



## 2020 Monthly Operating Review – June 2020

July 29<sup>th</sup>, 2020



<b>Executive Summary</b>
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**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

## Executive Summary

1. **Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan by \$10.9 million and 25% for the Quarter due to lower demand from both Canadian and US customers as a result of the COVID-19 situation and related shutdowns in April and May. Sales were behind Plan across all extrusion plants. Terrebonne sales were also behind Plan due to the shutdown of Quebec customers since mid-March with start up activities commencing in mid-May. ECS external compound sales were slightly behind Plan due to decreased orders from window extrusion customers partially offset by higher sales with new customers and new products
2. **EBITDA:** EBITDA behind Plan by \$1.5 million. EBITDA unfavorably impacted by lower sales volumes, unfavorable absorption impacts at Woodbridge, Laval, Delmont and Everett due to COVID-19 related shutdowns early in the Quarter, reduced production levels and selling more out of inventory than Plan. These unfavorable impacts to EBITDA were partially offset by a reduction in labor costs, lower manufacturing overhead costs (ie. Utilities, maintenance, supplies), lower OPEX spending and the benefit from the Canada Emergency Wage Subsidy in the amount of \$1.1 million. Lower regrind usage and higher scrap due to lower volumes and production inefficiencies were offset by favorable material PPV (resin, impact modifier and stabilizer) and lower inventory reserves
3. **Vs Prior Year:** Overall sales revenues and volumes were behind Prior Year by \$8.7 million and 21% for the Quarter due to lower demand from both Canadian and US customers as a result of the COVID-19 situation and related shutdowns. Sales were behind Prior Year at all extrusion plants and Terrebonne. ECS external compound sales were ahead of Prior Year due to continued sales from the launch of new business (Delcan, Fence Outlet, Nuform). EBITDA was behind the Prior Year by \$295K impacted by lower sales volumes and an unfavorable absorption impact due to reduced production levels. These were partially offset by lower labor costs, lower manufacturing overhead costs, lower OPEX spending and the benefit from the Canada Emergency Wage Subsidy in the amount of \$1.1 million
4. **TTM:** 2020 June TTM Revenue of \$151.7M and EBITDA of \$9.6M (\$8.5M excluding wage subsidy) vs the 2020 AOP Revenue of \$164.5M and EBITDA of \$13.5M (excluding bonus expense)

## Executive Summary (Continued)

5. **Sales Order Flow:** Overall sales order flow outlook for July is currently ahead of Prior Year on a Month to Date basis by 15.3%. Extrusion sales orders are ahead of prior year orders by 16.9% while Patio Door sales orders are ahead by 6.3%. Woodbridge, Laval, Delmont and Everett has seen stronger orders within the last several weeks bringing their Month to Date orders ahead of Prior Year levels by 37%, 22%, 20% and 3%, respectively. Currently, July sales are tracking in line with Plan and ahead of Prior Year by 4%
6. **Backorders & Inventory Levels:** Backorders have increased since May due to the surge in sales orders at all extrusion plants and Terrebonne. Production volume is currently tracking behind Plan but slightly ahead of Prior Year, but is continuing to ramp up to meet increased customer demand. Plants are challenged with finding available labor due to COVID concerns and retention of labor. Focus for H2 2020 is to build what we sell, but with the reduction of inventory throughout H1 2020, there will be a need to build inventory by y/e
7. **Material/Supplier Pricing:** The July CDI Resin Index was increased by 2cpp, which is lower than the expected 3cpp that the producers were asking. The producers are trying for an additional 3cpp increase in the August Resin Index due increased domestic demand and increases in export pricing (demand increasing from China and India), but industry analysts believe this may settle at 2cpp for August and flat for September
8. **Bank Covenants:** Excess Availability covenant for June-20 ahead of target @65% with Fixed Cost Coverage Ratio (FCCR) slightly below the target @ 0.9:1. Continue to closely monitor daily cash flows and H2 2020 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly. Cash conservation management in effect as a result of recent global events concerning COVID-19
9. **COVID-19 Pandemic:** Management team is focusing on cash collection efforts, communicating with customers concerning past due balances and forecasting the sales outlook. Plant calls being conducted daily to discuss production schedules, labor planning and any customer or supply issues. Daily cash flow reviews conducted to review and approve outflows. Approved for government sponsored relief programs (ie. Canada Emergency Wage Subsidy, work sharing programs). Investigated operating loan liquidity through BDC in Canada, but restrictions exist for small loan amount -- will continue to keep it as an option

## Executive Summary (Continued)

	Description	Potential Impact	Plan to Address
<b>Risks</b>	2020 Recession (NA / Global)	<ul style="list-style-type: none"> <li>Revenue and EBITDA loss</li> <li>Employee retention issues</li> </ul>	<ul style="list-style-type: none"> <li>Continue to stay in touch with all major customers</li> <li>Develop production scheduling discipline to ensure not over or under producing and not creating backorders</li> <li>Cash conservation management</li> </ul>
	COVID-19 Pandemic	<ul style="list-style-type: none"> <li>Operations shutdown</li> <li>Employee lay-offs</li> </ul>	<ul style="list-style-type: none"> <li>Infectious Disease Management Policy procedures communicated</li> <li>Daily call with Plant Managers to discuss status of customers, employees, supply chain</li> <li>Implementing work from home procedures, where applicable</li> </ul>
	Terrebonne (Patio Doors)	<ul style="list-style-type: none"> <li>Revenue and EBITDA loss</li> <li>Turnaround plan not achieved</li> </ul>	<ul style="list-style-type: none"> <li>Maintain stability of leadership team – hired Production Manager</li> <li>Focus on process flow improvements for production efficiency &amp; labor</li> <li>Focus on improving production output and reducing backorders</li> </ul>
	Aggressive Competition and related pricing pressures	<ul style="list-style-type: none"> <li>Customer losses</li> <li>Revenue and EBITDA loss</li> <li>Reduction in profitability vs Plan</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to stay in touch with major customers to solidify ENERGI's relationship as a strategic partner through "Huddle" meetings</li> <li>two West Coast sales account managers supporting US growth</li> </ul>
	Backorder Issues	<ul style="list-style-type: none"> <li>Future loss of revenues</li> </ul>	<ul style="list-style-type: none"> <li>Current backorder issues may result in certain customers finding a secondary extrusion / patio door source or moving business</li> <li>Prioritizing customers, increasing production, building up stocking plans</li> </ul>
<b>Opportunities</b>	External Compound Sales	<ul style="list-style-type: none"> <li>Revenue and EBITDA growth</li> <li>Absorption of ECS overheads</li> </ul>	<ul style="list-style-type: none"> <li>Quoting &amp; launching non-fenestration compound opportunities</li> <li>Developing natural/green core compound for alt. materials initiative</li> </ul>
	Operations Excellence Initiatives	<ul style="list-style-type: none"> <li>Operational efficiencies</li> <li>Profitability improvements</li> </ul>	<ul style="list-style-type: none"> <li>Woodbridge is focused on increasing regrind usage activity</li> <li>Delmont is focused on productivity, yield and scrap reduction initiatives</li> <li>Everett - improving throughput, productivity and regrind usage</li> </ul>
	Supply Chain Initiatives	<ul style="list-style-type: none"> <li>Improvement in profitability</li> <li>Offset raw material increases</li> </ul>	<ul style="list-style-type: none"> <li><b>Traction on supply chain initiatives with incremental procurement savings achieved</b></li> <li>Reviewing alternative supply options for all resources</li> <li>Challenging price increases from all suppliers</li> </ul>
	Pipeline Growth	<ul style="list-style-type: none"> <li>Revenue and EBITDA growth</li> <li>Plant capacity utilization</li> </ul>	<ul style="list-style-type: none"> <li>Sales prospecting efforts on hold during pandemic</li> <li>Completion and launch of Dark Cap opportunities in Everett</li> <li>Completion and launch of modular platform system in Woodbridge</li> </ul>

## Key Wins and Losses – Q2 2020


### Key Wins

- **Ostaco**
  - **Fixed Window System**
  - **\$73k or 50k Lbs**
  - **Woodbridge**
- **BB Encore**
  - **Anilin Window System**
  - **\$250k or 180k Lbs**
  - **Woodbridge**


### Key Losses

- **None**

# Key Initiatives Update


Initiative	Status	Recent Progress	Next Steps	Risks
1. Woodbridge Productivity Improvements (ON HOLD)		<ul style="list-style-type: none"> <li>• 24 week project commenced on Jan. 6<sup>th</sup> with DB&amp;A</li> <li>• Total cost of \$816K</li> <li>• Guaranteed Savings of \$1,670K in Direct Labor (12%), Indirect Labor (15%) and Material (24%)</li> <li>• ROI of 2.05:1</li> </ul>	<ul style="list-style-type: none"> <li>• Scheduling: implement line schedule process to reduce variation on the floor vs. current process of listing all orders and allowing Operators and Supervisors to select</li> <li>• Tool Room: implement Productivity measure and process to improve performance based on requirements</li> <li>• Changeovers: standardize changeover process to eliminate excess start-up time while reducing scrap caused by current inconsistencies</li> </ul>	<ul style="list-style-type: none"> <li>• Production planning inefficiencies</li> <li>• Labor planning inefficiencies</li> <li>• Additional scrap and material inefficiencies</li> </ul>

## Key Initiatives Update (Continued)


Initiative	Status	Recent Progress	Next Steps	Risks
2. Freight Savings		<ul style="list-style-type: none"> <li>• Rail Project (ECS to Everett): revised current rail routing pattern from CN to BNSF thru Chicago to CN to BNSF thru New Westminster, BC interchange resulting in a savings of approx. \$350K</li> <li>• Assessing Phase 2 options – (i) new routing pattern to Langley, BC with a transloading to Trimac trucks; and (ii) new CN proposal on rail to Arlington, WA and avoids transloading; approx. incremental savings of \$140K</li> <li>• Truck Lane Negotiations: reviewing truck lanes from each of the plants, including ECS with shipments to Woodbridge, Laval and Delmont; approx. savings of \$367K</li> <li>• Leasing out ECS rail yard still under review</li> <li>• Review of flatbed truck vs. dry van: test conducted at Delmont to load a flatbed truck to PGT; savings are not as originally anticipated due to configuration of Delmont's racks</li> </ul>	<ul style="list-style-type: none"> <li>• New rail routing pattern from CN to BNSF thru New Westminster, BC implemented in January</li> <li>• Truck lane reviews with each plant – need to discuss matching the rates with the current carriers</li> <li>• Reviewing Trimac proposal and agreement for leasing out rail storage space at ECS</li> <li>• Flatbed review: need to assess cost of modification of racks and potential additional savings</li> </ul>	<ul style="list-style-type: none"> <li>• New carriers for truck lanes may not be able to meet ENERGI's requirements and customer demands without additional charges</li> <li>• Additional delivery delays with new rail routes</li> </ul>



## Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
3. Pricing Increases		<ul style="list-style-type: none"><li>• Pricing increase activity for Terrebonne patio doors: initial incremental revenue estimate of \$700K from general price increase based on material price increases and increased price for customized door options</li><li>• Extrusion PVC pricing increase based on material price increases sustained by the business</li><li>• Discussions finalized with customers</li></ul>	<ul style="list-style-type: none"><li>• Running into some resistance from both patio door and extrusion customers</li></ul>	<ul style="list-style-type: none"><li>• Customer retention may be impacted</li><li>• EBITDA impacts from not implementing increases built into the Plan</li></ul>

## Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
4. Information Technology & Systems Security		<ul style="list-style-type: none"> <li>Account Management &amp; Security (R1) initiative completed – utilizing Azure Active Directory to centrally manage and enforce security settings</li> <li>Business Continuity &amp; DR (R2) – implemented local and remote back-up strategy &amp; protocol for local site servers</li> <li>Full DR test successfully completed for JDE ERP</li> <li>Two-Factor Authentication (R5) – completed successfully</li> <li>Implemented Mimecast to scan incoming emails and block suspicious addresses</li> <li>Added “Warning” message to all incoming emails originating from outside ENERGI system</li> <li>Cybersecurity Training &amp; Awareness (R3) – portal has been set up and training has been kicked off (complete)</li> </ul>	<ul style="list-style-type: none"> <li>DR test on Syteline ERP (Terrebonne) to be scheduled once current Vanilla Project work is completed</li> <li>DR test on ConcepMATICs ERP (Laval) to be scheduled</li> <li>Vulnerability Mgmt (R4) – postponed to 2021</li> <li>Hard Drive Encryption (R6) – postponed to 2021</li> <li>Patch Mgmt (R7) – in process; dependent on Change Mgmt policies and procedures</li> <li>Email Encryption (R8) – postponed to 2021</li> <li>Mobile Device Mgmt (R9) – evaluating MS solution or SOTI</li> <li>Removable Media (R10) &amp; Cloud-Based Apps (R11) – postponed to 2021</li> </ul>	<ul style="list-style-type: none"> <li>Email Phishing Attacks:               <ul style="list-style-type: none"> <li>a) Ransomware email from external email account; shutdown Terrebonne for 3 days; able to restore from back-up</li> <li>b) Email impersonating CEO / CFO asking employee for banking information or payment</li> </ul> </li> </ul>

# Key Performance Indicators - Summary

## Safety:

- Three (3) recordable incidents in Q2 2020: (i) Laval – Worker sprained knee when extruder wheel he was pushing caught in a floor crack (Lost time); (ii) Terrebonne – Worker sprained right ankle after stepping down from a loading platform onto a piece of wood that fell to the floor when another co-worker trimmed an oversized door support (Lost time); (iii) Terrebonne - Strong air pressure released from punch - went in employee's eye while wearing protective glasses; mitigated with installation of a deflector (Optometrist treatment, Lost Time)
- 2020 TRIR of 1.72 vs 2019 TRIR of 2.32; Total Recordable Cases – 4 for 2020 vs 16 for 2019 FY & 14 for 2018 FY
- Milestones achieved: 43 months incident free record at ECS and 13 months incident free record at Woodbridge

## Quality:

- Woodbridge – Three medium-sized complaints from Ostaco, AWW and Allsco totaling \$9.5k. Claims from previous months but lower production pounds for denominator resulting in high value per lb produced
- Laval - 19 complaints in total largely related to non dimensional issues (e.g. packaging and handling etc.); Larger ones include 3 by Schlüter (\$6.5k); 2 by Fenêtres Concept (\$6.5k); 2 by Isothermic (\$1k); and 2 by Groupe Atlanta (\$1k)
- Everett– 2 complaints from CDA and Notherm totaling \$16K. \$14K Cascade capstock - January production (packaging/dust issue/handling), \$15K Western capstock
- Delmont: PGT \$4.1k Cap Finish, Polaris \$3.5k bow and \$3.3k Die flow 9156
- Terrebonne: Lower volume due to Covid-19 business slowdown

## Delivery:

- Deliveries impacted by Covid 19 due to reduced production levels causing longer lead times and higher backorders

## Efficiencies:

- Woodbridge yields impacted by Covid 19 due to several starts during the month, additional R&D trials and reduced use of regrind
- Delmont – No outsource for regrind and lower volume
- Everett yields impacted by high number of set-ups. Lower volume, production mix and labor inefficiencies caused by limited production

## Inventory:

- Overall at budgeted levels with Laval and Delmont being slightly over as a result of inventory builds

# Key Performance Indicators – Plant Summary

KPI Measure		2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<b>Health &amp; Safety</b>									
# Recordables (affects TRIR)	# in Month	0	1	0	0	1	2	0	4
Woodbridge		0	0	0	0	0	0	0	0
Laval		0	1	0	0	0	1	0	2
Terrebonne		0	0	0	0	1	1	0	2
Delmont		0	0	0	0	0	0	0	0
Everett		0	0	0	0	0	0	0	0
ECS		0	0	0	0	0	0	0	0
<b>Quality Performance</b>									
Returns as % of sales	# of Plants Green	6	3	5	4	4	4	3	4
Woodbridge		0.41%	0.38%	0.72%	0.42%	0.62%	0.67%	0.27%	0.48%
Laval		0.72%	1.24%	0.40%	0.82%	0.00%	0.63%	0.46%	0.61%
Terrebonne		0.55%	1.04%	0.41%	0.37%	0.10%	0.50%	0.67%	0.53%
Delmont		0.30%	0.03%	0.21%	0.14%	0.03%	0.17%	0.32%	0.15%
Everett		0.44%	0.68%	0.29%	0.37%	1.99%	1.28%	0.93%	0.86%
ECS		0.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Delivery Performance</b>									
% by line items	# of Plants Green	6	5	5	4	2	3	1	1
Woodbridge		98.1%	98.9%	99.3%	98.3%	93.6%	87.1%	72.1%	91.5%
Laval		99.0%	99.9%	99.8%	98.4%	84.7%	87.3%	82.1%	92.0%
Terrebonne		95.0%	99.4%	93.8%	83.7%	37.7%	82.5%	68.2%	77.5%
Delmont		99.6%	98.8%	99.6%	99.6%	99.8%	99.7%	98.9%	99.4%
Everett		99.2%	100.0%	99.5%	99.9%	100.0%	100.0%	99.9%	99.9%
ECS		100.0%	100.0%	100.0%	100.0%	79.0%	100.0%	99.6%	96.4%
<b>% on time in full</b>									
	# of Plants Green	6	5	4	5	2	3	1	1
Woodbridge		98.1%	98.9%	99.3%	98.3%	93.6%	87.1%	0.0%	95.4%
Laval		95.0%	99.9%	99.8%	98.4%	84.7%	87.3%	82.1%	92.0%
Terrebonne		95.0%	99.4%	93.8%	83.7%	37.7%	82.5%	68.2%	77.5%
Delmont		99.3%	97.9%	98.8%	99.4%	99.6%	99.6%	98.5%	98.9%
Everett		99.2%	100.0%	99.5%	99.9%	100.0%	100.0%	99.9%	99.9%
ECS		100.0%	100.0%	100.0%	100.0%	79.0%	100.0%	99.6%	96.4%
<b>Costs</b>									
Yield*	# of Plants Green	5	3	2	2	3	3	3	3
Woodbridge		88.0%	85.6%	85.4%	86.9%	84.1%	86.1%	87.2%	86.2%
Laval		87.9%	89.0%	89.8%	89.5%	93.0%	89.2%	90.0%	89.6%
Delmont		84.3%	86.1%	82.6%	84.1%	86.4%	84.9%	83.0%	84.4%
Everett		87.4%	89.6%	89.2%	89.4%	86.0%	88.2%	88.6%	88.6%
ECS		99.6%	99.5%	99.4%	99.5%	99.7%	99.5%	99.6%	99.5%

Notes: \* Not measured at TB; \*\* Excluding TB; \*\*\*TB is # Concerns/100k Sales

# Key Performance Indicators – Plant Summary (continued)

KPI Measure		2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<u>Costs</u>									
Alt. Compound Consumption Ratio*		5	4	1	1	1	3	1	2
Woodbridge		20.0%	20.0%	16.0%	22.1%	12.5%	17.8%	12.3%	17.5%
Laval		15.2%	21.5%	21.0%	14.4%	30.2%	18.0%	16.3%	18.5%
Delmont		23.3%	20.3%	16.7%	18.3%	19.2%	26.4%	17.5%	19.4%
Everett		20.0%	24.0%	13.2%	15.1%	14.3%	41.3%	18.5%	19.8%
ECS		0.4%	0.5%	0.3%	0.3%	0.0%	0.3%	0.2%	0.4%
<u>Inventory</u>									
Days - TTM*	# of Plants Green	5	4	4	4	4	4	4	
Woodbridge		77.8	69.6	69.1	68.2	68.7	70.5	67.5	
Laval		67.3	71.5	70.9	70.0	72.5	73.3	70.3	
Terrebonne		68.4	63.7	64.0	63.9	66.5	67.5	67.9	
Delmont		63.3	70.1	69.4	69.5	68.2	68.8	66.6	
Everett		104.3	92.2	91.6	88.4	89.4	90.5	85.3	
ECS		41.1	38.6	36.7	36.0	37.7	38.6	37.9	
<u>Customer Service</u>									
Customer Experience - NPS Improvement		20%	NA	NA	NA	NA	NA	NA	NA
Customer Complaints - per MLBS ***	# of Plants Green	6	4	5	4	4	4	5	4
Woodbridge		3.2	4.0	5.4	3.8	3.9	9.4	3.4	5.0
Laval		17.7	16.8	11.5	18.2	68.1	20.2	12.0	24.5
Terrebonne		2.8	3.9	2.2	1.3	0.5	0.9	2.5	1.9
Delmont		2.9	1.1	2.8	2.7	0.7	2.4	2.3	2.0
Everett		10.0	3.9	6.0	4.8	7.0	0.0	4.1	4.3
ECS		0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.1
Customer Retention		100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Employees</u>									
Employee Engagement		80%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Employee Retention		90%	99.4%	99.1%	99.8%	99.4%	99.5%	98.9%	99.4%

Notes: \* Not measured at TB; \*\* Excluding TB; \*\*\*TB is # Concerns/100k Sales

# Consolidated Summary P&L – Q2 2020

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	16,055	26,929	(10,874)	(40.4%)	39,626	50,808	(11,182)	(22.0%)
Units Shipped ('000)	20,813	27,043	(6,230)	(23.0%)	43,327	48,404	(5,077)	(10.5%)
Bookings (\$'000)	\$ 37,396	\$ 47,196	\$ (9,800)	(20.8%)	\$ 76,172	\$ 83,201	\$ (7,029)	(8.4%)
Backlog (\$'000)	\$ 14,016	\$ 9,292	\$ 4,723	50.8%	\$ 14,016	\$ 9,292	\$ 4,723	50.8%
Gross Revenue	\$ 35,010	\$ 46,825	\$ (11,815)	(25.2%)	\$ 72,169	\$ 82,378	\$ (10,209)	(12.4%)
Adj. to Gross Revenue	(1,542)	(2,419)	877	(36.2%)	(3,401)	(4,086)	685	(16.8%)
Net Revenue	33,468	44,406	(10,939)	(24.6%)	68,768	78,292	(9,524)	(12.2%)
Material	17,079	21,734	(4,655)	(21.4%)	34,056	38,542	(4,486)	(11.6%)
Labor	5,341	9,213	(3,872)	(42.0%)	13,906	17,933	(4,027)	(22.5%)
Other COGS	5,672	4,761	911	19.1%	9,959	7,879	2,080	26.4%
Total COGS	28,092	35,708	(7,616)	(21.3%)	57,921	64,354	(6,433)	(10.0%)
Gross Margin	5,375	8,698	(3,323)	(38.2%)	10,847	13,938	(3,091)	(22.2%)
Gross Margin %	16.1%	19.6%			15.8%	17.8%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	835	1,591	(756)	(47.5%)	2,307	3,201	(894)	(27.9%)
Administrative	1,883	2,760	(877)	(31.8%)	4,386	5,459	(1,073)	(19.6%)
Other Opex	(172)	(34)	(138)	400.8%	0	(51)	52	(100.5%)
Total Opex	2,546	4,316	(1,771)	(41.0%)	6,694	8,609	(1,915)	(22.2%)
EBITDA	2,830	4,381	(1,552)	(35.4%)	4,153	5,329	(1,176)	(22.1%)
EBITDA %	8.5%	9.9%			6.0%	6.8%		
Net Income (Loss)	\$ 663	\$ 458	\$ 205	44.9%	\$ (3,681)	\$ (3,207)	\$ (474)	14.8%
Capex	\$ (590)	\$ (2,218)	\$ 1,628	(73.4%)	\$ (1,274)	\$ (3,971)	\$ 2,697	(67.9%)
Opex Overview:								
Payroll	\$ 1,594	\$ 2,486	\$ (892)	(35.9%)	\$ 3,974	\$ 5,005	\$ (1,031)	(20.6%)
Bonus	103	185	(82)	(44.4%)	242	370	(128)	(34.6%)
Commissions	49	69	(19)	(27.9%)	132	128	3	2.6%
Marketing	214	276	(61)	(22.3%)	403	551	(148)	(26.8%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	26	275	(249)	(90.6%)	191	562	(371)	(66.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	62	89	(27)	(30.4%)	126	174	(48)	(27.5%)
Professional fees	124	167	(43)	(25.7%)	316	305	11	3.7%
Office Expenses	46	66	(20)	(30.7%)	107	126	(18)	(14.6%)
IT	371	491	(120)	(24.4%)	786	948	(162)	(17.1%)
Bad Debts	(2)	(1)	(1)	134.7%	61	(2)	63	(3492.5%)
FX	(130)	–	(130)	N/A	95	–	95	N/A
JV Loss (Income)	(42)	(34)	(8)	22.8%	(95)	(51)	(44)	85.2%
Other Expenses	130	249	(118)	(47.5%)	355	493	(138)	(28.1%)
Total Opex	\$ 2,546	\$ 4,316	\$ (1,771)	(41.0%)	\$ 6,694	\$ 8,609	\$ (1,915)	(22.2%)

## Management Discussion

### Net Revenue – QTD -\$10,939K:

- Extrusion external sales volume behind Budget by \$9.0 million with lower volumes across all plants driven by a mix of both Canadian and US customers impacted by the COVID-19 situation; significant volume reductions in April & May, with favorable volume impacts in June of \$980K
- Patio Door gross sales were behind Budget by \$2.2 million driven by decreased demand as a result of economic softness due to the COVID-19 situation and production challenges trying to satisfy increased sales orders. External compound sales were behind Budget by \$223K due to decreased orders from window extrusion customers partially offset by new customers (Delcan and Fence Outlet) and new products (Nuform)
- Favorable price/product mix of \$339K mainly from Woodbridge and Laval
- Rebates & discounts were favorable by \$812K due to volume and customer mix
- Returns & allowances were slightly favorable versus Budget by \$23K
- Unfavorable F/X impact of approx. \$727K (actual rate of 1.3859 [or \$USD 0.7215] vs. Budget rate of 1.33 [or \$USD 0.7519])

### EBITDA – QTD -\$1,552K:

- Material COGS:** Decreased costs primarily driven by a reduced volume impact of \$4,462K and a favorable material price impact of approx. \$319K (resin, impact modifier and stabilizer), lower inventory reserves of \$354K and favorable scrap & usage variance at ECS of \$130K; partially offset by \$610K due to unfavorable yields & additional scrap at Woodbridge and Everett due to lower volumes and production inefficiencies
- Labor COGS:** Decrease in labor costs driven by lower production volumes and layoffs as a result of COVID-19 impacts, the benefit of the Canada Emergency Wage Subsidy (CEWS) of \$918K for the Canadian plants (\$599K in June and \$319K in May) and lower bonus accrual of \$74K
- Other COGS:** Increase of \$911K comprised of: an unfavorable absorption impact of \$2,322K as a result of selling more out of inventory than Plan and lower production; partially offset by lower freight costs of \$706K as a result of freight savings, lower volumes and customer mix, lower utilities of \$520K as a result of reduced production levels and lower manufacturing o/h costs of \$185K (ie. Maintenance, factory supplies, net of lower tool & die recovery)
- Sales and Marketing:** Lower payroll costs due to lower headcount (Covid-19 layoffs) and benefit from the CEWS (\$64K), lower marketing spend due to cost containment initiatives, lower product development costs due to timing and lower T&E costs
- Administrative:** Lower payroll costs due to COVID-19 reductions (layoffs, furloughs, reductions) and benefit from the CEWS (\$154K), lower bonus accrual and lower spending due to cost containment initiatives
- Other Opex:** Favorable realized F/X re-valuation impact due to F/X revaluation of working capital balances (change in F/X from 1.4172 on March 31<sup>st</sup> to 1.3655 on June 30<sup>th</sup>)

# Consolidated Summary P&L (vs PY) – Q2 2020

\$'000	QTD		Var		YTD		Var	
	Act	PY-Act	\$	%	Act	PY-Act	\$	%
Units Produced ('000)	16,055	25,123	(9,068)	(36.1%)	39,626	48,669	(9,043)	(18.6%)
Units Shipped ('000)	20,813	25,588	(4,776)	(18.7%)	43,327	46,349	(3,022)	(6.5%)
Bookings (\$'000)	\$ 37,396	\$ 45,796	\$ (8,399)	(18.3%)	\$ 76,172	\$ 79,588	\$ (3,416)	(4.3%)
Backlog (\$'000)	\$ 14,016	\$ 11,128	\$ 2,887	25.9%	\$ 14,016	\$ 11,128	\$ 2,887	25.9%
Gross Revenue	\$ 35,010	\$ 44,350	\$ (9,340)	(21.1%)	\$ 72,169	\$ 79,123	\$ (6,954)	(8.8%)
Adj. to Gross Revenue	(1,542)	(2,148)	606	(28.2%)	(3,401)	(3,791)	390	(10.3%)
Net Revenue	33,468	42,202	(8,734)	(20.7%)	68,768	75,333	(6,565)	(8.7%)
Material	17,079	20,651	(3,572)	(17.3%)	34,056	36,620	(2,565)	(7.0%)
Labor	5,341	9,176	(3,835)	(41.8%)	13,906	17,730	(3,824)	(21.6%)
Other COGS	5,672	4,756	916	19.3%	9,959	8,196	1,763	21.5%
Total COGS	28,092	34,583	(6,491)	(18.8%)	57,921	62,547	(4,626)	(7.4%)
Gross Margin	5,375	7,619	(2,243)	(29.4%)	10,847	12,785	(1,938)	(15.2%)
Gross Margin %	16.1%	18.1%			15.8%	17.0%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	835	1,725	(890)	(51.6%)	2,307	3,356	(1,048)	(31.2%)
Administrative	1,883	2,920	(1,037)	(35.5%)	4,386	5,804	(1,418)	(24.4%)
Other Opex	(172)	(152)	(21)	13.5%	0	(268)	268	(100.1%)
Total Opex	2,546	4,493	(1,948)	(43.4%)	6,694	8,892	(2,198)	(24.7%)
EBITDA	2,830	3,125	(295)	(9.5%)	4,153	3,893	260	6.7%
EBITDA %	8.5%	7.4%			6.0%	5.2%		
Net Income (Loss)	\$ 663	\$ 441	\$ 222	50.3%	\$ (3,681)	\$ (1,996)	\$ (1,686)	84.5%
Capex	\$ (590)	\$ (1,772)	\$ 1,182	(66.7%)	\$ (1,274)	\$ (3,352)	\$ 2,078	(62.0%)
<b>Opex Overview:</b>								
Payroll	\$ 1,594	\$ 2,607	\$ (1,014)	(38.9%)	\$ 3,974	\$ 5,083	\$ (1,109)	(21.8%)
Bonus	103	335	(232)	(69.3%)	242	672	(430)	(64.0%)
Commissions	49	61	(11)	(18.3%)	132	114	18	15.8%
Marketing	214	334	(120)	(35.9%)	403	679	(276)	(40.6%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	26	283	(258)	(90.9%)	191	554	(363)	(65.5%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	62	73	(11)	(15.4%)	126	153	(27)	(17.5%)
Professional fees	124	138	(13)	(9.8%)	316	291	25	8.4%
Office Expenses	46	68	(22)	(32.4%)	107	134	(27)	(20.0%)
IT	371	468	(97)	(20.7%)	786	932	(146)	(15.7%)
Bad Debts	(2)	65	(67)	(103.2%)	61	97	(36)	(37.2%)
FX	(130)	(84)	(46)	54.8%	95	(167)	262	(157.2%)
JV Loss (Income)	(42)	(68)	25	(37.6%)	(95)	(101)	6	(5.9%)
Other Expenses	130	213	(82)	(38.7%)	355	451	(96)	(21.3%)
Total Opex	\$ 2,546	\$ 4,493	\$ (1,948)	(43.3%)	\$ 6,694	\$ 8,892	\$ (2,198)	(24.7%)

## Management Discussion

### Net Revenue – QTD -\$8,734K:

- Extrusion external sales volume behind Prior Year by \$7.7 million with lower volumes across all plants driven by a mix of both Canadian and US customers impacted by the COVID-19 situation; significant volume reductions in April & May, with favorable volume impacts in June of \$1,769K
- Patio Door gross sales were behind Prior Year by \$1,451K driven by decreased demand as a result of economic softness due to the COVID-19 situation and production challenges trying to satisfy increased sales orders. External compound sales were ahead of Prior Year by \$331K due to increased orders from new customers (Delcan and Fence Outlet) and new products (Nuform)
- Favorable price/product mix impact of \$86K
- Rebates & discounts were favorable by \$558K due to volume and customer mix
- Returns & allowances were favorable versus Prior Year by \$69K
- Unfavorable F/X impact of approx. \$634K (actual rate of 1.3859 [or \$USD 0.7215] vs. Prior Year rate of 1.3375 [or \$USD 0.7477])

### EBITDA – QTD -\$295K:

- Material COGS:** Decreased costs primarily driven by a reduced volume impact of \$3,377K and a favorable material price impact of approx. \$16K (resin, impact modifier and stabilizer), lower inventory reserves of \$609K; partially offset by \$430K due to unfavorable yields & additional scrap at Woodbridge and Everett due to lower volumes and production inefficiencies
- Labor COGS:** Decrease in labor costs driven by lower production volumes and layoffs as a result of COVID-19 impacts, the benefit of the Canada Emergency Wage Subsidy (CEWS) of \$918K for the Canadian plants (\$599K in June and \$319K in May) and lower bonus accrual of \$211K
- Other COGS:** Increase of \$916K comprised of: an unfavorable absorption impact of \$2,032K as a result of selling more out of inventory than Prior Year and lower production and higher manufacturing o/h costs of \$27K (lower tool & die recovery partially offset by lower maintenance costs and factory supplies); partially offset by lower freight costs of \$826K as a result of freight savings, lower volumes and customer mix and lower utilities of \$317K as a result of reduced production levels
- Sales and Marketing:** Lower payroll costs due to lower headcount (Covid-19 layoffs) and benefit from the CEWS (\$64K), lower marketing spend due to cost containment initiatives, lower product development costs due to timing and lower T&E costs
- Administrative:** Lower payroll costs due to COVID-19 reductions (layoffs, furloughs, reductions) and benefit from the CEWS (\$154K), lower bonus accrual and lower spending
- Other Opex:** Favorable realized F/X re-valuation impact due to F/X revaluation of working capital balances (change in F/X from 1.4172 on March 31<sup>st</sup> to 1.3655 on June 30<sup>th</sup>)

# Q2 2020 Net Sales Bridge

(In Thousands of US Dollars)

	Woodbridge	Laval	Delmont	Everett	ECS	Terrebonne	Group Office	Adj.	Total
Net Sales Budget, as reported <b>(A)</b>	\$ 11,040	\$ 9,441	\$ 10,236	\$ 6,585	\$ 18,659	\$ 5,923	\$ -	\$ (17,478)	\$ 44,406
Volume impact (external sales)	(2,411)	(3,204)	(1,362)	(2,024)	(223)	(2,162)	-	-	(11,385)
Volume impact (intercompany sales)	(353)	(245)	113	4	(7,470)	-	-	7,951	-
Rebates & discounts	222	274	30	118	-	168	-	-	812
Price / Mix impact	289	278	(84)	(66)	(99)	21	-	-	339
Returns & allowances	14	23	8	(34)	-	13	-	-	23
Other - F/X	(291)	(212)	0	(0)	(84)	(141)	-	0	(727)
<b>Actual Net Sales (B)</b>	<b>\$ 8,509</b>	<b>\$ 6,356</b>	<b>\$ 8,941</b>	<b>\$ 4,583</b>	<b>\$ 10,783</b>	<b>\$ 3,821</b>	<b>\$ -</b>	<b>\$ (9,526)</b>	<b>\$ 33,468</b>
Actual vs Budget, as reported Variance <b>(B) - (A)</b>	\$ (2,531)	\$ (3,085)	\$ (1,295)	\$ (2,002)	\$ (7,876)	\$ (2,102)	\$ -	\$ 7,951	\$ (10,939)
Actual vs Prior Year, as reported Variance	\$ (2,579)	\$ (2,444)	\$ (907)	\$ (1,568)	\$ (7,265)	\$ (1,255)	\$ -	\$ 7,283	\$ (8,734)
Actual YTD vs Budget YTD, as reported Variance	\$ (1,660)	\$ (2,866)	\$ (1,507)	\$ (1,829)	\$ (6,582)	\$ (2,462)	\$ -	\$ 7,382	\$ (9,524)
Actual YTD vs Prior Year YTD, as reported Variance	\$ (1,985)	\$ (2,229)	\$ (505)	\$ (1,559)	\$ (7,324)	\$ (1,145)	\$ -	\$ 8,183	\$ (6,565)



# Q2 2020 EBITDA Bridge

(In Thousands of US Dollars)

	Woodbridge	Laval	Delmont	Everett	ECS	Terrebonne	Group Office	Adj.	Total
EBITDA Budget, as reported <b>(A)</b>	\$ 77	\$ 1,662	\$ 1,583	\$ 248	\$ 201	\$ (26)	\$ 636	\$ -	\$ 4,381
Volume & Mix impact	(393)	(1,237)	(127)	(391)	(803)	(617)	(183)	-	<b>(3,751)</b>
Labor - DL/IDL FAV/(UNF)	874	567	182	91	207	187	(270)	-	<b>1,838</b>
Alt. Materials FAV/(UNF)	(356)	(49)	(6)	(199)	-	-	-	-	<b>(610)</b>
Other Materials - FAV/(UNF)	60	116	19	71	393	43	-	-	<b>702</b>
Absorption impact FAV/(UNF)	(1,007)	(248)	(644)	(357)	(46)	(20)	-	-	<b>(2,322)</b>
Overhead Spending FAV/(UNF)	65	188	96	33	328	66	(24)	-	<b>752</b>
Warranty (specific accrual)	-	-	-	-	-	-	-	-	-
Bonus accrual	-	-	-	-	-	-	152	-	<b>152</b>
Other	63	253	19	20	418	167	748	-	<b>1,688</b>
<b>Actual EBITDA (B)</b>	<b>\$ (617)</b>	<b>\$ 1,252</b>	<b>\$ 1,122</b>	<b>\$ (484)</b>	<b>\$ 698</b>	<b>\$ (199)</b>	<b>\$ 1,059</b>	<b>\$ -</b>	<b>\$ 2,830</b>

Actual vs Budget, as reported Variance <b>(B) - (A)</b>	\$ (694)	\$ (410)	\$ (462)	\$ (732)	\$ 496	\$ (173)	\$ 423	\$ -	<b>\$ (1,552)</b>
Actual vs Prior Year, as reported Variance	\$ (442)	\$ (111)	\$ (348)	\$ (416)	\$ (449)	\$ 15	\$ 1,456	\$ 0	<b>\$ (295)</b>
Actual YTD vs Budget YTD, as reported Variance	\$ (574)	\$ (349)	\$ 136	\$ (1,310)	\$ 1,054	\$ (490)	\$ 1,509	\$ (1,152)	<b>\$ (1,176)</b>
Actual YTD vs Prior Year YTD, as reported Variance	\$ (802)	\$ (176)	\$ 310	\$ (732)	\$ (192)	\$ (15)	\$ 3,156	\$ (1,288)	<b>\$ 260</b>

## Canada Emergency Wage Subsidy

Production Labor	\$ 415	\$ 209	\$ -	\$ -	\$ 79	\$ 215	\$ -	\$ -	<b>\$ 918</b>
OPEX Labor	32	45	-	-	16	48	77	-	<b>218</b>
<b>Total CEWS Benefit</b>	<b>\$ 447</b>	<b>\$ 254</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95</b>	<b>\$ 263</b>	<b>\$ 77</b>	<b>\$ -</b>	<b>\$ 1,136</b>

# Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Q2 2020			YTD			Comments
	Actual	Forecast	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance <sup>(1)</sup>	\$ (182)	\$ (70)	\$ (113)	\$ (300)	\$ (155)	\$ (145)	JV production scrap higher run rate
Woodbridge - Alt Materials Usage <sup>(2)</sup>	\$ 102	\$ 346	\$ (243)	\$ 381	\$ 658	\$ (277)	Reduced mixed regrind usage due to production mix
<b>Woodbridge - Total</b>	<b>\$ (80)</b>	<b>\$ 276</b>	<b>\$ (356)</b>	<b>\$ 81</b>	<b>\$ 503</b>	<b>\$ (422)</b>	
Laval - Scrap Variance <sup>(1)</sup>	\$ 20	\$ -	\$ 20	\$ 55	\$ -	\$ 55	Improved yield and scrap rates due to mix and less tooling
Laval - Alt Materials Usage <sup>(2)</sup>	\$ 90	\$ 159	\$ (69)	\$ 237	\$ 288	\$ (52)	Reduced production volumes
<b>Laval - Total</b>	<b>\$ 110</b>	<b>\$ 159</b>	<b>\$ (49)</b>	<b>\$ 292</b>	<b>\$ 288</b>	<b>\$ 3</b>	
Delmont - Scrap Variance <sup>(1)</sup>	\$ 172	\$ 134	\$ 38	\$ 368	\$ 254	\$ 114	Improved yield and scrap rates due to mix and less tooling
Delmont - Alt Materials Usage <sup>(2)</sup>	\$ 217	\$ 261	\$ (44)	\$ 418	\$ 513	\$ (95)	Lower regrind usage due to volumes and resource constraints
<b>Delmont - Total</b>	<b>\$ 389</b>	<b>\$ 395</b>	<b>\$ (6)</b>	<b>\$ 786</b>	<b>\$ 767</b>	<b>\$ 19</b>	
Everett - Scrap Variance <sup>(1)</sup>	\$ 13	\$ 133	\$ (120)	\$ (41)	\$ 263	\$ (304)	Higher scrap due to increased capstock trials and testing
Everett - Alt Materials Usage <sup>(2)</sup>	\$ 72	\$ 151	\$ (79)	\$ 174	\$ 301	\$ (127)	Lower regrind usage due to reduced volumes
<b>Everett - Total</b>	<b>\$ 85</b>	<b>\$ 284</b>	<b>\$ (199)</b>	<b>\$ 133</b>	<b>\$ 564</b>	<b>\$ (431)</b>	
Total Scrap Variance <sup>(1)</sup>	\$ 22	\$ 197	\$ (175)	\$ 82	\$ 362	\$ (280)	
Total Alt Materials Usage <sup>(2)</sup>	\$ 482	\$ 917	\$ (436)	\$ 1,209	\$ 1,760	\$ (551)	
<b>Grand Total</b>	<b>\$ 504</b>	<b>\$ 1,114</b>	<b>\$ (610)</b>	<b>\$ 1,292</b>	<b>\$ 2,122</b>	<b>\$ (831)</b>	

**Notes:**

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

# Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Q1-20	Q2-20	YTD
Budget Production Volume (Lbs)	23,879	26,929	50,808
Actual Production Volume (Lbs)	23,571	16,055	39,626
Increased/(Decreased) Production - %	-1.3%	-40.4%	-22.0%
<b>Direct Labor:</b>			
Budget Direct Labor	\$ 4,202	\$ 4,639	8,842
Deduct: Budget Direct Labor - Terrebonne	675	853	1,528
Budget Direct Labor - Extrusion & Compounding <b>(A)</b>	\$ 3,528	\$ 3,786	\$ 7,314
Budget Direct Labor (Flexed for Actual Volume) <b>(B)</b>	\$ 3,482	\$ 2,257	5,740
Actual Direct Labor	\$ 4,096	\$ 2,534	6,631
Deduct: Actual Direct Labor - Terrebonne	630	468	1,098
Actual Direct Labor - Extrusion & Compounding <b>(C)</b>	\$ 3,467	\$ 2,066	\$ 5,533
<b>Direct Labor Savings - Extrusion &amp; Compounding - FAV(UNF)</b>			
Actual vs. Budget [(A) - (C)]	\$ 61	\$ 1,720	\$ 1,781
Actual vs. Budget (Flexed for Actual Volume) [(B) - (C)]	\$ 16	\$ 191	\$ 207
<b>Indirect Labor:</b>			
Budget Indirect Labor	\$ 4,344	\$ 4,405	8,749
Deduct: Budget Indirect Labor - Terrebonne	283	293	576
Budget Indirect Labor - Extrusion & Compounding <b>(A)</b>	\$ 4,061	\$ 4,111	\$ 8,172
Budget Indirect Labor (Flexed for Actual Volume) <b>(B)</b>	\$ 4,051	\$ 3,779	\$ 7,813
Actual Indirect Labor	\$ 4,337	\$ 2,715	7,052
Deduct: Actual Indirect Labor - Terrebonne	274	187	461
Actual Indirect Labor - Extrusion & Compounding <b>(C)</b>	\$ 4,064	\$ 2,527	\$ 6,591
<b>Indirect Labor Savings - Extrusion &amp; Compounding - FAV(UNF)</b>			
Actual vs. Budget [(A) - (C)]	\$ (3)	\$ 1,584	\$ 1,582
Actual vs. Budget (Flexed for Actual Volume) [(B) - (C)]	\$ (13)	\$ 1,252	\$ 1,222
<b>SG&amp;A Labor - Consolidated:</b>			
Budget SG&A Labor	\$ 2,519	\$ 2,486	5,005
Actual SG&A Labor	\$ 2,380	\$ 1,594	3,974
SG&A Labor Savings - FAV(UNF)	\$ 139	\$ 892	\$ 1,031

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

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

<i>(In Thousands of US Dollars)</i>			
	Q1-20	Q2-20	YTD
Budget Production Volume (Lbs)	23,879	26,929	50,808
Budget Direct Labor - Consolidated	\$ 4,202	\$ 4,639	8,842
Deduct:			
Budget Direct Labor - Terrebonne	\$ 675	\$ 853	1,528
Budget Total Labor - Extrusion & Compounding	<u>\$ 3,528</u>	<u>\$ 3,786</u>	<u>\$ 7,314</u>
Budget Direct Labor \$ / Lb Manufactured	\$ 0.148	\$ 0.141	\$ 0.144
Actual Production Volume (Lbs)	23,571	16,055	39,626
Actual Direct Labor - Consolidated	\$ 4,096	\$ 2,534	6,631
Deduct:			
Actual Direct Labor - Terrebonne	\$ 630	\$ 468	1,098
<b>Actual Direct Labor - Extrusion &amp; Compounding</b>	<u><b>\$ 3,467</b></u>	<u><b>\$ 2,066</b></u>	<u><b>\$ 5,533</b></u>
<b>Actual Direct Labor \$/Lb Manufactured</b>	<u><b>\$ 0.147</b></u>	<u><b>\$ 0.129</b></u>	<u><b>\$ 0.140</b></u>
Budget Casual / Temp Direct Labor - Consolidated	\$ 220	\$ 477	697
Deduct:			
Budget Casual / Temp Direct Labor - Terrebonne	\$ 11	\$ 160	172
Budget Total Casual / Temp Labor - Extrusion & Compounding	<u>\$ 209</u>	<u>\$ 316</u>	<u>\$ 525</u>
Budget Casual / Temp Direct Labor \$ / Lb Manufactured	\$ 0.009	\$ 0.012	\$ 0.010
Actual Casual / Temp Direct Labor - Consolidated	\$ 320	\$ 186	506
Deduct:			
Actual Casual / Temp Direct Labor - Terrebonne	\$ 89	\$ 113	202
<b>Actual Casual / Temp Direct Labor - Extrusion &amp; Compounding</b>	<u><b>\$ 231</b></u>	<u><b>\$ 73</b></u>	<u><b>\$ 304</b></u>
<b>Actual Casual / Temp Direct Labor \$/Lb Manufactured</b>	<u><b>\$ 0.010</b></u>	<u><b>\$ 0.005</b></u>	<u><b>\$ 0.008</b></u>

**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

# Key Customers – Gross Sales and Gross Margin %: Consolidated

	Gross Sales (\$'000)														Gross Margin %																							
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
PGT Industries Inc	\$	5,180	\$	5,871	\$	(692)	(11.8%)	\$	5,543	\$	(363)	(6.6%)	\$	11,383	\$	11,624	\$	(241)	(2.1%)	\$	11,187	\$	195	1.7%	20.9%	20.3%	66	3.2%	15.2%	572	37.6%	22.7%	20.5%	222	10.8%	13.6%	906	66.5%
Eclipse Shutter Systems		2,832		3,519		(687)	(19.5%)		3,553		(721)	(20.3%)		6,122		6,840		(717)	(10.5%)		6,875		(753)	(10.9%)	3.9%	2.9%	103	35.5%	6.6%	(268)	(40.6%)	4.0%	2.9%	104	35.5%	5.6%	(165)	(29.3%)
Simonton		1,828		2,479		(652)	(26.3%)		2,479		(652)	(26.3%)		3,718		4,620		(902)	(19.5%)		4,620		(902)	(19.5%)	6.0%	10.6%	(466)	(43.7%)	(14.9%)	2,089	(140.2%)	7.3%	10.6%	(328)	(31.1%)	(16.5%)	2,382	(144.0%)
Atis		2,014		2,885		(871)	(30.2%)		2,778		(764)	(27.5%)		3,605		4,501		(897)	(19.9%)		4,391		(786)	(17.9%)	(10.4%)	(12.8%)	239	(18.6%)	9.4%	(1,984)	(211.1%)	(16.1%)	(13.1%)	(300)	22.9%	8.3%	(2,445)	(293.3%)
Quaker Window Products		1,469		1,700		(230)	(13.6%)		1,518		(49)	(3.2%)		3,049		2,974		75	2.5%		2,666		383	14.4%	10.3%	14.6%	(438)	(29.9%)	11.8%	(152)	(12.9%)	8.4%	14.3%	(589)	(41.3%)	6.3%	210	33.4%
Polaris Technologies		905		1,560		(655)	(42.0%)		1,627		(722)	(44.4%)		2,078		2,995		(917)	(30.6%)		2,597		(519)	(20.0%)	10.9%	13.3%	(239)	(17.9%)	21.8%	(1,085)	(49.8%)	15.7%	13.6%	211	15.6%	19.9%	(424)	(21.3%)
All Weather		693		1,515		(822)	(54.3%)		1,285		(592)	(46.1%)		1,500		2,696		(1,196)	(44.4%)		2,219		(719)	(32.4%)	(1.3%)	16.2%	(1,759)	(108.3%)	12.4%	(1,377)	(110.8%)	0.8%	15.8%	(1,495)	(94.8%)	9.3%	(852)	(91.1%)
SOLARIS QUEBEC P & F INC.		813		1,366		(553)	(40.5%)		1,301		(488)	(37.5%)		1,836		2,363		(527)	(22.3%)		2,256		(420)	(18.6%)	24.6%	24.7%	(17)	(0.7%)	14.9%	967	64.9%	24.4%	24.7%	(34)	(1.4%)	13.9%	1,044	74.8%
Cascade		434		1,058		(623)	(58.9%)		857		(422)	(49.3%)		1,126		2,071		(946)	(45.6%)		1,827		(701)	(38.4%)	(35.2%)	(17.4%)	(1,778)	102.3%	11.7%	(4,690)	(399.8%)	(33.0%)	(17.9%)	(1,508)	84.2%	7.3%	(4,027)	(553.5%)
A.M.I.		466		1,042		(575)	(55.2%)		1,053		(586)	(55.7%)		1,138		1,760		(622)	(35.3%)		1,619		(481)	(29.7%)	17.3%	8.5%	882	103.9%	13.7%	362	26.4%	9.4%	8.4%	106	12.7%	11.9%	(246)	(20.7%)
Windsor Window Co OEM		1,113		1,237		(124)	(10.0%)		1,216		(103)	(8.5%)		2,328		2,104		224	10.6%		2,046		281	13.8%	17.6%	24.2%	(658)	(27.2%)	0.0%	1,762	N/A	18.9%	24.0%	(507)	(21.1%)	0.0%	1,894	N/A
Coeur d'Alene		881		916		(35)	(3.8%)		816		66	8.1%		1,882		1,668		214	12.8%		1,485		397	26.7%	(1.7%)	1.4%	(305)	(225.8%)	8.8%	(1,046)	(119.4%)	(1.8%)	1.2%	(302)	(253.4%)	5.3%	(711)	(134.6%)
Vinyl-Pro Window Systems Inc		519		1,061		(541)	(51.1%)		1,031		(512)	(49.6%)		937		1,506		(569)	(37.8%)		1,470		(533)	(36.2%)	2.7%	12.8%	(1,015)	(79.0%)	6.0%	(334)	(55.3%)	(0.3%)	12.4%	(1,277)	(102.8%)	5.3%	(563)	(106.6%)
Dashwood Industries Inc		782		843		(61)	(7.3%)		816		(34)	(4.1%)		1,690		1,386		304	21.9%		1,413		277	19.6%	16.4%	14.1%	226	16.0%	19.9%	(352)	(17.7%)	14.6%	14.1%	54	3.8%	20.5%	(587)	(28.7%)
ATLANTIC WINDOWS		54		67		(12)	(18.6%)		95		(40)	(42.5%)		99		113		(14)	(12.4%)		122		(23)	(18.8%)	27.9%	6.1%	2,184	358.5%	12.3%	1,565	127.5%	19.0%	6.1%	1,287	209.4%	11.4%	766	67.4%
Ostaco 2000		428		675		(247)	(36.5%)		721		(293)	(40.6%)		909		1,196		(287)	(24.0%)		1,370		(461)	(33.7%)	28.9%	2.2%	2,674	1236.3%	20.3%	862	42.5%	13.1%	2.1%	1,102	532.5%	18.2%	(508)	(28.0%)
Sierra Pacific Windows		860		765		95	12.4%		649		211	32.5%		1,549		1,495		54	3.6%		1,261		288	22.8%	8.9%	10.5%	(160)	(15.2%)	(1.2%)	1,016	(818.4%)	11.6%	10.7%	87	8.1%	(1.2%)	1,277	(1048.9%)
PORTES & FENETRES ABRITEK		606		844		(238)	(28.2%)		927		(321)	(34.6%)		934		1,186		(252)	(21.2%)		1,265		(330)	(26.1%)	15.0%	20.2%	(514)	(25.5%)	21.6%	(661)	(30.6%)	12.0%	19.9%	(792)	(39.9%)	19.5%	(753)	(38.6%)
Vinyl Profiles, LLC		442		736		(294)	(40.0%)		679		(237)	(34.9%)		1,110		1,297		(187)	(14.4%)		1,270		(160)	(12.6%)	22.9%	19.7%	312	15.8%	1.8%	2,104	1162.8%	20.8%	19.7%	109	5.5%	2.4%	1,842	770.5%
SCHLUTER SYSTEMS L.P.		710		692		18	2.6%		663		47	7.1%		1,550		1,099		451	41.1%		1,053		497	47.2%	24.7%	22.7%	199	8.8%	5.5%	1,912	345.7%	23.1%	22.6%	45	2.0%	5.2%	1,785	342.0%
Other		11,981		15,996		(4,015)	(25.1%)		14,745		(2,765)	(18.7%)		23,626		26,884		(3,257)	(12.1%)		26,112		(2,485)	(9.5%)	25.1%	22.1%	296	13.4%	28.6%	(349)	(12.2%)	24.9%	22.2%	268	12.1%	27.4%	(252)	(9.2%)
Total Gross	\$	35,010	\$	46,825	\$	(11,815)	(25.2%)	\$	44,350	\$	(9,340)	(21.1%)	\$	72,169	\$	82,378	\$	(10,209)	(12.4%)	\$	79,123	\$	(6,954)	(8.8%)	15.4%	14.2%	119	8.4%	16.3%	(91)	(5.6%)	14.9%	16.3%	(134)	(8.2%)	15.8%	(84)	(5.3%)

## Management Discussion

- Overall sales falling behind budget with most business showing soft sales due to Covid 19 impact.
- PGT – Slow start to the quarter with a good pickup in June. Almost inline with YTD budget.
- Atis significantly behind budget due to shutdown of operations.
- Other large misses for Q2 include Simonton, Eclipse, Polaris, Solaris and Vinyl-pro
- Quaker, Windsor, CDA, Dashwood, Sierra Pacific and Schluter showing strong sales and ahead of YTD budgets despite conditions.

## Non-Top 20 Customers (YTD): Consolidated

<u>Customer</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Prior Year</u>	<u>Variance</u>
Compound	3,413	2,825	589	2,659	754
Lost	435	136	299	1,892	(1,457)
CAN	12,167	15,241	(3,074)	13,022	(855)
US	7,611	8,682	(1,071)	8,539	(928)
	<u>23,626</u>	<u>26,884</u>	<u>(3,258)</u>	<u>26,112</u>	<u>(2,486)</u>

### Management Discussion

- New ECS business from Delcan and Fence Outlet who buy on an ad-hoc basis hence unbudgeted. However still stronger than anticipated
- Other ECS customers also performing better vs budget
- Lost business from Van Isle, Clera, Ventana, Wardco and KP accounting for majority of the shortfall from prior year
- CAN: Isothermic, Boulet and Centennial having soft sales, offset by positive contributions from Kohltech, Lorendo and Northerm in Canada
- US: Soft sales by Lindsay, Regency, International Aluminum and Atrium contributing to the decline offset by positive sales from GDIC, CGI and Western

# Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
<b>Opening Pipeline</b>	<b>\$ 62,219</b>	<b>\$ 60,978</b>
Additions	1,918	14,032
Changes:		
Converted	(708)	(7,728)
Lost	(11,769)	(14,027)
Other	–	(1,595)
Total Net Changes	(12,477)	(23,350)
<b>Closing Pipeline</b>	<b>\$ 51,660</b>	<b>\$ 51,660</b>

## Management Discussion

- Closure of new opportunity with Ostaco for Fixed Window for \$73k or 50k Lbs at Woodbridge
- Closure of new opportunity with BB Encore for a new Window System for \$250k or 180k Lbs at Woodbridge
- Addition of opportunity with Couer D'Alene for West Coast Contemporary System for \$500k or 350k Lbs at Everett
- Addition of opportunity with Roberge for 4600 series for \$1,095k or 750 Lbs at Laval
- Lost opportunities with Simonton and Vailancourt due to no decision
- Lost opportunities wit Hayfield, Moss Supply and Supreme on account of incumbency
- Lost opportunity for conversion of remaining business with All Weather due to pricing



# Pipeline Additions

\$'000														
Customer Name	Plant	Rep. Name	Existing Customer (Y/N)	Description of Opportunity	Segment	Date of Inclusion into Pipeline	Expected Date of Award/Close	Probability of Winning Award	Competitor(s)	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Comments
										Start	End			
Ostaco	WOODBIDGE	Simon Fitzgerald	Y	Fixed Window - Enersence	Window Extrusion	Jun-20	Jun-20	100%	Other	Aug-20	TBD	\$ 73	50	
BB Encore	EVERETT	Simon Fitzgerald	N	Anlin Window system	Window Extrusion	Jun-20	Jun-20	100%	Other	TBD	TBD	\$ 250	180	
Coeur D'Alene	EVERETT	Grant Muller	Y	West Coast Contemporary	Window Extrusion	Jun-20	Aug-20	90%	Other	Dec-20	TBD	\$ 500	350	
Roberge	LAVAL	Samuel St-Pierre	N	4600 Series	Window Extrusion	Jun-20	TBD	60%	Other	TBD	TBD	\$ 1,095	750	
												\$ 1,918	1,330	

# Pipeline Conversion

\$ '000											
Customer Name	Rep. Name	Existing Customer (Y/N)	Description	Name of Winner(s) / Loser(s)	Date of Conversion	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Reason Code(s)	Comment
						Start	End				
CONVERTED											
Ostaco	Simon Fitzgerald	Y	Fixed Window - Enersence	Other	Jun-20	Aug-20	TBD	\$ (73)	(50)	2	
BB Encore	Simon Fitzgerald	N	Anlin Window system	Other	Jun-20	TBD	TBD	\$ (250)	(180)	2	
Vinylpro	Simon Fitzgerald	Y	4 1/2" Casement	Other	Jun-20	Jul-20	TBD	\$ (385)	(300)	5	
								<u>\$ (708)</u>	<u>\$ (530)</u>		
LOST											
Simonton	Simon Fitzgerald	Y	Dual stucco wall Slider	NA	Jun-20	NA	NA	\$ (1,154)	(1,500)	6	
Simonton	Simon Fitzgerald	Y	New Multi slide/425 door	NA	Jun-20	NA	NA	\$ (769)	(1,000)	6	
All Weather	Simon Fitzgerald	Y	ConvertFull business	NA	Jun-20	NA	NA	\$ (3,077)	(3,700)	1	
Vaillancourt	Pierre Lafleur	Y	Opera Lineal	NA	Jun-20	NA	NA	\$ (769)	(500)	6	
Hayfield Windows	Simon Fitzgerald	N	Full Supply	Vision	Jun-20	NA	NA	\$ (2,000)	(1,250)	4	
Moss Supply	Simon Fitzgerald	N	Single Hung	Chelsea	Jun-20	NA	NA	\$ (3,000)	(2,000)	4	
Moss Supply	Simon Fitzgerald	N	Patio Doors	Other	Jun-20	NA	NA	\$ (500)		4	
Supreme	Simon Fitzgerald	N	Full Program	Westech	Jun-20	NA	NA	\$ (500)	(375)	4	
								<u>\$ (11,769)</u>	<u>(10,325)</u>		
OTHER											
								<u>\$ -</u>	<u>0</u>		
Reason Code for Win											
1. Price		2. Service/Support		3. Relationship							
4. Incumbency		5. Product		6. No decision							
7. Other (Explain in comment field)											

Total Closing Pipeline – Current Extrusions and Patio Doors

\$ and units '000

Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments							
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)								
Existing Customers																					
Coeur D'Alene	\$ 500	350	\$ -	Dec-20	TBD	TBD	Complete	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	West Coast Contemporary							
Polaris	\$ 4,000	2,500	\$ -	TBD	TBD	TBD								Ultra-Weld							
AMI	\$ 192	-	\$ -	TBD	TBD	TBD								Custom Patio Doors-fully Assembled							
Gentek	\$ 2,308	1,700	\$ 1,095	TBD	TBD	TBD								Full Program. Still waiting on decision. Gentek strategy is to run Veka and ENERGI and allow ENERGI to cannibilize Veka programs.							
Hometime	\$ 200	100	\$ 75	TBD	TBD	TBD								In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Customer still reviewing casement	
Eclipse	\$ 1,538	1,200	\$ -	TBD	TBD	TBD														Light weight internet Shutter	
Centennial	\$ 115	75	\$ -	TBD	TBD	TBD								In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	New Slider Frame
Futura	\$ 77	50	\$ 25	TBD	TBD	TBD															
Seymour Windows	\$ 1,429	1,000	\$ 241	TBD	TBD	TBD								Complete	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Working on new formulation and design
Westek	\$ 77	50	\$ -	TBD	TBD	TBD															Multi-Track Door
Cascade	\$ 16,500	15,000	\$ -	TBD	TBD	TBD	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Launch Hung/Slidr other locations							
Magistral	\$ 1,538	1,000	\$ -	TBD	TBD	TBD								4600 Series with some custom							
ATI	\$ 500	300	\$ 450	TBD	TBD	TBD	Complete	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	West Coast Contemporary series (shared capital)							
Gentek	\$ 1,538	-	\$ -	TBD	TBD	TBD								Patio Door program							
Dalmen	\$ 192	125	\$ -	TBD	TBD	TBD	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Opera lineal program from Soni Plastics							
Entreprises AM	\$ 577	350	\$ -	TBD	TBD	TBD								4600 Series							
Euroclad Windows	\$ 100	50	\$ -	TBD	TBD	TBD								Multi Track Door							
Mason Windows	\$ 192	160	\$ -	TBD	TBD	TBD								Contemporary Casement							
Durabuilt	\$ 385	250	\$ -	TBD	TBD	TBD								4600 Series							
All Weather	\$ 192	50	\$ -	TBD	TBD	TBD								Orchestra							
All Weather	\$ 769	500	\$ -	TBD	TBD	TBD								4600 Series							
TOTAL EXISTING CUSTOMERS	\$ 32,919	\$ 24,810	\$ 1,886																		

Legend

Complete

In process, on track

In process, delayed

In process, at risk

\$ and units '000

# Total Closing Pipeline – New Extrusions and Patio Doors

Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
New Customers															
Gilkey	\$	600	370	\$	400	TBD	TBD	TBD							In final stages; seeking 5 year agreement
Fenêtres Contemporaine	\$	58	\$	75	\$	-	TBD	TBD	TBD						Hybrid Casement
Roberge	\$	1,095	\$	750	\$	-	TBD	TBD	TBD						4600 Series
Reflec	\$	154	\$	200	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	731	\$	-	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	1,538	\$	1,000	\$	-	TBD	TBD	TBD						Woodbridge Platform
Atelier Jean Cyr	\$	38	\$	50	\$	-	TBD	TBD	TBD						Hybrid hung
Verdun	\$	769		500	\$	-	TBD	TBD	TBD						4600 Casement
Elite	\$	308		200	\$	-	TBD	TBD	TBD						In early discussions
Formtech	\$	231		100	\$	-	TBD	TBD	TBD						Tilt/Turn, 4600 Series
Scheel	\$	308		175	\$	100	TBD	TBD	TBD						Prospect wants to switch away from PH Tech - dissatisfied
Minnkota Window	\$	1,500		850	\$	-	TBD	TBD	TBD						Casement SH/DH
Diamond	\$	1,000		700	\$	-	TBD	TBD	TBD						3 1/4" Program
Bonnecherre Valley	\$	115		75	\$	-	TBD	TBD	TBD						T/T, CA, Hung
Gilkey Windows	\$	500		3,600	\$	-	TBD	TBD	TBD						Patio Door
Gilkey Windows	\$	750		600	\$	-	TBD	TBD	TBD						DH
Amerimax	\$	350		-	\$	-	TBD	TBD	TBD						Opus PD
Thermovision	\$	115		75	\$	-	TBD	TBD	TBD						Hung/Slider Hybrid
Wasco	\$	400		225	\$	-	TBD	TBD	TBD						Casement/SH/DH (Rehau)
Yellow Dog	\$	3,750		3,000	\$	-	TBD	TBD	TBD						5000 Series
SI	\$	2,308		2,500	\$	-	TBD	TBD	TBD						Recut tools in Dark Cap
Pollard Windows	\$	1,538			\$	-	TBD	TBD	TBD						Patio Doors
Maritime	\$	385		250	\$	-	TBD	TBD	TBD						Early discussions
TOTAL NEW CUSTOMERS															
Total Extrusion and Patio Doors															
Legend															
Complete															
In process, on track															
In process, delayed															
In process, at risk															

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

Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
Existing Customers														
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-									
New Customers														
Mor-X Plastics	\$	200	200	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>				Formulation approved	
TOTAL NEW CUSTOMERS	\$	200	\$	200	\$	-								
Total External Compound Sales	\$	200	200	\$	-									
TOTAL SALES PIPELINE	\$	51,660	40,305	\$	2,386									
Legend														
							<div><div></div> Complete</div> <div><div></div> In process, on track</div> <div><div></div> In process, delayed</div> <div><div></div> In process, at risk</div>							

# YTD Opex Analysis

\$'000

	YTD			Explanation of Variance						Variance Impact		
	Act	Bud	Variance (B) / W	One-Time / Non-recurring	Timing	Change in Run-rate	Other/FX			Total Variance (B) / W	YoY Impact (B) / W	Annualized (B) / W
Payroll	\$ 3,974	\$ 5,005	\$ (1,031)	\$ (112)	\$ -	\$ (863)	\$ (56)			\$ (1,031)	\$ (1,109)	\$ -
Bonus	\$ 242	\$ 370	\$ (128)	\$ (45)	\$ -	\$ (80)	\$ (3)			(128)	\$ (430)	-
Commissions	\$ 132	\$ 128	\$ 3	\$ 17	\$ -	\$ (11)	\$ (2)			3	\$ 18	-
Marketing	\$ 403	\$ 551	\$ (148)	\$ (98)	\$ -	\$ (40)	\$ (10)			(148)	\$ (276)	-
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			-	\$ -	-
Travel and entertainment	\$ 191	\$ 562	\$ (371)	\$ (161)	\$ -	\$ (208)	\$ (2)			(371)	\$ (363)	-
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			-	\$ -	-
Business and Realty taxes	\$ 126	\$ 174	\$ (48)	\$ -	\$ -	\$ (48)	\$ 0			(48)	\$ (27)	-
Professional fees	\$ 316	\$ 305	\$ 11	\$ 12	\$ -	\$ 6	\$ (7)			11	\$ 25	-
Office expense	\$ 107	\$ 126	\$ (18)	\$ (16)		\$ -	\$ (2)			(18)	\$ (27)	-
IT	\$ 786	\$ 948	\$ (162)	\$ (142)	\$ -	\$ (2)	\$ (18)			(162)	\$ (146)	-
Bad Debts	\$ 61	\$ (2)	\$ 63	\$ 62	\$ -	\$ -	\$ 1			63	\$ (36)	-
FX	\$ 95	\$ -	\$ 95	\$ -	\$ -	\$ -	\$ 95			95	\$ 262	-
JV Loss (Income)	\$ (95)	\$ (51)	\$ (44)	\$ -	\$ -	\$ (43)	\$ (1)			(44)	\$ 6	-
Other Expenses	\$ 355	\$ 493	\$ (138)	\$ (132)		\$ -	\$ (7)			(138)	\$ (96)	-
<b>Total Opex</b>	<b>\$ 6,694</b>	<b>\$ 8,609</b>	<b>\$ (1,915)</b>	<b>\$ (614)</b>	<b>\$ -</b>	<b>\$ (1,290)</b>	<b>\$ (11)</b>			<b>\$ (1,915)</b>	<b>\$ (2,198)</b>	<b>\$ -</b>

## Management Discussion

- Lower payroll largely due layoffs and lower wages as a result of measures taken to manage the drop in business caused by Covid-19 as well as wage subsidies received in Canada.
- Lower bonus caused by change in estimate
- Marketing expenses lower due to cancellation of Platinum Trip and cut down of marketing expenses in general
- Travel and entertainment greatly reduced as a result of global travel restrictions caused by Covid-19
- Business and realty taxes lower vs estimate by \$48k
- Higher professional fees on account of hiring fees for Plant manager at Terrebonne and financial cost analyst at Everett; Change in run rate attributed to new controller at Woodbridge and Payroll Consultant at Corporate
- Lower IT as a result of fee negotiation and free period for certain subscriptions as well as delay on certain budgeted expenses.
- Top up of Bad Debts provision to cover Ontario and Quebec exposures (Accord, Qualum)
- Other expenses lower due to lower costs from R&D consultant at ECS, lower expenditure on product development and lower expenditure in general to reduce costs offset by Bank of America audit review fee

# 1x Costs

\$'000

	YTD			Explanation of Variance			Variance Impact	
	Variance			Change in			Total Variance	Total Change in Estimate
	Act	AOP	B / (W)	Estimate	Timing	Other	B / (W)	B / (W)
Banking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Fees	\$ 24	\$ -	\$ (24)	\$ -	\$ -	\$ (24)	(24)	\$ -
Professional Fees	\$ 37	\$ -	\$ (37)	\$ -	\$ -	\$ 22	22	\$ -
Project Panther	\$ 132	\$ -	\$ (132)	\$ -	\$ -	\$ (73)	(73)	\$ -
Project DB&A	\$ 400	\$ 486	\$ 86	\$ 2	\$ -	\$ -	2	\$ 2
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ (62)	\$ -	\$ 62	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total 1X Costs</b>	<b>\$ 532</b>	<b>\$ 486</b>	<b>\$ (46)</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ (75)</b>	<b>\$ (73)</b>	<b>\$ 2</b>

## Management Discussion

- Legal Consulting for CERB, Covid-19 issues and Project Panther \$24K with Blake Cassels
- Professional Fees include costs incurred for the following projects:
  - Freight and logistics initiative with Smart Ventures of \$12K;
  - Executive Coaching from Management Tools Inc. of \$11K;
  - Consulting from Lewis Lee Consultants of \$12K
  - OBI Projects with Practical Approach \$2K;
- Woodbridge Productivity Improvement initiative with DB&A of \$400K;
- Project Panther costs of \$133K which include Beckway charges of \$108K and Merril Inc of \$25K (for VDR)
- Others include refund of WSIB NEER premium for Woodbridge \$34K, 2016 Title insurance refund of \$24K and Laval Water Damage Claim refund of \$4K

# Balance Sheet

\$'000	Dec-19 Act	Mar-20 Act	Apr-20 Act	May-20 Act	Jun-20		Variance	
					Act	Bud	\$	%
<b>Current Assets</b>								
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 0	14.8%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	9,246	12,417	10,163	10,188	13,857	15,273	(1,416)	(9.3%)
<i>Accounts receivable, reserves</i>	(561)	(574)	(585)	(591)	(596)	(472)	(124)	26.3%
Accounts receivable, net	8,685	11,843	9,578	9,597	13,261	14,801	(1,540)	(10.4%)
<i>Inventory, gross</i>	31,428	31,231	29,262	26,251	23,942	35,363	(11,421)	(32.3%)
<i>Inventory, reserves</i>	(2,031)	(1,765)	(1,589)	(1,612)	(1,616)	(1,973)	357	(18.1%)
Inventory, net	29,397	29,466	27,673	24,639	22,326	33,389	(11,063)	(33.1%)
Prepaid expenses and other current assets	3,221	3,081	3,011	2,898	4,129	4,224	(95)	(2.3%)
Other current assets	835	1,155	946	1,272	1,101	894	207	23.2%
<b>Total Current Assets</b>	<b>42,141</b>	<b>45,549</b>	<b>41,210</b>	<b>38,409</b>	<b>40,819</b>	<b>53,310</b>	<b>(12,491)</b>	<b>(23.4%)</b>
<b>Non-Current Assets</b>								
<i>Property, plant &amp; equipment, gross</i>	73,423	70,904	71,689	72,300	72,871	76,848	(3,977)	(5.2%)
<i>Accumulated depreciation</i>	(27,272)	(28,185)	(29,261)	(30,198)	(31,114)	(31,489)	375	(1.2%)
Property, plant & equipment, net	46,151	42,719	42,428	42,103	41,757	45,359	(3,602)	(7.9%)
Deferred financing cost	399	339	330	319	307	308	(1)	(0.2%)
Deferred tax asset	4,942	4,363	4,430	4,468	4,502	1,344	3,158	235.0%
Other non-current assets	2,863	2,680	2,751	2,755	2,824	2,758	66	2.4%
<b>Total Non-Current Assets</b>	<b>54,354</b>	<b>50,101</b>	<b>49,939</b>	<b>49,645</b>	<b>49,390</b>	<b>49,769</b>	<b>(379)</b>	<b>(0.8%)</b>
<b>Total Assets</b>	<b>\$ 96,495</b>	<b>\$ 95,650</b>	<b>\$ 91,149</b>	<b>\$ 88,054</b>	<b>\$ 90,209</b>	<b>\$ 103,079</b>	<b>\$ (12,870)</b>	<b>(12.5%)</b>
<b>Current Liabilities</b>								
Bank Debt	\$ 14,452	\$ 13,221	\$ 6,552	\$ 5,539	\$ 7,345	\$ 21,853	\$ (14,508)	(66.4%)
Current Portion - Long Term Debt	1,690	1,578	1,602	1,615	1,626	1,662	(35)	(2.1%)
Accounts payable	12,674	18,599	21,714	19,198	17,797	18,075	(278)	(1.5%)
Accrued liabilities	2,752	2,773	2,580	3,088	2,993	3,664	(670)	(18.3%)
Accrued compensation	2,007	3,111	3,103	3,290	3,132	3,213	(81)	(2.5%)
Income taxes payable	(288)	(285)	(297)	(350)	(170)	438	(608)	(138.8%)
Contingent consideration	—	—	—	—	—	—	—	N/A
Other current liabilities	111	95	84	71	69	157	(88)	(56.0%)
<b>Total Current Liabilities</b>	<b>33,399</b>	<b>39,092</b>	<b>35,337</b>	<b>32,450</b>	<b>32,792</b>	<b>49,061</b>	<b>(16,269)</b>	<b>(33.2%)</b>
<b>Long-term liabilities</b>								
Long-term debt less current maturities	10,799	9,650	9,668	9,618	9,555	9,775	(220)	(2.2%)
Deferred income taxes	10,827	10,202	10,279	10,322	10,361	9,456	905	9.6%
Other non-current liabilities	1,618	1,492	1,520	1,536	1,599	1,468	131	8.9%
<b>Total Long-Term Liabilities</b>	<b>23,244</b>	<b>21,344</b>	<b>21,467</b>	<b>21,476</b>	<b>21,515</b>	<b>20,700</b>	<b>815</b>	<b>3.9%</b>
<b>Total Liabilities</b>	<b>56,643</b>	<b>60,436</b>	<b>56,804</b>	<b>53,926</b>	<b>54,308</b>	<b>69,761</b>	<b>(15,453)</b>	<b>(22.2%)</b>
<b>Commitments and contingencies</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>N/A</b>
<b>Shareholders' Equity</b>								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	28,058	23,752	22,861	22,637	24,415	21,695	2,720	12.5%
Accumulated other comprehensive income	(816)	(1,148)	(1,126)	(1,119)	(1,124)	(987)	(136)	13.8%
<b>Total Shareholders' Equity</b>	<b>39,852</b>	<b>35,214</b>	<b>34,345</b>	<b>34,127</b>	<b>35,901</b>	<b>33,318</b>	<b>2,583</b>	<b>7.8%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 96,495</b>	<b>\$ 95,650</b>	<b>\$ 91,149</b>	<b>\$ 88,054</b>	<b>\$ 90,209</b>	<b>\$ 103,079</b>	<b>\$ (12,870)</b>	<b>(12.5%)</b>

## Management Discussion

- Net A/R vs. Budget down by \$1,540k (10.4%) due to lower sales vs budget. This was further impacted by an unfavorable F/X impact of \$279k (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Inventory levels lower vs budget (33.1% or \$11,063k) on account of limited production impacted by Covid-19 and selling more out of the inventory in June due to spike in orders and an unfavorable F/X impact of \$387K (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Prepaid expenses slightly behind budget due to an unfavorable F/X impact of \$75K (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- PPE lower 7.9% or \$3,602k on account of lower Capex expenditure due to delay/hold off strategy due to Covid-19 impact and an unfavorable F/X impact of \$497K (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Deferred tax assets higher vs budget following review of 2019 year end balances by MNP.
- Decrease in exposure with Bank due to reduction in borrowing due to lower purchasing and lower expenditure and a favorable F/X impact of \$565k (actual rate of 1.3655 [or USD\$ 0.732] vs. the Budget rate of 1.33 [or USD\$ 0.76])
- Accounts Payables almost inline with budget
- Decrease in Accrued Liabilities by 18% or \$670k due to lower expense accruals vs Budget



# Cash Flow Statement

\$'000	QTD		Variance		PY-QTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	663	\$	458	\$	205	44.9%	\$	441	\$	222	50.3%	\$	(3,681)	\$	(3,207)	\$	(474)	14.8%	\$	(1,996)	\$	(1,686)	84.5%
Depreciation, amortization and other		2,250		2,425		(175)	(7.2%)		2,168		82	3.8%		4,658		4,749		(92)	(1.9%)		4,326		332	7.7%
Non-cash loss/expense (gain)		(460)		(142)		(318)	223.2%		(240)		(220)	91.7%		96		(144)		240	(166.3%)		(207)		303	(146.1%)
Deferred income tax		158		—		158	N/A		133		25	19.1%		236		(1,117)		1,353	(121.1%)		165		71	42.8%
Change in operating assets and liabilities:																								
Accounts receivable		(1,418)		(3,653)		2,235	(61.2%)		(4,099)		2,681	(65.4%)		(4,576)		(6,116)		1,540	(25.2%)		(6,719)		2,143	(31.9%)
Inventory		7,140		(5,756)		12,896	(224.1%)		1,263		5,877	465.1%		7,071		(3,993)		11,063	(277.1%)		(2,578)		9,648	(374.3%)
Prepaid expenses and other current assets		(993)		(943)		(50)	5.3%		(1,254)		261	(20.8%)		(1,173)		(1,061)		(112)	10.6%		(1,267)		94	(7.4%)
Accounts payable		(802)		5,930		(6,732)	(113.5%)		3,287		(4,089)	(124.4%)		5,123		5,401		(278)	(5.1%)		2,777		2,345	84.4%
Accrued expenses		241		(436)		677	(155.3%)		1,190		(949)	(79.8%)		1,367		2,118		(752)	(35.5%)		1,930		(563)	(29.2%)
Accrued income taxes		115		259		(144)	(55.5%)		225		(110)	(48.9%)		118		725		(608)	(83.8%)		128		(10)	(8.0%)
Other changes in operating assets and liabilities		(26)		(1)		(25)	3438.3%		2		(28)	(1624.0%)		(42)		46		(88)	(191.2%)		29		(71)	(247.2%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	6,869	\$	(1,859)	\$	8,728	(469.5%)	\$	3,118	\$	3,752	120.3%	\$	9,195	\$	(2,599)	\$	11,794	(453.7%)	\$	(3,412)	\$	12,606	(369.5%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(590)	\$	(2,218)	\$	1,628	(73.4%)	\$	(1,772)	\$	1,182	(66.7%)	\$	(1,274)	\$	(3,971)	\$	2,697	(67.9%)	\$	(3,352)	\$	2,078	(62.0%)
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(590)	\$	(2,218)	\$	1,628	(73.4%)	\$	(1,772)	\$	1,182	(66.7%)	\$	(1,274)	\$	(3,971)	\$	2,697	(67.9%)	\$	(3,352)	\$	2,078	(62.0%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-t	\$	(5,876)	\$	4,492	\$	(10,368)	(230.8%)	\$	(932)	\$	(4,944)	530.5%	\$	(7,108)	\$	7,401	\$	(14,508)	(196.0%)	\$	7,596	\$	(14,704)	(193.6%)
Proceeds from the issuance of debt		0		—		0	N/A		—		0	N/A		(0)		—		(0)	N/A		(0)		0	(98.8%)
Repayment of debt		(404)		(415)		12	(2.9%)		(414)		10	(2.4%)		(813)		(831)		18	(2.1%)		(829)		16	(1.9%)
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Financing	\$	(6,279)	\$	4,077	\$	(10,356)	(254.0%)	\$	(1,346)	\$	(4,934)	366.7%	\$	(7,921)	\$	6,570	\$	(14,490)	(220.6%)	\$	6,767	\$	(14,687)	(217.1%)
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	0	\$	(0)	\$	0	(529.9%)	\$	0	\$	0	31.5%	\$	(0)	\$	(0)	\$	0	(84.9%)	\$	3	\$	(3)	(102.1%)
Beginning cash		3		3		0	12.3%		3		(0)	(7.6%)		3		3		0	0.0%		0		3	815681.2%
Change in cash		0		(0)		0	(529.9%)		0		0	31.5%		(0)		(0)		0	(84.9%)		3		(3)	(102.1%)
Ending cash	\$	3	\$	2	\$	0	14.8%	\$	3	\$	(0)	(7.1%)	\$	3	\$	2	\$	0	14.8%	\$	3	\$	(0)	(7.1%)

# Covenant Analysis

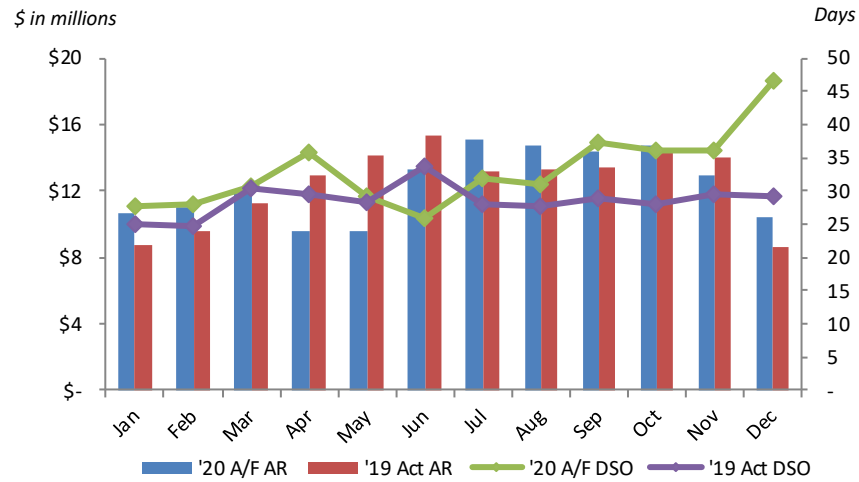
(US\$ '000s)	Act Dec-19	Act Jan-20	Act Feb-20	Act Mar-20	Act Apr-20	Act May-20	Act Jun-20	Fcst Jul-20	Fcst Aug-20	Fcst Sep-20	Fcst Oct-20	Fcst Nov-20	Fcst Dec-20
<b>Excess Availability</b>													
Borrowing Base	27,369	23,561	24,678	23,368	23,124	22,657	20,992	20,610	20,259	20,188	20,657	20,082	19,643
Total Revolver Debt	14,452	17,079	16,572	13,221	6,552	5,539	7,345	7,892	7,664	9,388	9,319	9,125	9,273
<b>Excess Availability</b>	<b>12,917</b>	<b>6,482</b>	<b>8,106</b>	<b>10,147</b>	<b>16,572</b>	<b>17,118</b>	<b>13,647</b>	<b>12,718</b>	<b>12,595</b>	<b>10,800</b>	<b>11,338</b>	<b>10,957</b>	<b>10,370</b>
<b>EA % of Borrowing Base</b>	<b>47.2%</b>	<b>27.5%</b>	<b>32.8%</b>	<b>43.4%</b>	<b>71.7%</b>	<b>75.6%</b>	<b>65.0%</b>	<b>61.7%</b>	<b>62.2%</b>	<b>53.5%</b>	<b>54.9%</b>	<b>54.6%</b>	<b>52.8%</b>
Minimum EA% (or <\$5.25M)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
<b>Compliance</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>
<b>FCCR Calculation</b>													
<b>TTM EBITDA</b>	<b>10,545</b>	<b>10,249</b>	<b>9,560</b>	<b>8,953</b>	<b>8,185</b>	<b>7,917</b>	<b>8,714</b>	<b>9,463</b>	<b>9,681</b>	<b>8,754</b>	<b>8,171</b>	<b>6,806</b>	<b>5,852</b>
Total Capex	672	228	219	237	116	233	241	341	339	338	339	338	331
IT separation Capex	-	-	-	-	-	-	-	-	-	-	-	-	-
Financed Capex	-	-	-	-	-	-	-	-	-	-	-	-	-
Capex, as calculated for FCCR	672	228	219	237	116	233	241	341	339	338	339	338	331
TTM Capex	6,807	6,546	6,234	5,911	5,579	5,293	4,729	4,309	4,262	4,100	3,917	3,641	3,300
Cash Taxes	650	1	-	-	8	-	-	-	-	-	-	-	-
TTM Cash Taxes	1,408	1,409	1,321	786	659	659	659	659	659	659	659	659	9
<b>Numerator</b>	<b>2,329</b>	<b>2,293</b>	<b>2,004</b>	<b>2,256</b>	<b>1,947</b>	<b>1,964</b>	<b>3,326</b>	<b>4,495</b>	<b>4,760</b>	<b>3,995</b>	<b>3,595</b>	<b>2,507</b>	<b>2,543</b>
Cash Interest on existing ABL	194	156	164	157	134	118	125	134	133	133	130	129	128
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	2,158	2,159	2,158	2,126	2,076	1,995	1,933	1,875	1,820	1,771	1,725	1,707	1,640
Principal Payments on additional debt	140	140	138	132	133	135	136	135	135	135	133	133	133
TTM Principal Payments	1,665	1,667	1,665	1,659	1,655	1,652	1,649	1,644	1,640	1,637	1,630	1,624	1,617
<b>Denominator</b>	<b>3,823</b>	<b>3,825</b>	<b>3,823</b>	<b>3,784</b>	<b>3,730</b>	<b>3,647</b>	<b>3,582</b>	<b>3,519</b>	<b>3,461</b>	<b>3,407</b>	<b>3,356</b>	<b>3,330</b>	<b>3,258</b>
<b>FCCR Ratio</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.9</b>	<b>1.3</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>	<b>0.8</b>	<b>0.8</b>
Minimum FCC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Compliance</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>Breach</b>	<b>Breach</b>

# 13-Week Cash Flow Forecast

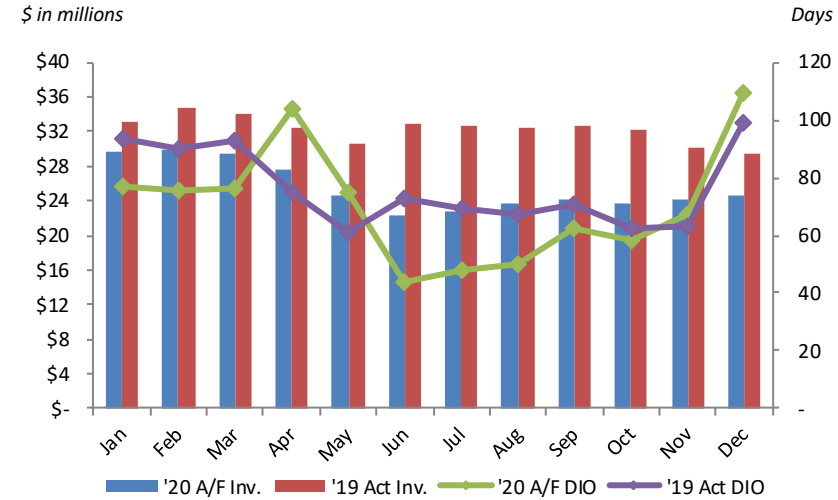
Date	07/03/20	07/10/20	07/17/20	07/24/20	07/31/20	08/07/20	08/14/20	08/21/20	08/28/20	09/04/20	09/11/20	09/18/20	09/25/20	10/02/20
<b>Cash Flow Roll-Up:</b>														
Total Inflows - Operational	1,966	1,973	1,701	1,811	1,854	2,227	2,726	2,737	2,701	2,711	2,271	1,921	1,684	1,686
Receipts from Customers based on AR	1,966	1,973	2,044	2,159	2,201	2,201	2,382	1,895	1,486	1,122	680	238	-	-
New Net External Sales	-	-	-	-	-	373	746	1,243	1,616	1,990	1,992	1,993	1,995	1,996
New Affiliate Sales	-	-	343	347	347	347	401	401	401	401	401	311	311	311
Total Outflows - Operational	(3,041)	(2,118)	(3,366)	(2,919)	(3,909)	(3,239)	(3,114)	(2,309)	(2,988)	(2,367)	(1,980)	(1,810)	(2,490)	(1,620)
Payments to Suppliers based on AP Aging	(1,495)	(1,493)	(1,224)	(994)	(1,106)	(1,047)	(930)	(930)	(833)	(852)	(852)	(852)	(852)	(272)
Materials	188	(697)	(698)	(705)	(407)	(280)	(280)	(280)	(280)	83	187	(253)	(253)	(253)
Conversion Costs	(474)	(328)	(526)	(331)	(723)	(937)	(938)	(309)	(706)	(692)	(941)	(399)	(832)	(754)
Other COGS	(166)	(105)	(105)	(106)	(177)	(122)	(122)	(122)	(157)	(123)	(123)	(123)	(158)	(123)
Selling Costs	(174)	(100)	(97)	(42)	(213)	(33)	(87)	(33)	(141)	(31)	(57)	(31)	(168)	(84)
General and Administrative	(359)	(87)	(156)	(76)	(333)	(64)	(136)	(64)	(317)	(61)	(103)	(61)	(136)	(71)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(101)	(101)	(101)	(102)	(102)	(158)	(158)	(91)	(91)	(91)	(91)	(91)	(91)	(63)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	0	0	0	0	(250)	0	0	0	0	0	0	0	0	0
Resin rebate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TSA Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Performance Payment to Westlake	0	0	0	0	0	0	0	0	0	0	0	0	0	0
One Time Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restructuring Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonus payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Material received but not invoiced	(459)	793	(460)	(563)	(599)	(599)	(463)	(480)	(463)	(600)	0	0	0	0
Projected Operational Cash Flow	(1,075)	(145)	(1,665)	(1,107)	(2,055)	(1,012)	(388)	428	(287)	344	291	111	(806)	65
Cash receipts more (less) than projection	848	969	1,979	1,222	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	169	(1,316)	291	(69)	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	1,280	0	369	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	(1,162)	0	0	108	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	(1,220)	789	606	523	(2,055)	(1,012)	(388)	428	(287)	344	291	111	(806)	65
Bank interest	(101)	0	0	0	(9)	(167)	0	0	0	(171)	0	0	0	(162)
Bridge Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan	(136)	0	0	0	(19)	(118)	0	0	0	(138)	0	0	0	(138)
Monitoring Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Fees	0	0	(9)	0	(3)	0	(4)	(6)	0	(3)	0	(10)	0	(3)
Total Financial Cash Flow	(237)	0	(9)	0	(31)	(285)	(4)	(6)	0	(311)	0	(10)	0	(303)
Total Cash Flow	(1,458)	789	596	523	(2,086)	(1,298)	(392)	423	(287)	33	291	102	(806)	(237)
Adjusted Loan Balance	13,868	13,693	13,437	13,712	15,052	15,007	14,952	13,932	14,517	14,708	14,716	14,689	13,929	14,166
Term Loan	11,109	11,099	11,103	11,221	11,202	11,084	11,084	11,084	11,084	10,946	10,946	10,946	10,946	10,809
Total Debt	24,977	24,791	24,539	24,933	26,254	26,091	26,035	25,016	25,601	25,654	25,662	25,635	24,875	24,974
Revolver Availability	7,107	7,269	7,530	6,898	5,558	5,603	5,659	6,327	5,742	5,551	5,543	5,570	6,259	6,022
Revolver Availability (with Cash on Hand)	14,183	14,953	15,557	15,794	13,708	12,410	12,019	12,090	11,803	11,836	12,127	12,228	11,351	11,114
Debt Per Loan Ledger	24,977	24,791	24,539	24,933	26,254	26,091	26,035	25,016	25,601	25,654	25,662	25,635	24,875	24,974

# Working Capital and Cash Conversion Cycle

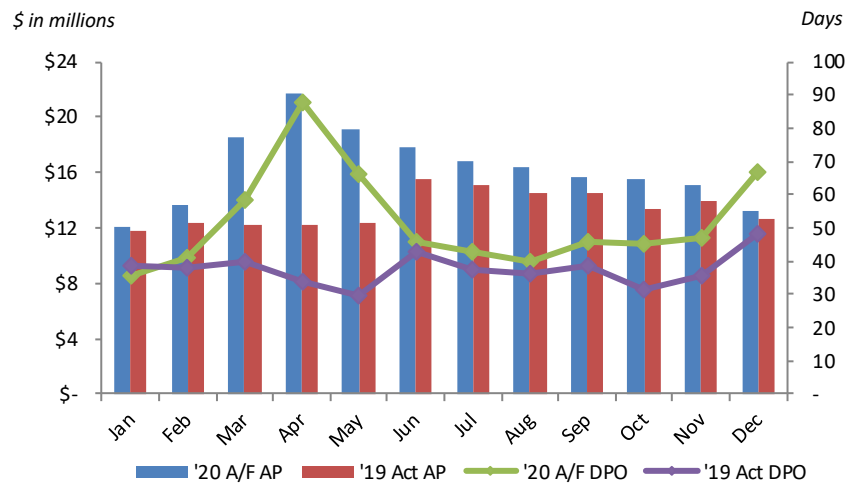
## Accounts Receivable



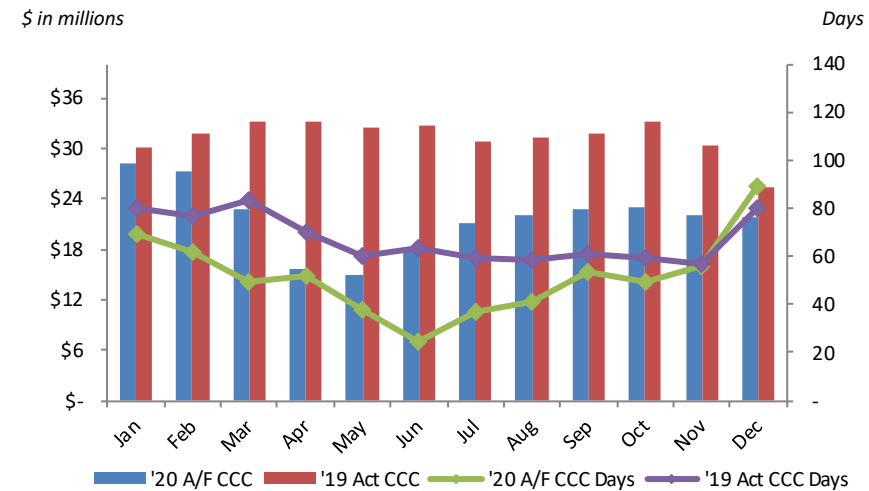
## Inventory



## Accounts Payable



## Cash Conversion Cycle



# AR and AP Aging Detail

\$'000

AR Aging					
Days	Apr-20	May-20	Jun-20	%	
0-30	\$ 6,726	\$ 7,763	\$ 11,748	88.6%	
30-60	2,108	975	1,142	8.6%	
60-90	342	321	(126)	(1.0%)	
>90	402	539	497	3.7%	
<b>Total</b>	<b>\$ 9,578</b>	<b>\$ 9,597</b>	<b>\$ 13,261</b>	<b>100.0%</b>	

AP Aging					
Days	Apr-20	May-20	Jun-20	%	
0-30	\$ 11,133	\$ 6,706	\$ 10,322	58.0%	
30-60	5,323	4,058	2,530	14.2%	
60-90	4,700	6,290	2,603	14.6%	
>90	557	2,143	2,341	13.2%	
<b>Total</b>	<b>\$ 21,714</b>	<b>\$ 19,198</b>	<b>\$ 17,797</b>	<b>100.0%</b>	

## Management Discussion

### A/R Aging:

- DSO days decreased from 29 to 26 following receipt of delayed payments from customers in the 60+ buckets
- Significant improvement in A/R collections from Q1
  - 88.6% in the 0-30 days category @ Jun-20
  - 77.2% in the 0-30 days category @ Mar-20

### A/P Aging:

- Decrease in DPO days from 66 to 46 following payments made to clear overdue balances and bring certain essential accounts to current
- Cash conservation practices implemented throughout Q2
  - 28% of A/P > 60 days outstanding @ Jun-20
  - 5% of A/P > 60 days outstanding @ Mar-20

**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

# Full Year Outlook - 2020 (6+6) Rfc Key Assumptions

## Revenue

- Revenue projections for the remainder of the year based on comparative analysis based on YTD results plus a collaborative approach between the sales teams and operations on a regional and plant basis
- Forecasted sales variance vs. budget for July 2020 to December 2020:
  - July and August Sales: Based on latest sales orders and backlog
  - Q3 Sales -6% vs 2019; -10% vs 2020 Plan
  - Q4 Sales: -23% vs 2019; -25% vs 2020 Plan

## Gross Profit

- Material Cost:
  - Raw Materials (General) – Flexed at 90% of sales variance
  - Resin – 3cpp increase in July versus current pricing and additional 2cpp increase in August (approx. 1.5 cpp decrease versus Budget)
  - Other Materials – Consistent with Budgeted assumptions (flat)
- Labor Cost:
  - Direct Labor – Flexed at 90% of Budget in accordance with production variance
  - Indirect Labor – Flexed at 50% of Budget in accordance with production variance
- Overhead Costs:
  - Utilities / Other OH - Flexed at 20% of Budget in accordance with production variance
  - Freight – at May YTD run rates (including savings)
  - T&D Recovery – 50% of budget

## OPEX

- 35% of budgeted bonus target
- Plant SG&A - Flexed at 50% of Budget in accordance with sales variance
- Corporate SG&A Labor – 15% reduction vs budget in Q3; 10% reduction vs budget in Q4
- T&E – 50% reduction vs budget

## Foreign Exchange

- Effective FX rate for Q3 = 1.37 [or \$0.7299 USD]
- Effective FX rate for Q4 = 1.40 [or \$0.7143 USD]

## Capex

- 50% of budget

# 2020 AOP to 2020 (6+6) Rfc – Summary Bridge

2020 AOP		2020 (6+6) Rfc
<b>Volume/Units</b> 99.4 LBS	<b>-12.6%</b> <ul style="list-style-type: none"> <li>Decrease in extrusion volume by 12.0% or -11.9M LBS</li> <li>Decrease in ECS external compound volume by 6.2% or 0.6M LBS</li> </ul>	<b>Volume/Units</b> 86.9M LBS
<b>Revenue</b> \$164.6M	<b>-14.8%</b> <ul style="list-style-type: none"> <li>Lower Net Sales by \$24.3M as a result of a \$17.9M decrease in extrusion volumes, \$5.4M decrease in Patio Doors sales and lower external compound sales of \$1.0M</li> </ul>	<b>Revenue</b> \$140.2M
<b>Gross Margin</b> \$29.4M 17.9%	<b>-310bps</b> <ul style="list-style-type: none"> <li>Gross Margin reduction of \$8.7M due to volume &amp; mix impact of \$6.2M, unfavorable absorption impact of \$2.5M, lower regrind usage impact of \$0.6M, DB&amp;A labor savings not achieved of \$0.9M and Terrebonne labor costs and efficiency impact of \$0.3M; partially offset by favorable material PPV of \$0.9M and Canada Wage Subsidy of \$0.9M</li> </ul>	<b>Gross Margin</b> \$20.7M 14.8%
<b>OPEX</b> \$17.4M 10.6%	<b>-80bps</b> <ul style="list-style-type: none"> <li>Reduction in OPEX by \$3.7M due to lower labor costs of \$1.8M (benefit of Canada Wage Subsidy of \$0.2M included), lower bonus expense of \$0.7M, lower T&amp;E expenses of \$0.7M, lower IT costs of \$0.3M and lower marketing costs of \$0.2M</li> </ul>	<b>OPEX</b> \$13.7M 9.8%
<b>AEBITDA</b> \$12.0M 7.3%	<b>-230bps</b> <ul style="list-style-type: none"> <li>Decrease in AEBITDA by \$5.0M mainly due to volume reduction impacting sales and production, partially offset by lower labor costs and lower OPEX spending</li> </ul>	<b>AEBITDA</b> \$7.0M 5.0%
<b>Capex</b> \$6.5 4.0%	<b>-160bps</b> <ul style="list-style-type: none"> <li>Reduction to Capex budget by approx. 50%</li> <li>Focus projects on immediate needs to support production, maintenance requirements and complete new business launches</li> </ul>	<b>Capex</b> \$3.3M 2.4%



# Full Year Outlook Consolidated P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	82,667	99,042	(16,375)	(16.5%)	97,151	(14,484)	(14.9%)
Units Shipped ('000)	86,850	99,426	(12,575)	(12.6%)	96,500	(9,650)	(10.0%)
Bookings (\$'000)	\$ 146,521	\$ 173,296	\$ (26,775)	(15.5%)	\$ 162,586	\$ (16,065)	(9.9%)
Backlog ('\$000)	\$ 8,870	\$ 8,450	\$ 420	5.0%	\$ 8,430	\$ 441	5.2%
Gross Revenue	\$ 147,709	\$ 173,563	\$ (25,854)	(14.9%)	\$ 166,852	\$ (19,143)	(11.5%)
Adj. to Gross Revenue	(7,500)	(9,009)	1,510	(16.8%)	(8,598)	1,098	(12.8%)
Net Revenue	140,209	164,554	(24,345)	(14.8%)	158,254	(18,045)	(11.4%)
Material	70,107	81,128	(11,021)	(13.6%)	77,754	(7,647)	(9.8%)
Labor	30,024	35,452	(5,428)	(15.3%)	35,294	(5,269)	(14.9%)
Other COGS	19,358	18,534	825	4.4%	18,632	726	3.9%
Total COGS	119,489	135,114	(15,624)	(11.6%)	131,680	(12,190)	(9.3%)
Gross Margin	20,720	29,440	(8,720)	(29.6%)	26,574	(5,854)	(22.0%)
Gross Margin %	14.8%	17.9%			16.8%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	4,822	6,505	(1,683)	(25.9%)	6,659	(1,838)	(27.6%)
Administrative	8,929	11,012	(2,083)	(18.9%)	10,335	(1,406)	(13.6%)
Other Opex	(67)	(112)	45	(40.1%)	(291)	224	(76.9%)
Total Opex	13,684	17,405	(3,721)	(21.4%)	16,704	(3,020)	(18.1%)
EBITDA	7,036	12,036	(4,999)	(41.5%)	9,870	(2,834)	(28.7%)
EBITDA %	5.0%	7.3%			6.2%		
Net Income (Loss)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%
Capex	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)
<b>Opex Overview:</b>							
Payroll	\$ 8,389	\$ 10,185	\$ (1,797)	(17.6%)	\$ 9,929	\$ (1,540)	(15.5%)
Bonus	369	740	(371)	(50.1%)	62	307	493.5%
Commissions	221	273	(53)	(19.2%)	247	(26)	(10.7%)
Marketing	868	1,098	(230)	(20.9%)	1,596	(728)	(45.6%)
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	487	1,145	(658)	(57.5%)	1,069	(582)	(54.5%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	270	333	(62)	(18.7%)	317	(46)	(14.6%)
Professional fees	567	591	(24)	(4.1%)	671	(104)	(15.5%)
Office Expenses	211	261	(50)	(19.1%)	256	(44)	(17.4%)
IT	1,602	1,881	(279)	(14.8%)	1,860	(258)	(13.9%)
Bad Debts	60	(4)	63	(1753.6%)	174	(114)	(65.7%)
FX	95	—	95	N/A	(145)	241	(165.7%)
JV Loss (Income)	(163)	(112)	(50)	44.8%	(146)	(17)	11.6%
Other Expenses	707	1,013	(306)	(30.2%)	814	(107)	(13.2%)
Total Opex	\$ 13,684	\$ 17,405	\$ (3,721)	(21.4%)	\$ 16,704	\$ (3,020)	(18.1%)

# Full Year Outlook: Consolidated P&L Summary

	Full Year							June YTD (6 Months Actuals)							July-December (6 Months Reforecast)							
\$'000	FY		Var		PY	Var		Jan-Jun 2020		Var		PY Jan-Jun		Var		Jul-Dec 2020		Var		PY Jul-Dec	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Fsct	Bud	\$	%	Act	\$	%	
Units Produced ('000)	82,667	99,042	(16,375)	(16.5%)	97,151	(14,484)	(14.9%)	39,626	50,808	(11,182)	(22.0%)	48,669	(9,043)	(18.6%)	43,041	48,234	(5,194)	(10.8%)	48,482	(5,441)	(11.2%)	
Units Shipped ('000)	86,850	99,426	(12,575)	(12.6%)	96,500	(9,650)	(10.0%)	43,327	48,404	(5,077)	(10.5%)	46,349	(3,022)	(6.5%)	43,523	51,022	(7,499)	(14.7%)	50,152	(6,628)	(13.2%)	
Bookings (\$'000)	\$ 146,521	\$ 173,296	\$ (26,775)	(15.5%)	\$ 162,586	\$ (16,065)	(9.9%)	\$ 76,172	\$ 83,201	\$ (7,029)	(8.4%)	\$ 79,588	\$ (3,416)	(4.3%)	\$ 70,349	\$ 90,095	\$ (19,746)	(21.9%)	\$ 82,998	\$ (12,649)	(15.2%)	
Backlog ('\$000)	\$ 8,870	\$ 8,450	\$ 420	5.0%	\$ 8,430	\$ 441	5.2%	\$ 14,016	\$ 9,292	\$ 4,723	50.8%	\$ 11,128	\$ 2,887	25.9%	\$ (5,145)	\$ (842)	\$ (4,303)	510.8%	\$ (2,699)	\$ (2,447)	90.7%	
Gross Revenue	\$ 147,709	\$ 173,563	\$ (25,854)	(14.9%)	\$ 166,852	\$ (19,143)	(11.5%)	\$ 72,169	\$ 82,378	\$ (10,209)	(12.4%)	\$ 79,123	\$ (6,954)	(8.8%)	\$ 75,540	\$ 91,185	\$ (15,645)	(17.2%)	\$ 87,729	\$ (12,189)	(13.9%)	
Adj. to Gross Revenue	(7,500)	(9,009)	1,510	(16.8%)	(8,598)	1,098	(12.8%)	(3,401)	(4,086)	685	(16.8%)	(3,791)	390	(10.3%)	(4,099)	(4,923)	825	(16.7%)	(4,807)	709	(14.7%)	
Net Revenue	140,209	164,554	(24,345)	(14.8%)	158,254	(18,045)	(11.4%)	68,768	78,292	(9,524)	(12.2%)	75,333	(6,565)	(8.7%)	71,441	86,261	(14,820)	(17.2%)	82,921	(11,480)	(13.8%)	
Material	70,107	81,128	(11,021)	(13.6%)	77,754	(7,647)	(9.8%)	34,056	38,542	(4,486)	(11.6%)	36,620	(2,565)	(7.0%)	36,051	42,586	(6,535)	(15.3%)	41,134	(5,083)	(12.4%)	
Labor	30,024	35,452	(5,428)	(15.3%)	35,294	(5,269)	(14.9%)	13,906	17,933	(4,027)	(22.5%)	17,730	(3,824)	(21.6%)	16,118	17,519	(1,401)	(8.0%)	17,563	(1,445)	(8.2%)	
Other COGS	19,358	18,534	825	4.4%	18,632	726	3.9%	9,959	7,879	2,080	26.4%	8,196	1,763	21.5%	9,399	10,655	(1,255)	(11.8%)	10,436	(1,036)	(9.9%)	
Total COGS	119,489	135,114	(15,624)	(11.6%)	131,680	(12,190)	(9.3%)	57,921	64,354	(6,433)	(10.0%)	62,547	(4,626)	(7.4%)	61,568	70,759	(9,191)	(13.0%)	69,132	(7,564)	(10.9%)	
Gross Margin	20,720	29,440	(8,720)	(29.6%)	26,574	(5,854)	(22.0%)	10,847	13,938	(3,091)	(22.2%)	12,785	(1,938)	(15.2%)	9,873	15,502	(5,629)	(36.3%)	13,789	(3,916)	(28.4%)	
Gross Margin %	14.8%	17.9%			16.8%			15.8%	17.8%			17.0%	(1.2%)		(1.0%)	0.1%			(0.2%)	(0.8%)		
R&D	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	
Sales & Marketing	4,822	6,505	(1,683)	(25.9%)	6,659	(1,838)	(27.6%)	2,307	3,201	(894)	(27.9%)	3,356	(1,048)	(31.2%)	2,514	3,303	(789)	(23.9%)	3,304	(789)	(23.9%)	
Administrative	8,929	11,012	(2,083)	(18.9%)	10,335	(1,406)	(13.6%)	4,386	5,459	(1,073)	(19.6%)	5,804	(1,418)	(24.4%)	4,543	5,554	(1,010)	(18.2%)	4,531	12	0.3%	
Other Opex	(67)	(112)	45	(40.1%)	(291)	224	(76.9%)	0	(51)	52	(100.5%)	(268)	268	(100.1%)	(68)	(61)	(7)	10.8%	(23)	(45)	195.4%	
Total Opex	13,684	17,405	(3,721)	(21.4%)	16,704	(3,020)	(18.1%)	6,694	8,609	(1,915)	(22.2%)	8,892	(2,198)	(24.7%)	6,990	8,796	(1,806)	(20.5%)	7,812	(822)	(10.5%)	
EBITDA	7,036	12,036	(4,999)	(41.5%)	9,870	(2,834)	(28.7%)	4,153	5,329	(1,176)	(22.1%)	3,893	260	6.7%	2,883	6,706	(3,823)	(57.0%)	5,977	(3,094)	(51.8%)	
EBITDA %	5.0%	7.3%			6.2%			6.0%	6.8%			5.2%	0.9%		(1.0%)	0.5%			1.1%	(2.1%)		
Net Income (Loss)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%	\$ (3,681)	\$ (3,207)	\$ (474)	14.8%	\$ (1,996)	\$ (1,686)	84.5%	\$ (3,453)	\$ (290)	\$ (3,163)	1091.4%	\$ 25	\$ (3,478)	#####	
Capex	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)	\$ (1,274)	\$ (3,971)	\$ 2,697	(67.9%)	\$ (3,352)	\$ 2,078	(62.0%)	\$ (2,026)	\$ (2,530)	\$ 504	(19.9%)	\$ (3,455)	\$ 1,429	(41.4%)	
Opex Overview:														0							0	
Payroll	\$ 8,389	\$ 10,185	\$ (1,797)	(17.6%)	\$ 9,929	\$ (1,540)	(15.5%)	\$ 3,974	\$ 5,005	\$ (1,031)	(20.6%)	\$ 5,083	\$ (1,109)	(21.8%)	\$ 4,415	\$ 5,180	\$ (765)	(14.8%)	\$ 4,846	\$ (431)	(8.9%)	
Bonus	369	740	(371)	(50.1%)	62	307	493.5%	242	370	(128)	(34.6%)	672	(430)	(64.0%)	127	370	(243)	(65.7%)	(610)	737	(120.8%)	
Commissions	221	273	(53)	(19.2%)	247	(26)	(10.7%)	132	128	3	2.6%	114	18	15.8%	89	145	(56)	(38.6%)	133	(44)	(33.3%)	
Marketing	868	1,098	(230)	(20.9%)	1,596	(728)	(45.6%)	403	551	(148)	(26.8%)	679	(276)	(40.6%)	465	547	(82)	(15.0%)	917	(452)	(49.3%)	
Benefits	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	
Travel and entertainment	487	1,145	(658)	(57.5%)	1,069	(582)	(54.5%)	191	562	(371)	(66.0%)	554	(363)	(65.5%)	296	583	(287)	(49.3%)	515	(219)	(42.6%)	
Rent and facilities	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	—	—	—	N/A	—	—	N/A	
Insurance	270	333	(62)	(18.7%)	317	(46)	(14.6%)	126	174	(48)	(27.5%)	153	(27)	(17.5%)	144	159	(14)	(9.0%)	164	(20)	(11.9%)	
Professional fees	567	591	(24)	(4.1%)	671	(104)	(15.5%)	316	305	11	3.7%	291	25	8.4%	251	286	(35)	(12.3%)	380	(129)	(33.9%)	
Office Expenses	211	261	(50)	(19.1%)	256	(44)	(17.4%)	107	126	(18)	(14.6%)	134	(27)	(20.0%)	104	135	(31)	(23.2%)	122	(18)	(14.5%)	
IT	1,602	1,881	(279)	(14.8%)	1,860	(258)	(13.9%)	786	948	(162)	(17.1%)	932	(146)	(15.7%)	816	933	(117)	(12.6%)	928	(112)	(12.1%)	
Bad Debts	60	(4)	63	(1753.6%)	174	(114)	(65.7%)	61	(2)	63	#####	97	(36)	(37.2%)	(2)	(2)	0	(14.6%)	76	(78)	(102.0%)	
FX	95	—	95	N/A	(145)	241	(165.7%)	95	—	95	N/A	(167)	262	(157.2%)	—	—	—	N/A	22	(22)	(100.0%)	
JV Loss (Income)	(163)	(112)	(50)	44.8%	(146)	(17)	11.6%	(95)	(51)	(44)	85.2%	(101)	6	(5.9%)	(68)	(61)	(7)	10.8%	(45)	(23)	51.3%	
Other Expenses	707	1,013	(306)	(30.2%)	814	(107)	(13.2%)	355	493	(138)	(28.1%)	451	(96)	(21.3%)	352	519	(167)	(32.2%)	363	(11)	(3.0%)	
Total Opex	\$ 13,684	\$ 17,405	\$ (3,721)	(21.4%)	\$ 16,704	\$ (3,020)	(18.1%)	\$ 6,694	\$ 8,609	\$ (1,915)	(22.2%)	\$ 8,892	\$ (2,198)	(24.7%)	\$ 6,990	\$ 8,796	\$ (1,806)	(20.5%)	\$ 7,812	\$ (822)	(10.5%)	

# Full Year Outlook Key Customers – ENERGI Consolidated

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Act	Bud			\$	%	Act		\$	%	Act	Bud	BPs	%	Act	BPs	%		
<b>Customer:</b>																			
PGT Industries Inc	\$	20,955	\$	22,572	\$	(1,617)	(7.2%)	\$	21,951	\$	(996)	(4.5%)	20.4%	20.7%	(27)	(1.3%)	15.6%	478	30.6%
Eclipse Shutter Systems		12,998		13,715		(717)	(5.2%)		13,334		(336)	(2.5%)	3.0%	2.8%	15	5.3%	3.8%	(83)	(21.9%)
Simonton		6,832		9,500		(2,668)	(28.1%)		9,562		(2,730)	(28.5%)	9.1%	12.5%	(342)	(27.3%)	(15.4%)	2,451	(159.3%)
Atis		9,076		10,787		(1,711)	(15.9%)		9,467		(391)	(4.1%)	(15.4%)	(8.1%)	(732)	90.2%	8.6%	(2,407)	(279.0%)
Quaker Window Products		5,389		6,093		(704)	(11.6%)		5,858		(469)	(8.0%)	9.2%	22.7%	(1,351)	(59.6%)	9.1%	7	0.7%
Polaris Technologies		4,133		5,975		(1,842)	(30.8%)		5,042		(909)	(18.0%)	13.4%	13.8%	(38)	(2.8%)	20.8%	(738)	(35.5%)
All Weather		3,340		5,256		(1,916)	(36.5%)		4,545		(1,206)	(26.5%)	8.7%	24.2%	(1,559)	(64.3%)	9.9%	(121)	(12.2%)
SOLARIS QUEBEC P & F INC.		3,621		4,474		(853)	(19.1%)		4,265		(645)	(15.1%)	24.5%	24.7%	(21)	(0.8%)	16.2%	830	51.2%
Cascade		2,711		4,197		(1,486)	(35.4%)		3,716		(1,005)	(27.1%)	(19.6%)	(17.8%)	(185)	10.4%	8.8%	(2,843)	(323.3%)
A.M.I.		3,606		4,227		(622)	(14.7%)		3,628		(22)	(0.6%)	8.4%	8.1%	25	3.0%	12.6%	(427)	(33.7%)
Windsor Window Co OEM		3,797		3,952		(156)	(3.9%)		4,303		(506)	(11.8%)	20.3%	29.6%	(927)	(31.3%)	0.0%	2,032	N/A
Coeur d'Alene		3,207		3,755		(548)	(14.6%)		3,684		(477)	(12.9%)	0.4%	2.3%	(184)	(80.4%)	5.4%	(492)	(91.6%)
Vinyl-Pro Window Systems Inc		2,524		3,609		(1,085)	(30.1%)		3,328		(804)	(24.2%)	4.8%	26.5%	(2,171)	(82.0%)	5.9%	(115)	(19.4%)
Dashwood Industries Inc		3,445		3,562		(117)	(3.3%)		3,445		(0)	(0.0%)	11.4%	19.3%	(793)	(41.0%)	18.8%	(737)	(39.2%)
ATLANTIC WINDOWS		257		271		(14)	(5.2%)		245		12	4.9%	6.6%	4.6%	203	44.0%	12.3%	(569)	(46.2%)
Ostaco 2000		2,525		2,989		(464)	(15.5%)		3,019		(495)	(16.4%)	1.4%	4.9%	(356)	(72.0%)	15.4%	(1,404)	(91.0%)
Sierra Pacific Windows		2,755		2,886		(131)	(4.5%)		2,861		(106)	(3.7%)	11.1%	10.5%	60	5.7%	0.5%	1,059	2233.9%
PORTES & FENETRES ABRITEK		2,481		2,890		(409)	(14.2%)		3,175		(694)	(21.9%)	19.5%	20.8%	(133)	(6.4%)	16.0%	349	21.9%
Vinyl Profiles, LLC		1,784		2,748		(964)	(35.1%)		2,797		(1,013)	(36.2%)	20.9%	17.3%	363	21.0%	3.8%	1,720	458.5%
SCHLUTER SYSTEMS L.P.		2,717		2,400		317	13.2%		2,664		53	2.0%	22.0%	22.5%	(48)	(2.1%)	6.3%	1,571	250.6%
Other		49,558		57,704		(8,146)	(14.1%)		55,961		(6,403)	(11.4%)	23.7%	19.3%	442	22.9%	28.1%	(440)	(15.7%)
Total Gross	\$	147,709	\$	173,563	\$	(25,854)	(14.9%)	\$	166,852	\$	(19,143)	(11.5%)	14.2%	17.1%	(283)	(16.6%)	15.9%	(170)	(10.7%)

## Management Discussion

- Low demand overall due to slow business and shutdowns as a result of Covid 19
  - PGT – Strong performance in Q1, however falling behind in Q2
  - Soft sales YTD from Polaris, Cascade and All Weather
  - Simonton– lower orders continuing from Q4 2019
  - Strong sales from Quaker fueled by recent launches
- Large orders from Windsor, Dashwood and CDA improving sales.

# Full Year Outlook Cash Flow Forecast

(\$000)						
Date	07/31/20	08/28/20	10/02/20	10/30/20	12/04/20	01/01/21
<b>Cash Flow Roll-Up:</b>						
<b>Projected Operational Cash Flow</b>	(2,055)	(287)	65	284	222	(52)
Cash receipts more (less) than projection	0	0	0	0	0	0
Cash outflows less (more) than projection	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0
<b>Actual Operational Cash Flow</b>	(2,055)	(287)	65	284	222	(52)
Bank interest	(9)	0	(162)	(8)	(154)	(164)
Bridge Loan Repayment	0	0	0	0	0	0
Term Loan	(19)	0	(138)	(19)	(138)	(138)
Monitoring Fees	0	0	0	0	0	0
Other Inflows/Outflows	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0
Bank Fees	(3)	0	(3)	(3)	(3)	(3)
<b>Total Financial Cash Flow</b>	(31)	0	(303)	(30)	(294)	(304)
<b>Total Cash Flow</b>	(2,086)	(287)	(237)	254	(72)	(356)
<b>Total Borrowing Base</b>	20,610	20,259	20,188	20,657	20,082	19,643
<b>Adjusted Loan Balance</b>	15,052	14,517	14,166	12,873	12,481	11,610
Term Loan	11,202	11,084	10,809	10,789	10,533	10,396
<b>Total Debt</b>	26,254	25,601	24,974	23,662	23,014	22,006
<b>Revolver Availability</b>	5,558	5,742	6,022	7,785	7,602	8,033
<b>Revolver Availability (incl. Cash)</b>	13,708	11,803	11,114	11,385	10,903	10,327

# 2020 Rfc (6+6) vs 2020 AOP P&L – Q3

\$'000	Qtr 3 Fsct		Var	
	6+6	Bud	\$	%
<b>Units Produced ('000)</b>	<b>23,474</b>	<b>26,056</b>	<b>(2,582)</b>	<b>(9.9%)</b>
<b>Units Shipped ('000)</b>	<b>25,224</b>	<b>27,142</b>	<b>(1,918)</b>	<b>(7.1%)</b>
<b>Bookings (\$'000)</b>	<b>\$ 39,276</b>	<b>\$ 48,810</b>	<b>\$ (9,534)</b>	<b>(19.5%)</b>
<b>Backlog (\$'000)</b>	<b>\$ 10,092</b>	<b>\$ 9,471</b>	<b>\$ 621</b>	<b>6.6%</b>
<b>Gross Revenue</b>	<b>\$ 43,357</b>	<b>\$ 48,172</b>	<b>\$ (4,816)</b>	<b>(10.0%)</b>
Adj. to Gross Revenue	(2,290)	(2,595)	305	(11.8%)
<b>Net Revenue</b>	<b>41,067</b>	<b>45,577</b>	<b>(4,510)</b>	<b>(9.9%)</b>
Material	20,917	22,652	(1,735)	(7.7%)
Labor	8,381	8,957	(576)	(6.4%)
Other COGS	5,883	5,465	418	7.6%
<b>Total COGS</b>	<b>35,181</b>	<b>37,074</b>	<b>(1,894)</b>	<b>(5.1%)</b>
<b>Gross Margin</b>	<b>5,886</b>	<b>8,503</b>	<b>(2,617)</b>	<b>(30.8%)</b>
<i>Gross Margin %</i>	<i>14.3%</i>	<i>18.7%</i>		
R&D	—	—	—	N/A
Sales & Marketing	1,262	1,653	(392)	(23.7%)
Administrative	2,263	2,801	(537)	(19.2%)
Other Opex	(71)	(19)	(52)	279.5%
<b>Total Opex</b>	<b>3,454</b>	<b>4,435</b>	<b>(981)</b>	<b>(22.1%)</b>
<b>EBITDA</b>	<b>2,432</b>	<b>4,067</b>	<b>(1,636)</b>	<b>(40.2%)</b>
<i>EBITDA %</i>	<i>5.9%</i>	<i>8.9%</i>		
<b>Net Income (Loss)</b>	<b>\$ (897)</b>	<b>\$ 418</b>	<b>\$ (1,315)</b>	<b>(314.7%)</b>
<b>Capex</b>	<b>\$ 1,018</b>	<b>\$ 1,667</b>	<b>\$ (649)</b>	<b>(38.9%)</b>
<b>Opex Overview:</b>				
Payroll	\$ 2,189	\$ 2,595	\$ (406)	(15.6%)
Bonus	64	185	(121)	(65.5%)
Commissions	47	81	(34)	(42.0%)
Marketing	250	263	(13)	(5.1%)
Benefits	—	—	—	N/A
Travel and entertainment	149	293	(143)	(49.0%)
Rent and facilities	—	—	—	N/A
Insurance	77	86	(8)	(9.5%)
Professional fees	122	144	(22)	(15.6%)
Office Expenses	48	69	(21)	(30.9%)
IT	414	469	(55)	(11.7%)
Bad Debts	(1)	(1)	0	(10.6%)
FX	—	—	—	N/A
JV Loss (Income)	(71)	(19)	(52)	279.5%
Other Expenses	166	270	(104)	(38.6%)
<b>Total Opex</b>	<b>\$ 3,454</b>	<b>\$ 4,435</b>	<b>\$ (981)</b>	<b>(22.1%)</b>

## Management Discussion

### Net Revenue – Q3 -\$4.5M:

- July net sales estimate is 3% lower than Budget and in line with Prior Year
- August net sales estimate is 5% lower than Budget and 2% lower than Prior Year
- September net sales estimate is 22% lower than Budget and 16% lower than Prior Year

### EBITDA – Q3 -\$1.6M:

- Volume and mix impact of -\$1.3M
- Unfavorable absorption impact of -\$0.5M
- Lower regrind usage and higher scrap impact of -\$0.2M
- Favorable material PPV impact of +\$0.2M
- DB&A Woodbridge labor savings not achieved impact of -\$0.4M
- Terrebonne labor costs and efficiency impact of -\$0.2M
- Lower tool and die overhead recovery (net of lower spending on maintenance, utilities, factory supplies, etc.) of -\$0.2M
- OPEX labor cost reductions impact of +\$0.4M
- Bonus expense reduction impact of +\$0.2M
- Other OPEX spend reductions impact of +\$0.4M

# 2020 Rfc (6+6) vs 2020 AOP P&L – Q4

\$'000	Qtr 4 Fsct		Var	
	6+6	Bud	\$	%
Units Produced ('000)	19,567	22,178	(2,611)	(11.8%)
Units Shipped ('000)	18,300	23,880	(5,581)	(23.4%)
Bookings (\$'000)	\$ 31,073	\$ 41,285	\$ (10,212)	(24.7%)
Backlog (\$'000)	\$ 8,870	\$ 8,450	\$ 420	5.0%
<b>Gross Revenue</b>	<b>\$ 32,183</b>	<b>\$ 43,013</b>	<b>\$ (10,829)</b>	<b>(25.2%)</b>
Adj. to Gross Revenue	(1,809)	(2,328)	519	(22.3%)
<b>Net Revenue</b>	<b>30,375</b>	<b>40,685</b>	<b>(10,310)</b>	<b>(25.3%)</b>
Material	15,134	19,934	(4,800)	(24.1%)
Labor	7,737	8,562	(825)	(9.6%)
Other COGS	3,516	5,189	(1,673)	(32.2%)
<b>Total COGS</b>	<b>26,388</b>	<b>33,685</b>	<b>(7,298)</b>	<b>(21.7%)</b>
<b>Gross Margin</b>	<b>3,987</b>	<b>6,999</b>	<b>(3,012)</b>	<b>(43.0%)</b>
Gross Margin %	13.1%	17.2%		
R&D	—	—	—	N/A
Sales & Marketing	1,253	1,650	(397)	(24.1%)
Administrative	2,280	2,753	(473)	(17.2%)
Other Opex	4	(42)	46	(108.6%)
<b>Total Opex</b>	<b>3,536</b>	<b>4,360</b>	<b>(825)</b>	<b>(18.9%)</b>
<b>EBITDA</b>	<b>451</b>	<b>2,639</b>	<b>(2,188)</b>	<b>(82.9%)</b>
EBITDA %	1.5%	6.5%		
<b>Net Income (Loss)</b>	<b>\$ (2,556)</b>	<b>\$ (707)</b>	<b>\$ (1,848)</b>	<b>261.3%</b>
<b>Capex</b>	<b>\$ 1,008</b>	<b>\$ 863</b>	<b>\$ 145</b>	<b>16.8%</b>
<b>Opex Overview:</b>				
Payroll	\$ 2,226	\$ 2,585	\$ (359)	(13.9%)
Bonus	63	185	(122)	(65.9%)
Commissions	42	64	(22)	(34.3%)
Marketing	215	284	(69)	(24.3%)
Benefits	—	—	—	N/A
Travel and entertainment	147	290	(144)	(49.5%)
Rent and facilities	—	—	—	N/A
Insurance	67	73	(6)	(8.5%)
Professional fees	129	142	(13)	(9.1%)
Office Expenses	56	66	(10)	(15.2%)
IT	402	464	(62)	(13.5%)
Bad Debts	(1)	(1)	0	(18.6%)
FX	—	—	—	N/A
JV Loss (Income)	4	(42)	46	(108.6%)
Other Expenses	186	249	(63)	(25.3%)
<b>Total Opex</b>	<b>\$ 3,536</b>	<b>\$ 4,360</b>	<b>\$ (825)</b>	<b>(18.9%)</b>

## Management Discussion

### Net Revenue – Q4 -\$10.3M:

- October net sales estimate is 22% lower than Budget and 21% lower than Prior Year
- November net sales estimate is 28% lower than Budget and 24% lower than Prior Year
- December net sales estimate is 26% lower than Budget and 25% lower than Prior Year

### EBITDA – Q3 -\$2.2M:

- Volume and mix impact of -\$3.1M
- Lower regrind usage and higher scrap impact of -\$0.1M
- Unfavorable material PPV impact of -\$0.2M
- DB&A Woodbridge labor savings not achieved impact of -\$0.4M
- Terrebonne labor costs and efficiency impact of -\$0.2M
- Lower tool and die overhead recovery (net of lower spending on maintenance, utilities, factory supplies, etc.) of -\$0.1M
- Favorable absorption impact of +\$1.0M due to a planned inventory build to begin to replenish inventory stock levels
- OPEX labor cost reductions impact of +\$0.4M
- Bonus expense reduction impact of +\$0.2M
- Other OPEX spend reductions impact of +\$0.3M

# 2020 2H Objectives

## 1. Cash

- Continue A/R Discipline – Percent Late
- Inventory – Maintain DOH (establish target)

## 2. Supply Chain

- Finished Goods Inventory Stocking Plan
- Raw Material Min/Max
- Railcar Storage at ECS

## 3. Operations

- Maintain Yield Improvement
- Regrind Consumption
- Reduce Backorders

## 4. Commercial

- Rebuild Funnel Opportunities focusing on current capabilities
- Q4 Pricing – Patio Door & Extrusion

**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**



# Management Governance Report

## **Disclosure Committee:**

- Members include: CEO, CFO & VP Manufacturing
- Meeting held on July 8<sup>th</sup>, 2020
- Financial results were reviewed and found to be complete and accurate in all material respects
- CEO & CFO reviewed Board presentation separately and found to be complete

## **Anonymous Hotline:**

- None

## **Modification of Delegation of Authority:**

- No changes recommended at this time

## Management Governance Report (Continued)

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

**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

Squeeze Report

Monthly P&L

Monthly EBITDA to Net Income Bridge

Cost of Goods Sold Variance Analysis

Monthly Cost of Goods Sold by Component

Monthly Balance Sheet

Balance Sheet – Year on Year Comparison

Monthly Cash Flow

Trended Monthly Bookings

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EBITDA and EBITDA-CapEx

Y-o-Y% EBITDA change

Capital Expenditures

Headcount Trending by Month

Headcount Hires and Attrition

Liquidity Forecast

**Business Unit Analysis**

# Squeeze Report

Monthly operating report (\$'000)

		Fully-diluted ownership		Fund		Invested	Realized	Unrealized	Total Value	MOI	
Investment date	3/31/2016	OpenGate Equity	94.8%	OCGP I	\$	26,000	\$	–	\$	46,435	0.6x
Operational data as of	6/30/2020	MGMT	5.3%	OCGP II		–		–		–	NA
Valuation details last updated:	9/30/2019	Other Equity	0.0%	OCGP III		–		–		–	NA
		Total	100.0%	Total	\$	26,000	\$	–	\$	46,435	0.6x

Operations													
This Month Quarter to Date Year to Date	Net Revenue					Adj. EBITDA					Net Debt		
	Act	Bud	Variance	PY	Variance	Act	Bud	Variance	PY	Variance	Act	Bud	PY
	\$ 15,266	\$ 14,646	4.2%	\$ 13,593	12.3%	\$ 2,758	\$ 1,402	96.6%	\$ 1,379	100.0%	\$ 18,524	\$ 33,287	\$ 31,085
	\$ 33,468	\$ 44,406	-24.6%	\$ 42,202	-20.7%	\$ 2,830	\$ 4,381	-35.4%	\$ 3,125	-9.5%			
	\$ 68,768	\$ 78,292	-12.2%	\$ 75,333	-8.7%	\$ 4,153	\$ 5,329	-22.1%	\$ 3,893	6.7%			

LTM Trends (\$'000s)	7/31/19	8/31/19	9/30/19	10/31/19	11/30/19	12/31/19	1/31/20	2/29/20	3/31/20	4/30/20	5/31/20	6/30/20	LTM
Units Produced ('000)	8,339	9,076	8,551	9,067	8,304	5,147	8,094	7,753	7,725	3,301	5,222	7,532	88,109
Units Shipped ('000)	9,001	8,865	8,508	9,699	8,621	5,458	7,842	6,982	7,690	5,019	6,548	9,246	93,479
Net Revenue	\$ 14,669	\$ 14,926	\$ 13,879	\$ 15,932	\$ 14,307	\$ 9,209	\$ 11,905	\$ 11,463	\$ 11,932	\$ 7,990	\$ 10,211	\$ 15,266	\$ 151,689
Gross Margin	2,217	2,502	2,638	2,711	2,633	1,088	1,525	1,904	2,043	575	1,253	3,548	24,636
Gross Margin %	15.1%	16.8%	19.0%	17.0%	18.4%	11.8%	12.8%	16.6%	17.1%	7.2%	12.3%	23.2%	16.2%
SG&A	1,531	1,553	1,630	1,569	934	595	1,443	1,282	1,424	949	806	791	14,506
Reported EBITDA	687	949	1,008	1,142	1,699	493	82	623	619	(374)	447	2,758	10,130
Rep. EBITDA %	4.7%	6.4%	7.3%	7.2%	11.9%	5.3%	0.7%	5.4%	5.2%	(4.7%)	4.4%	18.1%	6.7%
Adj. EBITDA	687	949	1,008	1,142	1,699	493	82	623	619	(374)	447	2,758	10,130
Adj. EBITDA %	4.7%	6.4%	7.3%	7.2%	11.9%	5.3%	0.7%	5.4%	5.2%	(4.7%)	4.4%	18.1%	6.7%
Capex	\$ (761)	\$ (386)	\$ (500)	\$ (522)	\$ (614)	\$ (672)	\$ (228)	\$ (219)	\$ (237)	\$ (116)	\$ (233)	\$ (241)	\$ (4,729)

Accounts Receivable, Net	\$ 13,196	\$ 13,308	\$ 13,414	\$ 14,460	\$ 14,004	\$ 8,685	\$ 10,663	\$ 11,029	\$ 11,843	\$ 9,578	\$ 9,597	\$ 13,261	\$ 13,261
Inventory, Net	32,705	32,363	32,765	32,143	30,246	29,397	29,656	29,866	29,466	27,673	24,639	22,326	22,326
Accounts Payable	15,146	14,498	14,476	13,366	13,935	12,674	12,013	13,603	18,599	21,714	19,198	17,797	17,797
CCC	\$ 30,755	\$ 31,172	\$ 31,703	\$ 33,238	\$ 30,315	\$ 25,408	\$ 28,306	\$ 27,292	\$ 22,711	\$ 15,536	\$ 15,038	\$ 17,790	\$ 17,790
DSO	27.9	27.6	29.0	28.1	29.4	29.2	27.8	27.9	30.8	36.0	29.1	26.1	31.9
DSI	69.1	67.2	70.8	62.5	63.4	99.0	77.2	75.6	76.6	103.9	74.8	43.9	53.7
DPO	37.7	36.2	38.6	31.3	35.8	48.4	35.9	41.3	58.3	87.8	66.4	45.6	51.1
C2C	59.3	58.7	61.2	59.3	57.0	79.8	69.1	62.2	49.0	52.0	37.5	24.4	34.5
Bank revolver	\$ 17,338	\$ 16,897	\$ 16,663	\$ 17,396	\$ 14,798	\$ 14,452	\$ 17,079	\$ 16,572	\$ 13,221	\$ 6,552	\$ 5,539	\$ 7,345	\$ 7,345
Unclassified external debt / OID	13,079	12,825	12,727	12,662	12,417	12,490	12,188	11,918	11,228	11,270	11,232	11,182	11,182
OpenGate debt	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Debt Outstanding	30,418	29,721	29,390	30,057	27,215	26,942	29,267	28,490	24,448	17,822	16,772	18,527	18,527
Cash and equivalents	3	3	3	3	3	3	3	3	3	3	3	3	3
Total Net Debt	\$ 30,415	\$ 29,718	\$ 29,387	\$ 30,055	\$ 27,212	\$ 26,939	\$ 29,264	\$ 28,487	\$ 24,446	\$ 17,819	\$ 16,769	\$ 18,524	\$ 18,524
Beginning Cash Balance	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Add / (Less): Operating Cash Flow	1,381	966	873	(71)	3,350	3,098	(2,258)	864	3,720	6,918	1,380	(1,429)	18,793
Add / (Less): Investing Cash Flow	(761)	(386)	(500)	(522)	(614)	(672)	(228)	(219)	(237)	(116)	(233)	(241)	(4,729)
Add / (Less): Financing Cash Flow	(620)	(580)	(373)	593	(2,737)	(485)	2,486	(645)	(3,483)	(6,802)	(1,147)	1,670	(12,123)
Effect of FX rates / Other	–	–	–	–	–	–	–	–	–	–	–	–	–
Ending Cash Balance	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 1,944	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3

Long-term trend, budget, IC comparison														
	Calendar year ending			Actual	LTM Actual			IC Model			Variance to IC			
Summary Financials	12/31/2016	12/31/2017	12/31/2018	12/31/2019	6/30/2020	12/31/2016		12/31/2017	12/31/2018	LTM v 2018 IC	%	2019 FC v IC	%	
Total Net Revenue	\$ 170,742	\$ 172,416	\$ 170,574	\$ 158,254	\$ 151,689									
EBITDA, Reported	12,278	11,315	10,180	9,870	10,130									
EBITDA, Reported %	7.2%	6.6%	6.0%	6.2%	6.7%									
EBITDA, Adjusted	12,278	11,315	10,180	9,870	10,130									
EBITDA, Adjusted %	7.2%	6.6%	6.0%	6.2%	6.7%									
Accounts Receivable, Net	11,660	11,846	8,594	8,685	13,261									
Inventory, Net	27,470	29,714	30,309	29,397	22,326									
Accounts Payable	7,504	13,088	12,709	12,674	17,797									
CCC	31,626	28,473	26,194	25,408	17,790									
Net Debt	\$ 3,014	\$ 18,697	\$ 23,857	\$ 26,939	\$ 18,524									

# Monthly P&L

\$'000	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	8,094	7,753	7,725	3,301	5,222	7,532	8,258	8,182	7,035	7,459	6,528	5,580	82,667	99,042	(16,375)	(16.5%)	97,151	(14,484)	(14.9%)
Units Shipped ('000)	7,842	6,982	7,690	5,019	6,548	9,246	9,250	9,146	6,828	7,674	6,428	4,198	86,850	99,426	(12,575)	(12.6%)	96,500	(9,650)	(10.0%)
Bookings (\$'000)	\$ 13,481	\$ 12,476	\$ 12,818	\$ 7,719	\$ 12,396	\$ 17,281	\$ 13,509	\$ 13,007	\$ 12,761	\$ 12,926	\$ 11,465	\$ 6,682	\$ 146,521	\$ 173,296	\$ (26,775)	(15.5%)	\$ 162,586	\$ (16,065)	(9.9%)
Backlog ('\$000)	\$ 9,606	\$ 10,369	\$ 10,608	\$ 10,199	\$ 12,165	\$ 14,016	\$ 11,047	\$ 9,860	\$ 10,092	\$ 9,459	\$ 9,499	\$ 8,870	\$ 8,870	\$ 8,450	\$ 420	5.0%	\$ 8,430	\$ 441	5.2%
Gross Revenue	\$ 12,481	\$ 12,069	\$ 12,608	\$ 8,386	\$ 10,773	\$ 15,850	\$ 15,461	\$ 15,511	\$ 12,385	\$ 13,388	\$ 11,484	\$ 7,311	\$ 147,709	\$ 173,563	\$ (25,854)	(14.9%)	\$ 166,852	\$ (19,143)	(11.5%)
Adj. to Gross Revenue	(576)	(607)	(676)	(396)	(562)	(585)	(764)	(773)	(753)	(796)	(663)	(349)	(7,500)	(9,009)	1,510	(16.8%)	(8,598)	1,098	(12.8%)
Net Revenue	11,905	11,463	11,932	7,990	10,211	15,266	14,696	14,738	11,632	12,591	10,821	6,962	140,209	164,554	(24,345)	(14.8%)	158,254	(18,045)	(11.4%)
Material	5,974	5,389	5,614	4,259	5,305	7,515	7,340	7,669	5,907	6,359	5,531	3,244	70,107	81,128	(11,021)	(13.6%)	77,754	(7,647)	(9.8%)
Labor	3,012	2,898	2,654	1,712	1,681	1,948	2,774	2,847	2,760	2,755	2,563	2,419	30,024	35,452	(5,428)	(15.3%)	35,294	(5,269)	(14.9%)
Other COGS	1,395	1,272	1,621	1,445	1,972	2,255	2,107	2,184	1,592	1,588	1,480	449	19,358	18,534	825	4.4%	18,632	726	3.9%
Total COGS	10,381	9,559	9,889	7,416	8,959	11,718	12,221	12,701	10,259	10,702	9,574	6,111	119,489	135,114	(15,624)	(11.6%)	131,680	(12,190)	(9.3%)
Gross Margin	1,525	1,904	2,043	575	1,253	3,548	2,476	2,037	1,374	1,889	1,247	851	20,720	29,440	(8,720)	(29.6%)	26,574	(5,854)	(22.0%)
Gross Margin %	12.8%	16.6%	17.1%	7.2%	12.3%	23.2%	16.8%	13.8%	11.8%	15.0%	11.5%	12.2%	14.8%	17.9%			16.8%		
R&D	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Sales & Marketing	490	470	512	291	240	304	431	401	430	417	423	413	4,822	6,505	(1,683)	(25.9%)	6,659	(1,838)	(27.6%)
Administrative	948	798	757	736	579	568	754	738	771	767	745	768	8,929	11,012	(2,083)	(18.9%)	10,335	(1,406)	(13.6%)
Other Opex	5	13	154	(78)	(13)	(81)	(34)	(32)	(5)	(20)	0	23	(67)	(112)	45	(40.1%)	(291)	224	(76.9%)
Total Opex	1,443	1,282	1,424	949	806	791	1,151	1,107	1,196	1,165	1,167	1,204	13,684	17,405	(3,721)	(21.4%)	16,704	(3,020)	(18.1%)
EBITDA	82	623	619	(374)	447	2,758	1,325	930	177	725	80	(353)	7,036	12,036	(4,999)	(41.5%)	9,870	(2,834)	(28.7%)
EBITDA %	0.7%	5.4%	5.2%	(4.7%)	4.4%	18.1%	9.0%	6.3%	1.5%	5.8%	0.7%	(5.1%)	5.0%	7.3%			6.2%		
Net Income (Loss)	\$ (1,509)	\$ (1,003)	\$ (1,834)	\$ (890)	\$ (225)	\$ 1,779	\$ 187	\$ (185)	\$ (899)	\$ (403)	\$ (970)	\$ (1,183)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%
Capex	\$ (228)	\$ (219)	\$ (237)	\$ (116)	\$ (233)	\$ (241)	\$ (341)	\$ (339)	\$ (338)	\$ (339)	\$ (338)	\$ (331)	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)
Opex Overview:																			
Payroll	\$ 833	\$ 734	\$ 814	\$ 617	\$ 470	\$ 507	\$ 749	\$ 690	\$ 750	\$ 753	\$ 709	\$ 763	\$ 8,389	\$ 10,185	\$ (1,797)	(17.6%)	\$ 9,929	\$ (1,540)	(15.5%)
Bonus	62	62	15	60	21	21	21	21	21	21	21	21	369	740	(371)	(50.1%)	62	307	493.5%
Commissions	29	17	36	25	12	13	13	17	17	16	13	13	221	273	(53)	(19.2%)	247	(26)	(10.7%)
Marketing	53	66	70	68	60	85	93	88	69	64	88	64	868	1,098	(230)	(20.9%)	1,596	(728)	(45.6%)
Benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Travel and entertainment	69	48	48	8	13	5	47	48	54	45	54	47	487	1,145	(658)	(57.5%)	1,069	(582)	(54.5%)
Rent and facilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Insurance	24	22	19	19	17	25	28	26	24	24	22	21	270	333	(62)	(18.7%)	317	(46)	(14.6%)
Professional fees	54	80	57	52	37	35	38	39	45	44	44	41	567	591	(24)	(4.1%)	671	(104)	(15.5%)
Office Expenses	23	21	18	9	19	18	13	14	21	20	19	17	211	261	(50)	(19.1%)	256	(44)	(17.4%)
IT	153	138	124	133	127	111	139	138	137	134	134	134	1,602	1,881	(279)	(14.8%)	1,860	(258)	(13.9%)
Bad Debts	31	33	(0)	(2)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	60	(4)	63	(1753.6%)	174	(114)	(65.7%)
FX	36	29	161	(57)	(37)	(37)	—	—	—	—	—	—	95	—	95	N/A	(145)	241	(165.7%)
JV Loss (Income)	(31)	(15)	(7)	(21)	24	(45)	(34)	(32)	(5)	(20)	0	23	(163)	(112)	(50)	44.8%	(146)	(17)	11.6%
Other Expenses	109	47	69	38	42	51	43	59	63	63	63	60	707	1,013	(306)	(30.2%)	814	(107)	(13.2%)
Total Opex	\$ 1,443	\$ 1,282	\$ 1,424	\$ 949	\$ 806	\$ 791	\$ 1,151	\$ 1,107	\$ 1,196	\$ 1,165	\$ 1,167	\$ 1,204	\$ 13,684	\$ 17,405	\$ (3,721)	(21.4%)	\$ 16,704	\$ (3,020)	(18.1%)

# Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>EBITDA - as reported</b>	\$ 82	\$ 623	\$ 619	\$ (374)	\$ 447	\$ 2,758	\$ 1,325	\$ 930	\$ 177	\$ 725	\$ 80	\$ (353)	\$ 7,036	\$12,036	\$ (4,999)	(41.5%)	\$ 9,870	\$ (2,834)	(28.7%)
Depreciation and amortization	(814)	(805)	(788)	(751)	(745)	(754)	(795)	(803)	(810)	(804)	(810)	(818)	(9,497)	(9,739)	242	(2.5%)	(9,017)	(480)	5.3%
Interest and amortization	(156)	(164)	(157)	(134)	(118)	(125)	(134)	(133)	(133)	(130)	(129)	(128)	(1,640)	(2,622)	981	(37.4%)	(2,158)	518	(24.0%)
Other financial income/expense	(367)	(311)	(1,371)	450	222	193	–	–	–	–	–	–	(1,184)	–	(1,184)	N/A	1,044	(2,228)	(213.5%)
Monitoring fees (including expenses)	(83)	(73)	(78)	(82)	(81)	(85)	(81)	(81)	(81)	(79)	(79)	(79)	(963)	(1,000)	37	(3.7%)	(1,073)	110	(10.3%)
Restructuring costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	46	(46)	(100.0%)
Non-recurring items	(170)	(203)	(124)	(3)	(4)	(28)	(4)	(4)	(4)	(4)	(4)	(4)	(556)	(816)	260	(31.8%)	(1,249)	693	(55.5%)
Taxes	–	(68)	65	4	55	(180)	(124)	(94)	(49)	(111)	(27)	199	(330)	(1,357)	1,027	(75.7%)	566	(896)	(158.2%)
<b>GAAP Net Income (Loss)</b>	<b>\$ (1,509)</b>	<b>\$ (1,003)</b>	<b>\$ (1,834)</b>	<b>\$ (890)</b>	<b>\$ (225)</b>	<b>\$ 1,779</b>	<b>\$ 187</b>	<b>\$ (185)</b>	<b>\$ (899)</b>	<b>\$ (403)</b>	<b>\$ (970)</b>	<b>\$ (1,183)</b>	<b>\$ (7,134)</b>	<b>\$ (3,497)</b>	<b>\$ (3,637)</b>	<b>104.0%</b>	<b>\$ (1,971)</b>	<b>\$ (5,163)</b>	<b>262.0%</b>

## Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; YTD F/X gain attributable to the change in the month-end rate from 1.3776 [USD\$0.73] on May 31, 2020 to 1.3655 [USD\$0.72] on June 30, 2020
- Non-recurring in June for Legal fee \$24K and Consultancy costs 4K
- Tax accrual of \$180K in the US on account of income in the US entity for June; Canadian deferred tax asset has not been increased since 2018 year end adjustments

# Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>Material</b>																			
Material costs at standard	\$ 6,109	\$ 5,654	\$ 5,711	\$ 4,131	\$ 5,134	\$ 7,574	\$ 7,472	\$ 7,535	\$ 5,693	\$ 6,227	\$ 5,312	\$ 2,983	\$ 69,533	\$ 79,561	\$ (10,028)	(12.6%)	\$ 76,642	\$ (7,109)	(9.3%)
Materials FX loss / (gain)	0	1	(1)	0	0	0	(0)	0	0	0	—	—	0	0	0	43.2%	1	(1)	(58.4%)
Purchase price variance	(85)	(182)	26	76	248	66	(69)	168	228	209	267	233	1,185	3,099	(1,914)	(61.8%)	2,184	(999)	(45.7%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	45	53	33	34	23	33	36	41	46	46	45	35	469	585	(116)	(19.9%)	546	(77)	(14.1%)
Scrap costs	(158)	(206)	(241)	(26)	(152)	(220)	(173)	(153)	(141)	(206)	(171)	(65)	(1,913)	(3,263)	1,349	(41.4%)	(2,628)	714	(27.2%)
Consumables	63	70	86	44	52	61	74	80	82	84	79	58	833	1,144	(312)	(27.2%)	1,009	(176)	(17.5%)
<b>Total Material COGS</b>	<b>\$ 5,974</b>	<b>\$ 5,389</b>	<b>\$ 5,614</b>	<b>\$ 4,259</b>	<b>\$ 5,305</b>	<b>\$ 7,515</b>	<b>\$ 7,340</b>	<b>\$ 7,669</b>	<b>\$ 5,907</b>	<b>\$ 6,359</b>	<b>\$ 5,531</b>	<b>\$ 3,244</b>	<b>\$ 70,107</b>	<b>\$ 81,128</b>	<b>\$ (11,021)</b>	<b>(13.6%)</b>	<b>\$ 77,754</b>	<b>\$ (7,647)</b>	<b>(9.8%)</b>
<b>Labor</b>																			
Direct labor	\$ 1,007	\$ 983	\$ 920	\$ 486	\$ 710	\$ 963	\$ 1,077	\$ 1,092	\$ 1,012	\$ 1,011	\$ 933	\$ 826	\$ 11,019	\$ 12,677	\$ (1,658)	(13.1%)	\$ 12,838	\$ (1,819)	(14.2%)
Direct labor - bonus	29	28	9	27	10	9	10	10	10	9	9	9	170	333	(164)	(49.1%)	116	53	45.6%
Direct labor - overtime	103	147	90	26	30	56	134	150	125	122	90	86	1,159	1,489	(330)	(22.2%)	1,376	(217)	(15.8%)
Direct labor - benefits	304	243	241	219	48	(44)	241	252	237	233	216	205	2,395	3,203	(808)	(25.2%)	3,074	(679)	(22.1%)
Direct labor - wcb benefits	7	30	21	8	16	16	24	23	20	20	18	18	221	250	(28)	(11.3%)	47	174	366.6%
Direct labor - other	(1)	0	(0)	(0)	(0)	1	—	—	—	—	—	—	(1)	13	(15)	(109.9%)	(9)	8	(85.7%)
Indirect labor	1,534	1,439	1,365	918	858	938	1,279	1,312	1,347	1,351	1,288	1,265	14,892	17,135	(2,243)	(13.1%)	17,711	(2,819)	(15.9%)
Indirect labor – bonus	29	28	9	27	10	9	10	10	10	9	9	9	170	333	(164)	(49.1%)	116	53	45.6%
Sub-contractor costs	—	—	—	—	—	—	—	—	—	—	—	—	—	18	(18)	(100.0%)	24	(24)	(100.0%)
<b>Total Labor COGS</b>	<b>\$ 3,012</b>	<b>\$ 2,898</b>	<b>\$ 2,654</b>	<b>\$ 1,712</b>	<b>\$ 1,681</b>	<b>\$ 1,948</b>	<b>\$ 2,774</b>	<b>\$ 2,847</b>	<b>\$ 2,760</b>	<b>\$ 2,755</b>	<b>\$ 2,563</b>	<b>\$ 2,419</b>	<b>\$ 30,024</b>	<b>\$ 35,452</b>	<b>\$ (5,428)</b>	<b>(15.3%)</b>	<b>\$ 35,294</b>	<b>\$ (5,269)</b>	<b>(14.9%)</b>
<b>Other</b>																			
Repairs and maintenance	\$ 118	\$ 221	\$ 99	\$ 76	\$ 101	\$ 78	\$ 152	\$ 154	\$ 123	\$ 137	\$ 114	\$ 111	\$ 1,484	\$ 645	\$ 839	130.0%	\$ 666	\$ 818	122.7%
Absorption	(235)	(461)	(20)	348	705	758	303	382	(77)	(85)	(114)	(775)	731	(1,260)	1,991	(158.0%)	(605)	1,336	(220.8%)
Freight out	669	643	608	337	405	642	680	684	572	588	519	331	6,676	7,792	(1,115)	(14.3%)	7,990	(1,314)	(16.4%)
Rent / facilities	143	207	197	247	218	139	272	274	295	261	294	227	2,773	2,467	306	12.4%	1,981	792	40.0%
Utilities	505	451	542	299	388	480	523	518	491	512	501	414	5,623	6,491	(868)	(13.4%)	6,194	(571)	(9.2%)
Other cost of sales	195	211	195	138	155	157	176	173	189	174	166	141	2,070	2,399	(328)	(13.7%)	2,406	(336)	(14.0%)
<b>Total Other COGS</b>	<b>\$ 1,395</b>	<b>\$ 1,272</b>	<b>\$ 1,621</b>	<b>\$ 1,445</b>	<b>\$ 1,972</b>	<b>\$ 2,255</b>	<b>\$ 2,107</b>	<b>\$ 2,184</b>	<b>\$ 1,592</b>	<b>\$ 1,588</b>	<b>\$ 1,480</b>	<b>\$ 449</b>	<b>\$ 19,358</b>	<b>\$ 18,534</b>	<b>\$ 825</b>	<b>4.4%</b>	<b>\$ 18,632</b>	<b>\$ 726</b>	<b>3.9%</b>

## Management Discussion

**Material COGS:** Decrease of \$11,021K due to lower volume impact of \$10,718K (Sales volumes (lbs) lower by 12.6%), favorable resin material prices and supplier rebates offset by higher additive pricing & higher glass pricing of \$1,403K and favorable inventory reserves of \$252K; offset by unfavorable yields lower regrind usage at Woodbridge, Delmont & Everett of \$1,352K

**Labor COGS:** Lower costs due to a volume impact of \$3,828K (production volume lbs lower by 16.5%), the receipt of the Canada Emergency Wage Subsidy of \$918K for the Quebec and Ontario plants (May/June), the suspension of the Company match for RRSP/401K contributions of \$320K, a reduction to the bonus accrual of \$328K and the receipt of the Compwise (WSIB) rebate in Everett of \$34K (Jan-20)

**Other COGS:** Increase of \$825K due to an unfavorable absorption impact of \$2,483K and lower tool & die overhead recovery of \$1,360K; partially offset by lower freight costs of \$1,115K due to lower sales volume & mix, lower utilities of \$868K as a result of reduced production levels and lower overhead spending (ie. supplies, maintenance, rentals) of \$1,035K

# Monthly Balance Sheet

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	FY	FY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
<b>Current Assets</b>																
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ (0)	(12.2%)
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	11,246	11,636	12,417	10,163	10,188	13,857	15,574	15,210	14,882	15,155	13,452	10,919	10,919	9,246	1,673	18.1%
<i>Accounts receivable, reserves</i>	(582)	(608)	(574)	(585)	(591)	(596)	(458)	(458)	(458)	(448)	(448)	(448)	(448)	(561)	112	(20.0%)
Accounts receivable, net	10,663	11,029	11,843	9,578	9,597	13,261	15,116	14,751	14,423	14,707	13,004	10,470	10,470	8,685	1,785	20.6%
<i>Inventory, gross</i>	31,650	31,849	31,231	29,262	26,251	23,942	24,616	25,493	25,899	25,484	25,955	26,331	26,331	31,428	(5,097)	(16.2%)
<i>Inventory, reserves</i>	(1,994)	(1,982)	(1,765)	(1,589)	(1,612)	(1,616)	(1,765)	(1,791)	(1,775)	(1,767)	(1,787)	(1,808)	(1,808)	(2,031)	223	(11.0%)
Inventory, net	29,656	29,866	29,466	27,673	24,639	22,326	22,852	23,702	24,124	23,717	24,168	24,523	24,523	29,397	(4,874)	(16.6%)
Prepaid expenses and other current assets	3,193	3,186	3,081	3,011	2,898	4,129	4,168	3,886	3,578	3,529	3,197	2,936	2,936	3,221	(285)	(8.8%)
Other current assets	769	744	1,155	946	1,272	1,101	778	722	1,164	1,322	1,479	547	547	835	(288)	(34.5%)
<b>Total Current Assets</b>	<b>44,284</b>	<b>44,828</b>	<b>45,549</b>	<b>41,210</b>	<b>38,409</b>	<b>40,819</b>	<b>42,916</b>	<b>43,064</b>	<b>43,292</b>	<b>43,277</b>	<b>41,852</b>	<b>38,479</b>	<b>38,479</b>	<b>42,141</b>	<b>(3,662)</b>	<b>(8.7%)</b>
<b>Non-Current Assets</b>																
<i>Property, plant &amp; equipment, gross</i>	73,055	72,779	70,904	71,689	72,300	72,871	73,760	73,934	74,774	74,093	74,337	74,682	74,682	73,423	1,258	1.7%
<i>Accumulated depreciation</i>	(27,815)	(28,391)	(28,185)	(29,261)	(30,198)	(31,114)	(31,625)	(32,402)	(33,212)	(33,570)	(34,381)	(35,198)	(35,198)	(27,272)	(7,926)	29.1%
Property, plant & equipment, net	45,240	44,387	42,719	42,428	42,103	41,757	42,136	41,532	41,562	40,522	39,956	39,483	39,483	46,151	(6,668)	(14.4%)
Deferred financing cost	381	365	339	330	319	307	289	275	262	245	232	219	219	399	(180)	(45.1%)
Deferred tax asset	4,625	4,575	4,363	4,430	4,468	4,502	1,315	1,315	1,315	1,294	1,294	1,294	1,294	4,942	(3,648)	(73.8%)
Other non-current assets	2,850	2,829	2,680	2,751	2,755	2,824	2,817	2,823	2,828	2,788	2,788	2,764	2,764	2,863	(99)	(3.4%)
<b>Total Non-Current Assets</b>	<b>53,096</b>	<b>52,156</b>	<b>50,101</b>	<b>49,939</b>	<b>49,645</b>	<b>49,390</b>	<b>46,556</b>	<b>45,945</b>	<b>45,967</b>	<b>44,849</b>	<b>44,270</b>	<b>43,761</b>	<b>43,761</b>	<b>54,354</b>	<b>(10,594)</b>	<b>(19.5%)</b>
<b>Total Assets</b>	<b>\$ 97,380</b>	<b>\$ 96,985</b>	<b>\$ 95,650</b>	<b>\$ 91,149</b>	<b>\$ 88,054</b>	<b>\$ 90,209</b>	<b>\$ 89,473</b>	<b>\$ 89,010</b>	<b>\$ 89,260</b>	<b>\$ 88,126</b>	<b>\$ 86,121</b>	<b>\$ 82,239</b>	<b>\$ 82,239</b>	<b>\$ 96,495</b>	<b>\$ (14,256)</b>	<b>(14.8%)</b>
<b>Current Liabilities</b>																
Bank Debt	\$ 17,079	\$ 16,572	\$ 13,221	\$ 6,552	\$ 5,539	\$ 7,345	\$ 7,892	\$ 7,664	\$ 9,388	\$ 9,319	\$ 9,125	\$ 9,273	\$ 9,273	\$ 14,452	\$ (5,180)	(35.8%)
Current Portion - Long Term Debt	1,669	1,652	1,578	1,602	1,615	1,626	1,620	1,620	1,620	1,590	1,590	1,590	1,590	1,690	(100)	(5.9%)
Accounts payable	12,013	13,603	18,599	21,714	19,198	17,797	16,867	16,439	15,699	15,541	15,095	13,184	13,184	12,674	510	4.0%
Accrued liabilities	3,167	2,725	2,773	2,773	3,088	2,993	3,258	3,182	3,258	3,183	2,711	2,485	2,485	2,752	(266)	(9.7%)
Accrued compensation	2,754	3,054	3,111	3,103	3,290	3,132	2,906	3,295	3,464	3,400	3,576	3,191	3,191	2,007	1,185	59.0%
Income taxes payable	(288)	(220)	(285)	(297)	(350)	(170)	562	655	704	815	842	643	643	(288)	931	(323.6%)
Contingent consideration	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Other current liabilities	107	100	95	84	71	69	153	153	152	149	149	149	149	111	37	33.7%
<b>Total Current Liabilities</b>	<b>36,501</b>	<b>37,486</b>	<b>39,092</b>	<b>35,337</b>	<b>32,450</b>	<b>32,792</b>	<b>33,156</b>	<b>33,008</b>	<b>34,285</b>	<b>33,996</b>	<b>33,088</b>	<b>30,516</b>	<b>30,516</b>	<b>33,399</b>	<b>(2,883)</b>	<b>(8.6%)</b>
<b>Long-term liabilities</b>																
Long-term debt less current maturities	10,519	10,266	9,650	9,668	9,618	9,555	9,384	9,249	9,114	8,807	8,674	8,542	8,542	10,799	(2,258)	(20.9%)
Deferred income taxes	10,502	10,445	10,202	10,279	10,322	10,361	9,336	9,336	9,336	9,251	9,251	9,251	9,251	10,827	(1,576)	(14.6%)
Other non-current liabilities	1,595	1,577	1,492	1,520	1,536	1,599	1,513	1,519	1,525	1,498	1,504	1,510	1,510	1,618	(108)	(6.7%)
<b>Total Long-Term Liabilities</b>	<b>22,616</b>	<b>22,288</b>	<b>21,344</b>	<b>21,467</b>	<b>21,476</b>	<b>21,515</b>	<b>20,234</b>	<b>20,105</b>	<b>19,976</b>	<b>19,556</b>	<b>19,429</b>	<b>19,302</b>	<b>19,302</b>	<b>23,244</b>	<b>(3,942)</b>	<b>(17.0%)</b>
<b>Total Liabilities</b>	<b>59,117</b>	<b>59,774</b>	<b>60,436</b>	<b>56,804</b>	<b>53,926</b>	<b>54,308</b>	<b>53,390</b>	<b>53,112</b>	<b>54,261</b>	<b>53,552</b>	<b>52,517</b>	<b>49,818</b>	<b>49,818</b>	<b>56,643</b>	<b>(6,825)</b>	<b>(12.0%)</b>
<b>Commitments and contingencies</b>																
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Shareholders' Equity</b>																
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	(0)	(0.0%)
Retained earnings	26,588	25,585	23,752	22,861	22,637	24,415	24,515	24,330	23,431	23,029	22,059	20,876	20,876	28,058	(7,182)	(25.6%)
Accumulated other comprehensive income	(934)	(984)	(1,148)	(1,126)	(1,119)	(1,124)	(1,042)	(1,042)	(1,042)	(1,065)	(1,065)	(1,065)	(1,065)	(816)	(249)	30.5%
<b>Total Shareholders' Equity</b>	<b>38,263</b>	<b>37,211</b>	<b>35,214</b>	<b>34,345</b>	<b>34,127</b>	<b>35,901</b>	<b>36,083</b>	<b>35,897</b>	<b>34,999</b>	<b>34,574</b>	<b>33,604</b>	<b>32,421</b>	<b>32,421</b>	<b>39,852</b>	<b>(7,431)</b>	<b>(18.6%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 97,380</b>	<b>\$ 96,985</b>	<b>\$ 95,650</b>	<b>\$ 91,149</b>	<b>\$ 88,054</b>	<b>\$ 90,209</b>	<b>\$ 89,473</b>	<b>\$ 89,010</b>	<b>\$ 89,260</b>	<b>\$ 88,126</b>	<b>\$ 86,121</b>	<b>\$ 82,239</b>	<b>\$ 82,239</b>	<b>\$ 96,495</b>	<b>\$ (14,256)</b>	<b>(14.8%)</b>



# Balance Sheet – Year on Year Comparison

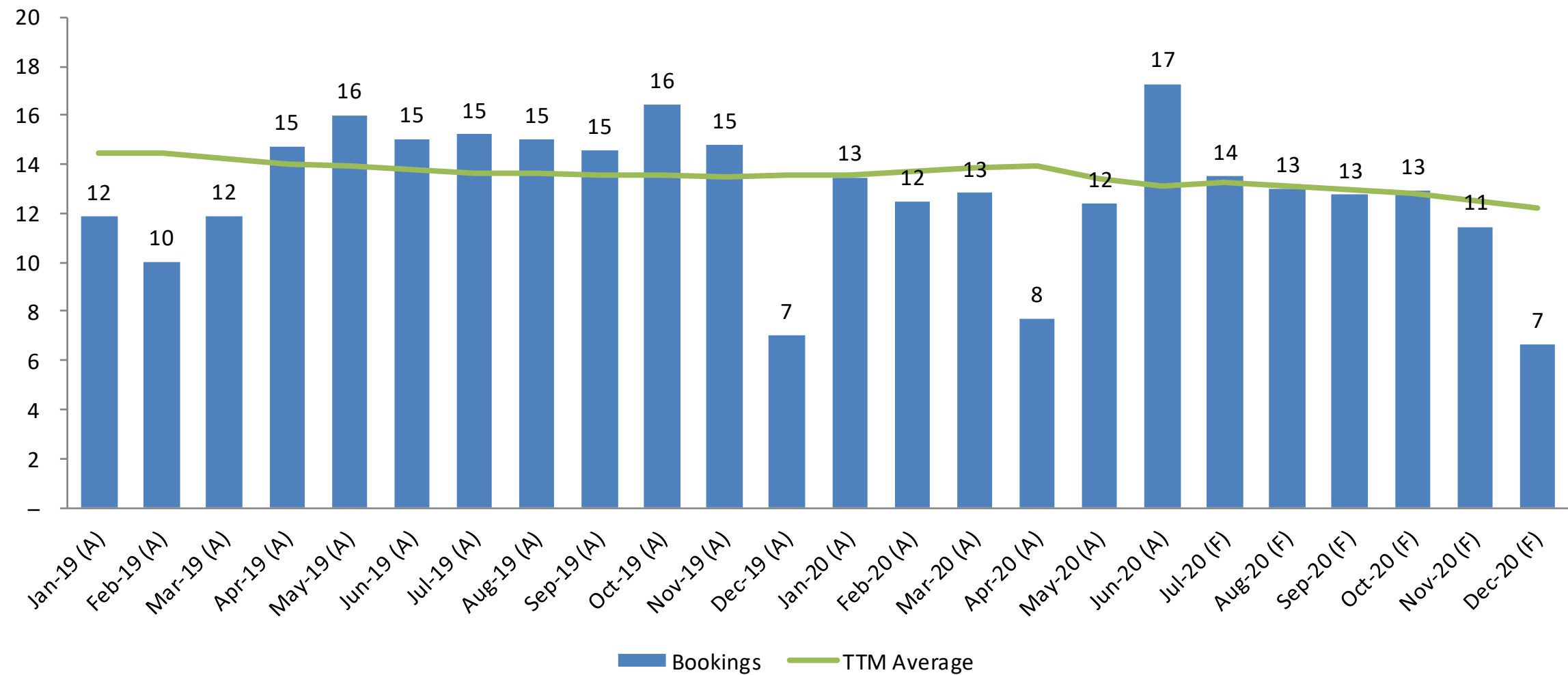
\$'000	YTD		Variance	
	CY	PY	\$	%
<b><u>Current Assets</u></b>				
Cash and cash equivalents	\$ 3	\$ 3	\$ (0)	(7.1%)
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	13,857	15,793	(1,935)	(12.3%)
<i>Accounts receivable, reserves</i>	(596)	(479)	(117)	24.4%
Accounts receivable, net	13,261	15,313	(2,052)	(13.4%)
<i>Inventory, gross</i>	23,942	34,675	(10,733)	(31.0%)
<i>Inventory, reserves</i>	(1,616)	(1,789)	172	(9.6%)
Inventory, net	22,326	32,887	(10,561)	(32.1%)
Prepaid expenses and other current assets	4,129	4,279	(151)	(3.5%)
Other current assets	1,101	830	270	32.6%
<b>Total Current Assets</b>	<b>40,819</b>	<b>53,312</b>	<b>(12,493)</b>	<b>(23.4%)</b>
<b><u>Non-Current Assets</u></b>				
<i>Property, plant &amp; equipment, gross</i>	72,871	69,761	3,110	4.5%
<i>Accumulated depreciation</i>	(31,114)	(22,479)	(8,635)	38.4%
Property, plant & equipment, net	41,757	47,282	(5,525)	(11.7%)
Deferred financing cost	307	479	(172)	(36.0%)
Deferred tax asset	4,502	2,973	1,528	51.4%
Other non-current assets	2,824	2,800	24	0.9%
<b>Total Non-Current Assets</b>	<b>49,390</b>	<b>53,535</b>	<b>(4,145)</b>	<b>(7.7%)</b>
<b>Total Assets</b>	<b>\$ 90,209</b>	<b>\$ 106,848</b>	<b>\$ (16,639)</b>	<b>(15.6%)</b>
<b><u>Current Liabilities</u></b>				
Bank Debt	\$ 7,345	\$ 17,818	\$ (10,474)	(58.8%)
Current Portion - Long Term Debt	1,626	1,683	(56)	(3.3%)
Accounts payable	17,797	15,487	2,310	14.9%
Accrued liabilities	2,993	3,864	(870)	(22.5%)
Accrued compensation	3,132	3,931	(799)	(20.3%)
Income taxes payable	(170)	(118)	(51)	43.5%
Contingent consideration	–	1,301	(1,301)	(100.0%)
Other current liabilities	69	125	(56)	(44.7%)
<b>Total Current Liabilities</b>	<b>32,792</b>	<b>44,090</b>	<b>(11,298)</b>	<b>(25.6%)</b>
<b><u>Long-term liabilities</u></b>				
Long-term debt less current maturities	9,555	11,587	(2,032)	(17.5%)
Deferred income taxes	10,361	9,775	586	6.0%
Other non-current liabilities	1,599	1,597	2	0.2%
<b>Total Long-Term Liabilities</b>	<b>21,515</b>	<b>22,959</b>	<b>(1,444)</b>	<b>(6.3%)</b>
<b>Total Liabilities</b>	<b>54,308</b>	<b>67,049</b>	<b>(12,742)</b>	<b>(19.0%)</b>
<b>Commitments and contingencies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>N/A</b>
<b><u>Shareholders' Equity</u></b>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	24,415	28,033	(3,618)	(12.9%)
Accumulated other comprehensive income	(1,124)	(845)	(279)	33.0%
<b>Total Shareholders' Equity</b>	<b>35,901</b>	<b>39,798</b>	<b>(3,897)</b>	<b>(9.8%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 90,209</b>	<b>\$ 106,848</b>	<b>\$ (16,639)</b>	<b>(15.6%)</b>

# Monthly Cash Flow

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	FY	FY	Var		PY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>Cash flow from operations</b>																			
Net Income (Loss)	\$ (1,509)	\$ (1,003)	\$ (1,834)	\$ (890)	\$ (225)	\$ 1,779	\$ 187	\$ (185)	\$ (899)	\$ (403)	\$ (970)	\$ (1,183)	\$ (7,134)	\$ (3,497)	\$ (3,637)	104.0%	\$ (1,971)	\$ (5,163)	262.0%
Depreciation, amortization and other	814	805	788	751	745	754	795	803	810	804	810	818	9,497	9,739	(242)	(2.5%)	9,017	480	5.3%
Non-cash loss/expense (gain)	408	153	(6)	(248)	(97)	(115)	2,245	153	(487)	400	113	28	2,548	(826)	3,375	(408.4%)	(215)	2,763	(1284.5%)
Deferred income tax	(325)	(57)	460	77	43	38	(1,024)	–	–	(85)	–	–	(874)	(1,117)	243	(21.8%)	1,217	(2,091)	(171.8%)
<b>Change in operating assets and liabilities:</b>																N/A			
Accounts receivable	(1,978)	(365)	(814)	2,265	(20)	(3,664)	(1,855)	365	328	(283)	1,703	2,533	(1,785)	(1,035)	(750)	72.5%	(91)	(1,694)	1864.7%
Inventory	(259)	(210)	400	1,794	3,034	2,313	(526)	(850)	(422)	407	(451)	(355)	4,874	(2,106)	6,979	(331.4%)	912	3,961	434.3%
Prepaid expenses and other current assets	94	31	(306)	279	(214)	(1,059)	283	338	(134)	(108)	174	1,194	573	264	309	117.0%	(214)	787	(368.6%)
Accounts payable	(661)	1,589	4,996	3,115	(2,516)	(1,401)	(930)	(428)	(740)	(158)	(446)	(1,911)	510	711	(201)	(28.3%)	(35)	546	(1541.8%)
Accrued expenses	1,162	(141)	105	(202)	695	(252)	(64)	415	246	(140)	(296)	(610)	918	1,430	(512)	(35.8%)	(1,106)	2,024	(183.0%)
Accrued income taxes	–	68	(65)	(12)	(53)	180	732	94	49	111	27	(199)	931	931	–	0.0%	(41)	972	(2357.2%)
Other changes in operating assets and liabilities	(4)	(7)	(5)	(11)	(13)	(1)	84	(0)	(1)	(3)	–	–	37	45	(7)	(16.3%)	(1,287)	1,324	(102.9%)
Other cash flow from operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
<b>Total Cash Flow from Operations</b>	<b>\$ (2,258)</b>	<b>\$ 864</b>	<b>\$ 3,720</b>	<b>\$ 6,918</b>	<b>\$ 1,380</b>	<b>\$ (1,429)</b>	<b>\$ (72)</b>	<b>\$ 703</b>	<b>\$ (1,251)</b>	<b>\$ 541</b>	<b>\$ 665</b>	<b>\$ 316</b>	<b>\$ 10,096</b>	<b>\$ 4,539</b>	<b>\$ 5,557</b>	<b>122.4%</b>	<b>\$ 6,187</b>	<b>\$ 3,910</b>	<b>63.2%</b>
<b>Cash flow from investing</b>																			
Additions to property, plant and equipment	\$ (228)	\$ (219)	\$ (237)	\$ (116)	\$ (233)	\$ (241)	\$ (341)	\$ (339)	\$ (338)	\$ (339)	\$ (338)	\$ (331)	\$ (3,300)	\$ (6,501)	\$ 3,201	(49.2%)	\$ (6,807)	\$ 3,507	(51.5%)
Earnout payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Other cash flow from investing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
<b>Total Cash Flow from Investing</b>	<b>\$ (228)</b>	<b>\$ (219)</b>	<b>\$ (237)</b>	<b>\$ (116)</b>	<b>\$ (233)</b>	<b>\$ (241)</b>	<b>\$ (341)</b>	<b>\$ (339)</b>	<b>\$ (338)</b>	<b>\$ (339)</b>	<b>\$ (338)</b>	<b>\$ (331)</b>	<b>\$ (3,300)</b>	<b>\$ (6,501)</b>	<b>\$ 3,201</b>	<b>(49.2%)</b>	<b>\$ (6,807)</b>	<b>\$ 3,507</b>	<b>(51.5%)</b>
<b>Cash flow from financing</b>																			
Proceeds from the issuance (repayment) of short-term debt	\$ 2,626	\$ (507)	\$ (3,351)	\$ (6,669)	\$ (1,013)	\$ 1,805	\$ 548	\$ (229)	\$ 1,724	\$ (69)	\$ (193)	\$ 147	\$ (5,180)	\$ 3,623	\$ (8,803)	(243.0%)	\$ 4,230	\$ (9,410)	(222.5%)
Proceeds from the issuance of debt	(0)	(0)	(0)	(0)	0	0	(0)	0	0	0	0	0	(0)	–	(0)	N/A	(0)	0	(99.8%)
Repayment of debt	(140)	(138)	(132)	(133)	(135)	(136)	(135)	(135)	(135)	(133)	(133)	(133)	(1,617)	(1,662)	45	(2.7%)	(1,665)	48	(2.9%)
Common stock cash dividends paid	–	–	–	–	–	–	(0)	–	–	–	–	–	(0)	–	(0)	N/A	–	(0)	N/A
Other cash flow from financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
<b>Total Cash Flow from Financing</b>	<b>\$ 2,486</b>	<b>\$ (645)</b>	<b>\$ (3,483)</b>	<b>\$ (6,802)</b>	<b>\$ (1,147)</b>	<b>\$ 1,670</b>	<b>\$ 413</b>	<b>\$ (364)</b>	<b>\$ 1,589</b>	<b>\$ (202)</b>	<b>\$ (326)</b>	<b>\$ 15</b>	<b>\$ (6,797)</b>	<b>\$ 1,961</b>	<b>\$ (8,758)</b>	<b>(446.5%)</b>	<b>\$ 2,565</b>	<b>\$ (9,362)</b>	<b>(365.0%)</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>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>N/A</b>	<b>\$ –</b>	<b>\$ -</b>	<b>N/A</b>
<b>Net change in cash</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>19.2%</b>	<b>\$ 1,944</b>	<b>\$ (1,944)</b>	<b>(100.0%)</b>
Beginning cash	3	3	3	3	3	3	3	2	2	2	2	3	3	3	0	0.0%	0	\$ 3	815681.2%
Change in cash	(0)	(0)	(0)	0	0	0	(0)	0	(0)	(0)	0	0	(0)	(0)	(0)	19.2%	1,944	\$ (1,944)	(100.0%)
<b>Ending cash</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ (0)</b>	<b>(2.2%)</b>	<b>\$ 1,944</b>	<b>\$ (1,941)</b>	<b>(99.9%)</b>

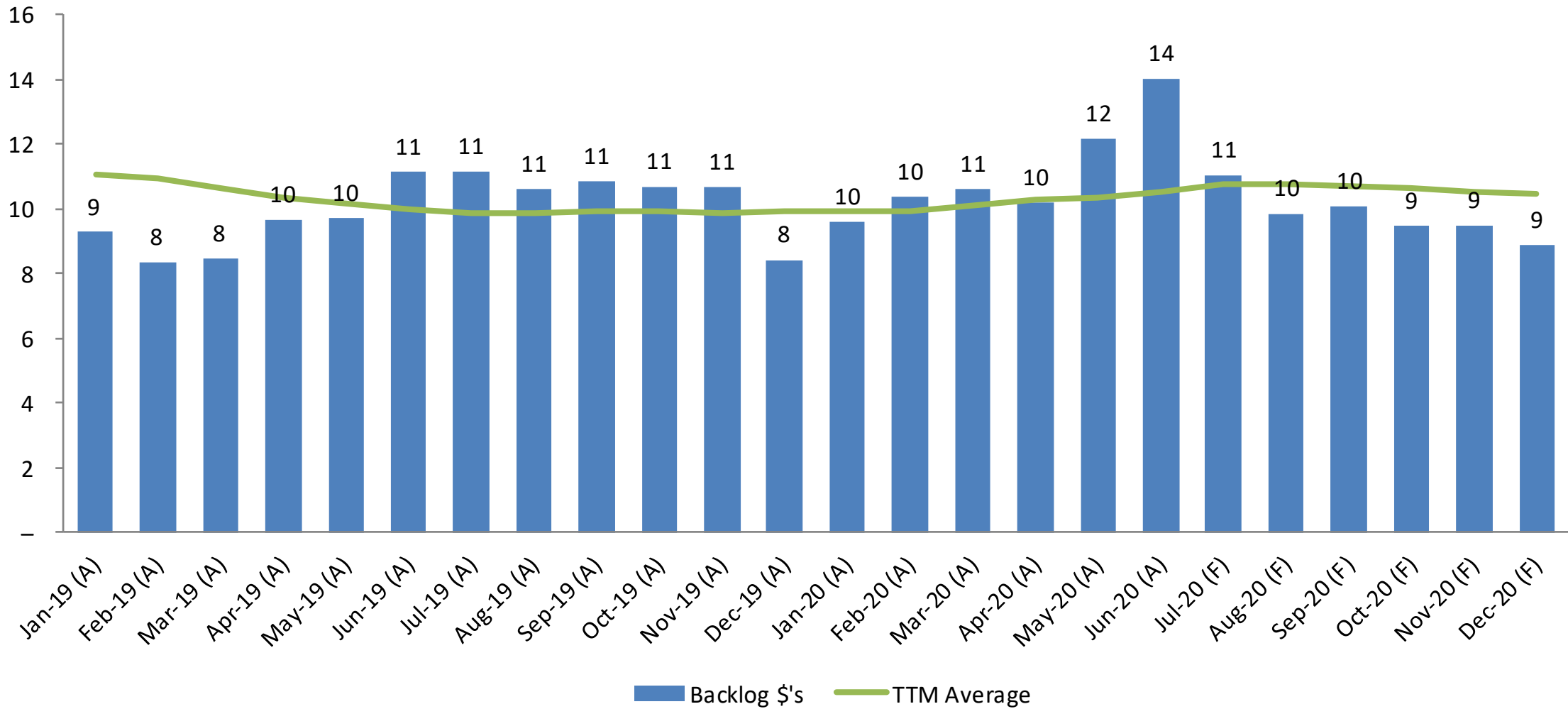
# Trended Monthly Bookings

\$ in millions



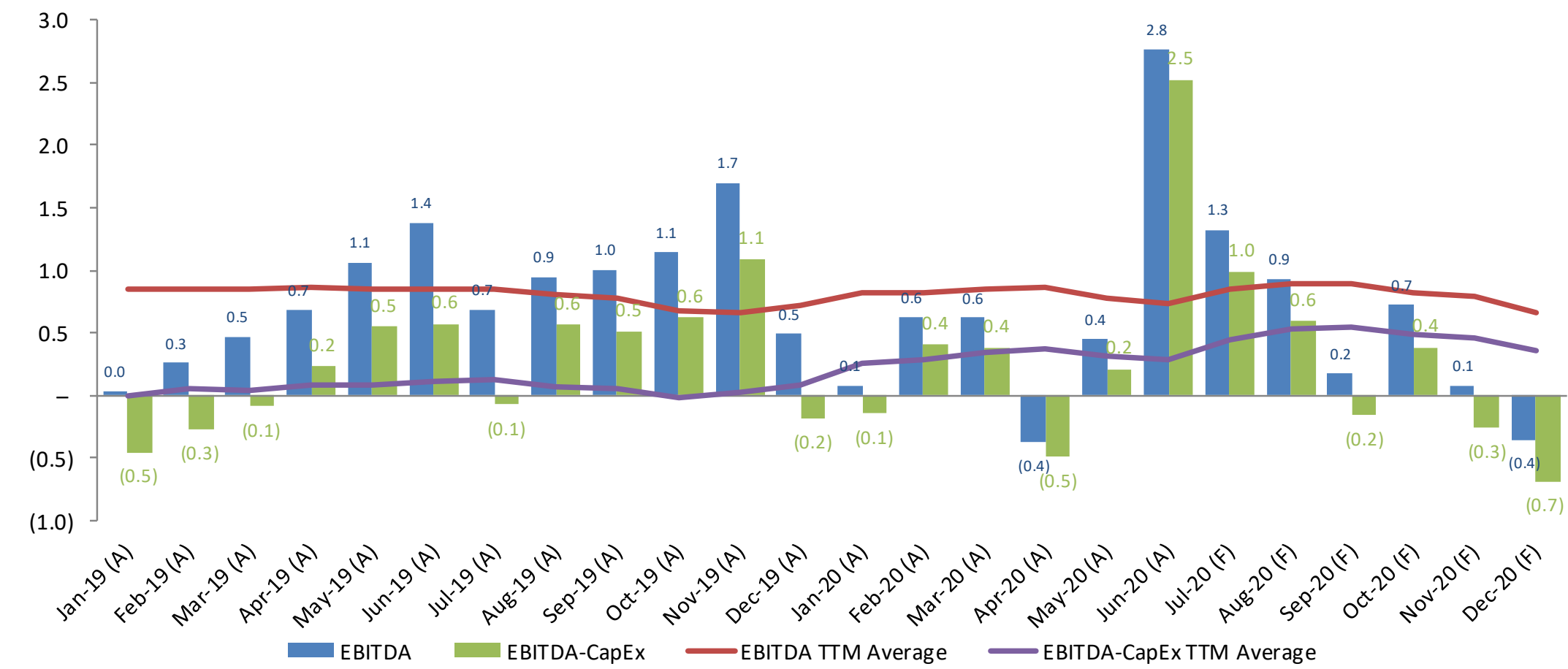
# Trended Monthly Backlog

\$ in millions



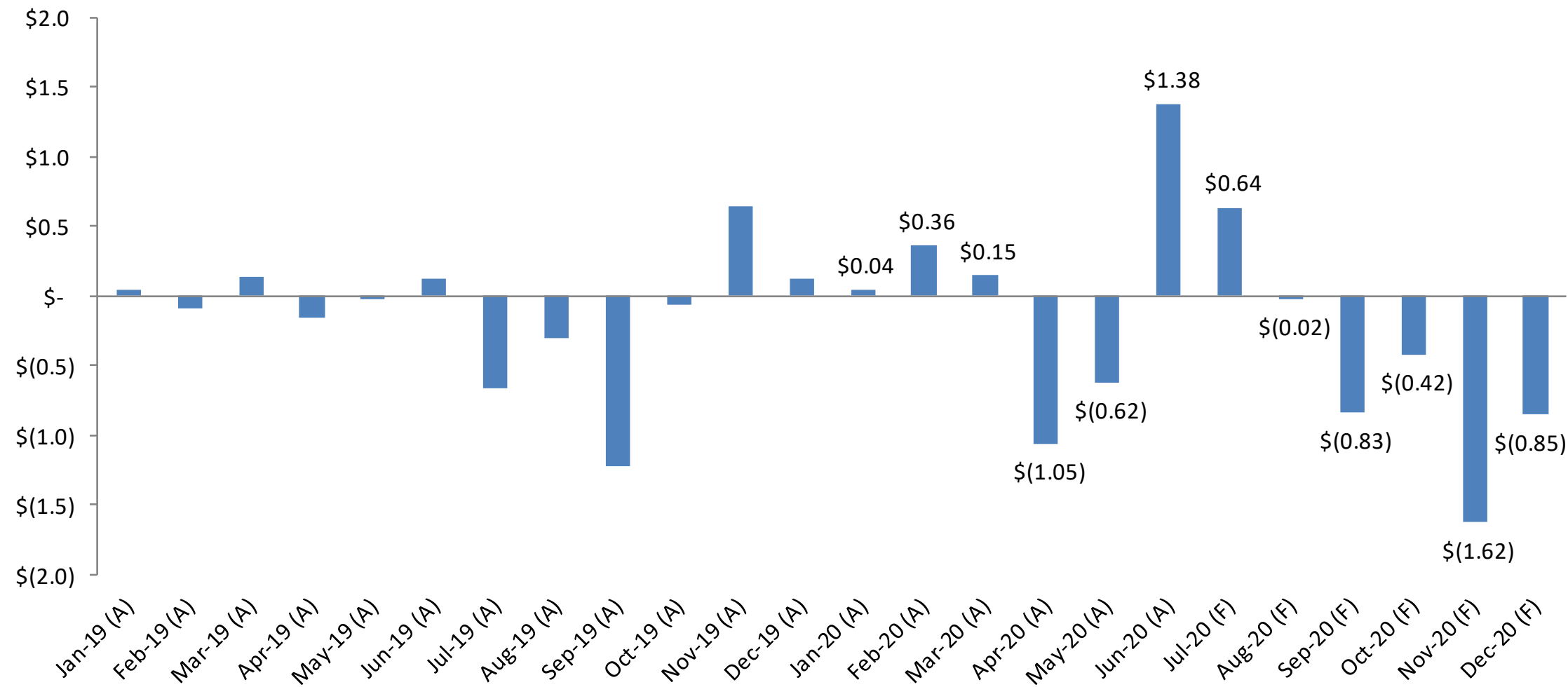
# EBITDA and EBITDA-CapEx

\$ in millions

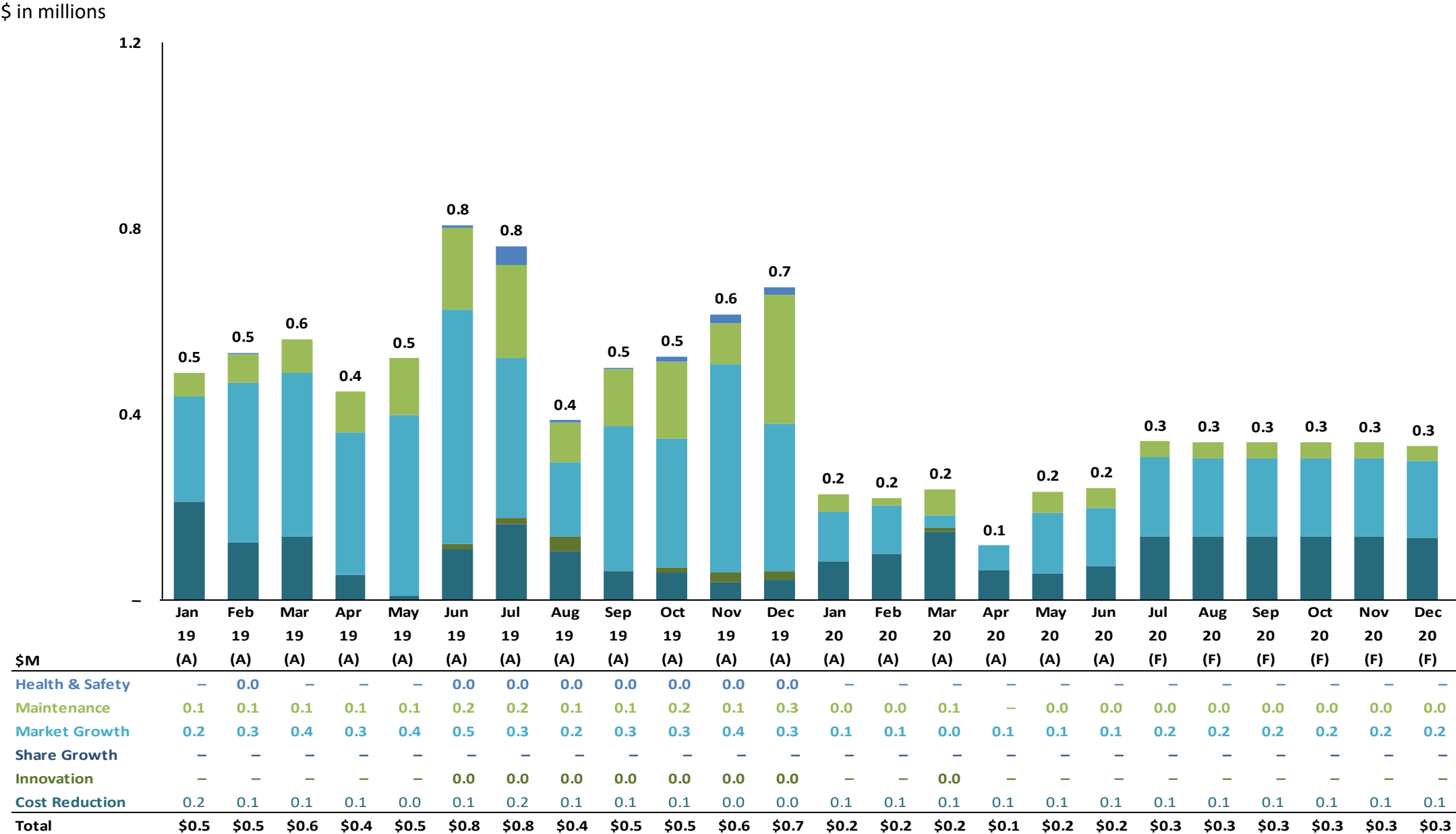


# Y-o-Y \$ EBITDA Change

\$ in millions



# Capital Expenditures



# Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2020 January (A)	311	154	81	34	11	22	59	–	672	65	737	735	2
2020 February (A)	309	155	82	34	11	25	58	–	674	60	734	735	(1)
2020 March (A)	221	121	57	33	7	18	51	–	508	45	553	745	(192)
2020 April (A)	183	73	49	30	3	14	46	–	398	10	408	778	(370)
2020 May (A)	239	97	73	30	6	19	52	–	516	24	540	787	(247)
2020 June (A)	280	118	73	31	10	23	55	–	590	71	661	780	(119)
2020 July (F)	312	126	78	36	11	25	60	–	648	79	727	783	(57)
2020 August (F)	312	126	81	36	10	25	60	–	650	71	721	780	(60)
2020 September (F)	312	126	81	36	10	25	60	–	650	69	719	777	(59)
2020 October (F)	307	126	81	35	10	25	61	–	645	80	725	775	(51)
2020 November (F)	298	126	81	35	10	25	61	–	636	66	702	750	(49)
2020 December (F)	288	121	81	34	10	25	61	–	620	17	637	735	(99)
<b>Final Headcount</b>	<b>288</b>	<b>121</b>	<b>81</b>	<b>34</b>	<b>10</b>	<b>25</b>	<b>61</b>	–	<b>620</b>	<b>17</b>	<b>637</b>	<b>735</b>	<b>(99)</b>

## Management Discussion

- Return to work for many staff in June after being laid off in April. In addition to hiring of temps as plants increase production.



# Headcount Hires and Attrition

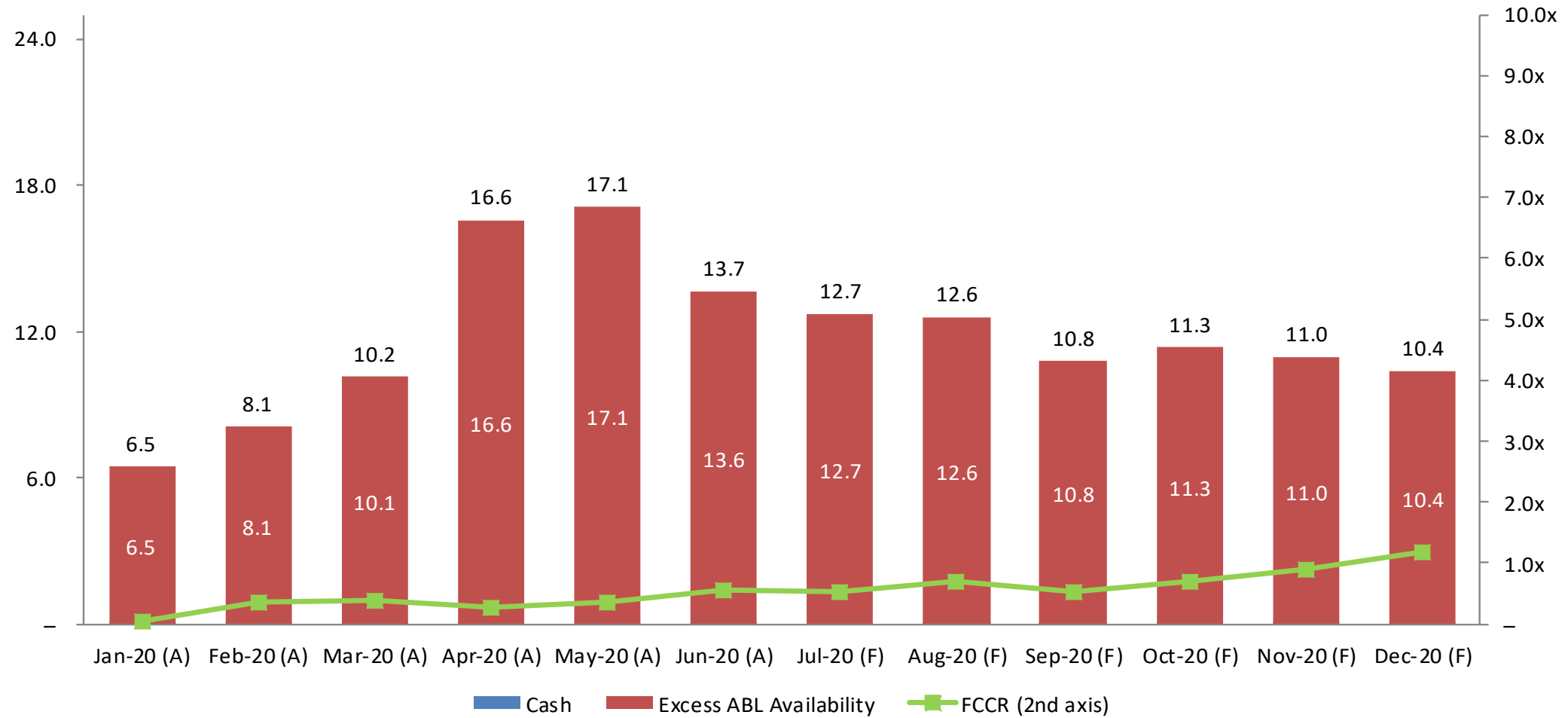
Functional Area	Start of Quarter	Hires	Transfers	Involuntary		QTD	Bud Headcount	Difference to Bud
				Term	Voluntary Term			
Direct Labor	221	4	71	(8)	(8)	280	349	69
Indirect Labor - Hourly	121	1	(2)	(1)	(1)	118	153	35
Indirect Labor - Salary	57	–	16	–	–	73	83	10
Delivery & Dist.	33	–	(1)	(1)	–	31	37	6
Research & Development	7	–	3	–	–	10	11	1
Sales & Marketing	18	–	6	–	(1)	23	25	2
Administrative	51	2	6	(1)	(2)	55	63	8
Other	-	–	–	–	–	-	-	-
Agency FTE & Temps	45	66	(35)	(6)	–	71	59	(12)
<b>Total</b>	<b>553</b>	<b>73</b>	<b>64</b>	<b>(17)</b>	<b>(12)</b>	<b>661</b>	<b>780</b>	<b>119</b>

## Management Discussion

- Woodbridge – Hiring of temps and return to work for some staff
- Concord – called back 30 people
- Delmont – Termination of underperforming employees, layoff and reduction of temps
- Laval- Return to work for many staff for production catchup including hiring of temp. Hiring of staff to replace retiring payroll admin
- Terrebonne – called back staff and hired temps
- Corporate – Return to work for admin, Designing and IT staff. Termination of Charlie Irwin

# Liquidity Forecast

\$ in millions



**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

**Woodbridge**

**Laval**

**Delmont**

**Everett**

**Terrebonne**

**Concord**

**Corporate**

**Plant Capacity Utilization**

# Woodbridge Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	4,368	8,512	(4,144)	(48.7%)	11,997	16,203	(4,206)	(26.0%)
Units Shipped ('000)	6,339	8,393	(2,054)	(24.5%)	13,280	14,871	(1,591)	(10.7%)
Bookings (\$'000)	\$ 9,519	\$ 10,916	\$ (1,397)	(12.8%)	\$ 18,421	\$ 18,693	\$ (272)	(1.5%)
Backlog (\$'000)	\$ 3,103	\$ 2,130	\$ 973	45.7%	\$ 3,103	\$ 2,130	\$ 973	45.7%
Gross Revenue	\$ 8,911	\$ 11,694	\$ (2,783)	(23.8%)	\$ 18,688	\$ 20,512	\$ (1,824)	(8.9%)
Adj. to Gross Revenue	(401)	(654)	253	(38.6%)	(922)	(1,086)	164	(15.1%)
Net Revenue	8,509	11,040	(2,531)	(22.9%)	17,766	19,426	(1,660)	(8.5%)
Material	5,792	6,994	(1,202)	(17.2%)	11,741	12,510	(770)	(6.2%)
Labor	1,046	2,469	(1,423)	(57.6%)	3,403	4,793	(1,390)	(29.0%)
Other COGS	1,362	514	847	164.7%	1,876	617	1,259	204.1%
Total COGS	8,200	9,977	(1,777)	(17.8%)	17,020	17,921	(901)	(5.0%)
Gross Margin	309	1,063	(753)	(70.9%)	747	1,505	(759)	(50.4%)
Gross Margin %	3.6%	9.6%			4.2%	7.7%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	31	58	(27)	(46.4%)	102	114	(11)	(10.1%)
Administrative	875	962	(87)	(9.0%)	1,854	1,919	(65)	(3.4%)
Other Opex	20	(34)	54	(157.5%)	(160)	(51)	(109)	211.8%
Total Opex	926	985	(59)	(6.0%)	1,796	1,981	(185)	(9.3%)
EBITDA	(617)	77	(694)	(898.5%)	(1,049)	(476)	(574)	120.7%
EBITDA %	(7.2%)	0.7%			(5.9%)	(2.4%)		
Net Income (Loss)	\$ (1,299)	\$ (636)	\$ (663)	104.3%	\$ (2,479)	\$ (1,902)	\$ (577)	30.3%
Capex	\$ (149)	\$ (734)	\$ 585	(79.8%)	\$ (394)	\$ (1,335)	\$ 941	(70.5%)
<b>Opex Overview:</b>								
Payroll	\$ 100	\$ 175	\$ (75)	(42.7%)	\$ 259	\$ 346	\$ (88)	(25.3%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	15	20	(4)	(22.7%)	50	39	11	28.9%
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	3	2	1	30.4%	6	4	3	67.4%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	10	10	(0)	(4.8%)	20	18	1	8.1%
Professional fees	8	3	6	215.2%	47	5	42	923.4%
Utilities, repair, maintenance, anc	2	8	(6)	(76.3%)	9	15	(7)	(42.1%)
Corporate OH Fees	770	802	(31)	(3.9%)	1,568	1,603	(36)	(2.2%)
Bad Debts	(2)	(1)	(1)	140.2%	(3)	(2)	(1)	46.0%
FX	62	—	62	N/A	(65)	—	(65)	N/A
JV Loss (Income)	(42)	(34)	(8)	22.8%	(95)	(51)	(44)	85.2%
Other Expenses	0	2	(2)	(92.3%)	0	3	(3)	(95.6%)
Total Opex	\$ 926	\$ 985	\$ (59)	(6.0%)	\$ 1,796	\$ 1,981	\$ (185)	(9.3%)

## Management Discussion

### Net Revenue – Q2-20: (\$2,531K):

- Sales volume down 24.5% or \$576k due to significant drop in demand across majority of the customers.
- Favorable rebates/accruals \$98k driven by rebate accrual true up for the 2019/2020 Platinum/Fenestra program and lower sales volume in addition to lower discounts driven by customer delays in payments
- Increase in returns \$5k primarily from Ostaco (weatherstrip dents) offset by lower sales volume
- Favorable product/customer mix of \$395k mainly driven by regrind sales, sales to Quaker and Windsor; offset by sales to JV
- Unfavorable F/X of \$316k (actual rate of 1.3859 [or \$USD 0.7216] vs. 1.33 [or \$USD 0.7519])

### EBITDA – Q2-20: (\$694K):

- Material COGS:** Decreased costs by \$1,202k primarily driven by decreased sales volume \$1,712k, and decrease in LCM inventory reserves of \$69k (sale of product and lower volume); offset by unfavorable product mix \$323k (regrind sales impacting \$/lb), unfavorable yield/MUV by \$137k due to lower yield (actual 87.18% vs budget 88.2%), lower regrind usage and higher scrap and unfavorable PPV by \$35k, higher finished goods scrap by \$59k (JV dies V796/797 and Ostaco weatherstrip dents) and unfavorable cycle count adjustment \$26k.
- Labor COGS:** Decreased costs by \$1,423k. Headcount down significantly due to production slowdown and interruptions due to Covid 19 in addition to wage subsidy received in the months of May and June of \$393k.
- Other COGS:** Increased costs by \$847k driven by lower absorption \$864k and lower T&D recovery \$306k (less tools being cut driven by Covid-19). Offset by lower utilities \$147k, lower maintenance by \$37k (lower production volume), lower freight by \$95k (lower volume), lower warehouse expenses \$59k (exited disco warehouse).
- Sales and Marketing:** Decreased \$27k driven by lower wages (layoffs) and wage subsidy and no royalty for Fenestra Sill program.
- Administrative:** Decreased costs by \$87k primarily driven by lower wages and wage subsidy.
- Other Opex:** Increase in costs by \$54k due to unfavorable F/X revaluation of working capital balances by \$62k offset by equity income from JV by \$8K (Income of \$42k vs budgeted income of \$34k)

# Key Customers – Gross Sales and Gross Margin %: Woodbridge

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
Royal Vinylbilt Limited	\$ 1,953	\$ 2,475	\$ (522)	(21.1%)	\$ 2,458	\$ (505)	(20.5%)	\$ 4,180	\$ 4,811	\$ (631)	(13.1%)	\$ 4,800	\$ (620)	(12.9%)	(3.3%)	13.0%	(1,631)	(125.5%)	10.4%	(1,372)	(131.8%)	(3.8%)	13.0%	(1,682)	(129.4%)	10.4%	(1,423)	(136.7%)
Quaker Window Products	1,469	1,700	(230)	(13.6%)	1,518	(49)	(3.2%)	3,049	2,974	75	2.5%	2,666	383	14.4%	10.3%	10.2%	6	0.6%	11.0%	(71)	(6.5%)	7.8%	10.2%	(241)	(23.7%)	10.9%	(311)	(28.5%)
Vinyl-Pro Window Systems Inc	519	1,061	(541)	(51.1%)	1,031	(512)	(49.6%)	937	1,506	(569)	(37.8%)	1,470	(533)	(36.2%)	2.7%	7.8%	(510)	(65.4%)	8.2%	(548)	(67.0%)	(1.5%)	7.8%	(931)	(119.4%)	8.2%	(969)	(118.5%)
All Weather Windows Ltd.	565	1,094	(529)	(48.3%)	870	(305)	(35.0%)	1,110	2,018	(908)	(45.0%)	1,548	(438)	(28.3%)	3.8%	19.0%	(1,517)	(79.9%)	17.5%	(1,368)	(78.1%)	7.0%	19.0%	(1,201)	(63.2%)	18.6%	(1,158)	(62.4%)
Windsor Window Co OEM	1,113	1,237	(124)	(10.0%)	1,216	(103)	(8.5%)	2,328	2,104	224	10.6%	2,046	281	13.8%	17.6%	22.5%	(488)	(21.7%)	21.6%	(393)	(18.2%)	19.4%	22.5%	(314)	(14.0%)	21.0%	(168)	(8.0%)
Dashwood Industries Inc	509	614	(105)	(17.1%)	585	(76)	(13.0%)	1,105	999	106	10.6%	957	147	15.4%	11.6%	16.0%	(440)	(27.5%)	17.8%	(623)	(34.9%)	11.7%	16.0%	(431)	(26.9%)	17.8%	(614)	(34.4%)
Energi Terrebonne	222	591	(369)	(62.5%)	412	(190)	(46.1%)	588	1,147	(559)	(48.7%)	803	(215)	(26.7%)	(17.1%)	(2.0%)	(1,505)	752.6%	(6.6%)	(1,050)	160.1%	(16.6%)	(2.0%)	(1,458)	729.2%	(6.4%)	(1,021)	160.1%
Vinylbilt Windows & Doors Corp	388	410	(22)	(5.5%)	578	(190)	(32.9%)	764	673	91	13.5%	954	(190)	(19.9%)	(20.4%)	(15.0%)	(537)	35.8%	(17.5%)	(283)	16.1%	(22.9%)	(15.0%)	(795)	53.0%	(17.5%)	(544)	31.1%
Allsco Windows & Doors Corp	332	518	(186)	(36.0%)	457	(126)	(27.5%)	597	831	(234)	(28.1%)	734	(137)	(18.7%)	(17.8%)	(15.0%)	(284)	19.0%	(17.6%)	(24)	1.4%	(22.7%)	(15.0%)	(771)	51.4%	(17.6%)	(507)	28.7%
PGT Industries Inc	273	271	1	0.5%	271	2	0.7%	711	574	137	23.9%	575	135	23.5%	24.6%	5.0%	1,959	391.8%	5.0%	1,959	391.8%	31.1%	5.0%	2,613	522.5%	5.0%	2,613	522.5%
Ostaco 2000 Windoors Inc.	208	217	(9)	(4.0%)	282	(75)	(26.4%)	404	422	(18)	(4.2%)	549	(145)	(26.4%)	8.5%	5.0%	351	70.3%	13.8%	(533)	(38.5%)	(1.1%)	5.0%	(612)	(122.3%)	9.3%	(1,044)	(112.0%)
Oran Ltd. ( Barbados)	114	221	(108)	(48.6%)	223	(110)	(49.1%)	206	221	(15)	(6.9%)	223	(17)	(7.8%)	9.2%	8.0%	117	14.6%	8.0%	117	14.6%	15.5%	8.0%	748	93.5%	8.0%	748	93.5%
Centennial Windows Ltd	43	149	(106)	(70.9%)	173	(129)	(74.9%)	151	226	(74)	(32.9%)	263	(112)	(42.5%)	23.1%	33.0%	(989)	(30.0%)	39.6%	(1,645)	(41.6%)	27.5%	33.0%	(550)	(16.7%)	39.6%	(1,206)	(30.5%)
Seymour Windows Ltd	113	121	(8)	(6.6%)	193	(79)	(41.1%)	259	199	60	30.0%	317	(58)	(18.4%)	9.2%	19.6%	(1,040)	(53.1%)	19.6%	(1,040)	(53.1%)	7.0%	19.6%	(1,261)	(64.4%)	19.6%	(1,261)	(64.4%)
Kohltech International Ltd	66	55	12	21.5%	(1)	67	(5818.5%)	206	128	78	60.6%	41	165	397.9%	(3.7%)	10.0%	(1,374)	(137.4%)	10.0%	(1,374)	(137.4%)	(0.2%)	10.0%	(1,021)	(102.1%)	10.0%	(1,021)	(102.1%)
Mason Windows Ltd	96	83	13	15.6%	95	1	1.5%	151	170	(19)	(11.2%)	192	(40)	(21.1%)	(3.7%)	8.0%	(1,173)	(146.6%)	7.2%	(1,097)	(151.5%)	(3.7%)	8.0%	(1,170)	(146.3%)	7.4%	(1,112)	(149.9%)
Integral Windows Systems	52	92	(39)	(43.0%)	99	(47)	(47.3%)	123	146	(23)	(15.8%)	158	(35)	(22.3%)	14.1%	8.0%	608	76.0%	8.0%	608	76.0%	4.3%	8.0%	(374)	(46.7%)	7.3%	(308)	(41.9%)
Marlboro Windows	59	93	(34)	(36.2%)	85	(26)	(30.3%)	92	177	(85)	(48.0%)	162	(70)	(43.3%)	29.8%	6.0%	2,379	396.4%	6.0%	2,379	396.4%	20.5%	6.0%	1,449	241.6%	6.0%	1,449	241.6%
Hunter Douglas - Colorado - Ship T	38	–	38	N/A	–	38	N/A	63	–	63	N/A	–	63	N/A	47.9%	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!	64.0%	#DIV/0! –	#DIV/0!	#DIV/0!	NA	#DIV/0!		
Great Lakes Window Inc	49	36	13	36.7%	40	9	23.4%	58	98	(40)	(40.6%)	109	(50)	(46.2%)	31.5%	8.0%	2,352	294.0%	8.0%	2,352	294.0%	14.3%	8.0%	629	78.6%	8.0%	629	78.6%
Other	729	658	71	10.9%	1,082	(353)	(32.6%)	1,605	1,087	518	47.7%	2,303	(698)	(30.3%)	(8.2%)	(13.9%)	570	(41.0%)	(21.1%)	1,292	(61.1%)	4.7%	(95.3%)	9,996	(104.9%)	(23.9%)	2,857	(119.7%)
Total Gross	\$ 8,911	\$ 11,694	\$ (2,783)	(23.8%)	\$ 11,665	\$ (2,754)	(23.6%)	\$ 18,688	\$ 20,512	\$ (1,824)	(8.9%)	\$ 20,872	\$ (2,184)	(10.5%)	3.5%	9.1%	(562)	(61.8%)	6.7%	(328)	(48.6%)	11.0%	8.2%	277	33.7%	4.1%	686	166.5%

## Management Discussion

- Low demand from all customers due to slow business and shutdowns as a result of Covid 19
- Royal Vinylbilt, Vinyl Pro, Windsor and All Weather being major contributors to the miss vs budget.

# Key Performance Indicators - Woodbridge

ENERGI Woodbridge KPI Report	2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<b>Health &amp; Safety</b>								
<i>Recordable Incidents</i>	0	0	0	0	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.49	0.49	0.50	0.52	0	0	0
<b>Quality Performance</b>								
<i>Customer Complaints - per MLBS</i>	3.2	4.0	5.4	3.8	3.9	9.4	3.4	5.0
<i>Return as % of sales</i>	0.41%	0.38%	0.72%	0.42%	0.62%	0.67%	0.27%	0.48%
<b>Delivery Performance</b>								
<i>% on time in full</i>	98.06%	98.86%	99.28%	98.3%	93.63%	87.06%		95.43%
<i>% by line items</i>	98.06%	98.86%	99.28%	98.3%	93.63%	87.06%	72.14%	91.54%
<b>Costs</b>								
<i>Yield</i>	88.0%	85.64%	85.38%	87%	84.13%	86.08%	87.18%	86.18%
<i>Alt/Regrind Compound Consumption Ratio</i>	20.0%	20.04%	16.04%	22%	12.45%	17.80%	12.27%	17.54%
<i>Direct Labour \$/lb produced</i>	\$0.180	\$ 0.183	\$ 0.200	\$ 0.166	\$ 0.287	\$ 0.102	\$ 0.106	\$ 0.161
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.218	\$ 0.231	\$ 0.256	\$ 0.215	\$ 0.729	\$ 0.184	\$ 0.116	\$ 0.223
<b>Inventory</b>								
<i>Days - TTM (Trailing 12 Months)</i>	77.8	70	69	68	69	70	67	70

## Comments

**Quality:** 3 Ostaco claims, 2 of which will likely go back in stock after discussion with Ostaco - should not have been returned

**Delivery:** Demand strong and shipped out of inventory for Spring - continue short runs and considerable skew toward make to order with inventory dwindling

**Costs:** Yield: Many short runs and runs cut short due to strong demand coupled with reduced inventory - much lower yield in Quadrant 1 due to tool conditions on V797, V796 and X0795 (replacement tools cut and ready to be tested)

Alt/Regrind: Some shortages of available regrind with less grinding staff - recalled staff to full capacity

# Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	24,946	31,879	(6,933)	(21.7%)	31,325	(6,379)	(20.4%)
Units Shipped ('000)	26,229	31,414	(5,185)	(16.5%)	30,618	(4,389)	(14.3%)
Bookings (\$'000)	\$ 34,275	\$ 39,734	\$ (5,458)	(13.7%)	\$ 50,018	\$ (15,743)	(31.5%)
Backlog ('\$000)	\$ 1,210	\$ 1,873	\$ (663)	(35.4%)	\$ 3,634	\$ (2,424)	(66.7%)
Gross Revenue	\$ 36,169	\$ 43,492	\$ (7,323)	(16.8%)	\$ 43,467	\$ (7,298)	(16.8%)
Adj. to Gross Revenue	(2,011)	(2,524)	513	(20.3%)	(2,352)	340	(14.5%)
Net Revenue	34,158	40,967	(6,810)	(16.6%)	41,116	(6,958)	(16.9%)
Material	22,204	26,300	(4,095)	(15.6%)	26,670	(4,466)	(16.7%)
Labor	7,438	9,558	(2,120)	(22.2%)	9,592	(2,154)	(22.5%)
Other COGS	3,482	2,123	1,359	64.0%	2,000	1,482	74.1%
Total COGS	33,124	37,980	(4,856)	(12.8%)	38,262	(5,138)	(13.4%)
Gross Margin	1,033	2,987	(1,954)	(65.4%)	2,853	(1,820)	(63.8%)
Gross Margin %	3.0%	7.3%			6.9%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	199	227	(28)	(12.4%)	207	(8)	(3.9%)
Administrative	3,674	3,838	(164)	(4.3%)	3,830	(157)	(4.1%)
Other Opex	(176)	(112)	(63)	56.4%	(105)	(71)	68.1%
Total Opex	3,697	3,953	(256)	(6.5%)	3,933	(236)	(6.0%)
EBITDA	(2,664)	(966)	(1,698)	175.8%	(1,080)	(1,584)	146.7%
EBITDA %	(7.8%)	(2.4%)			(2.6%)		
Net Income (Loss)	\$ (5,567)	\$ (3,819)	\$ (1,748)	45.8%	\$ (3,933)	\$ (1,634)	41.6%
Capex	\$ (394)	\$ (1,365)	\$ 972	(71.2%)	\$ (2,083)	\$ 1,689	(81.1%)
<b>Opex Overview:</b>							
Payroll	\$ 573	\$ 690	\$ (117)	(17.0%)	\$ 642	\$ (69)	(10.7%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	81	78	2	2.9%	66	14	21.9%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	10	8	2	26.4%	17	(7)	(42.7%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	38	38	(0)	(0.8%)	42	(4)	(9.9%)
Professional fees	47	10	37	385.3%	32	15	46.0%
Utilities, repair, maintenance, and security	22	31	(9)	(28.3%)	34	(12)	(34.9%)
Corporate OH Fees	3,106	3,207	(101)	(3.1%)	3,218	(112)	(3.5%)
Bad Debts	(4)	(4)	(1)	15.7%	0	(4)	(1741.9%)
FX	(65)	—	(65)	N/A	41	(106)	(257.7%)
JV Loss (Income)	(111)	(112)	2	(1.5%)	(146)	35	(24.1%)
Other Expenses	0	7	(7)	(97.9%)	(11)	11	(101.3%)
Total Opex	\$ 3,697	\$ 3,953	\$ (256)	(6.5%)	\$ 3,936	\$ (239)	(6.1%)

# Key Customers – Full Year Woodbridge

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%			Fcst	Bud	BPs	%	Act	BPs	%			
<b>Customer:</b>																			
Royal Vinylbilt Limited	\$	7,780	\$	9,647	\$	(1,867)	(19.4%)	\$	9,266	\$	(1,486)	(16.0%)	2.9%	13.0%	(1,012)	(77.9%)	7.9%	(503)	(63.6%)
Quaker Window Products		5,389		6,093		(704)	(11.6%)		5,858		(469)	(8.0%)	9.1%	10.2%	(114)	(11.2%)	8.5%	54	6.3%
Vinyl-Pro Window Systems Inc		2,524		3,609		(1,085)	(30.1%)		3,328		(804)	(24.2%)	4.3%	7.8%	(351)	(45.0%)	17.2%	(1,286)	(75.0%)
All Weather Windows Ltd.		2,589		3,964		(1,374)	(34.7%)		3,090		(501)	(16.2%)	12.7%	19.0%	(628)	(33.1%)	(20.5%)	3,317	(162.2%)
Windsor Window Co OEM		3,797		3,952		(156)	(3.9%)		4,303		(506)	(11.8%)	20.1%	22.5%	(237)	(10.5%)	5.7%	1,446	254.6%
Dashwood Industries Inc		2,317		2,632		(315)	(12.0%)		2,450		(133)	(5.4%)	13.6%	16.0%	(238)	(14.9%)	19.0%	(534)	(28.2%)
Energi Terrebonne		1,461		2,256		(795)	(35.2%)		1,687		(226)	(13.4%)	(8.4%)	(2.0%)	(637)	318.6%	15.3%	(2,371)	(154.6%)
Vinylbilt Windows & Doors Corp		1,735		1,966		(231)	(11.7%)		2,048		(313)	(15.3%)	(18.7%)	(15.0%)	(372)	24.8%	11.3%	(3,006)	(264.9%)
Allsco Windows & Doors Corp		1,268		1,685		(417)	(24.8%)		1,431		(163)	(11.4%)	(18.3%)	(15.0%)	(327)	21.8%	3.9%	(2,221)	(562.6%)
PGT Industries Inc		1,199		1,190		9	0.7%		1,201		(2)	(0.2%)	21.1%	5.0%	1,612	322.4%	(8.8%)	2,990	(340.5%)
Ostaco 2000 Windoors Inc.		934		1,128		(195)	(17.2%)		1,251		(317)	(25.3%)	3.2%	5.0%	(180)	(36.1%)	6.3%	(306)	(48.9%)
Oran Ltd. (Barbados)		418		500		(82)	(16.5%)		448		(31)	(6.9%)	11.2%	8.0%	317	39.7%	13.4%	(223)	(16.7%)
Centennial Windows Ltd		347		489		(142)	(29.1%)		494		(148)	(29.9%)	29.7%	33.0%	(327)	(9.9%)	16.4%	1,337	81.8%
Seymour Windows Ltd		481		489		(7)	(1.5%)		634		(153)	(24.1%)	12.5%	19.6%	(712)	(36.3%)	17.1%	(462)	(27.0%)
Kohltech International Ltd		456		451		5	1.1%		86		370	428.5%	4.3%	10.0%	(573)	(57.3%)	32.2%	(2,795)	(86.7%)
Mason Windows Ltd		294		360		(66)	(18.4%)		368		(74)	(20.2%)	1.1%	8.0%	(686)	(85.7%)	37.1%	(3,592)	(96.9%)
Integral Windows Systems		243		301		(58)	(19.3%)		400		(157)	(39.3%)	7.1%	8.0%	(91)	(11.4%)	8.0%	(91)	(11.4%)
Marlboro Windows		189		301		(111)	(37.0%)		317		(127)	(40.2%)	14.8%	6.0%	880	146.7%	8.0%	680	85.0%
Hunter Douglas - Colorado - Ship T		167		250		(83)	(33.3%)		117		50	42.2%	28.4%	18.0%	1,041	57.8%	8.0%	2,041	255.1%
Great Lakes Window Inc		174		250		(76)	(30.3%)		246		(72)	(29.3%)	13.7%	8.0%	571	71.4%	7.0%	668	94.9%
Other		2,409		1,980		429	21.7%		4,444		(2,035)	(45.8%)	(39.3%)	(127.3%)	8,795	(69.1%)	(20.7%)	(1,865)	90.1%
Total Gross	\$	36,169	\$	43,492	\$	(7,323)	(16.8%)	\$	43,467	\$	(7,298)	(16.8%)	11.8%	6.7%	510	76.3%	6.6%	522	79.5%



# Laval Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	2,754	5,570	(2,816)	(50.6%)	6,883	10,007	(3,124)	(31.2%)
Units Shipped ('000)	3,758	5,701	(1,943)	(34.1%)	7,451	9,305	(1,855)	(19.9%)
Bookings (\$'000)	\$ 7,140	\$ 10,827	\$ (3,687)	(34.1%)	\$ 13,899	\$ 17,970	\$ (4,070)	(22.7%)
Backlog (\$'000)	\$ 3,539	\$ 3,108	\$ 431	13.9%	\$ 3,539	\$ 3,108	\$ 431	13.9%
Gross Revenue	\$ 6,858	\$ 10,256	\$ (3,398)	(33.1%)	\$ 13,635	\$ 16,673	\$ (3,038)	(18.2%)
Adj. to Gross Revenue	(502)	(815)	314	(38.5%)	(1,110)	(1,282)	172	(13.4%)
Net Revenue	6,356	9,441	(3,085)	(32.7%)	12,526	15,392	(2,866)	(18.6%)
Material	2,946	4,379	(1,433)	(32.7%)	5,789	7,187	(1,398)	(19.4%)
Labor	639	1,608	(968)	(60.2%)	1,980	2,993	(1,013)	(33.8%)
Other COGS	615	635	(20)	(3.1%)	935	763	172	22.5%
Total COGS	4,201	6,622	(2,421)	(36.6%)	8,704	10,943	(2,238)	(20.5%)
Gross Margin	2,156	2,820	(664)	(23.5%)	3,821	4,449	(628)	(14.1%)
Gross Margin %	33.9%	29.9%			30.5%	28.9%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	256	416	(160)	(38.5%)	564	740	(176)	(23.8%)
Administrative	642	742	(99)	(13.4%)	1,361	1,480	(120)	(8.1%)
Other Opex	6	—	6	N/A	17	—	17	N/A
Total Opex	904	1,158	(254)	(21.9%)	1,941	2,220	(279)	(12.6%)
EBITDA	1,252	1,662	(410)	(24.7%)	1,880	2,229	(349)	(15.7%)
EBITDA %	19.7%	17.6%			15.0%	14.5%		
Net Income (Loss)	\$ 923	\$ 1,312	\$ (389)	(29.7%)	\$ 1,213	\$ 1,549	\$ (336)	(21.7%)
Capex	\$ (182)	\$ (541)	\$ 359	(66.4%)	\$ (326)	\$ (916)	\$ 590	(64.4%)
<b>Opex Overview:</b>								
Payroll	\$ 153	\$ 325	\$ (171)	(52.8%)	\$ 453	\$ 640	\$ (187)	(29.2%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	145	168	(22)	(13.3%)	219	248	(29)	(11.8%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	1	10	(8)	(85.4%)	15	20	(5)	(26.0%)
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	9	14	(5)	(36.2%)	17	28	(11)	(39.4%)
Professional fees	11	18	(7)	(37.4%)	25	36	(12)	(32.0%)
Utilities, repair, maintenance, and	12	15	(3)	(21.7%)	28	30	(3)	(8.3%)
Corporate OH Fees	515	529	(14)	(2.7%)	1,039	1,058	(19)	(1.8%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	6	—	6	N/A	17	—	17	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	52	80	(28)	(35.3%)	130	159	(30)	(18.7%)
Total Opex	\$ 904	\$ 1,158	\$ (254)	(21.9%)	\$ 1,941	\$ 2,220	\$ (279)	(12.6%)

## Management Discussion

### Net Revenue – Q2-20: (\$3,085K):

- Sales volume down 34.1% or \$3,218k due to overall decreased demands from most customers, particularly, Solaris, Atlantic, Isothermic and Atis.
- Returns in line with budget.
- Rebates lower by \$36k due to lower sales
- Favorable mix impact of \$458k favorable ASP by \$0.12/lb due to customer mix
- Unfavorable F/X of \$358k (actual rate of 1.3859 [or \$USD 0.7216] vs. 1.33 [or \$USD 0.7519])

### EBITDA – Q2-20: (\$410K):

- Material COGS:** Decrease in costs by \$1,433k primarily driven by decreased volume \$1,493k, and improved usage \$22k, yields \$18k and lower reserves by \$106 (primarily lower slow moving inventory) offset by unfavorable product mix \$143k and unfavorable price by \$62k
- Labor COGS:** Decrease in costs by \$968k driven by lower volumes and layoff due to Covid-19 and wage subsidy.
- Other COGS:** Decrease in costs by \$20k driven by Lower Utilities, Tools, Maintenance costs, premises costs and factory expenses by \$186k (limited costs due to plant closure) and lower freight costs by \$79k (lower volume), offset by increased net absorption by \$248k (lower production volume)
- Sales and Marketing:** Decrease in cost by \$160k driven by lower wages \$102k due to lower staff and wage subsidies, lower product development costs \$30k and lower promotion costs \$22k
- Administrative:** Decrease in cost by \$99k driven by lower wages (layoff Covid-19) and wage subsidies \$69k and lower corporate overhead fees due to lower F/X of \$25k (actual rate of 1.3859 [or \$USD 0.7216] vs. 1.33 [or \$USD 0.7519])
- Other Opex:** Increase in costs by \$6k unfavorable F/X revaluation of working capital balances

## Key Customers – Gross Sales and Gross Margin %: Laval

	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	BPs	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	\$	%	Act	BPs	%							
Customer:																																						
SOLARIS QUEBEC P & F INC.	\$	813	\$	1,366	\$	(553)	(40.5%)	\$	1,301	\$	(488)	(37.5%)	\$	1,836	\$	2,363	\$	(527)	(22.3%)	\$	2,256	\$	(420)	(18.6%)	24.6%	24.6%	(4)	(0.2%)	24.3%	32	1.3%	24.3%	24.0%	29	1.2%	23.7%	64	2.7%
ATLANTIC WINDOWS		701		920		(219)	(23.8%)		915		(215)	(23.5%)		1,376		1,483		(107)	(7.2%)		1,480		(104)	(7.0%)	14.9%	15.4%	(50)	(3.2%)	15.2%	(28)	(1.8%)	14.7%	15.0%	(37)	(2.5%)	14.8%	(15)	(1.0%)
SCHLUTER SYSTEMS L.P.		710		692		18	2.6%		663		47	7.1%		1,550		1,099		451	41.1%		1,053		497	47.2%	24.7%	24.5%	13	0.5%	24.2%	50	2.1%	22.6%	24.5%	(192)	(7.8%)	24.2%	(156)	(6.5%)
PTES & FEN ISOTHERMIC INC		420		670		(250)	(37.3%)		618		(198)	(32.1%)		635		1,032		(398)	(38.5%)		956		(322)	(33.6%)	21.1%	20.9%	14	0.7%	20.6%	44	2.1%	22.0%	21.9%	8	0.3%	21.6%	39	1.8%
LAFLAMME PORTES		334		580		(246)	(42.5%)		585		(251)	(43.0%)		623		863		(239)	(27.7%)		872		(248)	(28.5%)	(11.9%)	(13.7%)	174	(12.7%)	(13.5%)	154	(11.4%)	(12.2%)	(13.5%)	132	(9.8%)	(13.3%)	112	(8.4%)
PORTES & FENETRES ABRITEK		356		576		(220)	(38.2%)		525		(169)	(32.2%)		511		734		(223)	(30.3%)		670		(159)	(23.7%)	28.8%	31.5%	(266)	(8.5%)	31.0%	(220)	(7.1%)	27.8%	30.8%	(295)	(9.6%)	30.3%	(249)	(8.2%)
ATIS PORTES & FENETRES		241		440		(199)	(45.2%)		526		(285)	(54.1%)		618		729		(111)	(15.2%)		823		(204)	(24.8%)	(16.0%)	(15.8%)	(28)	1.8%	(15.4%)	(61)	4.0%	(17.2%)	(17.0%)	(15)	0.9%	(16.6%)	(53)	3.2%
EXTREME ENTRANCE SYSTEMS		325		410		(86)	(20.9%)		381		(56)	(14.8%)		684		679		6	0.9%		632		53	8.3%	17.1%	16.1%	91	5.6%	15.9%	114	7.2%	16.2%	15.8%	36	2.3%	15.6%	60	3.8%
LES FENETRES CONCEPT.		207		413		(206)	(50.0%)		403		(197)	(48.7%)		438		638		(200)	(31.3%)		625		(187)	(29.9%)	15.8%	15.4%	44	2.8%	15.2%	66	4.4%	15.0%	15.1%	(12)	(0.8%)	14.9%	11	0.7%
FENERGIC INC		202		270		(67)	(25.0%)		259		(57)	(22.0%)		542		506		36	7.1%		489		53	10.8%	14.3%	13.7%	60	4.4%	13.5%	79	5.9%	15.7%	17.1%	(131)	(7.7%)	16.8%	(108)	(6.4%)
P & C EDDY BOULET INC		158		91		67	73.7%		94		63	66.9%		352		402		(50)	(12.4%)		420		(68)	(16.3%)	19.1%	25.7%	(661)	(25.7%)	25.4%	(625)	(24.6%)	18.7%	21.4%	(272)	(12.7%)	21.1%	(241)	(11.5%)
KENTO WINDOWS & DOORS		189		208		(19)	(9.3%)		203		(14)	(7.1%)		327		334		(7)	(2.1%)		326		1	0.2%	34.1%	34.7%	(59)	(1.7%)	34.2%	(8)	(0.2%)	31.3%	32.2%	(92)	(2.8%)	31.7%	(45)	(1.4%)
FUTURA MANUFACTURIER		74		175		(102)	(58.1%)		158		(85)	(53.5%)		100		190		(91)	(47.6%)		172		(72)	(41.8%)	10.4%	5.9%	452	76.6%	5.8%	461	79.4%	13.2%	5.9%	730	124.6%	5.8%	739	128.0%
VAILLANCOURT INC.		83		203		(120)	(59.0%)		162		(79)	(48.5%)		197		285		(88)	(30.9%)		227		(30)	(13.3%)	29.6%	27.0%	259	9.6%	26.6%	299	11.2%	26.2%	25.7%	52	2.0%	25.3%	90	3.5%
FENESTRA PURCHASING - GOLDEN		90		170		(79)	(46.7%)		185		(95)	(51.2%)		214		280		(66)	(23.6%)		307		(93)	(30.2%)	(4.0%)	(1.5%)	(247)	165.0%	(1.5%)	(250)	170.0%	(5.8%)	(1.4%)	(437)	310.4%	(1.4%)	(440)	318.6%
FENÊTRES PRÉSIDENT		—		180		(180)	(100.0%)		—		-	N/A		—		180		(180)	(100.0%)		—		-	N/A	#DIV/0!	23.6%	—	#VALUE!	#DIV/0!	NA	#DIV/0!	#DIV/0!	23.6%	—	#VALUE!	#DIV/0!	NA	#DIV/0!
PRODUITS DALMEN PRODUCTS		121		119		2	1.4%		162		(41)	(25.2%)		189		172		17	9.8%		235		(45)	(19.3%)	17.0%	16.3%	73	4.5%	16.1%	97	6.1%	18.2%	19.2%	(98)	(5.1%)	18.9%	(71)	(3.7%)
ENTREPRISES DOCO INC.		66		100		(34)	(34.2%)		119		(53)	(44.7%)		128		186		(58)	(31.1%)		222		(94)	(42.2%)	21.9%	22.8%	(96)	(4.2%)	22.5%	(62)	(2.7%)	22.2%	24.3%	(206)	(8.5%)	23.9%	(170)	(7.1%)
G R THERIAULT		95		80		16	19.7%		82		14	17.0%		117		143		(26)	(18.0%)		146		(29)	(20.1%)	24.4%	20.3%	406	20.0%	20.0%	438	21.9%	22.9%	23.1%	(21)	(0.9%)	22.8%	13	0.6%
LAS ENTERPRISES		91		62		29	47.5%		67		25	36.8%		165		199		(34)	(16.9%)		214		(49)	(22.9%)	40.4%	46.7%	(623)	(13.3%)	46.0%	(554)	(12.1%)	42.7%	50.1%	(743)	(14.8%)	49.3%	(669)	(13.6%)
Other		1,583		2,531		(948)	(37.5%)		2,271		(688)	(30.3%)		3,032		4,177		(1,144)	(27.4%)		3,944		(911)	(23.1%)	77.6%	61.0%	1,660	27.2%	2.2%	7,540	3424.6%	64.8%	54.4%	1,041	19.1%	20.0%	4,482	224.4%
Total Gross	\$	6,858	\$	10,256	\$	(3,398)	(33.1%)	\$	9,680	\$	(2,822)	(29.2%)	\$	13,635	\$	16,673	\$	(3,038)	(18.2%)	\$	16,068	\$	(2,432)	(15.1%)	31.4%	27.5%	394	14.3%	26.5%	493	18.6%	26.9%	26.3%	55	2.1%	27.4%	(57)	(2.1%)

## Management Discussion

- Low demand from all customers due to slow business and shutdowns as a result of Covid 19
- Solaris, Atlantic, Isothermic and Laflamme being major contributors to the miss vs budget.
- Positive momentum from Schluter throughout 2020

# Key Performance Indicators - Laval

ENERGI Laval Extrusion KPI Report	2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<b>Health &amp; Safety</b>								
<i>Recordable Incidents</i>	0	1	0	0	0	1	0	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	2.41	1.62	1.62	1.73	2.73	1.8	1.8
<b>Quality Performance</b>								
<i>Customer Complaints - per MLBS</i>	17.7	16.8	11.5	18.25	68.1	20.2	12.0	24.5
<i>Return as % of sales</i>	0.72%	1.24%	0.40%	0.82%	0.00%	0.63%	0.46%	0.61%
<b>Delivery Performance</b>								
<i>% on time in full</i>	95.00%	99.94%	99.78%	98.38%	84.70%	87.27%	82.09%	92.03%
<i>% by line items</i>	99.00%	99.94%	99.78%	98.38%	84.70%	87.27%	82.09%	92.03%
<b>Costs</b>								
<i>Yield</i>	87.87%	89.03%	89.77%	89.54%	93.02%	89.18%	90.00%	89.63%
<i>Alt/Regrind Compound Consumption Ratio</i>	15.20%	21.47%	21.05%	14.35%	30.25%	18.02%	16.28%	18.47%
<i>Direct Labour \$/lb produced</i>	\$0.192	\$ 0.219	\$0.187	\$ 0.183	\$ 0.416	\$ 0.186	\$ 0.113	\$ 0.179
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.216	\$ 0.285	\$0.218	\$ 0.220	\$ 0.429	\$ 0.208	\$ 0.121	\$ 0.210
<b>Inventory</b>								
<i>Days - TTM (Trailing 12 Months)</i>	67.3	72	71	70	72	73	70	71

## Comments:

**Delivery:** Increase in backorders due to limited production

**Inventory:** Slightly higher due to lower sales due to Covid 19 restrictions.

# Full Year Laval P&L Summary

	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%	
<b>Units Produced ('000)</b>	<b>15,656</b>	<b>18,951</b>	<b>(3,295)</b>	<b>(17.4%)</b>	<b>19,150</b>	<b>(3,494)</b>	<b>(18.2%)</b>	
<b>Units Shipped ('000)</b>	<b>16,238</b>	<b>19,217</b>	<b>(2,979)</b>	<b>(15.5%)</b>	<b>18,815</b>	<b>(2,577)</b>	<b>(13.7%)</b>	
<b>Bookings (\$'000)</b>	<b>\$ 29,488</b>	<b>\$ 36,128</b>	<b>\$ (6,640)</b>	<b>(18.4%)</b>	<b>\$ 36,193</b>	<b>\$ (6,705)</b>	<b>(18.5%)</b>	
<b>Backlog ('\$000)</b>	<b>\$ 1,955</b>	<b>\$ 2,398</b>	<b>\$ (443)</b>	<b>(18.5%)</b>	<b>\$ 2,942</b>	<b>\$ (987)</b>	<b>(33.6%)</b>	
<b>Gross Revenue</b>	<b>\$ 28,867</b>	<b>\$ 34,581</b>	<b>\$ (5,714)</b>	<b>(16.5%)</b>	<b>\$ 34,485</b>	<b>\$ (5,618)</b>	<b>(16.3%)</b>	
Adj. to Gross Revenue	(2,408)	(2,806)	398	(14.2%)	(2,943)	534	(18.2%)	
<b>Net Revenue</b>	<b>26,459</b>	<b>31,775</b>	<b>(5,316)</b>	<b>(16.7%)</b>	<b>31,542</b>	<b>(5,084)</b>	<b>(16.1%)</b>	
Material	12,340	14,776	(2,436)	(16.5%)	14,634	(2,293)	(15.7%)	
Labor	4,643	5,817	(1,174)	(20.2%)	5,843	(1,201)	(20.5%)	
Other COGS	1,809	2,137	(327)	(15.3%)	1,926	(116)	(6.0%)	
<b>Total COGS</b>	<b>18,792</b>	<b>22,730</b>	<b>(3,937)</b>	<b>(17.3%)</b>	<b>22,402</b>	<b>(3,610)</b>	<b>(16.1%)</b>	
<b>Gross Margin</b>	<b>7,667</b>	<b>9,046</b>	<b>(1,379)</b>	<b>(15.2%)</b>	<b>9,140</b>	<b>(1,473)</b>	<b>(16.1%)</b>	
<i>Gross Margin %</i>	<i>29.0%</i>	<i>28.5%</i>			<i>29.0%</i>			
R&D	—	—	—	N/A	—	—	N/A	
Sales & Marketing	1,270	1,517	(247)	(16.3%)	1,754	(484)	(27.6%)	
Administrative	2,766	2,967	(200)	(6.8%)	2,978	(211)	(7.1%)	
Other Opex	17	—	17	N/A	(7)	23	(345.1%)	
<b>Total Opex</b>	<b>4,053</b>	<b>4,484</b>	<b>(431)</b>	<b>(9.6%)</b>	<b>4,725</b>	<b>(672)</b>	<b>(14.2%)</b>	
<b>EBITDA</b>	<b>3,614</b>	<b>4,562</b>	<b>(948)</b>	<b>(20.8%)</b>	<b>4,415</b>	<b>(801)</b>	<b>(18.2%)</b>	
<i>EBITDA %</i>	<i>13.7%</i>	<i>14.4%</i>			<i>14.0%</i>			
<b>Net Income (Loss)</b>	<b>\$ 2,234</b>	<b>\$ 3,136</b>	<b>\$ (902)</b>	<b>(28.8%)</b>	<b>\$ 3,095</b>	<b>\$ (862)</b>	<b>(27.8%)</b>	
<b>Capex</b>	<b>\$ (326)</b>	<b>\$ (1,235)</b>	<b>\$ 909</b>	<b>(73.6%)</b>	<b>\$ (1,030)</b>	<b>\$ 704</b>	<b>(68.3%)</b>	
<b><u>Opex Overview:</u></b>								
Payroll	\$ 1,048	\$ 1,296	\$ (248)	(19.1%)	\$ 1,262	\$ (214)	(16.9%)	
Bonus	—	—	—	N/A	—	—	N/A	
Commissions	—	—	—	N/A	—	—	N/A	
Marketing	470	524	(54)	(10.4%)	770	(300)	(39.0%)	
Benefits	—	—	—	N/A	—	—	N/A	
Travel and entertainment	32	39	(7)	(17.6%)	50	(17)	(35.0%)	
Rent and facilities	—	—	—	N/A	—	—	N/A	
Insurance	44	56	(12)	(21.7%)	53	(9)	(17.5%)	
Professional fees	57	72	(15)	(20.6%)	92	(35)	(38.0%)	
Utilities, repair, maintenance, and security	55	60	(5)	(8.8%)	68	(13)	(19.2%)	
Corporate OH Fees	2,055	2,117	(61)	(2.9%)	2,125	(69)	(3.3%)	
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)	
FX	17	—	17	N/A	(7)	23	(345.1%)	
JV Loss (Income)	—	—	—	N/A	—	—	N/A	
Other Expenses	274	319	(45)	(14.0%)	312	(37)	(12.0%)	
<b>Total Opex</b>	<b>\$ 4,053</b>	<b>\$ 4,484</b>	<b>\$ (431)</b>	<b>(9.6%)</b>	<b>\$ 4,728</b>	<b>\$ (675)</b>	<b>(14.3%)</b>	

# Key Customers – Full Year Laval

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%						
Customer:																				
SOLARIS QUEBEC P & F INC.	\$	3,621	\$	4,474	\$	(853)	(19.1%)	\$	4,265	\$	(645)	(15.1%)	24.5%	24.4%	11	0.4%	24.0%	51	2.1%	
ATLANTIC WINDOWS		2,871		3,233		(362)	(11.2%)		3,352		(482)	(14.4%)	14.6%	14.8%	(21)	(1.4%)	14.5%	8	0.5%	
SCHLUTER SYSTEMS L.P.		2,717		2,400		317	13.2%		2,664		53	2.0%	22.7%	23.3%	(59)	(2.5%)	21.6%	108	5.0%	
PTES & FEN ISOTHERMIC INC		1,571		2,142		(571)	(26.7%)		2,064		(493)	(23.9%)	22.5%	22.3%	21	0.9%	22.0%	49	2.2%	
LAFLAMME PORTES		1,651		2,068		(417)	(20.1%)		1,959		(308)	(15.7%)	(12.8%)	(13.4%)	63	(4.7%)	(13.2%)	43	(3.2%)	
PORTES & FENETRES ABRITEK		1,424		1,805		(381)	(21.1%)		1,629		(206)	(12.6%)	29.7%	30.9%	(116)	(3.8%)	30.4%	(66)	(2.2%)	
ATIS PORTES & FENETRES		1,336		1,579		(243)	(15.4%)		1,713		(377)	(22.0%)	(17.3%)	(17.2%)	(13)	0.8%	(16.9%)	(41)	2.5%	
EXTREME ENTRANCE SYSTEMS		1,405		1,504		(99)	(6.6%)		1,491		(87)	(5.8%)	16.0%	15.8%	26	1.6%	15.7%	35	2.2%	
LES FENETRES CONCEPT.		947		1,250		(303)	(24.2%)		1,163		(216)	(18.6%)	16.0%	15.9%	8	0.5%	15.7%	27	1.7%	
FENERGIC INC		1,014		1,074		(59)	(5.5%)		1,074		(60)	(5.6%)	15.8%	16.2%	(46)	(2.8%)	16.2%	(46)	(2.8%)	
P & C EDDY BOULET INC		843		981		(138)	(14.1%)		1,041		(198)	(19.0%)	22.1%	23.7%	(153)	(6.4%)	23.5%	(137)	(5.8%)	
KENTO WINDOWS & DOORS		656		714		(59)	(8.2%)		644		11	1.8%	32.6%	33.0%	(46)	(1.4%)	32.8%	(26)	(0.8%)	
FUTURA MANUFACTURIER		354		492		(139)	(28.1%)		393		(39)	(9.8%)	9.8%	7.3%	251	34.4%	7.4%	238	32.1%	
VAILLANCOURT INC.		373		489		(116)	(23.7%)		473		(100)	(21.2%)	46.7%	26.4%	2,037	77.3%	25.9%	2,078	80.1%	
FENESTRA PURCHASING - GOLDEN		363		451		(89)	(19.6%)		621		(259)	(41.6%)	(4.4%)	(1.8%)	(264)	146.6%	(1.6%)	(281)	171.7%	
FENÊTRES PRÉSIDENT		232		451		(219)	(48.6%)		—		232	N/A	23.6%	23.6%	0	0.0%	#DIV/0!	NA	#DIV/0!	
PRODUITS DALMEN PRODUCTS		397		421		(24)	(5.8%)		499		(102)	(20.4%)	17.5%	17.6%	(10)	(0.6%)	17.5%	3	0.1%	
ENTREPRISES DOCO INC.		313		406		(93)	(22.9%)		419		(106)	(25.3%)	21.9%	22.9%	(101)	(4.4%)	22.6%	(69)	(3.1%)	
G R THERIAULT		343		406		(63)	(15.6%)		412		(69)	(16.8%)	24.4%	23.8%	56	2.4%	23.9%	53	2.2%	
LAS ENTERPRISES		342		400		(58)	(14.5%)		360		(18)	(5.0%)	47.1%	51.3%	(417)	(8.1%)	49.6%	(246)	(5.0%)	
Other		6,096		7,841		(1,745)	(22.3%)		8,248		(2,152)	(26.1%)	63.9%	59.1%	473	8.0%	2.7%	6,121	2305.5%	
Total Gross	\$	28,867	\$	34,581	\$	(5,714)	(16.5%)	\$	34,485	\$	(5,618)	(16.3%)	27.0%	26.5%	50	1.9%	26.5%	49	1.8%	

# Delmont Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	4,345	5,760	(1,415)	(24.6%)	9,798	11,100	(1,302)	(11.7%)
Units Shipped ('000)	5,210	5,911	(700)	(11.8%)	10,643	11,572	(929)	(8.0%)
Bookings (\$'000)	\$ 8,939	\$ 10,236	\$ (1,296)	(12.7%)	\$ 18,578	\$ 20,005	\$ (1,426)	(7.1%)
Backlog (\$'000)	\$ 1,743	\$ 1,568	\$ 175	11.1%	\$ 1,743	\$ 1,568	\$ 175	11.1%
Gross Revenue	\$ 9,222	\$ 10,554	\$ (1,332)	(12.6%)	\$ 19,073	\$ 20,623	\$ (1,550)	(7.5%)
Adj. to Gross Revenue	(281)	(318)	37	(11.8%)	(575)	(618)	43	(7.0%)
Net Revenue	8,941	10,236	(1,295)	(12.7%)	18,498	20,005	(1,507)	(7.5%)
Material	4,258	4,981	(723)	(14.5%)	8,760	9,761	(1,000)	(10.2%)
Labor	1,619	2,055	(436)	(21.2%)	3,552	4,018	(466)	(11.6%)
Other COGS	1,244	903	342	37.9%	1,702	1,853	(151)	(8.2%)
Total COGS	7,122	7,938	(817)	(10.3%)	14,014	15,632	(1,618)	(10.3%)
Gross Margin	1,820	2,298	(478)	(20.8%)	4,484	4,373	111	2.5%
Gross Margin %	20.4%	22.4%			24.2%	21.9%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	26	42	(16)	(37.8%)	62	85	(23)	(27.0%)
Administrative	672	672	(0)	(0.1%)	1,339	1,342	(2)	(0.2%)
Other Opex	—	—	—	N/A	—	—	—	N/A
Total Opex	698	714	(16)	(2.3%)	1,401	1,426	(25)	(1.8%)
EBITDA	1,122	1,583	(462)	(29.2%)	3,083	2,946	136	4.6%
EBITDA %	12.5%	15.5%			16.7%	14.7%		
Net Income (Loss)	\$ 577	\$ 1,116	\$ (539)	(48.3%)	\$ 2,039	\$ 2,021	\$ 17	0.9%
Capex	\$ (99)	\$ (366)	\$ 268	(73.1%)	\$ (209)	\$ (765)	\$ 557	(72.7%)
<b>Opex Overview:</b>								
Payroll	\$ 171	\$ 185	\$ (14)	(7.3%)	\$ 351	\$ 367	\$ (16)	(4.3%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	—	—	—	N/A	—	—	—	N/A
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	0	—	0	N/A	2	—	2	N/A
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	—	—	—	N/A	—	—	—	N/A
Professional fees	12	—	12	N/A	12	—	12	N/A
Utilities, repair, maintenance, anc	9	9	(1)	(5.8%)	16	19	(2)	(13.3%)
Corporate OH Fees	495	498	(2)	(0.4%)	992	995	(3)	(0.3%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	—	—	—	N/A	—	—	—	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	11	23	(12)	(52.0%)	28	46	(18)	(38.7%)
Total Opex	\$ 698	\$ 714	\$ (16)	(2.3%)	\$ 1,401	\$ 1,426	\$ (25)	(1.8%)

## Management Discussion

### Net Revenue – Q2-20: (\$1,295K):

- Sales volume down 11.8% or \$1,213k driven by decreased demand from PGT, Polaris and Brunswick.
- Returns better vs budget by \$3k.
- Rebates slightly behind budget by \$4k.
- Unfavorable mix impact of \$81k or \$0.02/lb

### EBITDA – Q2-20: (\$462K) :

- Material COGS:** Decrease in costs by \$723k primarily driven by decreased sales volumes \$590k, better PPV by \$61k, lower reserves by \$9k and lower freight and packaging by \$63k and regrind usage of \$17k. Offset by lower yield of \$17k.
- Labor COGS:** Decrease in cost by \$436K driven by lower headcount and significantly lower Lbs produced.
- Other COGS:** Increase in cost by \$342k driven by unfavorable net absorption of \$646k and lower tooling recovery/higher tooling material by \$49k. Offset by lower freight costs by \$209k and lower maintenance spend by \$109k and lower utilities by \$21k.
- Sales and Marketing:** Decrease in costs by \$16k driven lower headcount and by no Made in USA costs
- Administrative:** In line with budget

# Key Customers – Gross Sales and Gross Margin %: Delmont

	Gross Sales (\$'000)														Gross Margin %																	
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%	
Customer:																																
PGT Industries Inc	\$ 4,907	\$ 5,600	\$ (693)	(12.4%)	\$ 5,272	\$ (365)	(6.9%)	\$ 10,672	\$ 11,050	\$ (378)	(3.4%)	\$ 10,612	\$ 60	0.6%	20.7%	21.2%	(47)	(2.2%)	20.9%	(15)	(0.7%)	22.6%	20.2%	243	12.0%	20.7%	192	9.3%				
Polaris Technologies	905	1,560	(655)	(42.0%)	1,627	(722)	(44.4%)	2,078	2,995	(917)	(30.6%)	2,597	(519)	(20.0%)	10.9%	15.0%	(403)	(26.9%)	15.0%	(410)	(27.3%)	17.0%	14.8%	223	15.1%	14.5%	249	17.2%				
Comfort View Products	616	540	76	14.1%	547	69	12.6%	1,056	1,080	(24)	(2.2%)	1,008	48	4.8%	18.0%	21.0%	(298)	(14.2%)	18.8%	(79)	(4.2%)	20.8%	19.6%	122	6.2%	20.7%	14	0.7%				
Sierra Pacific Windows	860	765	95	12.4%	649	211	32.5%	1,549	1,495	54	3.6%	1,261	288	22.8%	8.9%	8.9%	(3)	(0.3%)	9.2%	(28)	(3.0%)	12.6%	8.6%	394	45.7%	8.6%	400	46.8%				
Atrium Windows & Doors	397	395	2	0.5%	403	(6)	(1.5%)	679	760	(81)	(10.7%)	746	(67)	(9.0%)	31.5%	38.8%	(731)	(18.8%)	38.3%	(676)	(17.7%)	32.5%	38.2%	(570)	(14.9%)	38.8%	(624)	(16.1%)				
Regency Plus, Inc.	439	610	(171)	(28.0%)	593	(154)	(26.0%)	806	1,125	(319)	(28.4%)	1,056	(250)	(23.7%)	23.2%	20.6%	251	12.2%	22.0%	114	5.2%	23.9%	21.5%	236	11.0%	21.0%	293	14.0%				
Brunswick Bowling And Billiards	213	450	(237)	(52.7%)	365	(152)	(41.6%)	584	860	(276)	(32.1%)	721	(137)	(19.0%)	46.4%	41.4%	503	12.1%	41.3%	509	12.3%	47.9%	41.2%	678	16.5%	41.3%	662	16.0%				
Qubicaamf Worlwide LCC	205	240	(35)	(14.6%)	244	(39)	(16.0%)	434	465	(31)	(6.7%)	456	(22)	(4.8%)	47.9%	42.4%	556	13.1%	49.8%	(187)	(3.8%)	48.2%	41.4%	680	16.4%	43.3%	490	11.3%				
NewSouth Window Solutions, LLC	197	110	87	79.1%	54	143	264.8%	272	210	62	29.5%	186	86	46.2%	30.0%	41.0%	(1,102)	(26.9%)	42.4%	(1,247)	(29.4%)	31.1%	40.8%	(971)	(23.8%)	40.4%	(927)	(23.0%)				
Great Day Improvement, LLC	102	85	17	20.0%	121	(19)	(15.7%)	271	170	101	59.4%	168	103	61.3%	36.9%	38.6%	(164)	(4.3%)	35.2%	169	4.8%	36.7%	36.1%	59	1.6%	33.3%	340	10.2%				
Yoders Window & Siding	61	70	(9)	(12.9%)	62	(1)	(1.6%)	111	135	(24)	(17.8%)	166	(55)	(33.1%)	42.5%	39.2%	332	8.5%	35.4%	708	20.0%	42.9%	38.5%	441	11.5%	34.7%	819	23.6%				
Fairway Building Products	–	–	-	N/A	–	-	N/A	–	–	-	N/A	60	(60)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	22.8%	NA	#VALUE!				
Graber Manufacturing LLC	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
Columbia Industries, Inc.	–	–	-	N/A	–	-	N/A	–	39	(39)	(100.0%)	53	(53)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	28.8%	–	#VALUE!	39.0%	NA	#VALUE!				
Jeld-Wen Windows & Doors	–	8	(8)	(100.0%)	8	(8)	(100.0%)	15	13	2	15.4%	13	2	15.4%	#DIV/0!	15.8%	–	#VALUE!	20.8%	NA	#VALUE!	20.9%	19.7%	123	6.2%	17.3%	355	20.5%				
Constant Distribution LLC	–	–	-	N/A	–	-	N/A	–	–	-	N/A	7	(7)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	(36.6%)	NA	#VALUE!				
CGI	58	35	23	65.7%	31	27	87.1%	153	55	98	178.2%	44	109	247.7%	(26.4%)	8.3%	(3,465)	(418.2%)	20.1%	(4,648)	(231.0%)	(39.6%)	10.8%	(5,047)	(465.2%)	(3.0%)	(3,665)	1233.2%				
East Central Indiana Vinyl MFG, LLI	8	2	6	300.0%	2	6	300.0%	13	16	(3)	(18.8%)	16	(3)	(18.8%)	51.3%	176.9%	(12,565)	(71.0%)	38.9%	1,239	31.8%	55.4%	33.1%	2,234	67.5%	49.4%	599	12.1%				
Lakeland Polymers, LLC	8	9	(1)	(11.1%)	9	(1)	(11.1%)	16	10	6	60.0%	10	6	60.0%	(51.8%)	(50.4%)	(135)	2.7%	(91.6%)	3,982	(43.5%)	(47.2%)	(115.7%)	6,849	(59.2%)	(134.6%)	8,738	(64.9%)				
JP Industrial Products Inc	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
Other	246	75	171	227.6%	141	105	74.7%	364	145	219	151.2%	329	35	10.7%	(6.3%)	10.9%	(1,720)	(157.9%)	2.2%	(849)	(388.5%)	138.2%	10.2%	12,796	1254.3%	5.3%	13,283	2493.4%				
Total Gross	\$ 9,222	\$ 10,554	\$ (1,332)	(12.6%)	\$ 10,128	\$ (906)	(8.9%)	\$ 19,073	\$ 20,623	\$ (1,550)	(7.5%)	\$ 19,509	\$ (436)	(2.2%)	19.7%	21.8%	(204)	(9.4%)	21.3%	(156)	(7.3%)	24.7%	21.0%	370	17.6%	21.3%	343	16.1%				

## Management Discussion

- Low demand from most customers due to slow business and shutdowns as a result of Covid 19
- PGT, Polaris, Regency and Brunswick being major contributors to the miss
- Comfort view continues to show strong results
- Good quarter for Sierra Pacific, Atrium, Great Day and New south

# Key Performance Indicators - Delmont

ENERGI Delmont Extrusion KPI Report	2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<b>Health &amp; Safety</b>								
<i>Recordable Incidents</i>	0	0	0	0	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	3.7	3.7	2.22	1.53	1.57	1.57	1.57
<b>Quality Performance</b>								
<i>Customer Complaints - per MLBS</i>	2.9	1.1	2.8	2.72	0.7	2.4	2.3	2.01
<i>Return as % of sales</i>	0.30%	0.03%	0.21%	0.14%	0.03%	0.17%	0.32%	0.15%
<b>Delivery Performance</b>								
<i>% on time in full</i>	99.25%	97.86%	98.77%	99.35%	99.58%	99.60%	98.46%	98.94%
<i>% by line items</i>	99.60%	98.84%	99.61%	99.63%	99.81%	99.65%	98.89%	99.41%
<b>Costs</b>								
<i>Yield</i>	84.3%	86.11%	82.63%	84.1%	86%	85%	83%	84.37%
<i>Alt/Regrind Compound Consumption Ratio</i>	23.3%	20.3%	16.7%	18.3%	19%	26%	17%	19.36%
<i>Direct Labour \$/lb produced</i>	\$0.186	\$0.180	\$0.180	\$ 0.174	\$ 0.208	\$ 0.169	\$ 0.162	\$ 0.178
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.183	\$0.185	\$0.174	\$ 0.173	\$ 0.233	\$ 0.201	\$ 0.160	\$ 0.185
<b>Inventory</b>								
<i>Days - TTM (Trailing 12 Months)</i>	63.3	70.1	69.4	69.5	68	69	67	70.1

## Comments:

**Quality:** PGT \$4.1 Cap Finish, Polaris \$3.5 bow and \$3.3 Die flow 9156

**Delivery:** Lower inventory and increase in order intake

**Costs:** Yield: High cap runs and increased activities

Alt/Regrind usage: Less regrind available and lower bowling production.



# Full Year Delmont P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%	
Units Produced ('000)	18,543	21,835	(3,292)	(15.1%)	20,887	(2,343)	(11.2%)	
Units Shipped ('000)	19,614	22,498	(2,884)	(12.8%)	21,990	(2,376)	(10.8%)	
Bookings (\$'000)	\$ 33,879	\$ 38,882	\$ (5,003)	(12.9%)	\$ 37,091	\$ (3,212)	(8.7%)	
Backlog (\$'000)	\$ 1,696	\$ 1,568	\$ 128	8.2%	\$ 1,244	\$ 453	36.4%	
Gross Revenue	\$ 34,938	\$ 40,090	\$ (5,152)	(12.9%)	\$ 39,413	\$ (4,474)	(11.4%)	
Adj. to Gross Revenue	(1,064)	(1,208)	144	(11.9%)	(1,153)	89	(7.7%)	
Net Revenue	33,874	38,882	(5,008)	(12.9%)	38,260	(4,386)	(11.5%)	
Material	16,235	18,946	(2,711)	(14.3%)	18,877	(2,642)	(14.0%)	
Labor	7,074	8,070	(996)	(12.3%)	7,545	(471)	(6.2%)	
Other COGS	3,165	3,486	(321)	(9.2%)	3,819	(654)	(17.1%)	
Total COGS	26,474	30,502	(4,027)	(13.2%)	30,242	(3,768)	(12.5%)	
Gross Margin	7,400	8,380	(981)	(11.7%)	8,017	(618)	(7.7%)	
Gross Margin %	21.8%	21.6%			21.0%			
R&D	—	—	—	N/A	—	—	N/A	
Sales & Marketing	120	169	(50)	(29.4%)	128	(8)	(6.3%)	
Administrative	2,666	2,685	(19)	(0.7%)	2,640	27	1.0%	
Other Opex	—	—	—	N/A	—	—	N/A	
Total Opex	2,786	2,855	(69)	(2.4%)	2,767	19	0.7%	
EBITDA	4,613	5,526	(912)	(16.5%)	5,250	(637)	(12.1%)	
EBITDA %	13.6%	14.2%			13.7%			
Net Income (Loss)	\$ 2,579	\$ 3,610	\$ (1,031)	(28.6%)	\$ 3,341	\$ (763)	(22.8%)	
Capex	\$ (209)	\$ (1,171)	\$ 963	(82.2%)	\$ (996)	\$ 787	(79.1%)	
<b>Opex Overview:</b>								
Payroll	\$ 678	\$ 736	\$ (58)	(7.9%)	\$ 667	\$ 11	1.6%	
Bonus	—	—	—	N/A	—	—	N/A	
Commissions	—	—	—	N/A	—	—	N/A	
Marketing	—	—	—	N/A	0	(0)	(100.0%)	
Benefits	—	—	—	N/A	—	—	N/A	
Travel and entertainment	2	0	2	5105.1%	1	1	186.4%	
Rent and facilities	—	—	—	N/A	—	—	N/A	
Insurance	—	—	—	N/A	—	—	N/A	
Professional fees	12	—	12	N/A	—	12	N/A	
Utilities, repair, maintenance, and security	35	37	(2)	(6.7%)	39	(4)	(10.5%)	
Corporate OH Fees	1,987	1,990	(3)	(0.1%)	1,989	(2)	(0.1%)	
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)	
FX	—	—	—	N/A	—	—	N/A	
JV Loss (Income)	—	—	—	N/A	—	—	N/A	
Other Expenses	72	91	(19)	(20.5%)	71	1	1.6%	
Total Opex	\$ 2,786	\$ 2,855	\$ (69)	(2.4%)	\$ 2,770	\$ 16	0.6%	

# Key Customers – Full Year Delmont

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Fcst	\$	%	Fcst	Bud	BPs	%	Fcst	BPs	%					
Customer:																			
PGT Industries Inc	\$	19,756	\$	21,382	\$	(1,626)	(7.6%)	\$	20,750	\$	(994)	(4.8%)	21.0%	20.5%	52	2.6%	19.4%	165	8.5%
Polaris Technologies		4,133		5,975		(1,842)	(30.8%)		5,042		(909)	(18.0%)	14.1%	14.5%	(49)	(3.4%)	14.7%	(64)	(4.3%)
Comfort View Products		1,966		2,100		(134)	(6.4%)		2,209		(243)	(11.0%)	18.7%	20.0%	(124)	(6.2%)	17.7%	106	6.0%
Sierra Pacific Windows		2,755		2,886		(131)	(4.5%)		2,861		(106)	(3.7%)	11.2%	8.7%	250	28.7%	7.2%	403	55.9%
Atrium Windows & Doors		1,248		1,499		(251)	(16.7%)		1,432		(184)	(12.8%)	30.6%	37.8%	(720)	(19.0%)	37.8%	(719)	(19.0%)
Regency Plus, Inc.		1,531		2,240		(709)	(31.7%)		1,940		(409)	(21.1%)	21.8%	20.8%	97	4.7%	20.8%	100	4.8%
Brunswick Bowling And Billiards		992		1,588		(596)	(37.5%)		1,793		(801)	(44.7%)	48.7%	42.2%	650	15.4%	40.8%	786	19.3%
Qubicaamf Worlwide LCC		782		898		(116)	(12.9%)		1,009		(227)	(22.5%)	46.4%	41.6%	475	11.4%	43.6%	277	6.3%
NewSouth Window Solutions, LLC		392		400		(8)	(2.0%)		571		(179)	(31.3%)	34.6%	41.1%	(651)	(15.9%)	39.6%	(502)	(12.7%)
Great Day Improvement, LLC		424		323		101	31.3%		415		9	2.2%	39.3%	36.6%	275	7.5%	33.0%	636	19.3%
Yoders Window & Siding		186		266		(80)	(30.1%)		304		(118)	(38.8%)	42.7%	38.2%	453	11.9%	33.8%	894	26.4%
Fairway Building Products		–		–		-	N/A		60		(60)	(100.0%)	#DIV/0!	#DIV/0! –		#DIV/0!	22.8%	NA	#VALUE!
Graber Manufacturing Llc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Columbia Industries, Inc.		–		78		(78)	(100.0%)		122		(122)	(100.0%)	#DIV/0!	45.0% –		#VALUE!	25.3%	NA	#VALUE!
Jeld-Wen Windows & Doors		23		21		2	9.5%		32		(9)	(28.1%)	22.8%	21.2%	154	7.3%	16.6%	619	37.3%
Constant Distribution LLC		–		–		-	N/A		7		(7)	(100.0%)	#DIV/0!	#DIV/0! –		#DIV/0!	(36.6%)	NA	#VALUE!
CGI		203		115		88	76.5%		97		106	109.3%	(45.4%)	9.3%	(5,464)	(588.6%)	6.0%	(5,138)	(853.0%)
East Central Indiana Vinyl MFG, LL		15		18		(3)	(16.7%)		37		(22)	(59.5%)	73.3%	64.5%	880	13.6%	50.7%	2,263	44.7%
Lakeland Polymers, LLC		33		21		12	57.1%		27		6	22.2%	(41.7%)	(87.6%)	4,588	(52.4%)	(97.4%)	5,570	(57.2%)
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		499		280		219	78.3%		705		(205)	(29.2%)	68.3%	10.5%	5,779	548.9%	4.8%	6,348	1312.9%
Total Gross	\$	34,938	\$	40,090	\$	(5,152)	(12.9%)	\$	39,413	\$	(4,474)	(11.4%)	21.8%	21.2%	66	3.1%	20.3%	148	7.3%

# Everett Summary P&L

\$'000

	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	2,149	4,161	(2,011)	(48.3%)	5,404	8,275	(2,871)	(34.7%)
Units Shipped ('000)	2,912	4,113	(1,201)	(29.2%)	6,327	7,433	(1,105)	(14.9%)
Bookings (\$'000)	\$ 4,681	\$ 6,882	\$ (2,200)	(32.0%)	\$ 10,254	\$ 12,522	\$ (2,268)	(18.1%)
Backlog ('\$000)	\$ 1,127	\$ 1,170	\$ (44)	(3.7%)	\$ 1,127	\$ 1,170	\$ (44)	(3.7%)
Gross Revenue	\$ 4,818	\$ 6,905	\$ (2,087)	(30.2%)	\$ 10,468	\$ 12,435	\$ (1,967)	(15.8%)
Adj. to Gross Revenue	(235)	(320)	85	(26.5%)	(454)	(592)	138	(23.3%)
Net Revenue	4,583	6,585	(2,002)	(30.4%)	10,014	11,843	(1,829)	(15.4%)
Material	2,329	3,303	(974)	(29.5%)	5,210	5,902	(692)	(11.7%)
Labor	1,079	1,567	(488)	(31.1%)	2,528	3,016	(488)	(16.2%)
Other COGS	853	640	214	33.4%	1,490	833	657	78.9%
Total COGS	4,261	5,509	(1,248)	(22.7%)	9,227	9,751	(524)	(5.4%)
Gross Margin	322	1,076	(754)	(70.1%)	786	2,092	(1,306)	(62.4%)
Gross Margin %	7.0%	16.3%			7.9%	17.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	65	62	3	5.3%	144	133	11	8.1%
Administrative	739	765	(26)	(3.4%)	1,508	1,528	(20)	(1.3%)
Other Opex	1	–	1	N/A	14	–	14	N/A
Total Opex	806	827	(22)	(2.6%)	1,666	1,661	4	0.3%
EBITDA	(484)	248	(732)	(294.9%)	(879)	431	(1,310)	(304.0%)
EBITDA %	(10.6%)	3.8%			(8.8%)	3.6%		
Net Income (Loss)	\$ (937)	\$ (258)	\$ (678)	262.4%	\$ (1,781)	\$ (513)	\$ (1,267)	246.8%
Capex	\$ (161)	\$ (255)	\$ 94	(36.9%)	\$ (318)	\$ (731)	\$ 413	(56.5%)
<b>Opex Overview:</b>								
Payroll	\$ 185	\$ 196	\$ (11)	(5.4%)	\$ 384	\$ 389	\$ (4)	(1.2%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	28	23	5	23.5%	62	56	7	12.0%
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	4	4	(0)	(7.0%)	7	8	(1)	(8.8%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	27	40	(13)	(31.6%)	61	80	(19)	(23.8%)
Professional fees	–	–	–	N/A	10	–	10	N/A
Utilities, repair, maintenance, and	1	–	1	N/A	3	–	3	N/A
Corporate OH Fees	532	534	(2)	(0.3%)	1,064	1,067	(3)	(0.3%)
Bad Debts	0	–	0	N/A	0	–	0	N/A
FX	1	–	1	N/A	14	–	14	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	27	31	(4)	(12.4%)	61	62	(1)	(2.2%)
Total Opex	\$ 806	\$ 827	\$ (22)	(2.6%)	\$ 1,666	\$ 1,661	\$ 4	0.3%

## Management Discussion

### Net Revenue – Q2-20: (\$2,002k):

- Sales volume down 29.2% or \$1,923k driven by decreased volume across most customers particularly Simonton and Cascade
- Returns \$43k higher vs budget primarily from Northerm, Cascade, and Simonton
- Rebates lower vs budget by \$34k primarily due to true up of 2019/2020 Platinum rebate
- Lower price mix by \$71k vs budget

### EBITDA – Q2-20: (\$732k):

- **Material COGS:** Decrease in costs by \$974k driven by decreased sales volume \$964k, favourable LCM and E&O by \$76k. Offset by unfavorable Yield/Scrap by \$61k due to testing and post production scrap.
- **Labor COGS:** Decrease in costs by \$488k as a result of furloughs due to reduced production driven by Covid-19.
- **Other COGS:** Increase in cost by \$214k driven by lower absorption of \$357k due to limited production and lower tool & die recovery by \$95k (Fewer tooling projects); offset by decreased Freight by \$113k due to lower cradle returns and sales mix and lower utilities and maintenance by \$125k due to lower production and lower quality control costs \$10k
- **Sales and Marketing:** in line with budget.
- **Administrative:** Decrease in costs by \$26k primarily driven by furloughs and lower B&O tax.
- **Other Opex:** Inline with budget.

# Key Customers – Gross Sales and Gross Margin %: Everett

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
Simonton	\$ 1,828	\$ 2,479	\$ (652)	(26.3%)	\$ 2,479	\$ (652)	(26.3%)	\$ 3,718	\$ 4,620	\$ (902)	(19.5%)	\$ 4,620	\$ (902)	(19.5%)	6.0%	21.5%	(1,555)	(72.2%)	10.8%	(480)	(44.5%)	7.7%	21.9%	(1,421)	(64.9%)	15.5%	(784)	(50.4%)
Cascade	434	1,036	(601)	(58.0%)	480	(45)	(9.4%)	1,126	1,676	(550)	(32.8%)	1,050	76	7.3%	(35.2%)	(14.0%)	(2,117)	151.2%	(26.5%)	(868)	32.8%	(32.5%)	(13.4%)	(1,909)	142.6%	(21.9%)	(1,060)	48.4%
Coeur d'Alene	881	916	(35)	(3.8%)	816	66	8.1%	1,882	1,668	214	12.8%	1,485	397	26.7%	(1.7%)	8.1%	(978)	(121.0%)	3.1%	(485)	(154.0%)	(1.9%)	8.4%	(1,031)	(122.1%)	1.4%	(326)	(234.0%)
Westeck	357	377	(20)	(5.2%)	377	(20)	(5.2%)	689	778	(89)	(11.5%)	778	(89)	(11.5%)	10.1%	25.0%	(1,489)	(59.6%)	26.3%	(1,622)	(61.6%)	18.1%	24.1%	(601)	(24.9%)	23.7%	(565)	(23.8%)
All Weather	127	415	(287)	(69.3%)	415	(288)	(69.3%)	390	670	(280)	(41.8%)	671	(280)	(41.8%)	(24.3%)	(5.2%)	(1,912)	369.3%	(5.5%)	(1,879)	341.1%	(12.5%)	(1.8%)	(1,071)	608.0%	(4.0%)	(849)	212.8%
KGW	330	252	78	31.1%	233	98	41.9%	619	554	65	11.6%	512	107	20.9%	30.1%	33.1%	(296)	(8.9%)	33.1%	(296)	(8.9%)	29.6%	33.3%	(367)	(11.0%)	33.3%	(367)	(11.0%)
Lindsay	130	251	(121)	(48.0%)	230	(100)	(43.3%)	260	467	(208)	(44.4%)	429	(169)	(39.4%)	12.3%	10.6%	169	15.9%	10.6%	169	15.9%	12.6%	12.1%	54	4.5%	12.1%	54	4.5%
Whisper Walls	91	195	(104)	(53.5%)	180	(89)	(49.6%)	217	375	(158)	(42.2%)	346	(129)	(37.2%)	41.2%	53.2%	(1,202)	(22.6%)	53.2%	(1,202)	(22.6%)	43.2%	50.3%	(712)	(14.2%)	50.3%	(712)	(14.2%)
Western	118	223	(105)	(47.0%)	169	(51)	(30.2%)	389	321	68	21.3%	243	146	59.9%	27.9%	34.7%	(682)	(19.6%)	28.3%	(41)	(1.4%)	41.8%	34.6%	722	20.9%	29.9%	1,196	40.1%
Northern - Yukon	101	111	(10)	(9.4%)	111	(10)	(9.4%)	301	206	95	46.1%	206	95	46.1%	34.4%	42.4%	(795)	(18.8%)	42.4%	(795)	(18.8%)	40.4%	40.5%	(17)	(0.4%)	39.9%	49	1.2%
West Coast Designed	66	81	(15)	(18.5%)	75	(9)	(11.9%)	134	188	(53)	(28.4%)	174	(39)	(22.6%)	61.2%	45.6%	1,565	34.4%	45.7%	1,548	33.8%	46.1%	45.2%	91	2.0%	34.9%	1,124	32.2%
Coastal	112	77	35	45.2%	71	41	56.8%	191	136	55	40.7%	126	65	N/A	58.1%	36.0%	2,212	61.4%	57.0%	115	2.0%	44.1%	33.1%	1,098	33.1%	40.5%	359	8.9%
Modern	32	62	(29)	(47.7%)	62	(29)	(47.7%)	72	94	(22)	(23.5%)	94	(22)	(23.5%)	5.4%	19.4%	(1,400)	(72.4%)	20.0%	(1,460)	(73.2%)	14.2%	18.0%	(378)	(21.0%)	15.3%	(103)	(6.7%)
Hometime	–	82	(82)	(100.0%)	75	(75)	(100.0%)	85	92	(7)	(7.3%)	83	2	2.3%	#DIV/0!	34.7%	–	#VALUE!	29.5%	NA	#VALUE!	19.5%	35.9%	(1,635)	(45.6%)	20.7%	(119)	(5.7%)
Avanti	21	48	(28)	(56.9%)	41	(21)	(49.7%)	59	98	(39)	(39.9%)	84	(25)	(29.8%)	32.8%	28.6%	419	14.6%	29.2%	362	12.4%	21.1%	36.5%	(1,536)	(42.1%)	36.4%	(1,526)	(41.9%)
RMA	–	65	(65)	(100.0%)	38	(38)	(100.0%)	31	65	(34)	(52.7%)	38	(7)	(18.8%)	#DIV/0!	46.7%	–	#VALUE!	46.7%	NA	#VALUE!	36.4%	46.7%	(1,025)	(22.0%)	59.5%	(2,304)	(38.7%)
Intl - Yellow Dog	–	110	(110)	(100.0%)	110	(110)	(100.0%)	–	110	(110)	(100.0%)	110	(110)	(100.0%)	#DIV/0!	(0.2%)	–	#VALUE!	(0.2%)	NA	#VALUE!	#DIV/0!	(0.2%)	–	#VALUE!	(0.2%)	NA	#VALUE!
La Cantina	22	23	(1)	(2.6%)	21	1	5.7%	30	55	(25)	(45.7%)	51	(21)	(41.1%)	40.2%	41.7%	(149)	(3.6%)	41.0%	(77)	(1.9%)	37.8%	42.0%	(413)	(9.9%)	41.8%	(395)	(9.5%)
R&R	23	–	23	N/A	–	23	N/A	37	44	(7)	(15.2%)	39	(2)	(4.7%)	48.5%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	54.5%	54.4%	11	0.2%	54.6%	(2)	(0.0%)
Danjo	–	27	(27)	(100.0%)	24	(24)	(100.0%)	3	27	(24)	(89.4%)	24	(21)	(88.0%)	#DIV/0!	67.1%	–	#VALUE!	71.0%	NA	#VALUE!	(292.0%)	67.1%	(35,916)	(535.2%)	52.2%	(34,420)	(659.9%)
Other	143	73	70	95.4%	431	(288)	(66.9%)	236	192	44	23.2%	886	(650)	(73.4%)	16.9%	33.0%	(1,603)	(48.6%)	23.0%	(607)	(26.4%)	26.2%	34.9%	(870)	(24.9%)	9.2%	1,696	183.9%
Total Gross	\$ 4,818	\$ 6,905	\$ (2,087)	(30.2%)	\$ 6,439	\$ (1,621)	(25.2%)	\$ 10,468	\$ 12,435	\$ (1,967)	(15.8%)	\$ 12,047	\$ (1,579)	(13.1%)	6.7%	15.6%	(890)	(57.1%)	12.4%	(573)	(46.2%)	7.8%	17.3%	(954)	(55.1%)	13.0%	(524)	(40.3%)

## Management Discussion

- Low demand from most customers due to slow business and shutdowns as a result of Covid 19 including Cascade, Simonton, All Weather, Lindsay and Western.

# Key Performance Indicators - Everett

ENERGI Everett Extrusion KPI Report	2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<b>Health &amp; Safety</b>								
<i>Recordable Incidents</i>	1	0	0	0	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	3.24	3.24	3.33	2.24	1.15	1.19	1.19
<b>Quality Performance</b>								
<i>Customer Complaints - per MLBS</i>	10.0	3.9	6.00	4.81	7.0	-	4.1	4.3
<i>Return as % of sales</i>	0.44%	0.68%	0.29%	0.37%	1.99%	1.28%	0.93%	0.86%
<b>Delivery Performance</b>								
<i>% on time in full</i>	99.20%	100.00%	99.53%	99.86%	100.00%	100.00%	99.87%	99.88%
<i>% by line items</i>	99.20%	100.00%	99.53%	99.86%	100.00%	100.00%	99.87%	99.88%
<b>Costs</b>								
<i>Yield</i>	87.4%	89.6%	89%	89%	86.0%	88%	88.6%	88.6%
<i>Alt/Regrind Compound Consumption Ratio</i>	20.0%	24.0%	13%	15%	14.3%	41%	18.5%	19.8%
<i>Direct Labour \$/lb produced</i>	\$0.195	\$ 0.204	\$ 0.208	\$ 0.271	\$ 0.227	\$ 0.270	\$ 0.242	\$ 0.230
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.185	\$ 0.212	\$ 0.191	\$ 0.277	\$ 0.224	\$ 0.285	\$ 0.223	\$ 0.227
<b>Inventory</b>								
<i>Days - TTM (Trailing 12 Months)</i>	104.3	92.2	92	88	89.4	90	85.3	92.9

## Comments

**Quality:** \$15K Western capstock

**Cost:** Alt/Regrind Consumption: Production mix and limited regrind availability

Labour: Limited production schedule

# Full Year Everett P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	11,042	16,002	(4,960)	(31.0%)	15,729	(4,687)	(29.8%)	
Units Shipped ('000)	11,732	15,922	(4,191)	(26.3%)	15,371	(3,640)	(23.7%)	
Bookings (\$'000)	\$ 19,223	\$ 26,647	\$ (7,424)	(27.9%)	\$ 24,880	\$ (5,657)	(22.7%)	
Backlog (\$'000)	\$ 1,102	\$ 1,195	\$ (92)	(7.7%)	\$ 1,245	\$ (142)	(11.4%)	
Gross Revenue	\$ 19,424	\$ 26,536	\$ (7,112)	(26.8%)	\$ 24,943	\$ (5,519)	(22.1%)	
Adj. to Gross Revenue	(868)	(1,242)	374	(30.1%)	(1,100)	231	(21.1%)	
Net Revenue	18,556	25,294	(6,738)	(26.6%)	23,843	(5,287)	(22.2%)	
Material	9,598	12,766	(3,168)	(24.8%)	12,371	(2,773)	(22.4%)	
Labor	5,014	6,078	(1,064)	(17.5%)	6,177	(1,163)	(18.8%)	
Other COGS	2,517	2,511	6	0.2%	2,505	12	0.5%	
Total COGS	17,129	21,355	(4,226)	(19.8%)	21,053	(3,924)	(18.6%)	
Gross Margin	1,427	3,939	(2,512)	(63.8%)	2,790	(1,363)	(48.9%)	
Gross Margin %	7.7%	15.6%			11.7%			
R&D	—	—	—	N/A	—	—	N/A	
Sales & Marketing	253	249	4	1.8%	315	(62)	(19.7%)	
Administrative	2,950	3,037	(87)	(2.9%)	2,977	(26)	(0.9%)	
Other Opex	14	—	14	N/A	(6)	20	(343.9%)	
Total Opex	3,217	3,286	(68)	(2.1%)	3,286	(68)	(2.1%)	
EBITDA	(1,791)	653	(2,444)	(374.2%)	(496)	(1,295)	261.2%	
EBITDA %	(9.7%)	2.6%			(2.1%)			
Net Income (Loss)	\$ (3,645)	\$ (1,337)	\$ (2,308)	172.7%	\$ (1,952)	\$ (1,693)	86.7%	
Capex	\$ (318)	\$ (752)	\$ 434	(57.7%)	\$ (2,170)	\$ 1,852	(85.3%)	
<b>Opex Overview:</b>								
Payroll	\$ 728	\$ 773	\$ (45)	(5.8%)	\$ 686	\$ 42	6.1%	
Bonus	—	—	—	N/A	—	—	N/A	
Commissions	—	—	—	N/A	—	—	N/A	
Marketing	101	95	7	7.0%	165	(64)	(38.8%)	
Benefits	—	—	—	N/A	—	—	N/A	
Travel and entertainment	7	16	(9)	(54.4%)	6	1	25.8%	
Rent and facilities	—	—	—	N/A	—	—	N/A	
Insurance	117	149	(32)	(21.5%)	152	(36)	(23.3%)	
Professional fees	10	—	10	N/A	17	(7)	(41.1%)	
Utilities, repair, maintenance, and security	3	—	3	N/A	5	(2)	(39.6%)	
Corporate OH Fees	2,128	2,131	(3)	(0.2%)	2,130	(2)	(0.1%)	
Bad Debts	0	—	0	N/A	3	(3)	(97.2%)	
FX	14	—	14	N/A	(6)	20	(343.9%)	
JV Loss (Income)	—	—	—	N/A	—	—	N/A	
Other Expenses	110	122	(12)	(10.1%)	130	(21)	(16.0%)	
Total Opex	\$ 3,217	\$ 3,286	\$ (68)	(2.1%)	\$ 3,289	\$ (71)	(2.2%)	

# Key Customers – Full Year Everett

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
Simonton	\$	6,832	\$	9,500	\$	(2,668)	(28.1%)	\$	9,562	\$	(2,730)	(28.5%)	8.8%	20.9%	(1,209)	(57.9%)	11.7%	(293)	(25.0%)
Cascade		2,711		4,146		(1,435)	(34.6%)		2,073		637	30.7%	(20.7%)	(14.6%)	(606)	41.4%	(28.4%)	773	(27.2%)
Coeur d'Alene		3,207		3,755		(548)	(14.6%)		3,684		(477)	(12.9%)	0.1%	7.7%	(756)	(98.1%)	0.1%	3	29.8%
Westeck		1,209		1,600		(391)	(24.4%)		1,643		(434)	(26.4%)	14.4%	24.0%	(959)	(39.9%)	23.6%	(920)	(38.9%)
All Weather		750		1,277		(527)	(41.3%)		1,455		(705)	(48.4%)	(8.9%)	(2.5%)	(647)	262.7%	(5.5%)	(343)	62.4%
KGW		904		1,007		(103)	(10.2%)		955		(50)	(5.3%)	26.3%	31.7%	(543)	(17.1%)	31.8%	(550)	(17.3%)
Lindsay		605		1,003		(399)	(39.7%)		907		(302)	(33.3%)	9.6%	12.6%	(293)	(23.3%)	13.2%	(354)	(26.9%)
Whisper Walls		482		800		(318)	(39.8%)		677		(195)	(28.8%)	33.5%	47.7%	(1,425)	(29.8%)	48.7%	(1,518)	(31.2%)
Western		623		693		(69)	(10.0%)		511		113	22.0%	33.3%	33.9%	(58)	(1.7%)	32.9%	46	1.4%
Northerm - Yukon		485		500		(15)	(3.0%)		657		(172)	(26.2%)	32.6%	39.4%	(675)	(17.2%)	40.1%	(752)	(18.7%)
West Coast Designed		271		400		(129)	(32.3%)		379		(108)	(28.5%)	40.0%	42.9%	(294)	(6.9%)	41.2%	(120)	(2.9%)
Coastal		310		326		(17)	(5.1%)		316		(6)	(1.8%)	26.9%	32.8%	(584)	(17.8%)	44.1%	(1,714)	(38.9%)
Modern		154		226		(72)	(31.7%)		256		(102)	(39.8%)	11.9%	22.7%	(1,078)	(47.5%)	21.3%	(934)	(43.9%)
Hometime		152		188		(36)	(19.1%)		169		(17)	(10.0%)	21.1%	33.1%	(1,199)	(36.2%)	27.3%	(618)	(22.6%)
Avanti		110		176		(66)	(37.6%)		98		12	12.6%	22.8%	34.3%	(1,154)	(33.6%)	33.8%	(1,100)	(32.6%)
RMA		87		154		(67)	(43.4%)		72		15	20.6%	31.9%	45.7%	(1,383)	(30.3%)	50.4%	(1,856)	(36.8%)
Intl - Yellow Dog		25		150		(125)	(83.5%)		115		(91)	(78.6%)	0.9%	2.6%	(170)	(65.6%)	2.1%	(123)	(58.0%)
La Cantina		67		118		(51)	(43.0%)		80		(13)	(16.2%)	25.0%	39.3%	(1,431)	(36.4%)	41.3%	(1,636)	(39.6%)
R&R		66		90		(24)	(26.9%)		110		(44)	(40.2%)	42.1%	51.8%	(976)	(18.8%)	55.7%	(1,360)	(24.4%)
Danjo		39		83		(44)	(53.1%)		65		(26)	(40.2%)	(31.0%)	47.6%	(7,866)	(165.1%)	44.7%	(7,576)	(169.3%)
Other		335		344		(9)	(2.5%)		1,160		(825)	(71.1%)	31.5%	33.1%	(153)	(4.6%)	14.8%	1,673	113.0%
Total Gross	\$	19,424	\$	26,536	\$	(7,112)	(26.8%)	\$	24,943	\$	(5,519)	(22.1%)	7.4%	15.3%	(788)	(51.6%)	11.2%	(380)	(33.9%)

# Terrebonne Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ 5,516	\$ 6,092	\$ (576)	(9.4%)	\$ 10,324	\$ 10,193	\$ 131	1.3%
Backlog (\$'000)	\$ 3,609	\$ 1,153	\$ 2,456	213.0%	\$ 3,609	\$ 1,153	\$ 2,456	213.0%
Gross Revenue	\$ 3,945	\$ 6,235	\$ (2,290)	(36.7%)	\$ 7,714	\$ 10,345	\$ (2,631)	(25.4%)
Adj. to Gross Revenue	(123)	(312)	189	(60.5%)	(338)	(507)	169	(33.4%)
Net Revenue	3,821	5,923	(2,102)	(35.5%)	7,376	9,838	(2,462)	(25.0%)
Material	2,446	3,661	(1,215)	(33.2%)	4,716	6,146	(1,430)	(23.3%)
Labor	657	1,149	(491)	(42.8%)	1,561	2,108	(547)	(26.0%)
Other COGS	373	422	(49)	(11.6%)	833	600	233	38.9%
Total COGS	3,476	5,231	(1,755)	(33.6%)	7,109	8,854	(1,744)	(19.7%)
Gross Margin	346	692	(346)	(50.1%)	267	984	(718)	(72.9%)
Gross Margin %	9.0%	11.7%			3.6%	10.0%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	56	107	(51)	(47.8%)	149	208	(59)	(28.2%)
Administrative	473	610	(137)	(22.5%)	1,037	1,173	(136)	(11.6%)
Other Opex	16	–	16	N/A	(33)	–	(33)	N/A
Total Opex	545	718	(173)	(24.1%)	1,154	1,381	(227)	(16.5%)
EBITDA	(199)	(26)	(173)	668.1%	(887)	(397)	(490)	123.6%
EBITDA %	(5.2%)	(0.4%)			(12.0%)	(4.0%)		
Net Income (Loss)	\$ (225)	\$ (64)	\$ (160)	248.5%	\$ (939)	\$ (471)	\$ (468)	99.6%
Capex	\$ –	\$ (122)	\$ 122	(100.0%)	\$ (28)	\$ (287)	\$ 259	(90.2%)
<b>Opex Overview:</b>								
Payroll	\$ 153	\$ 272	\$ (119)	(43.6%)	\$ 373	\$ 536	\$ (164)	(30.5%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	4	6	(2)	(32.2%)	18	12	6	50.6%
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	0	2	(2)	(96.2%)	1	3	(2)	(60.9%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	4	36	(32)	(88.1%)	40	44	(4)	(9.5%)
Utilities, repair, maintenance, anc	10	18	(8)	(42.9%)	22	31	(9)	(28.4%)
Corporate OH Fees	347	364	(17)	(4.6%)	705	721	(16)	(2.3%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	16	–	16	N/A	(33)	–	(33)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	10	20	(10)	(50.5%)	29	34	(5)	(15.9%)
Total Opex	\$ 545	\$ 718	\$ (173)	(24.1%)	\$ 1,154	\$ 1,381	\$ (227)	(16.5%)

## Management Discussion

### Net Revenue – Q2-20: (\$2,102K):

- Sales volume decreased \$2,066k due to decreased demand from AMI, Ostaco and Atis
- Favorable rebates/accruals \$73k driven by rebate accrual true up for the 2019/2020 Platinum/Fenestra program and lower sales volume in addition to lower discounts driven by customer delays in payments
- Returns in line with budget
- Favorable ASP of \$70k due to customer/product mix (lower price increase vs budget)
- Unfavorable F/X of \$180k (actual rate of 1.3859 [or \$USD 0.7216] vs. 1.33 [or \$USD 0.7519])

### EBITDA – Q2-20: (\$173K):

- Material COGS:** Decrease in costs by \$1,215K primarily driven by sales volume decrease \$1,277k, favorable PPV \$25k and favorable freight in \$14k; offset by unfavorable product mix \$78k, lower scrap/yield \$30k
- Labor COGS:** Decrease in costs by \$491k due to lower headcount as a result of layoffs and lower production volumes (Covid-19 business closures in Quebec) and wage subsidies
- Other COGS:** Decrease in costs by \$49k due to lower freight \$54k, decrease in warranty costs \$12k, decreases as a result of lower production in factory costs \$20k, maintenance and utilities \$15k. Lower premises costs by \$23k driven by savings related to overture move from Woodbridge; offset by lower absorption of \$77K
- Sales and Marketing:** Decrease in costs by \$51k driven by lower wages (Covid-19 layoff) and wages subsidies.
- Administrative:** Decrease in costs by \$137k as a result of layoffs and wage subsidies as well as budgeted consultant fee to replace plant manager not incurred.
- Other Opex:** Increase in costs by \$16k unfavorable F/X revaluation of working capital balances



# Key Customers – Gross Sales and Gross Margin %: Terrebonne

	Gross Sales (\$'000)														Gross Margin %																	
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%	
Customer:																																
A.M.I.	\$ 164	\$ 366	\$ (203)	(55.4%)	\$ 296	\$ (132)	(44.7%)	\$ 914	\$ 1,398	\$ (484)	(34.6%)	\$ 1,253	\$ (339)	(27.1%)	18.9%	7.9%	1,102	139.4%	10.6%	830	78.2%	5.7%	7.9%	(220)	(27.9%)	0.2%	547	2394.9%				
ATIS PORTES & FENETRES	316	295	22	7.4%	3	313	9836.2%	654	1,020	(366)	(35.8%)	48	607	1275.3%	(1.7%)	(15.6%)	1,393	(89.3%)	(1083.7%)	108,206	(99.8%)	(22.1%)	(17.8%)	(427)	23.9%	(354.7%)	33,256	(93.8%)				
GOLDEN WINDOWS	197	202	(5)	(2.4%)	182	15	8.1%	821	769	52	6.8%	740	81	10.9%	(14.2%)	5.3%	(1,948)	(368.4%)	6.8%	(2,100)	(308.8%)	(23.6%)	5.3%	(2,889)	(546.3%)	5.3%	(2,889)	(546.3%)				
OSTACO 2000 WINDOORS INC	69	161	(92)	(57.2%)	185	(116)	(62.7%)	395	615	(220)	(35.8%)	667	(272)	(40.8%)	21.5%	(10.2%)	3,165	(310.7%)	(10.8%)	3,230	(298.1%)	4.9%	(10.2%)	1,508	(148.1%)	(13.6%)	1,846	(136.1%)				
PORTES & FENETRES ABRITEK	60	94	(34)	(35.9%)	170	(110)	(64.5%)	293	359	(66)	(18.4%)	474	(182)	(38.3%)	(8.7%)	14.4%	(2,309)	(160.1%)	2.3%	(1,094)	(482.1%)	(11.8%)	14.4%	(2,625)	(182.0%)	7.5%	(1,935)	(257.3%)				
DASHWOOD INDUSTRIES INC	127	81	47	57.9%	66	61	91.5%	511	308	204	66.3%	376	135	35.8%	29.4%	(8.8%)	3,819	(434.3%)	(2.6%)	3,203	(1218.1%)	16.7%	(8.8%)	2,554	(290.4%)	(7.3%)	2,405	(329.2%)				
P & F ISOTHERMIC INC	30	74	(44)	(59.7%)	95	(65)	(68.5%)	88	282	(194)	(68.7%)	262	(174)	(66.4%)	7.4%	(9.2%)	1,658	(180.3%)	3.9%	353	91.8%	(24.4%)	(9.2%)	(1,517)	165.0%	(18.3%)	(610)	33.4%				
VAILLANCOURT INC.	47	74	(27)	(36.5%)	79	(32)	(40.4%)	342	282	60	21.4%	385	(43)	(11.0%)	(2.8%)	7.0%	(974)	(140.0%)	0.9%	(372)	(395.8%)	(6.2%)	7.0%	(1,312)	(188.6%)	3.9%	(1,004)	(259.1%)				
EXTREME WINDOW AND	34	44	(10)	(22.8%)	28	6	21.5%	132	167	(35)	(21.0%)	141	(10)	(6.9%)	17.7%	(8.3%)	2,599	(312.6%)	(11.5%)	2,917	(253.9%)	(3.1%)	(8.3%)	519	(62.4%)	(6.5%)	337	(51.8%)				
Fenêtres Concept	18	38	(20)	(52.4%)	64	(45)	(71.3%)	116	146	(30)	(20.4%)	155	(39)	(25.0%)	8.5%	29.6%	(2,116)	(71.4%)	10.0%	(151)	(15.1%)	(5.5%)	29.6%	(3,513)	(118.5%)	30.8%	(3,633)	(117.8%)				
YKK AP VINYL	26	31	(5)	(15.3%)	16	11	69.2%	135	119	16	13.0%	144	(9)	(6.0%)	(1.8%)	41.9%	(4,371)	(104.4%)	147.8%	(14,962)	(101.2%)	(1.9%)	41.9%	(4,382)	(104.6%)	28.2%	(3,017)	(106.9%)				
CANADIAN VINYLTEK WINDOWS C	8	30	(22)	(73.5%)	32	(24)	(74.6%)	87	115	(28)	(24.2%)	173	(85)	(49.4%)	41.0%	(15.9%)	5,691	(358.3%)	(19.8%)	6,086	(306.9%)	43.3%	(15.9%)	5,919	(372.7%)	(10.0%)	5,334	(531.7%)				
MASON WINDOWS LTD	27	30	(3)	(10.0%)	54	(27)	(49.5%)	85	115	(30)	(25.9%)	140	(55)	(39.0%)	(19.7%)	8.3%	(2,803)	(336.4%)	(0.0%)	(1,968)	#####	(26.0%)	8.3%	(3,431)	(411.7%)	2.0%	(2,796)	(1414.5%)				
CEN	27	30	(3)	(9.3%)	31	(4)	(11.5%)	104	115	(12)	(10.0%)	177	(73)	(41.2%)	11.2%	20.8%	(958)	(46.0%)	49.4%	(3,813)	(77.3%)	6.5%	20.8%	(1,434)	(68.9%)	20.8%	(1,431)	(68.9%)				
TRI-STATE WINDOW FACTORY	—	27	(27)	(100.0%)	44	(44)	(100.0%)	71	102	(31)	(30.6%)	171	(100)	(58.4%)	#DIV/0!	20.3%	—	#VALUE!	25.8%	NA	#VALUE!	26.6%	20.3%	635	31.4%	8.7%	1,793	206.4%				
ATLANTIC WINDOWS	32	24	8	34.6%	46	(14)	(30.5%)	78	90	(12)	(13.3%)	76	1	1.9%	33.6%	(1.1%)	3,471	(3152.1%)	(0.9%)	3,450	(3867.1%)	13.1%	(1.1%)	1,419	(1288.3%)	(3.0%)	1,605	(540.7%)				
LORENDO INC.	98	20	78	385.3%	27	70	255.8%	130	77	53	68.6%	78	52	66.9%	1.9%	(2.0%)	397	(196.4%)	(5.4%)	737	(135.9%)	1.6%	(2.0%)	360	(178.3%)	(15.9%)	1,746	(110.0%)				
MAR	19	20	(2)	(7.9%)	30	(11)	(38.1%)	48	77	(29)	(38.0%)	101	(53)	(52.7%)	9.9%	7.0%	284	40.4%	6.1%	379	62.3%	(49.1%)	7.0%	(5,617)	(798.2%)	6.4%	(5,556)	(864.7%)				
FENERGIC INC	0	13	(13)	(97.1%)	9	(8)	(95.4%)	78	51	27	52.6%	50	28	55.2%	32.4%	(1.0%)	3,339	(3369.2%)	7.6%	2,478	325.3%	0.1%	(1.0%)	104	(105.3%)	(7.0%)	710	(100.7%)				
FMC	7	13	(6)	(49.2%)	35	(29)	(81.5%)	37	49	(13)	(25.7%)	123	(86)	(70.2%)	(1.5%)	160.0%	(16,147)	(100.9%)	2.8%	(433)	(153.3%)	(4.8%)	139.8%	(14,461)	(103.4%)	4.3%	(909)	(212.0%)				
Other	136	491	(355)	(72.3%)	329	(193)	(58.7%)	831	1,862	(1,031)	(55.4%)	1,342	(511)	(38.1%)	3.6%	32.3%	(2,877)	(89.0%)	22.3%	(1,872)	(84.0%)	19.6%	574.0%	(55,442)	(96.6%)	24.0%	(436)	(18.2%)				
Total Gross	\$ 1,442	\$ 2,159	\$ (716)	(33.2%)	\$ 1,819	\$ (377)	(20.7%)	\$ 5,949	\$ 8,118	\$ (2,169)	(26.7%)	\$ 7,076	\$ (1,127)	(15.9%)	5.0%	8.9%	(390)	(43.7%)	6.4%	(142)	(22.1%)	(0.8%)	8.2%	(895)	(109.6%)	2.3%	(305)	(134.3%)				

## Management Discussion

- Low demand from most customers due to slow business and shutdowns as a result of Covid 19 however, some improvement in May and June.
- Strong quarter for Lorendo.
- Positive quarter for Atis after being behind in Q1
- AMI and Isothermic continues to be behind budget.
- Dashwood continues to show positive results.

# Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door KPI Report	2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<b>Health &amp; Safety</b>								
<i>Recordable Incidents</i>	0	0	0	0	1	1	0	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	3.8	3.7	3.88	5.0	6.2	6.0	6
<b>Quality Performance</b>								
<i>Customer Complaints - per MLBS</i>	2.8	3.9	2.2	1.3	0.5	0.9	2.5	2
<i>Return as % of sales</i>	0.55%	1.04%	0.41%	0.37%	0.10%	0.50%	0.67%	0.53%
<b>Delivery Performance</b>								
<i>% on time in full</i>	95.00%	99.37%	93.75%	84%	37.65%	82.52%	68.20%	77.53%
<i>% by line items</i>	95.00%	99.37%	93.75%	84%	37.65%	82.52%	68.20%	77.53%
<b>Costs</b>								
<i>Direct Labour \$/FPV</i>	\$0.156	\$ 0.210	\$0.169	\$ 0.173	\$ 0.156	\$ 0.145	\$ 0.118	\$ 0.159
<i>Indirect Labour (incl D&amp;D) \$/FPV</i>	\$0.055	\$ 0.092	\$0.074	\$ 0.074	\$ 0.093	\$ 0.046	\$ 0.042	\$ 0.067
<b>Inventory</b>								
<i>Days - TTM (Trailing 12 Months)</i>	68.4	64	64.0	64	67	68	68	64

## Comments:

**Quality:** Lower volume due to Covid-19 business slowdown

**Delivery:** mostly due to reduced lack of laminated profile material and managing the business catch up from the Covid-19 slowdown

Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	-	-	-	N/A	-	-	N/A
Units Shipped ('000)	-	-	-	N/A	-	-	N/A
Bookings (\$'000)	\$ 21,982	\$ 24,489	\$ (2,507)	(10.2%)	\$ 20,510	\$ 1,472	7.2%
Backlog (\$'000)	\$ 2,513	\$ 1,294	\$ 1,219	94.2%	\$ 1,050	\$ 1,463	139.3%
Gross Revenue	\$ 19,383	\$ 24,981	\$ (5,598)	(22.4%)	\$ 20,539	\$ (1,156)	(5.6%)
Adj. to Gross Revenue	(1,053)	(1,229)	176	(14.3%)	(1,035)	(18)	1.7%
Net Revenue	18,331	23,752	(5,422)	(22.8%)	19,505	(1,174)	(6.0%)
Material	11,787	14,743	(2,956)	(20.0%)	12,383	(596)	(4.8%)
Labor	3,879	4,500	(621)	(13.8%)	4,136	(258)	(6.2%)
Other COGS	1,860	1,918	(58)	(3.0%)	2,093	(234)	(11.2%)
Total COGS	17,525	21,161	(3,635)	(17.2%)	18,613	(1,088)	(5.8%)
Gross Margin	805	2,592	(1,786)	(68.9%)	892	(87)	(9.7%)
Gross Margin %	4.4%	10.9%			4.6%		
R&D	-	-	-	N/A	-	-	N/A
Sales & Marketing	351	433	(81)	(18.8%)	417	(66)	(15.7%)
Administrative	2,141	2,372	(232)	(9.8%)	2,310	(170)	(7.3%)
Other Opex	(33)	-	(33)	N/A	34	(67)	(198.1%)
Total Opex	2,459	2,805	(346)	(12.3%)	2,761	(302)	(10.9%)
EBITDA	(1,654)	(213)	(1,440)	675.9%	(1,869)	215	(11.5%)
EBITDA %	(9.0%)	(0.9%)			(9.6%)		
Net Income (Loss)	\$ (1,756)	\$ (365)	\$ (1,392)	381.5%	\$ (1,959)	\$ 202	(10.3%)
Capex	\$ (28)	\$ (287)	\$ 259	(90.2%)	\$ (141)	\$ 113	(80.2%)
Opex Overview:							
Payroll	\$ 870	\$ 1,093	\$ (223)	(20.4%)	\$ 998	\$ (128)	(12.8%)
Bonus	-	-	-	N/A	-	-	N/A
Commissions	-	-	-	N/A	-	-	N/A
Marketing	28	23	5	22.1%	59	(31)	(51.8%)
Benefits	-	-	-	N/A	-	-	N/A
Travel and entertainment	2	8	(6)	(72.9%)	10	(8)	(78.5%)
Rent and facilities	-	-	-	N/A	-	-	N/A
Insurance	-	-	-	N/A	-	-	N/A
Professional fees	72	69	2	3.5%	66	5	7.8%
Utilities, repair, maintenance, and security	57	73	(16)	(22.2%)	55	2	3.3%
Corporate OH Fees	1,403	1,459	(56)	(3.9%)	1,463	(61)	(4.1%)
Bad Debts	-	-	-	N/A	3	(3)	(100.0%)
FX	(33)	-	(33)	N/A	34	(67)	(198.1%)
JV Loss (Income)	-	-	-	N/A	-	-	N/A
Other Expenses	60	79	(19)	(24.1%)	75	(15)	(20.1%)
Total Opex	\$ 2,459	\$ 2,805	\$ (346)	(12.3%)	\$ 2,764	\$ (305)	(11.0%)

# Key Customers – Full Year Terrebonne

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
A.M.I.	\$	3,606	\$	4,227	\$	(622)	(14.7%)	\$	3,628	\$	(22)	(0.6%)	8.4%	7.9%	53	6.7%	10.2%	(177)	(17.4%)
ATIS PORTES & FENETRES		3,086		3,489		(403)	(11.6%)		252		2,834	1123.5%	(12.7%)	(15.2%)	247	(16.2%)	(161.1%)	14,833	(92.1%)
GOLDEN WINDOWS		2,357		2,326		31	1.3%		2,132		224	10.5%	(7.5%)	5.3%	(1,281)	(242.3%)	7.1%	(1,465)	(205.6%)
OSTACO 2000 WINDOORS INC		1,591		1,861		(270)	(14.5%)		1,769		(178)	(10.0%)	2.3%	(10.2%)	1,250	(122.7%)	(7.1%)	941	(132.6%)
PORTES & FENETRES ABRITEK		1,057		1,085		(29)	(2.7%)		1,545		(489)	(31.6%)	4.2%	14.4%	(1,026)	(71.2%)	10.5%	(630)	(60.3%)
DASHWOOD INDUSTRIES INC		1,128		930		198	21.3%		996		133	13.3%	7.7%	(8.8%)	1,648	(187.4%)	(0.4%)	805	(2234.7%)
P & F ISOTHERMIC INC		639		853		(213)	(25.0%)		943		(303)	(32.2%)	(9.5%)	(9.2%)	(30)	3.3%	5.9%	(1,540)	(260.8%)
VAILLANCOURT INC.		920		853		68	7.9%		937		(16)	(1.8%)	3.0%	7.0%	(394)	(56.7%)	9.6%	(660)	(68.7%)
EXTREME WINDOW AND		463		504		(40)	(8.0%)		462		1	0.3%	(4.4%)	(8.3%)	395	(47.5%)	(3.9%)	(45)	11.5%
Fenêtres Concept		445		442		3	0.7%		487		(42)	(8.7%)	15.0%	29.6%	(1,466)	(49.4%)	32.3%	(1,727)	(53.5%)
YKK AP VINYL		373		361		13	3.5%		371		2	0.5%	21.5%	41.9%	(2,035)	(48.6%)	49.9%	(2,840)	(56.9%)
CANADIAN VINYLTEK WINDOWS C		323		349		(26)	(7.5%)		387		(64)	(16.5%)	11.0%	(15.9%)	2,686	(169.1%)	(10.8%)	2,182	(201.2%)
MASON WINDOWS LTD		311		349		(38)	(11.0%)		344		(34)	(9.7%)	(2.8%)	8.3%	(1,109)	(133.0%)	12.0%	(1,471)	(123.0%)
CEN		325		349		(24)	(6.8%)		381		(56)	(14.8%)	14.5%	20.8%	(632)	(30.4%)	22.0%	(750)	(34.1%)
TRI-STATE WINDOW FACTORY		282		309		(27)	(8.7%)		411		(128)	(31.3%)	24.9%	20.3%	460	22.7%	16.5%	840	51.0%
ATLANTIC WINDOWS		257		271		(14)	(5.2%)		245		12	4.9%	7.7%	(1.1%)	881	(800.0%)	1.2%	650	536.5%
LORENDO INC.		319		233		86	37.1%		206		113	54.6%	6.7%	(2.0%)	874	(432.9%)	(2.1%)	879	(424.8%)
MAR		197		233		(36)	(15.3%)		243		(45)	(18.8%)	(9.0%)	7.0%	(1,604)	(227.9%)	13.5%	(2,254)	(166.5%)
FENERGIC INC		177		155		22	14.1%		152		25	16.6%	1.2%	(1.0%)	222	(224.1%)	6.5%	(525)	(81.0%)
FMC		123		149		(25)	(17.1%)		369		(245)	(66.5%)	107.0%	163.9%	(5,691)	(34.7%)	5.9%	10,113	1713.9%
Other		1,403		5,654		(4,251)	(75.2%)		4,280		(2,877)	(67.2%)	26.6%	196.4%	(16,985)	(86.5%)	1.4%	2,519	1818.1%
Total Gross	\$	19,383	\$	24,981	\$	(5,598)	(22.4%)	\$	20,539	\$	(1,156)	(5.6%)	4.1%	10.4%	(627)	(60.2%)	4.3%	(19)	(4.5%)

# ECS Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	14,376	26,303	(11,926)	(45.3%)	38,408	48,131	(9,723)	(20.2%)
Units Shipped ('000)	15,472	26,303	(10,831)	(41.2%)	39,518	48,131	(8,614)	(17.9%)
Bookings (\$'000)	\$ 1,601	\$ 2,243	\$ (643)	(28.6%)	\$ 4,695	\$ 3,819	\$ 876	22.9%
Backlog (\$'000)	\$ 895	\$ 162	\$ 733	451.3%	\$ 895	\$ 162	\$ 733	451.3%
External Revenue	\$ 2,017	\$ 2,422	\$ (406)	(16.8%)	\$ 4,309	\$ 4,219	\$ 90	2.1%
Affiliate Revenue	\$ 8,767	\$ 16,236	\$ (7,470)	(46.0%)	\$ 23,118	\$ 29,789	\$ (6,671)	(22.4%)
Gross Revenue	\$ 10,783	\$ 18,659	\$ (7,876)	(42.2%)	\$ 27,427	\$ 34,009	\$ (6,581)	(19.4%)
Adj. to Gross Revenue	(0)	—	(0)	N/A	(1)	—	(1)	N/A
Net Revenue	10,783	18,659	(7,876)	(42.2%)	27,427	34,009	(6,582)	(19.4%)
Material	8,836	15,803	(6,967)	(44.1%)	22,329	28,731	(6,403)	(22.3%)
Labor	208	490	(282)	(57.6%)	659	961	(302)	(31.4%)
Other COGS	922	1,626	(704)	(43.3%)	2,246	3,140	(894)	(28.5%)
Total COGS	9,966	17,920	(7,953)	(44.4%)	25,233	32,832	(7,599)	(23.1%)
Gross Margin	816	739	77	10.5%	2,193	1,176	1,017	86.5%
Gross Margin %	7.6%	4.0%			8.0%	3.5%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	37	76	(39)	(51.1%)	90	152	(62)	(41.0%)
Administrative	382	462	(80)	(17.3%)	811	910	(99)	(10.9%)
Other Opex	(301)	—	(301)	N/A	125	—	125	N/A
Total Opex	119	538	(419)	(77.9%)	1,025	1,062	(37)	(3.5%)
EBITDA	698	201	496	246.8%	1,168	114	1,054	923.2%
EBITDA %	6.5%	1.1%			4.3%	0.3%		
Net Income (Loss)	\$ 519	\$ 9	\$ 509	5452.7%	\$ 810	\$ (265)	\$ 1,075	(405.5%)
Capex	\$ —	\$ (194)	\$ 194	(100.0%)	\$ —	\$ (388)	\$ 388	(100.0%)
<b>Opex Overview:</b>								
Payroll	\$ 85	\$ 137	\$ (53)	(38.3%)	\$ 212	\$ 273	\$ (61)	(22.5%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	19	8	11	139.1%	38	16	23	146.4%
Marketing	—	—	—	N/A	—	—	—	N/A
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	0	5	(5)	(99.6%)	6	11	(5)	(46.1%)
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	15	24	(9)	(36.1%)	33	48	(15)	(30.9%)
Professional fees	—	1	(1)	(100.0%)	0	1	(1)	(73.6%)
Utilities, repair, maintenance, anc	1	5	(4)	(78.1%)	4	8	(4)	(52.3%)
Corporate OH Fees	297	322	(24)	(7.6%)	604	632	(28)	(4.4%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	(301)	—	(301)	N/A	125	—	125	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	2	36	(34)	(94.0%)	4	74	(70)	(95.0%)
Total Opex	\$ 119	\$ 538	\$ (419)	(77.9%)	\$ 1,025	\$ 1,062	\$ (37)	(3.5%)

## Management Discussion

### Net Revenue – Q2-20: (\$7,876K)

- Sales volume down 41.2% or \$7,683k driven by decreased demand from affiliate customers 46% and external customers 16.8%
- Favorable price/mix of \$254K primarily driven customer/product mix (Woodbridge, Delmont, Nuform, Vinyl Profiles and Fence Outlet).
- Unfavorable F/X of \$447k (actual rate of 1.3859 [or \$USD 0.7216] vs. 1.33 [or \$USD 0.7519])

### EBITDA – Q2-20: +\$496K

- Material COGS:** Decrease in costs by \$6,967k driven by decreased sales volume \$6,507k, lower material costs (resin \$135k and additives \$156k), favorable product mix by \$153k and favorable RM count adjustments \$76k; offset by higher production scrap \$45k
- Labor COGS:** Decrease in cost by \$282k due to lower headcount, vacation utilization and wage subsidies.
- Other COGS:** Decrease in cost by 704k primarily driven by lower freight expenses \$423k (lower volumes & lower rates CP vs CN & Pentagon to Delmont), lower utilities \$177k (lower usage) and lower maintenance \$102k(lower usage); offset by under absorption \$46k.
- Sales and Marketing:** Decreased in cost by \$39k driven by vacation utilization and wage subsidy
- Administrative:** Decrease in cost by \$80k driven by lower wages due to layoffs, reduced wages, vacation utilization and wage subsidy
- Other Opex:** Decrease in cost by \$301k driven by favorable F/X revaluation of working capital balances

# Key Customers – Gross Sales and Gross Margin %: ECS

	Gross Sales (\$'000)														Gross Margin %																							
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%						
Customer:																																						
Vinyl Profiles, LLC	\$	442	\$	736	\$	(294)	(40.0%)	\$	663	\$	(221)	(33.3%)	\$	1,110	\$	1,297	\$	(187)	(14.4%)	\$	1,241	\$	(131)	(10.6%)	23.9%	13.9%	999	72.0%	32.5%	(859)	(26.5%)	25.8%	15.7%	1,010	64.5%	37.2%	(1,139)	(30.7%)
Nuform Building Technologies Inc		423		503		(80)	(15.9%)		422		1	0.2%		912		802		110	13.8%		729		183	25.1%	27.6%	9.4%	1,822	194.2%	17.9%	965	53.8%	21.5%	8.0%	1,351	169.4%	15.7%	582	37.1%
The Vinyl Company Inc.		56		311		(255)	(82.0%)		294		(238)	(81.0%)		255		646		(391)	(60.5%)		644		(389)	(60.4%)	23.2%	12.2%	1,106	90.9%	15.3%	791	51.7%	13.9%	11.9%	198	16.7%	16.8%	(292)	(17.4%)
Vinylume Products Inc		158		194		(36)	(18.5%)		194		(36)	(18.6%)		288		325		(37)	(11.4%)		327		(39)	(11.9%)	26.6%	12.4%	1,417	114.2%	23.7%	287	12.1%	23.9%	12.3%	1,164	94.7%	25.2%	(129)	(5.1%)
Accord Plastics Corp.		171		175		(4)	(2.1%)		174		(3)	(1.7%)		264		329		(65)	(19.9%)		330		(66)	(20.0%)	18.1%	6.9%	1,118	161.0%	17.8%	31	1.8%	18.2%	6.8%	1,138	166.9%	19.0%	(80)	(4.2%)
Window Seal Limited		–		–		-	N/A		–		-	N/A		2		–		2	N/A		–		2	N/A	0.0%	0.0%	–	N/A	0.0%	-	N/A	2.3%	0.0%	232	N/A	0.0%	232	N/A
New Customers (L.B. Plastics)		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	0.0%	0.0%	–	N/A	0.0%	-	N/A	0.0%	0.0%	–	N/A	0.0%	-	N/A
Prasad Plastics Limited		48		5		43	786.5%		2		46	2300.0%		95		8		87	1075.9%		4		91	2275.0%	14.8%	4.0%	1,073	266.4%	0.0%	1,475	N/A	28.7%	2.7%	2,601	954.7%	0.0%	2,874	N/A
Superior Extrusions Ltd		7		13		(6)	(47.5%)		14		(7)	(50.0%)		19		22		(3)	(13.8%)		23		(4)	(17.4%)	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Vytron Corporation		–		9		(9)	(100.0%)		9		(9)	(100.0%)		–		12		(12)	(100.0%)		13		(13)	(100.0%)	0.0%	3.9%	(392)	(100.0%)	(100.0%)	10,000	(100.0%)	0.0%	2.3%	(225)	(100.0%)	11.1%	(1,111)	(100.0%)
Plastibec Ltee		–		3		(3)	(100.0%)		3		(3)	(100.0%)		5		5		(0)	(8.6%)		6		(1)	(16.7%)	#DIV/0!	2.8%	–	#VALUE!	5.4%	NA	#VALUE!	#DIV/0!	6.5%	–	#VALUE!	11.8%	NA	#VALUE!
Vinyl Profiles (2011)		61		20		41	205.3%		20		41	205.0%		74		38		36	92.5%		38		36	94.7%	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	550.0%	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Fence Outlet MDC, LLC		256		133		123	92.0%		(3)		259	(8633.3%)		587		267		320	120.1%		21		566	2695.2%	#DIV/0!	(127.3%)	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	(229.8%)	–	#VALUE!	70.6%	NA	#VALUE!
INFINITY EXTRUSIONS INC.		–		36		(36)	(100.0%)		37		(37)	(100.0%)		–		43		(43)	(100.0%)		44		(44)	(100.0%)	#DIV/0!	90.5%	–	#VALUE!	200.0%	NA	#VALUE!	0.0%	37.7%	(3,765)	(100.0%)	88.9%	(8,889)	(100.0%)
Resin Technology, LLC		–		131		(131)	(100.0%)		318		(318)	(100.0%)		–		131		(131)	(100.0%)		371		(371)	(100.0%)	#DIV/0!	0.0%	–	N/A	52.2%	NA	#VALUE!	#DIV/0!	0.0%	–	N/A	41.9%	NA	#VALUE!
Delcan Manufacturing Ltd		385		142		243	170.7%		31		354	1131.0%		710		284		426	149.6%		31		679	2170.2%	21.3%	12.9%	844	65.6%	13.9%	744	53.7%	18.2%	12.6%	558	44.4%	13.9%	431	31.1%
Mor-X Plastics		–		10		(10)	(100.0%)		–		-	N/A		–		10		(10)	(100.0%)		–		-	N/A	#DIV/0!	18.7%	–	#VALUE!	#DIV/0!	NA	#DIV/0!	#DIV/0!	18.7%	–	#VALUE!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		9,218		16,973		(7,755)	(45.7%)		15,865		(6,647)	(41.9%)		24,216		31,086		(6,870)	(22.1%)		30,911		(6,695)	(21.7%)	3.6%	2.9%	63	21.6%	12.2%	(863)	(70.7%)	5.4%	2.3%	314	138.1%	5.2%	23	4.5%
Total Gross		\$ 10,783		\$ 18,659		\$ (7,876)	(42.2%)		\$ 18,044		\$ (7,260)	(40.2%)		\$ 27,427		\$ 34,009		\$ (6,581)	(19.4%)		\$ 34,734		\$ (7,307)	(21.0%)	7.6%	4.0%	361	91.1%	13.9%	(631)	(45.4%)	8.1%	3.3%	483	148.0%	7.1%	99	13.8%

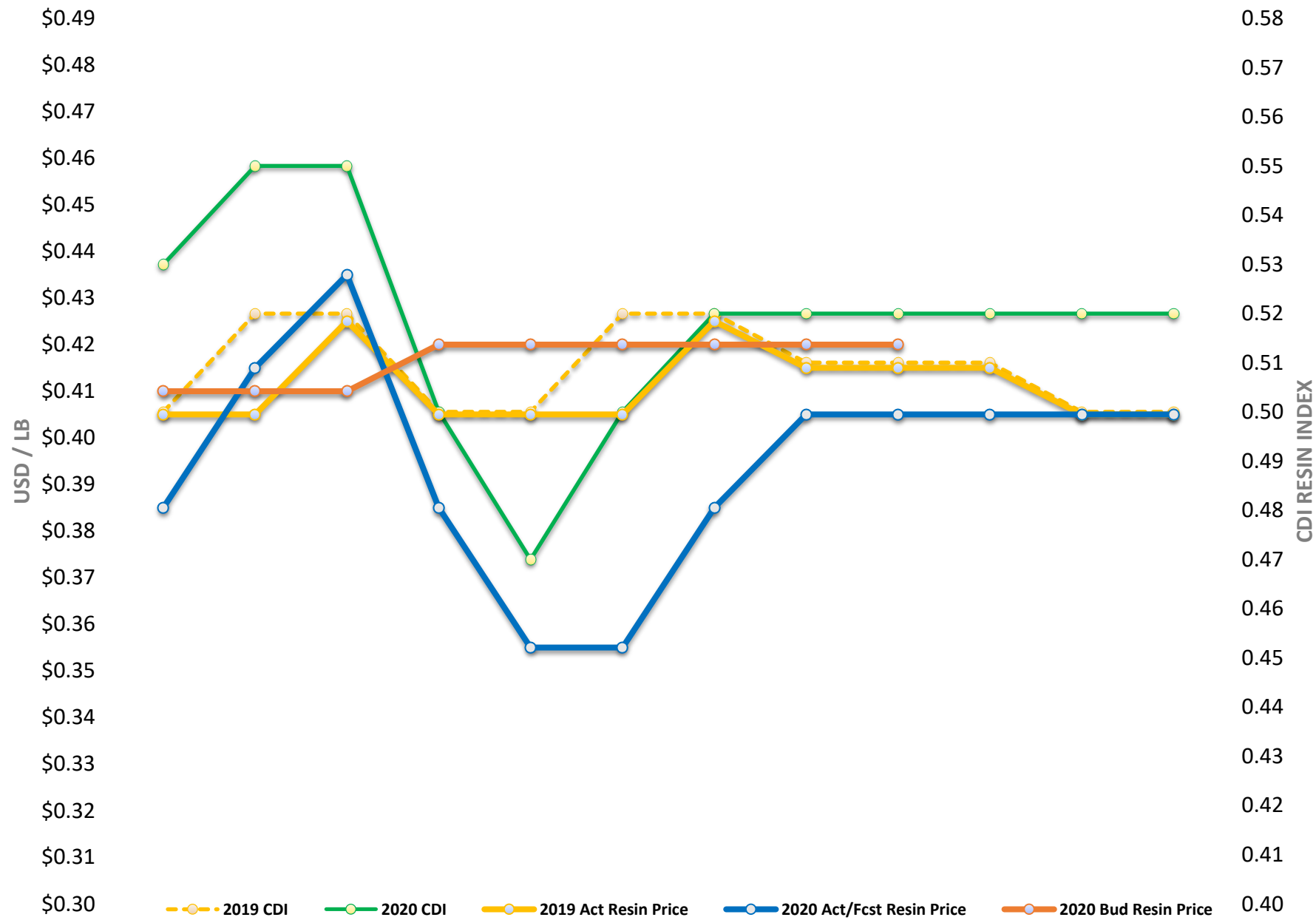
## Management Discussion

- Low demand from most customers due to slow business and shutdowns as a result of Covid 19 with Vinyl Profiles, Vinyl Company and Resin Tech falling significantly behind budget.
- Strong demand from Delcan and Fence outlet.

ECS Material Cost Summary

	Q1-20		Q2-20	FY	Q1-20		Q2-20	FZ	Q1-20		Q1-20	FY						
US \$'000	Act		Act	Act	AOP		AOP	AOP	Actual-AOP		Actual-AOP	Actual-AOP						
Sales																		
Total Sales - Non-Patio & Doors - S'000	\$	16,888	\$	10,863	\$	27,751	\$	15,350	\$	18,593	\$	33,943	\$	1,538	\$	(7,731)	\$	(6,193)
Total Sales - Non-Patio & Doors - Lbs		24,045		15,472		39,518		21,828		26,303		48,131		2,217		(10,831)		(8,614)
FX Rate																		
Materials - ASP																		
ADDITIVE	\$	3.57	\$	3.61	\$	3.60	\$	3.69	\$	3.69	\$	3.69	\$	(0.12)	\$	(0.08)	\$	(0.09)
ADDITIVE (IMPACT MODIFIER)	\$	1.40	\$	1.31	\$	1.33	\$	1.52	\$	1.52	\$	1.52	\$	(0.13)	\$	(0.21)	\$	(0.19)
ADDITIVE (PROCESSING AID)	\$	1.40	\$	1.32	\$	1.34	\$	1.56	\$	1.56	\$	1.56	\$	(0.16)	\$	(0.23)	\$	(0.22)
FILLER	\$	0.20	\$	0.18	\$	0.19	\$	0.22	\$	0.22	\$	0.22	\$	(0.02)	\$	(0.04)	\$	(0.03)
LUBRICANT	\$	0.92	\$	0.91	\$	0.91	\$	0.93	\$	0.93	\$	0.93	\$	(0.01)	\$	(0.02)	\$	(0.02)
PIGMENT - C	\$	2.81	\$	1.87	\$	2.11	\$	2.95	\$	2.95	\$	2.95	\$	(1.08)	\$	(1.08)	\$	(1.08)
PIGMENT - G	\$	2.89	\$	2.50	\$	2.60	\$	2.79	\$	2.79	\$	2.79	\$	0.10	\$	(0.29)	\$	(0.19)
PIGMENT - HC	\$	5.57	\$	5.35	\$	5.41	\$	5.89	\$	5.89	\$	5.89	\$	(0.33)	\$	(0.54)	\$	(0.49)
PIGMENT - PC	\$	5.23	\$	5.00	\$	5.06	\$	7.27	\$	7.27	\$	7.27	\$	(2.05)	\$	(2.27)	\$	(2.21)
PKG																		
PLASTICIZER	\$	0.81	\$	0.54	\$	0.61	\$	0.88	\$	0.88	\$	0.88	\$	(0.07)	\$	(0.34)	\$	(0.27)
RESIN	\$	0.41	\$	0.37	\$	0.38	\$	0.41	\$	0.42	\$	0.42	\$	0.00	\$	(0.05)	\$	(0.04)
STABILIZER	\$	3.11	\$	2.77	\$	2.86	\$	3.41	\$	3.41	\$	3.41	\$	(0.30)	\$	(0.64)	\$	(0.55)
TIO2	\$	1.39	\$	1.39	\$	1.39	\$	1.39	\$	1.39	\$	1.39	\$	(0.00)	\$	(0.00)	\$	(0.00)
Material Other																		
Materials - \$'000																		
ADDITIVE	\$	361	\$	222	\$	583	\$	333	\$	401	\$	735	\$	28	\$	(180)	\$	(152)
ADDITIVE (IMPACT MODIFIER)	\$	1,261	\$	743	\$	2,004	\$	1,215	\$	1,464	\$	2,678	\$	46	\$	(721)	\$	(674)
ADDITIVE (PROCESSING AID)	\$	207	\$	121	\$	329	\$	213	\$	257	\$	470	\$	(6)	\$	(136)	\$	(142)
FILLER	\$	236	\$	149	\$	385	\$	279	\$	336	\$	616	\$	(43)	\$	(187)	\$	(231)
LUBRICANT	\$	493	\$	316	\$	809	\$	452	\$	544	\$	996	\$	41	\$	(228)	\$	(188)
PIGMENT - C	\$	—	\$	5	\$	5	\$	—	\$	—	\$	-	\$	—	\$	5	\$	5
PIGMENT - G	\$	154	\$	84	\$	238	\$	203	\$	245	\$	449	\$	(49)	\$	(162)	\$	(211)
PIGMENT - HC	\$	148	\$	105	\$	252	\$	148	\$	178	\$	325	\$	0	\$	(73)	\$	(73)
PIGMENT - PC	\$	49	\$	33	\$	83	\$	27	\$	33	\$	60	\$	22	\$	0	\$	23
PKG	\$	—	\$	—	\$	-	\$	—	\$	—	\$	-	\$	—	\$	—	\$	-
PLASTICIZER	\$	72	\$	25	\$	97	\$	70	\$	85	\$	155	\$	1	\$	(59)	\$	(58)
RESIN	\$	7,791	\$	4,370	\$	12,161	\$	6,979	\$	8,614	\$	15,593	\$	813	\$	(4,244)	\$	(3,431)
STABILIZER	\$	932	\$	501	\$	1,433	\$	896	\$	1,079	\$	1,975	\$	36	\$	(578)	\$	(541)
TIO2	\$	2,478	\$	1,574	\$	4,052	\$	2,203	\$	2,655	\$	4,858	\$	275	\$	(1,081)	\$	(806)
Scrap	\$	82	\$	51	\$	133	\$	88	\$	82	\$	170	\$	(6)	\$	(31)	\$	(37)
BOM Scrap (not in P&L and 2020 AOP)	\$	—	\$	—	\$	-	\$	—	\$	—	\$	-	\$	—	\$	—	\$	-
PIP Savings	\$	(12)	\$	(3)	\$	(15)	\$	—	\$	—	\$	-	\$	(12)	\$	(3)	\$	(15)
Kronos Rebates (\$0.01)	\$	(16)	\$	(32)	\$	(48)	\$	(16)	\$	(19)	\$	(35)	\$	0	\$	(13)	\$	(13)
Resin Rebate & Discount	\$	(208)	\$	(100)	\$	(308)	\$	(225)	\$	(275)	\$	(500)	\$	17	\$	174	\$	192
Amortization Timing	\$	(172)	\$	379	\$	207	\$	(78)	\$	(73)	\$	(150)	\$	(94)	\$	452	\$	357
Packaging	\$	24	\$	64	\$	88	\$	99	\$	90	\$	189	\$	(75)	\$	(26)	\$	(101)
Material Other	\$	(183)	\$	284	\$	101	\$	41	\$	107	\$	147	\$	(224)	\$	178	\$	(46)
Total Material Costs	\$	13,697	\$	8,891	\$	22,588	\$	12,928	\$	15,803	\$	28,731	\$	770	\$	(6,913)	\$	(6,143)

# Historical Resin Price Chart





# Key Performance Indicators - ECS

ENERGI Compound Solutions	2020 Targets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
<b>Health &amp; Safety</b>								
<i>Recordable( effects TRIR)</i>	0	0	0	0	0	0	0	0
<i>Near Misses</i>	2	0	0	0	0	1	0	1
<b>Environmental</b>								
<i>Recordable( effects TRIR)</i>	0	0	0	0	0	0	0	0
<i>Near Misses</i>	2	0	0	0	0	0	0	0
<b>Quality Performance</b>								
<i>Concerns per million Good Lbs</i>	0.3	0.1	0.1	0.0		0.0	0.0	0.1
<i>Return as % of sales (%)</i>	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Delivery Performance</b>								
<i>% on time</i>	100%	100%	100%	100%	79%	100%	100%	96%
<b>Material Cost</b>								
<i>Yield</i>	100%	99%	99%	100%	100%	99%	100%	100%
<i>Production Scrap</i>	1.00%	0.5%	0.6%	0.5%	0.3%	0.5%	0.4%	0.48%
<i>Total Material Usage Variance</i>	2.00%	1.8%	-2.5%	0.5%	0.3%	2.5%	0	0.50%
<i>Direct Labour \$/lb produced</i>	0.009	0.007	0.009	0.008	0.008	0.014	0.002	0.007
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	0.014	0.017	0.017	0.018	0.020	0.021	0.007	0.016
<b>Inventory</b>								
<i>Days - TTM (Trailing 12 Months)</i>	41	39	37	36	38	39	38	38
<b>Freight</b>								
<i>Freight \$ as % of net sales</i>	3.9%	3.2%	3.3%	3.1%	2.8%	2.9%	2.6%	3.0%

COMMENTS:

# Full Year ECS P&L Summary

\$'000		FY		Var		PY		Var	
		Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)		77,625	96,359	(18,734)	(19.4%)	94,835	(17,209)	(18.1%)	
Units Shipped ('000)		78,735	96,359	(17,625)	(18.3%)	94,874	(16,139)	(17.0%)	
Bookings (\$'000)		\$ 7,674	\$ 7,417	\$ 257	3.5%	\$ 8,361	\$ (687)	(8.2%)	
Backlog ('\$000)		\$ 393	\$ 122	\$ 271	221.5%	\$ 370	\$ 23	6.2%	
	External Revenue	\$ 7,239	\$ 7,239	\$ (0)	(0.0%)	\$ 8,282	\$ (1,043)	(12.6%)	
	Affiliate Revenue	\$ 46,918	\$ 46,918	\$ (0)	(0.0%)	\$ 59,476	\$ (12,558)	(21.1%)	
	Gross Revenue	\$ 54,157	\$ 68,044	\$ (13,887)	(20.4%)	\$ 67,758	\$ (13,601)	(20.1%)	
Adj. to Gross Revenue		(1)	–	(1)	N/A	1	(2)	(194.3%)	
Net Revenue		54,156	68,044	(13,887)	(20.4%)	67,759	(13,603)	(20.1%)	
Material		44,975	57,758	(12,783)	(22.1%)	53,610	(8,635)	(16.1%)	
Labor		1,508	1,940	(433)	(22.3%)	1,766	(259)	(14.6%)	
Other COGS		4,790	6,208	(1,418)	(22.8%)	5,475	(685)	(12.5%)	
Total COGS		51,273	65,906	(14,634)	(22.2%)	60,851	(9,578)	(15.7%)	
Gross Margin		2,884	2,138	746	34.9%	6,909	(4,025)	(58.3%)	
Gross Margin %		5.3%	3.1%			10.2%			
R&D		–	–	–	N/A	–	–	N/A	
Sales & Marketing		187	303	(116)	(38.4%)	154	33	21.1%	
Administrative		1,655	1,805	(149)	(8.3%)	1,747	(91)	(5.2%)	
Other Opex		125	–	125	N/A	(242)	367	(151.4%)	
Total Opex		1,967	2,108	(141)	(6.7%)	1,658	309	18.6%	
EBITDA		917	30	887	2968.7%	5,250	(4,333)	(82.5%)	
EBITDA %		1.7%	0.0%			7.7%			
Net Income (Loss)		\$ 198	\$ (734)	\$ 933	(127.0%)	\$ 4,567	\$ (4,369)	(95.7%)	
Capex		\$ –	\$ (601)	\$ 601	(100.0%)	\$ (347)	\$ 347	(100.0%)	
Opex Overview:									
Payroll		\$ 453	\$ 544	\$ (91)	(16.7%)	\$ 546	\$ (93)	(17.1%)	
Bonus		–	–	–	N/A	–	–	N/A	
Commissions		67	32	35	110.1%	4	63	1543.0%	
Marketing		0	1	(0)	(5.0%)	–	0	N/A	
Benefits		–	–	–	N/A	–	–	N/A	
Travel and entertainment		24	29	(6)	(19.8%)	16	7	44.0%	
Rent and facilities		–	–	–	N/A	–	–	N/A	
Insurance		72	89	(17)	(19.2%)	69	3	4.9%	
Professional fees		1	1	(1)	(53.5%)	2	(1)	(66.5%)	
Utilities, repair, maintenance, and security		10	14	(4)	(30.4%)	12	(2)	(15.2%)	
Corporate OH Fees		1,199	1,251	(52)	(4.2%)	1,246	(48)	(3.8%)	
Bad Debts		–	–	–	N/A	3	(3)	(100.0%)	
FX		125	–	125	N/A	(242)	367	(151.4%)	
JV Loss (Income)		–	–	–	N/A	–	–	N/A	
Other Expenses		17	146	(129)	(88.5%)	6	11	202.0%	
Total Opex		\$ 1,967	\$ 2,108	\$ (141)	(6.7%)	\$ 1,661	\$ 306	18.4%	

# Key Customers – Full Year ECS

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
Vinyl Profiles, LLC	\$	1,784	\$	2,748	\$	(964)	(35.1%)	\$	2,756	\$	(972)	(35.3%)	20.9%	16.5%	442	26.8%	20.0%	90	4.5%
Nuform Building Technologies Inc		1,863		1,488		375	25.2%		1,838		25	1.4%	28.7%	7.4%	2,128	288.0%	27.3%	141	5.2%
The Vinyl Company Inc.		736		1,297		(561)	(43.3%)		1,399		(663)	(47.4%)	19.9%	11.8%	804	68.0%	14.5%	539	37.2%
Vinylume Products Inc		721		583		138	23.6%		642		79	12.2%	25.0%	12.1%	1,290	106.3%	24.1%	90	3.7%
Accord Plastics Corp.		530		615		(85)	(13.9%)		591		(61)	(10.4%)	18.5%	6.7%	1,173	174.4%	18.2%	23	1.3%
Window Seal Limited		2		59		(57)	(96.6%)		102		(100)	(98.0%)	1.0%	9.7%	(875)	(89.8%)	14.7%	(1,372)	(93.3%)
New Customers (L.B. Plastics)		–		–		-	N/A		–		-	N/A	0.0%	0.0%	–	N/A	#DIV/0!	NA	#DIV/0!
Prasad Plastics Limited		104		14		90	635.8%		55		49	89.3%	16.4%	2.9%	1,352	466.3%	18.2%	(176)	(9.7%)
Superior Extrusions Ltd		45		41		4	11.0%		44		1	2.8%	#DIV/0!	#DIV/0! –		#DIV/0!	27.3%	NA	#VALUE!
Vytron Corporation		6		15		(9)	(59.4%)		33		(27)	(81.4%)	0.0%	1.9%	(193)	(100.0%)	32.8%	(3,282)	(100.0%)
Plastibec Ltee		10		8		2	18.7%		6		4	61.0%	#DIV/0!	7.3% –		#VALUE!	66.7%	NA	#VALUE!
Vinyl Profiles (2011)		127		76		52	68.3%		94		33	35.3%	1394.3%	15.5%	137,880	8877.5%	24.5%	136,987	5598.6%
Fence Outlet MDC, LLC		1,171		533		637	119.5%		90		1,080	1194.5%	5507.0%	(274.2%)	578,122	(2108.3%)	11.1%	549,595	49710.9%
INFINITY EXTRUSIONS INC.		–		43		(43)	(100.0%)		125		(125)	(100.0%)	0.0%	34.0%	(3,398)	(100.0%)	15.2%	(1,520)	(100.0%)
Resin Technology, LLC		–		174		(174)	(100.0%)		442		(442)	(100.0%)	#DIV/0!	0.0% –		N/A	38.9%	NA	#VALUE!
Delcan Manufacturing Ltd		1,436		569		868	152.5%		31		1,405	4492.8%	19.8%	12.4%	739	59.5%	0.0%	1,981	N/A
Mor-X Plastics		–		20		(20)	(100.0%)		–		-	N/A	#DIV/0!	18.9% –		#VALUE!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
Other		47,406		62,508		(15,102)	(24.2%)		59,510		(12,104)	(20.3%)	2.9%	2.2%	68	30.8%	8.6%	(571)	(66.5%)
Total Gross	\$	54,157	\$	68,044	\$	(13,887)	(20.4%)	\$	67,758	\$	(13,601)	(20.1%)	6.0%	3.2%	283	88.3%	10.2%	(417)	(40.9%)

# Corporate Office Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Backlog ('000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Gross Revenue	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Adj. to Gross Revenue	–	–	–	N/A	–	–	–	N/A
Net Revenue	–	–	–	N/A	–	–	–	N/A
Material	(3)	91	(93)	(102.8%)	349	525	(176)	(33.5%)
Labor	93	(124)	217	(175.0%)	(89)	43	(132)	(305.0%)
Other COGS	303	22	281	1272.8%	578	73	505	686.8%
Total COGS	393	(11)	404	(3586.1%)	839	642	197	30.7%
Gross Margin	(393)	11	(404)	(3586.1%)	(839)	(642)	(197)	30.7%
Gross Margin %		N/A				N/A		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	363	829	(466)	(56.2%)	1,196	1,770	(574)	(32.4%)
Administrative	(1,901)	(1,453)	(447)	30.8%	(4,064)	(2,893)	(1,171)	40.5%
Other Opex	86	–	86	N/A	38	–	38	N/A
Total Opex	(1,452)	(624)	(828)	132.6%	(2,829)	(1,123)	(1,706)	151.9%
EBITDA	1,059	636	423	66.6%	1,991	481	1,509	313.7%
EBITDA %		N/A				N/A		
Net Income (Loss)	\$ 240	\$ (1,021)	\$ 1,261	(123.5%)	\$ 851	\$ (3,627)	\$ 4,478	(123.5%)
Capex	\$ –	\$ (699)	\$ 699	(100.0%)	\$ –	\$ (961)	\$ 961	(100.0%)
<b>Opex Overview:</b>								
Payroll	\$ 746	\$ 1,196	\$ (450)	(37.6%)	\$ 1,942	\$ 2,453	\$ (511)	(20.8%)
Bonus	103	185	(82)	(44.4%)	(298)	370	(668)	(180.4%)
Commissions	31	61	(30)	(49.3%)	93	113	(20)	(17.3%)
Marketing	21	59	(38)	(64.2%)	54	197	(142)	(72.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	18	252	(234)	(92.9%)	153	516	(363)	(70.3%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	89	110	(21)	(18.9%)	184	219	(36)	(16.4%)
Office Expense	12	11	0	0.3%	26	23	3	12.4%
IT	306	413	(107)	(26.0%)	657	810	(154)	(19.0%)
Bad Debts	–	–	–	N/A	64	–	64	N/A
FX	86	–	86	N/A	38	–	38	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(2,863)	(2,912)	49	(1.7%)	(5,742)	(5,824)	82	(1.4%)
Total Opex	\$ (1,452)	\$ (624)	\$ (828)	132.6%	\$ (2,829)	\$ (1,123)	\$ (1,706)	151.9%

## Management Discussion

### EBITDA – Q2-2020: +\$423K

- **Material COGS:** Intercompany profit elimination lower than budget
- **Labor COGS:** higher by \$217K due to estimated savings as a result of lower plant wages included in the Corporate plan as well as reduction in bonus estimate
- **Other COGS:** Freight Savings budgeted (\$268K), captured by plants and higher insurance accrual vs budget \$13k
- **Sales & Marketing:** lower by \$466K largely due lower wages by \$259k as a result of layoffs and lower wages due to Covid 19 as well as wage subsidies, lower Travel by \$125k, lower advertising \$40k and lower commissions \$30k
- **Administrative:** lower by \$447k on account of lower wages \$192k, lower bonus accrual by \$82k and lower travel by \$109k due to current pandemic. IT expense also lower by \$109K on account of delay in start of certain subscriptions and maintenance contracts due to negotiations.
- **Other Opex:** represents FX on CAD/US Cash Transactions
- **Capex:** Expenditure on IT projects postponed

# Full Year Corporate Office P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Backlog ('\$000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Gross Revenue	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Adj. to Gross Revenue	–	–	–	N/A	0	(0)	(100.0%)
Net Revenue	–	–	–	N/A	0	(0)	(100.0%)
Material	(149)	0	(150)	(49963.2%)	70	(219)	(313.1%)
Labor	25	(510)	535	(105.0%)	559	(534)	(95.5%)
Other COGS	1,235	151	1,085	720.4%	1,191	44	3.7%
Total COGS	1,111	(359)	1,470	(409.5%)	1,820	(709)	(39.0%)
Gross Margin	(1,111)	359	(1,470)	(409.5%)	(1,820)	709	(39.0%)
Gross Margin %	N/A	N/A			#####		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	2,480	3,607	(1,127)	(31.2%)	3,685	(1,205)	(32.7%)
Administrative	(7,389)	(5,691)	(1,698)	29.8%	(5,591)	(1,798)	32.2%
Other Opex	38	–	38	N/A	35	3	8.6%
Total Opex	(4,871)	(2,085)	(2,786)	133.7%	(1,871)	(3,000)	160.3%
EBITDA	3,760	2,444	1,316	53.9%	51	3,709	7250.5%
EBITDA %	N/A	N/A			#####		
Net Income (Loss)	\$ 819	\$ (3,989)	\$ 4,808	(120.5%)	\$ (5,181)	\$ 6,000	(115.8%)
Capex	\$ –	\$ (2,706)	\$ 2,706	(100.0%)	\$ (41)	\$ 41	(100.0%)
<b>Opex Overview:</b>							
Payroll	\$ 4,123	\$ 5,053	\$ (930)	(18.4%)	\$ 5,128	\$ (1,005)	(19.6%)
Bonus	(171)	740	(911)	(123.1%)	616	(787)	(127.7%)
Commissions	153	241	(88)	(36.4%)	243	(90)	(36.9%)
Marketing	149	377	(228)	(60.4%)	535	(386)	(72.1%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	412	1,044	(633)	(60.6%)	969	(558)	(57.5%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	384	439	(55)	(12.6%)	462	(79)	(17.0%)
Office Expense	44	46	(2)	(4.1%)	44	0	1.1%
IT	1,349	1,604	(256)	(15.9%)	1,587	(239)	(15.0%)
Bad Debts	64	–	64	N/A	176	(113)	(63.9%)
FX	38	–	38	N/A	35	3	8.6%
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,416)	(11,630)	214	(1.8%)	(11,667)	252	(2.2%)
Total Opex	\$ (4,871)	\$ (2,085)	\$ (2,786)	133.7%	\$ (1,869)	\$ (3,002)	160.6%

# Plant Capacity Utilization

## ENERGI Everett Monthly Capacity Utilization

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,190,137	1,319,667	745,432	828,616	591,407	729,086	-	-	-	-	-	-
Monthly capacity utilization(L/K)%( No seasonal adjustment)	49%	55%	31%	34%	25%	30%	0%	0%	0%	0%	0%	0%

## ENERGI Delmont Monthly Capacity Utilization

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,758,218	1,814,266	1,881,073	1,349,654	1,248,173	1,747,067	-	-	-	-	-	-
Monthly capacity utilization(L/K)%( No seasonal adjustment)	56%	57%	59%	43%	39%	55%	0%	0%	0%	0%	0%	0%

## ENERGI Woodbridge Monthly Capacity Utilization

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	2,700,166	2,208,783	2,720,000	498,912	1,288,032	2,581,242	-	-	-	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	52%	43%	53%	10%	25%	50%	0%	0%	0%	0%	0%	0%

## ENERGI Laval Capacity Utilization

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,248,042	1,565,564	1,315,181	146,906	939,881	1,667,509	-	-	-	-	-	-
Monthly capacity utilization(L/K)%	34%	42%	35%	4%	25%	45%	0%	0%	0%	0%	0%	0%

## ECS Capacity utilization

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Total available capacity lbs/month (A)*	19,841,580											
Actual Good Lbs produced(B)	8,180,256	7,666,521	8,184,772	1,956,432	4,103,963	8,315,946	-	-	-	-	-	-
Monthly Capacity utilization % (B/A)%	41%	39%	41%	10%	21%	42%	0%	0%	0%	0%	0%	0%

## Terrebonne Capacity Utilization

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Available Shift Capacity(based on Two 10Hr shifts)(\$)(000)	\$6,000											
Actual Finished Production Value (000)(\$CAD)	\$ 1,448	\$ 1,719	\$ 1,910	\$ 1,037	\$ 2,015	\$ 2,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity utilization based on NO seasonal adjustment and two 10hr shifts	24%	29%	32%	17%	34%	40%	0%	0%	0%	0%	0%	0%