (257)</b>	<b>(4.0%)</b>	<b>\$ 1,220,705</b>
<b>Cash flow from investing</b>																	
Additions to property, plant and equipment	\$ (25)	\$ (330)	\$ (42)	\$ (38)	\$ (55)	\$ (207)	\$ (354)	\$ (85)	\$ (79)	\$ (25)	\$ (25)	\$ (44)	\$ (1,309)	\$ (1,347)	\$ 38	(2.8%)	\$ –
Acquisitions of companies, net of cash acquired	–	(5,095)	–	–	–	–	–	–	–	–	–	–	(5,095)	–	(5,095)	–	–
Investment in intangibles	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Earnout payments	–	–	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(217)	(217)	–	0.0%	–
Other cash flow from investing (goodwill)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(51,066)	–
<b>Total Cash Flow from Investing</b>	<b>\$ (25)</b>	<b>\$ (5,426)</b>	<b>\$ (64)</b>	<b>\$ (60)</b>	<b>\$ (77)</b>	<b>\$ (229)</b>	<b>\$ (376)</b>	<b>\$ (107)</b>	<b>\$ (100)</b>	<b>\$ (47)</b>	<b>\$ (47)</b>	<b>\$ (65)</b>	<b>\$ (6,621)</b>	<b>\$ (1,564)</b>	<b>\$ (5,057)</b>	<b>323.3%</b>	<b>\$ –</b>
<b>Cash flow from financing</b>																	
Proceeds from the issuance (repayment) of ST	\$ –	\$ 2,800	\$ 4,200	\$ –	\$ (3,000)	\$ (1,300)	\$ 989	\$ (500)	\$ (550)	\$ –	\$ –	\$ –	2,639	\$ 0	\$ 2,639	N/A	\$ –
Proceeds from the issuance of debt	–	2,000	–	–	–	–	–	–	–	–	–	–	2,000	0	2,000	N/A	–
Repayment of debt	–	–	(420)	(1,076)	–	(1,056)	–	–	–	(1,066)	–	(1,049)	(4,666)	(4,658)	(9)	0.2%	(1,050,937)
Capital lease	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Common stock issued (repurchased)	(3)	–	–	–	–	–	–	–	–	–	–	–	(3)	–	(3)	–	–
Common stock cash dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Preferred stock issued (repurchased)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other cash flow from financing costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Flow from Financing</b>	<b>\$ (3)</b>	<b>\$ 4,800</b>	<b>\$ 3,780</b>	<b>\$ (1,076)</b>	<b>\$ (3,000)</b>	<b>\$ (2,356)</b>	<b>\$ 989</b>	<b>\$ (500)</b>	<b>\$ (550)</b>	<b>\$ (1,066)</b>	<b>\$ –</b>	<b>\$ (1,049)</b>	<b>\$ (31)</b>	<b>\$ (4,658)</b>	<b>\$ 4,627</b>	<b>(99.3%)</b>	<b>\$ (1,050,937)</b>
<b>Effect of FX rates on cash and cash equivalents</b>	<b>\$ (108)</b>	<b>\$ (314)</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ (422)</b>	<b>\$ (200)</b>	<b>\$ (222)</b>	<b>111.0%</b>	<b>\$ (74,915)</b>
<b>Net change in cash</b>	<b>\$ 531</b>	<b>\$ (546)</b>	<b>\$ 3,854</b>	<b>\$ (934)</b>	<b>\$ (1,974)</b>	<b>\$ (1,520)</b>	<b>\$ (1,690)</b>	<b>\$ (280)</b>	<b>\$ 695</b>	<b>\$ (532)</b>	<b>\$ 745</b>	<b>\$ 835</b>	<b>\$ (817)</b>	<b>\$ 92</b>	<b>\$ (909)</b>	<b>(985.8%)</b>	<b>\$ 43,788</b>
Beginning cash	1,675	2,206	1,659	5,513	4,579	2,605	1,085	(605)	(885)	1,767	1,235	1,981	1,675	7,666	(5,991)	(78.2%)	911,150
Change in cash	531	(546)	3,854	(934)	(1,974)	(1,520)	(1,690)	(280)	695	(532)	745	835	(817)	92	(909)	(985.8%)	43,788
<b>Ending cash</b>	<b>\$ 2,206</b>	<b>\$ 1,659</b>	<b>\$ 5,513</b>	<b>\$ 4,579</b>	<b>\$ 2,605</b>	<b>\$ 1,085</b>	<b>\$ (605)</b>	<b>\$ (885)</b>	<b>\$ (190)</b>	<b>\$ 1,235</b>	<b>\$ 1,981</b>	<b>\$ 2,815</b>	<b>\$ 858</b>	<b>\$ 7,758</b>	<b>\$ (6,900)</b>	<b>(88.9%)</b>	<b>\$ 954,938</b>

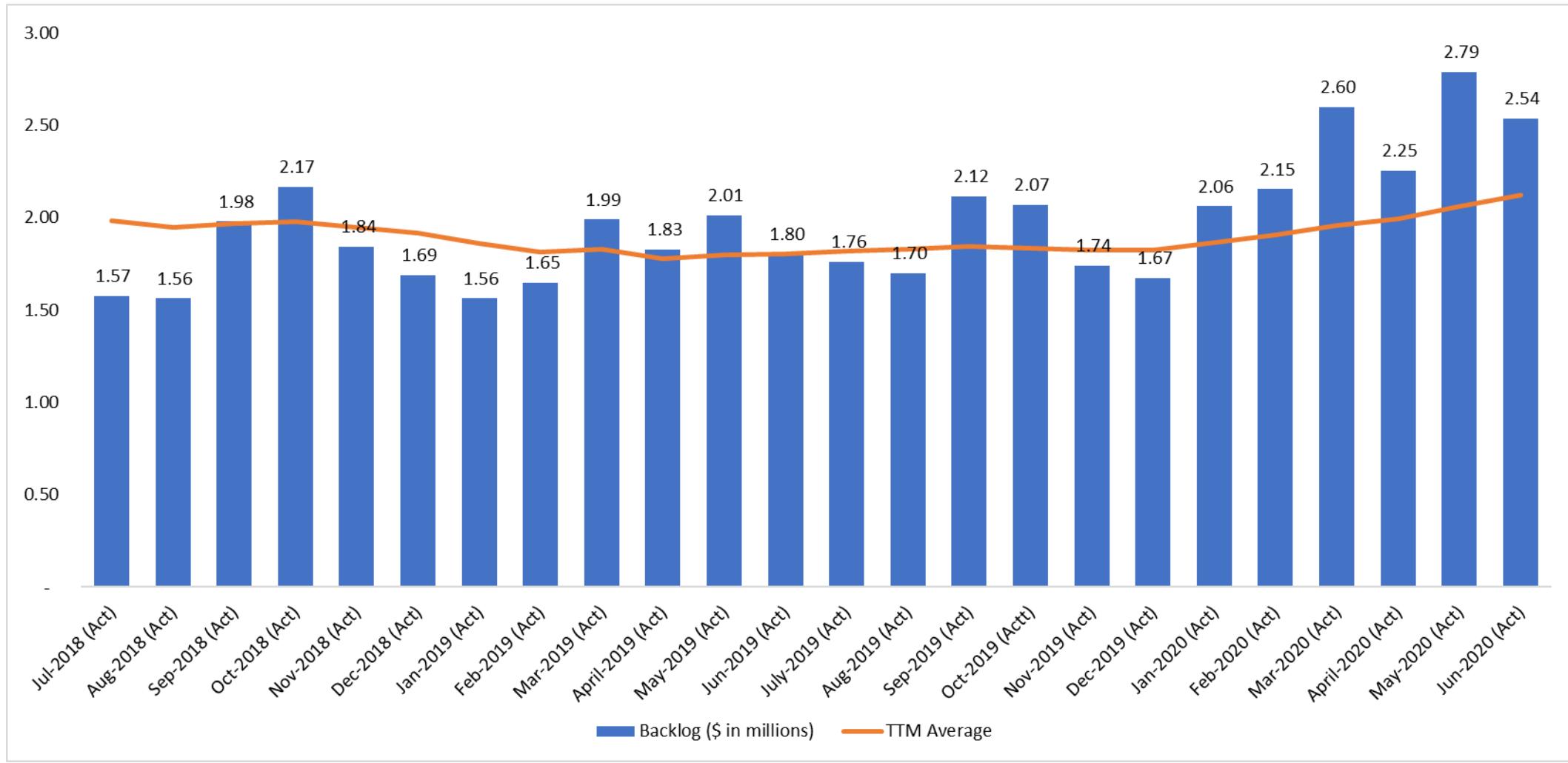
# Consolidated Trended Monthly Bookings (24 month act)

\$ in millions



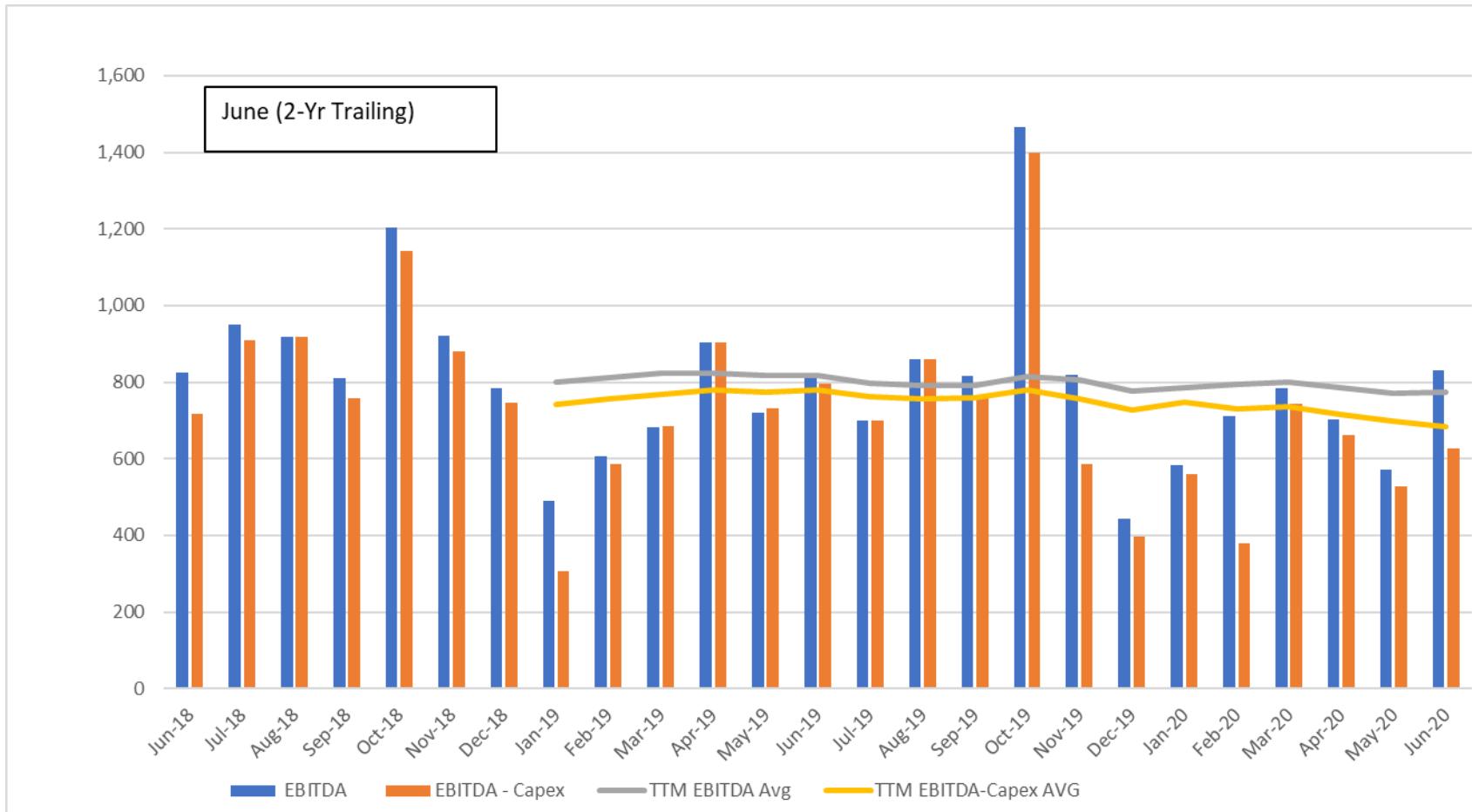
# Consolidated Trended Monthly Backlog (24 month actual)

\$ in millions



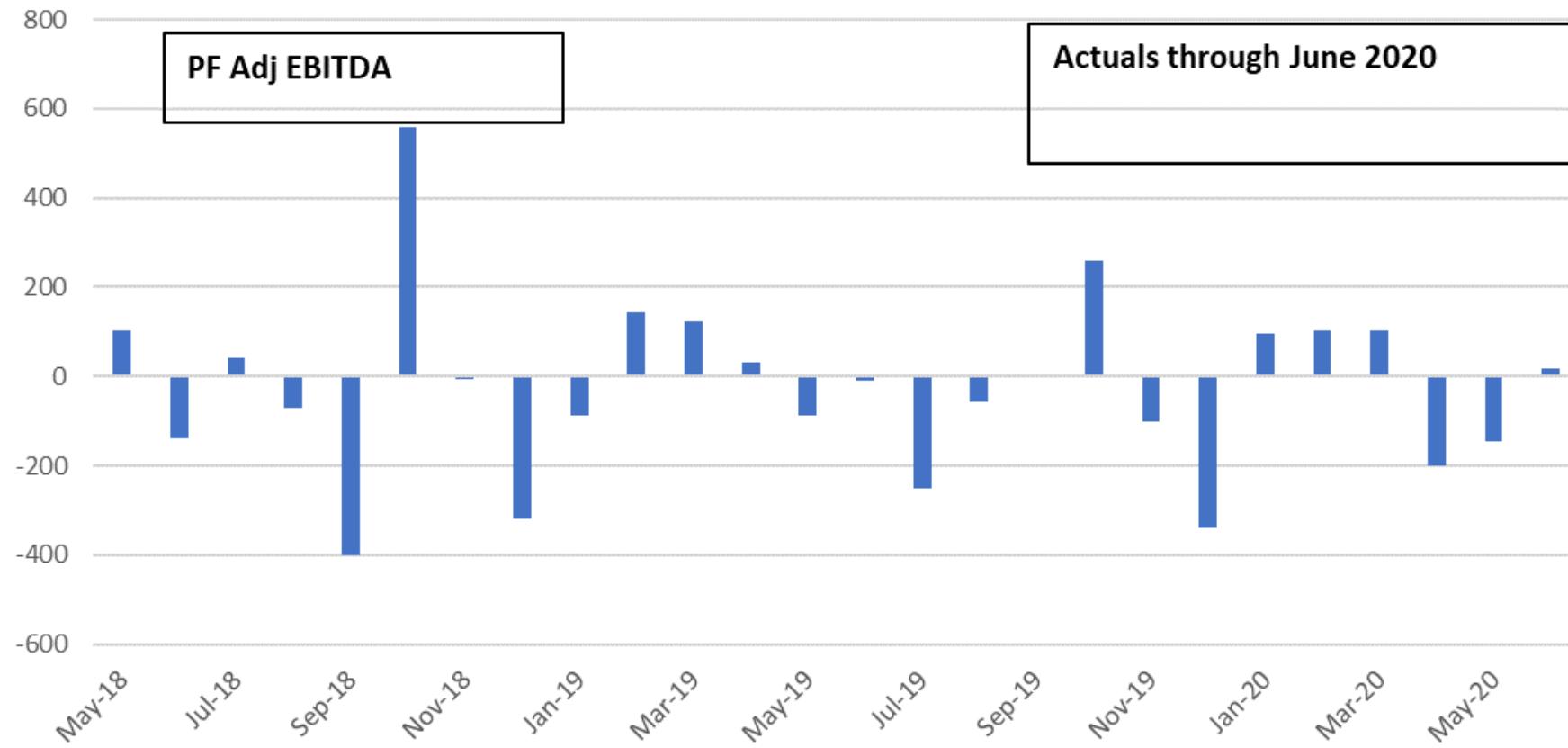
# EBITDA and EBITDA-CapEx

\$ in millions



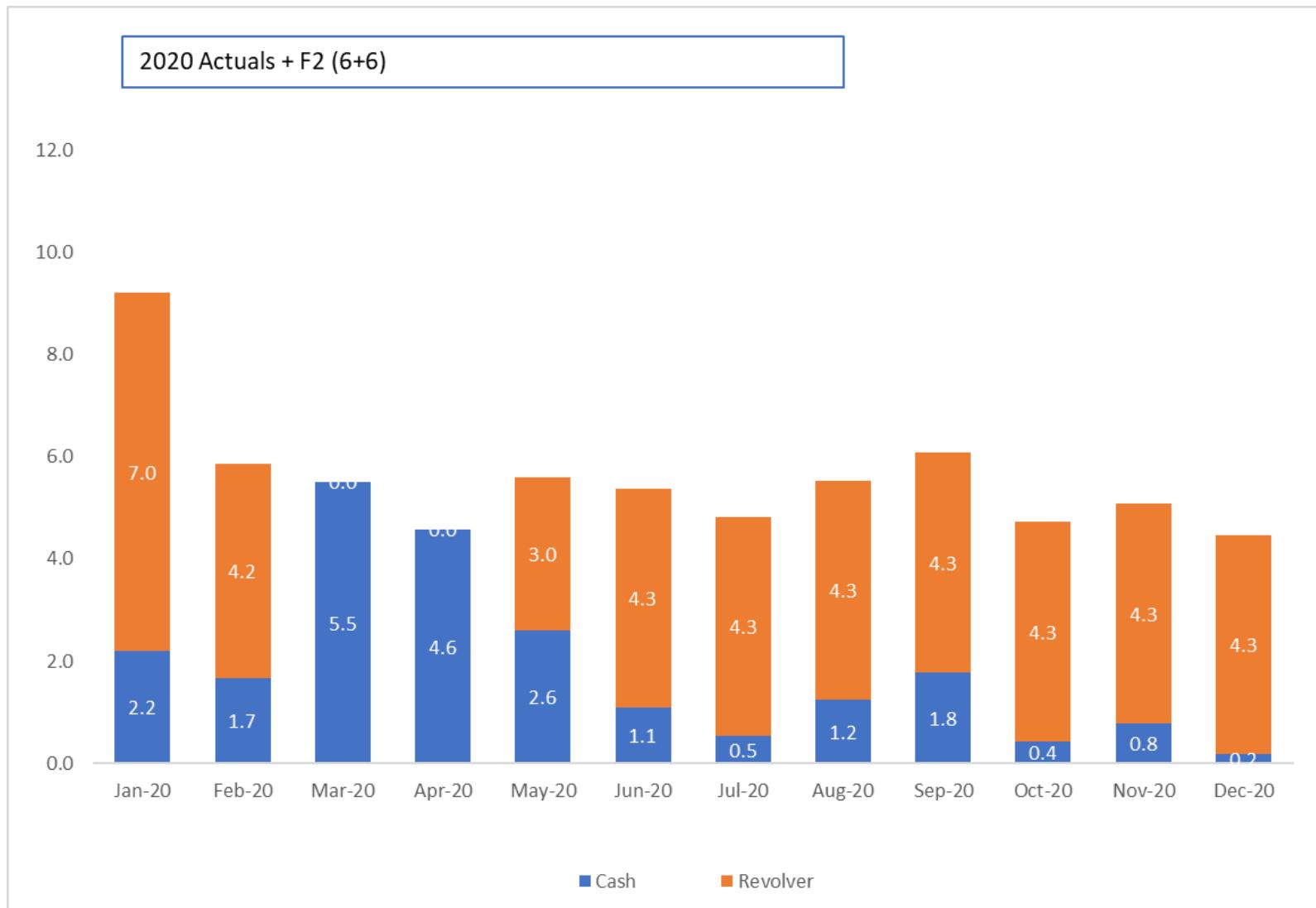
# Consolidated Y-o-Y \$ EBITDA Change

\$ in thousands



# Consolidated Liquidity Forecast

\$ in millions



# Management and Governance

# Governance Organization

## Board of Managers

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

## Audit Committee

- Shawn Haghghi
- Paul Bridwell
- Brad Schechtman

## 2020 Auditors

- Baker Tilly
- Yunis Altahami – Partner

## Anonymous Hotline

- Navex is live via Duraco.ethicspoint.com

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

# Duraco Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	HIRES	INVOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	71	-	-	-	71
Operations - Hourly	7	-	-	-	7
Operations - Salary	19	-	-	-	19
Research & Development	2	-	-	-	2
Sales & Marketing	24	1	-	-	25
Administrative	13	-	-	-	13
Other	-	-	-	-	-
Agency FTE & Temps	1	-	-	-	1
<b>Total Headcount</b>	<b>137</b>	-	-	-	<b>138</b>

# Infinity Headcount Hires & Attrition

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

## Notes

- One temp converted to full-time employees in June

# Headcount Trending by Month

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

## Management Discussion

### Duraco Open Positions:

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



Thank You

888 500 5805 | [duraco.com](http://duraco.com)