

Investment Summary

Investment Date:	September 1, 2017	Invested Capital:	\$35.3 M
Deal Type:	Private Seller	Realized Value:	\$0.0 M
		Remaining Unrealized Value:	\$24.1 M
		Total Value:	\$24.1 M

Company Description

Business Summary Hufcor is a global leader in the design, manufacturing and installation of movable partitions. Its product line includes operable, vertical lift and glass partitions, accordion doors and other space management products. The company serves end markets including hospitality, commercial, education, convention center, and government. Hufcor is headquartered in Janesville, Wisconsin and has six manufacturing facilities on four continents (USA, Australia, New Zealand, Germany, Malaysia and China).

Headquarters Janesville, Wisconsin – USA
Employees 747
Management Scott Dobak – CEO
Tom Gioia – CFO

Recent Developments

- Hufcor management reacted quickly to COVID-19 disruptions and managed costs while working with customers to maintain bookings
- The business has been repositioned to control costs and conserve cash / increase liquidity
 - Segregated workforce on alternating schedules plus PPE roll-out with new safety protocols have thus far prevented an outbreak in manufacturing locations
 - Primary production (Janesville) experienced significant production constraints in the last two weeks of March due to social distancing requirements and COVID-19
 - Cost controls were enacted quickly across the global organization and are tracked weekly by management and OpenGate Operations
 - Admin functions implemented remote workforce protocol in the last week of March
- Q1 2020 EBITDA: \$1,179K (+3.6% of Rev) vs. PY Q1 \$931K (2.8% of Rev), \$248K ahead of PF prior year
 - Variable cost improvement of 0.4% of revenue vs 2019
 - 2020 OpEx increased \$552k from prior year for hires required to support long-term growth in the business
- 12 month rolling backlog increased to \$82 million - in line with current capacity and does not account for expectations for increased commercial opportunities in 2020
- Janesville lead time and quality initiatives successfully executed and improved metrics to commercially viable levels
- Staffing A&D sellers, ramping capacity in Texas & Southwest Domestic markets; investing in Midwest
- Rebuilding finance functional team to ensure scalability

Financial Summary (\$ in millions) (EBITDA excludes one-time transaction and deal fees)

	LTM	Quarter Ended		At
	3/31/20	3/31/19	3/31/20	3/31/20
Revenue:	\$149.0	\$33.0	\$32.7	Cash & Equivalents: \$3.0
Gross Profit:	\$38.8	\$7.8	\$7.9	Debt: \$38.8
EBITDA:	\$8.7	\$0.9	\$1.2	

Q1 2020 Financial Performance and Net Debt Trends (in USD)

