



OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM



Portfolio Company Review – October 2019

20 November 2019



OPENGATE CAPITAL

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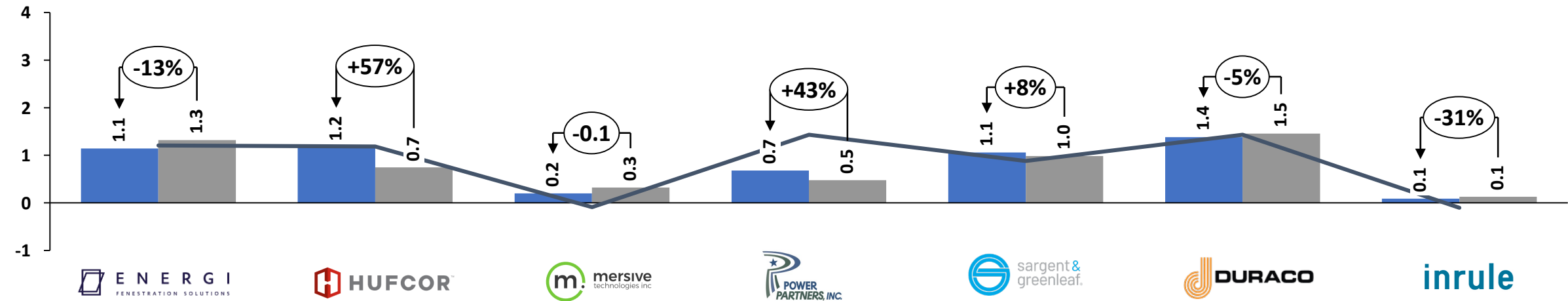
North America Portfolio Updates

Consolidated North America Portfolio EBITDA Performance

— 2018A ■ 2019B
■ 2019A

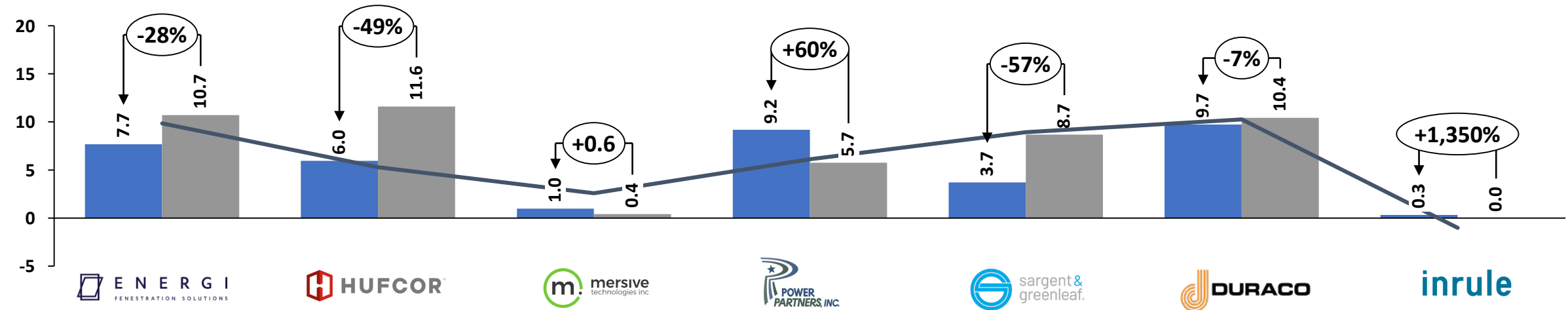
OCTOBER MTD EBITDA

\$000s



OCTOBER YTD EBITDA

\$ millions



*Note: Duraco EBITDA shown here does not include TSA or standalone costs

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Executive Summary: October




- October results: Net revenue @ \$15.9MM (94% of budget, 98% of PY), EBITDA @ \$1.14MM (87% of budget, 95% of PY) due primarily to continued extrusion volume loss.
- Extrusion volume loss due to lower demand from Canadian customers and lost business (Ventana, Jeld-Wen, Thompson Creek). Patio door sales outperformed PY by 78k due to increased demand
- Favorable material costs driven by improved yields and regrind usage at Laval, Delmont and ECS; however Woodbridge production challenges remain (\$101k unfavorable) in terms of lower yields, regrind usage and increased JV scrap
- Strategic options review: OGC and management team continues to evaluate strategic alternatives for the business with goal of presenting recommended path forward to IC in Q4. Potential options include standalone divestiture, plant closures (e.g., Everett) to rationalize footprint and reduce capacity, or M&A opportunities (e.g., Mikron).

	Oct 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	\$15.9	1.14MM	\$134.7	7.67MM
19B	\$16.8	1.31MM	\$152.4	10.7MM
19A % of 19B	94%	87%	88%	71%
18A	\$16.2	1.20MM	\$147.6	9.85MM
19A % of 18A	98%	95%	91%	77%

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Footprint rationalization		<ul style="list-style-type: none"> Evaluation in-progress on multiple strategic alternatives, including standalone divestiture, closure of Everett into Woodbridge, closure of Everett into Laval / Delmont. Quantifying all potential options in terms of TEV and risk profile. 	12/1	TBD	TBD
B: Commercial/GTM turnaround (SmartVentures)		<ul style="list-style-type: none"> Team focusing on “must-do” initiatives in any strategic scenario i.e., recruiting strong US reps, whale hunting, etc. Team brainstorming “top 5” 2020 revenue initiatives by plant and loading into filtering / quantification process. Quantification / business case vetting in progress 	12/14	TBD	TBD

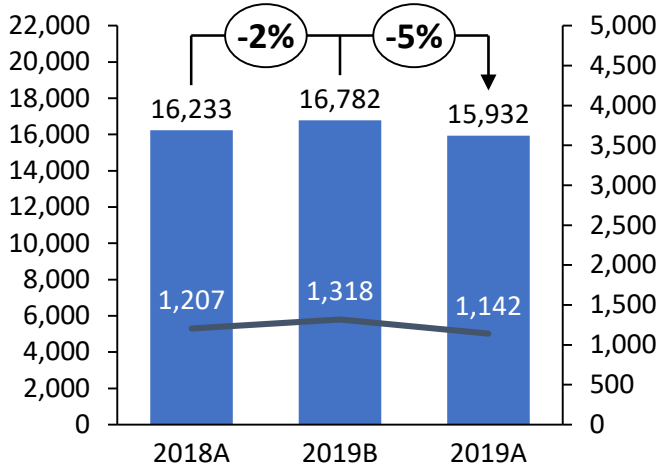
Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
C: Woodbridge Ops Improvement <i>(DB&A)</i> 	<ul style="list-style-type: none"> On-site visit on 10/18 confirmed a number of management hypotheses (re: poor yield, organizational challenges between tooling / engineering & production) and identified other areas of value (e.g., data collection / analytics) Evaluating outside resources to support performance improvement; DB&A selected as resource to start 12/9 Link meeting on 11/19 to begin data gathering and scoping in advance of 12/9 kickoff 	<i>Start 12/9</i>	<i>TBD</i>	<i>TBD</i>
D: Freight & Logistics Cost Reduction <i>(SmartVentures)</i> 	<ul style="list-style-type: none"> Kicked off freight reduction project with SmartVentures – evaluating rate reductions, mode optimization and commercial upside. Expected to last over Q4. 	<i>Q1 2020</i>	<i>TBD</i>	<i>TBD</i>
E: Patio Door Pricing <i>(SmartVentures)</i> 	<ul style="list-style-type: none"> Completed two-week sprint; identified between \$0.7-1MM in potential pricing upsides Implementation in-progress with customer visits starting November; governance mechanism to be determined / implemented 	<i>Analysis complete</i> <i>Implementation:</i> <i>12/15</i>	<i>\$0.7MM</i>	

Monthly financial metrics

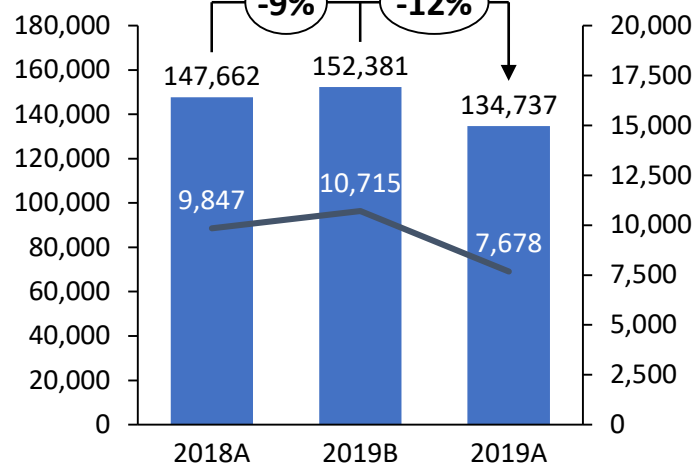
October MTD

\$000s



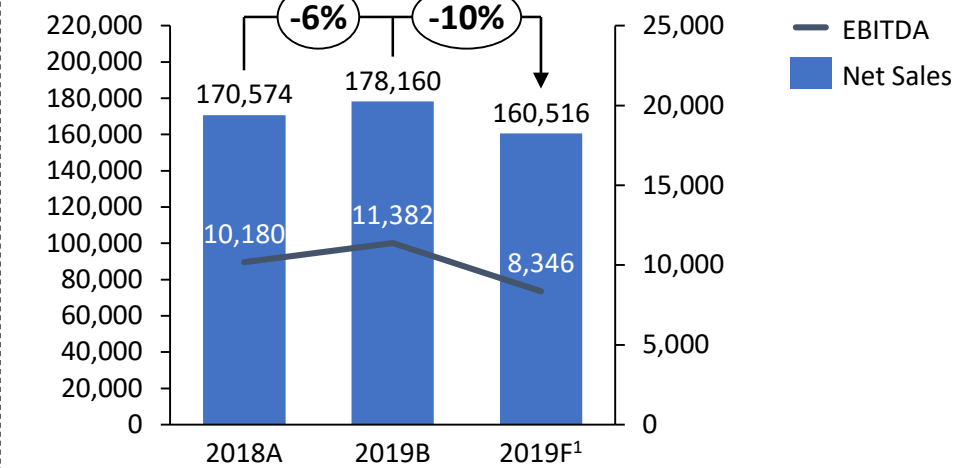
October YTD

\$000s



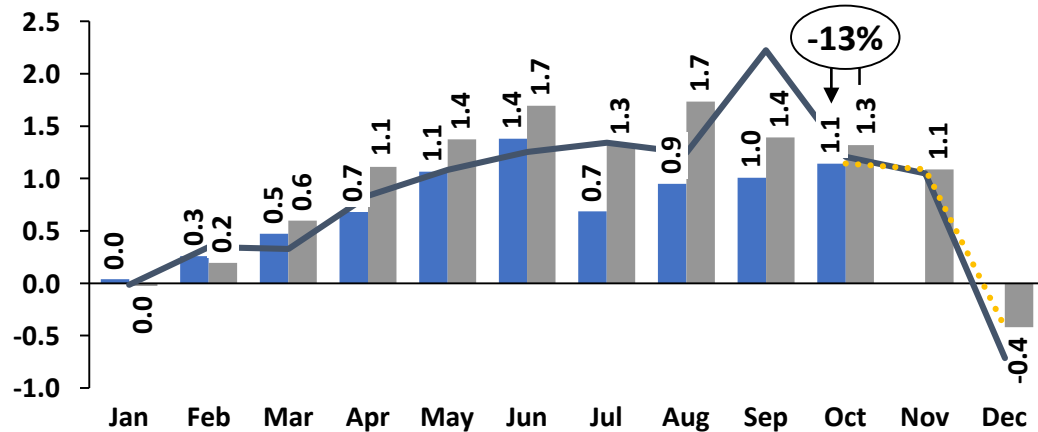
Full Year

\$000s



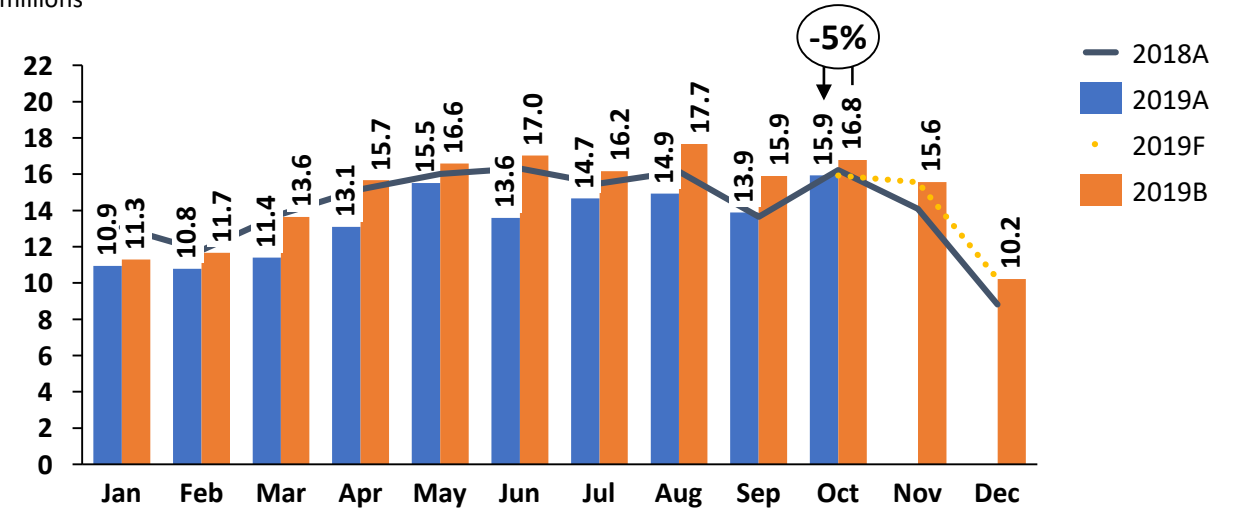
Monthly EBITDA

\$ millions



Monthly Net Revenue

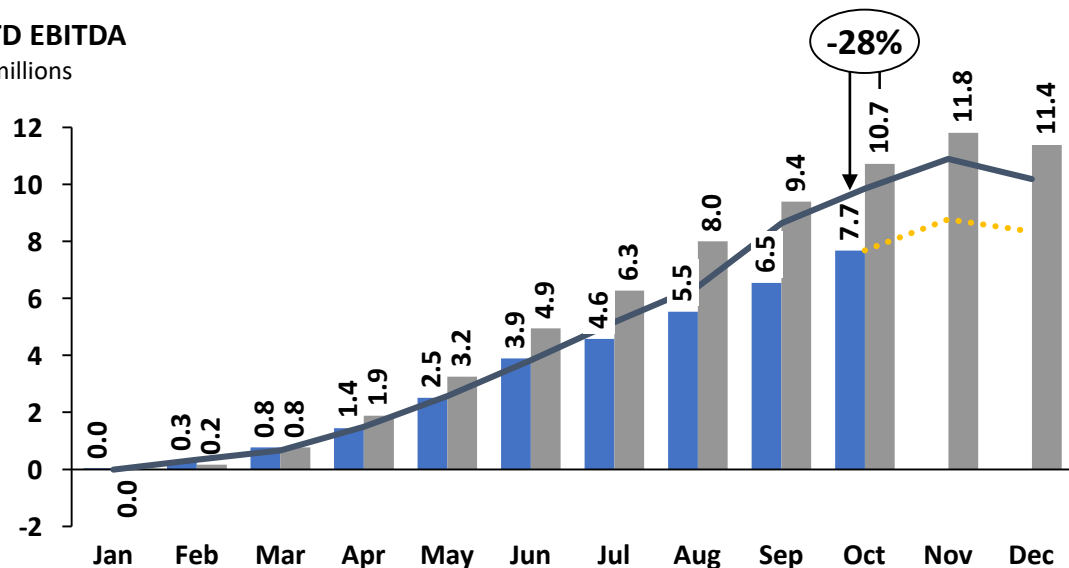
\$ millions



Monthly financial metrics

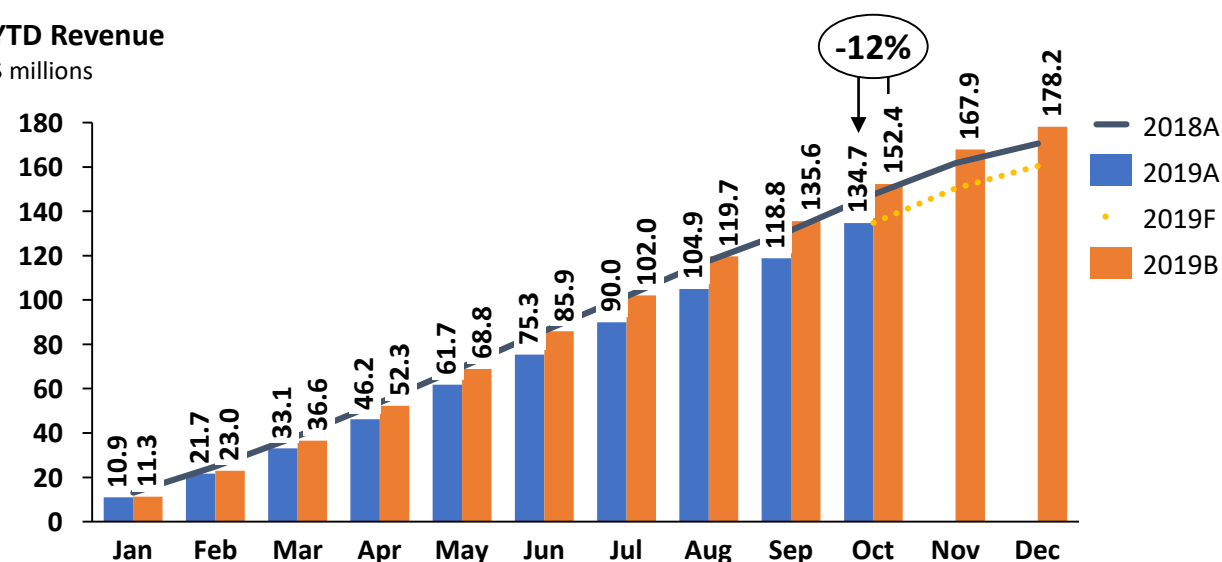
YTD EBITDA

\$ millions



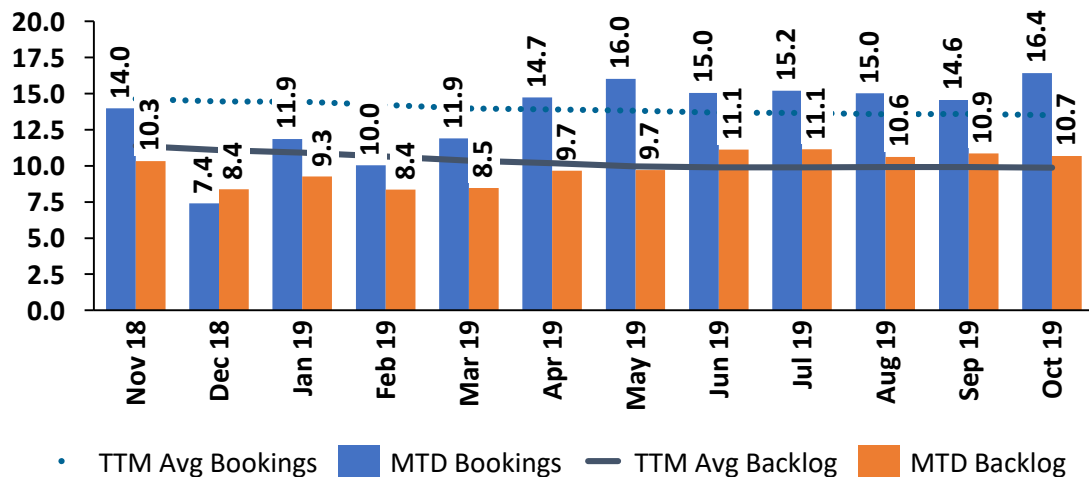
YTD Revenue

\$ millions



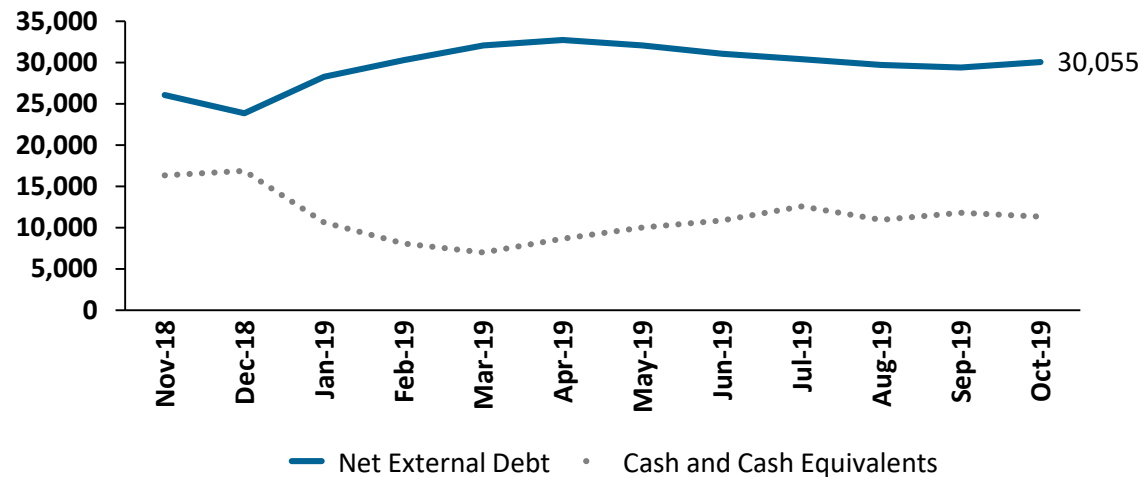
Order Intake

\$ millions



Liquidity

\$ millions



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Hufcor

Executive Summary: October

- October results: \$14.0M Revenue vs \$10.9M AOP (128% of AOP, 108% vs PY); \$1.2M EBITDA vs. \$0.8M AOP (157% of AOP, 100% vs PY)
- YTD results: \$127.0M Revenue vs \$121.3M (105% of AOP, 112% vs PY); \$6.0M EBITDA vs. \$11.6M (51% of AOP, 113% vs PY) due to large inventory and AR write-offs in September
- Domestic: Labor Productivity up 40% since start of September across final production lines; new panel line ("603") approved for \$350K (\$200K capitalized); planned to add additional \$40K of revenue per day. Physical Inventory preparation in process; \$1.2M of inventory reserves created in anticipation of large write-offs
- International: Restructuring of International business underway focusing on an Asia growth strategy in China and a stabilization of Malaysia through internal component manufacturing. Europe Gross margins are up significantly post pricing initiative

	Oct 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	14.0M	1.2M	127.0M	6.0M
19B	10.9M	0.8M	121.3M	11.6M
19A % of 19B	128%	157%	105%	51%
18A	13.0M	1.2M	113.5M	5.3M
19A % of 18A	108%	100%	112%	113%

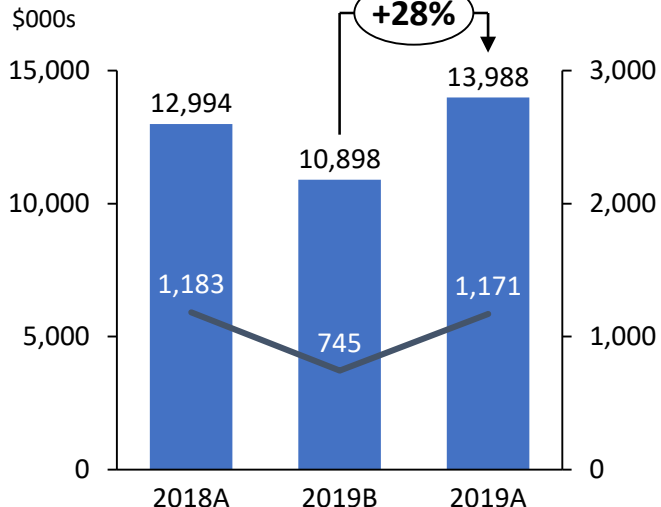
Status Update: Project Details

Project		Current Status & Next Steps	Project Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Production (Aardema, Patterson)		<ul style="list-style-type: none"> Labor productivity up 40% on all final assembly since start of September Launched "Secured to Ship" process for production during week of Nov 4th (includes production schedule freeze at 2 weeks, a Place for Every Panel (PFEP) shipment plan, and automated line scheduling process) SIM Boards now up and running in ALL production groups including 2nd shift; working with Roger Andrews to digitize production and productivity tracking via SIM inputs Green-lighting 603 Line project (4th solid-wall panel line); ~\$350K cost (\$200K capex); will add roughly 80-100 additional units per day at start 	Underway	\$1.5mm	+9% Units/Hr
B: Quality (Olmstead, Melito, Patterson)		<ul style="list-style-type: none"> Baseline total cost of quality has been quantified (total ~\$2mm) Quality database to track and manage the program is being stood up in Power BI; will incorporate internal, external, and scrap defects 	Underway – Financial impact start in Dec	\$460k	In Process
C: Inventory (Jordan, Gioia)		<ul style="list-style-type: none"> Created new cycle count processes Physical Inventory scheduled for December 16-17 	Underway	(\$1.3mm)	In Process

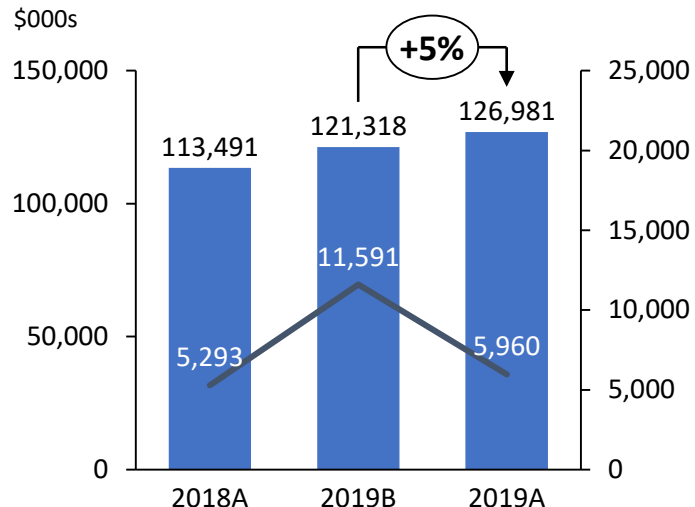
Project		Current Status & Next Steps	Project Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D: Safety (Nichols, Patterson)		<ul style="list-style-type: none"> Verbal acceptance from Jeremy Bahr for SH&E Director; start date 11/18 TRIR: 3.71 (Target: 3.0); 4th straight week of improvement Quick creation of 90-Day Get Well Plan has allowed for 6 additional sales bids Hufcor would have not have seen otherwise 	Underway	\$200k	In Process
E: Logistics (Schwanke, Blazy)		<ul style="list-style-type: none"> Hired full-time Logistics Director (Wayne Schwanke); scope includes all JVL shipping operations SCS being phased out of JVL Operations and will focus on various Logistics projects (i.e. Intl Forwarding) Panel scanning pilot to launch this week (Oct 28th) as part of new PFEP process Rock Valley fleet analysis underway 	Underway	In Process	In Process
F: Germany Pricing (Long)		<ul style="list-style-type: none"> Germany bookings have declined, however, booked gross margin is above the target of 16%. Revenue and EBITDA were above plan 	Underway – Financial impact in Dec	\$500k	\$0
G: IT (Andrews, Blazy, Long)		<ul style="list-style-type: none"> Focusing on addressing critical infrastructure vulnerability and business continuity Beginning evaluation of ERP alternatives to MAPICS Kicking off data ETL project with Sirius to connect Janesville to the Workbench 	Underway	In Process	In Process
I: Flooding (Barons, Blazy Dobak)		<ul style="list-style-type: none"> Retained Michael Best (Law Firm), they are reviewing documents and will revert next week Beginning engagement with the city 	Immediately	NA	NA
J: Hiring (Tokarz)		<ul style="list-style-type: none"> Offer going out to Quality Manager candidate on Mon, 11/18 New supervisor (Jeff Lange) started Wednesday, 11/6 (total count: 6); will continue to recruit in an effort to replace weaker legacy supervisor(s) VP Ops process ongoing; having difficulty nailing down strong candidates 	Immediately	NA	NA

HUFCOR Monthly financial metrics

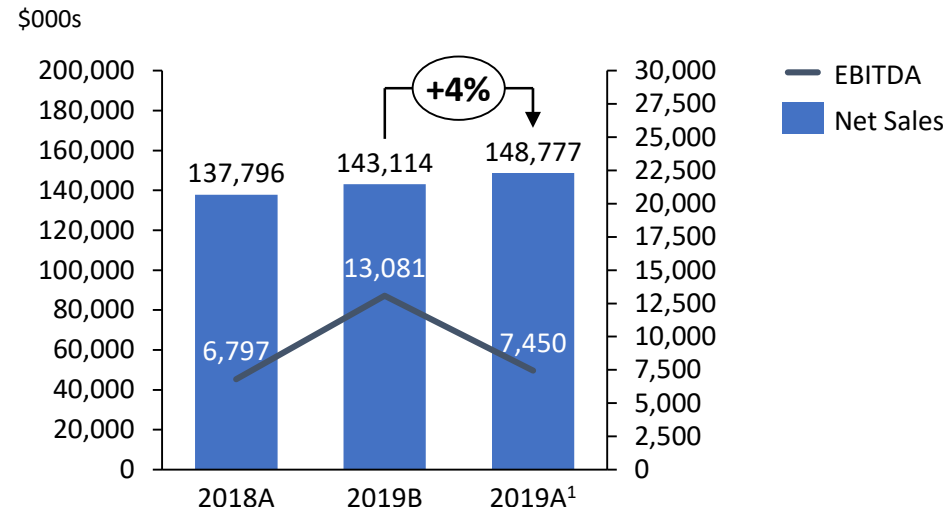
October MTD



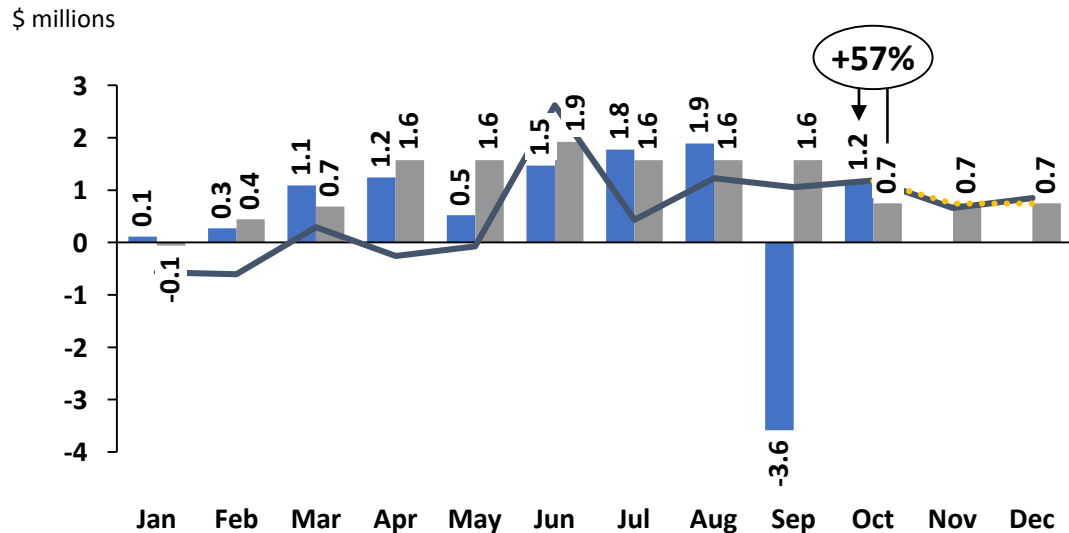
October YTD



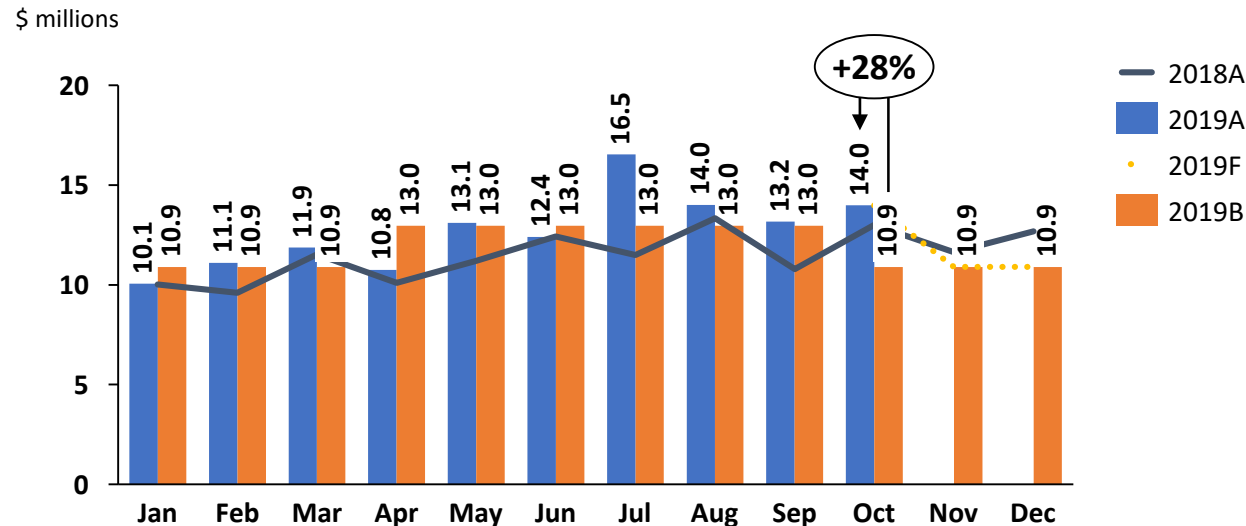
Full Year



Monthly EBITDA



Monthly Net Revenue

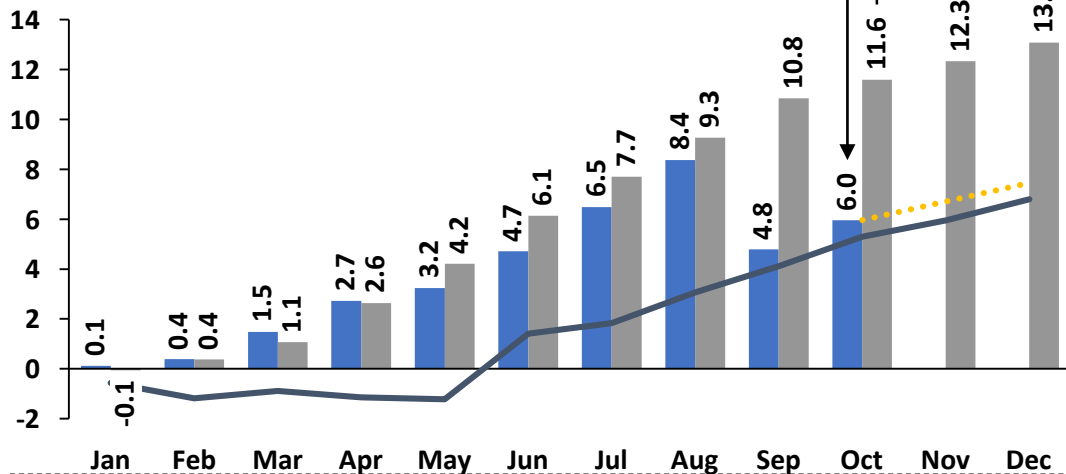


1. YTD actuals + remaining year forecast

HUFCOR Monthly financial metrics

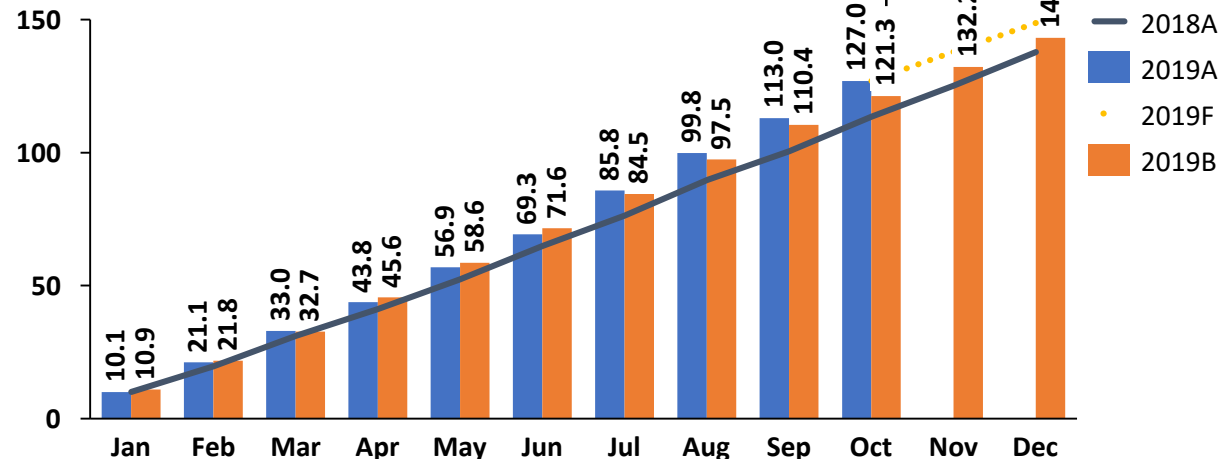
YTD EBITDA

\$ millions



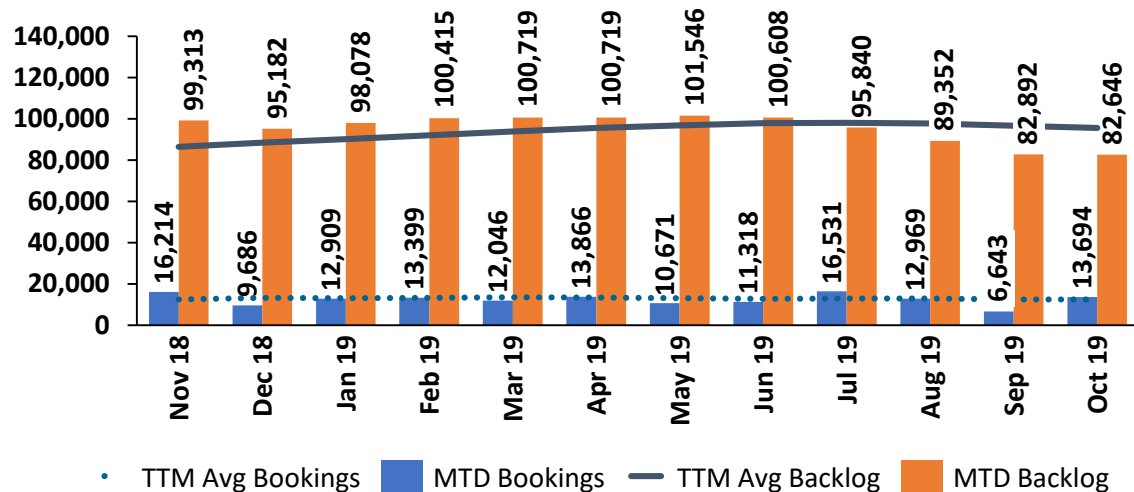
YTD Revenue

\$ millions



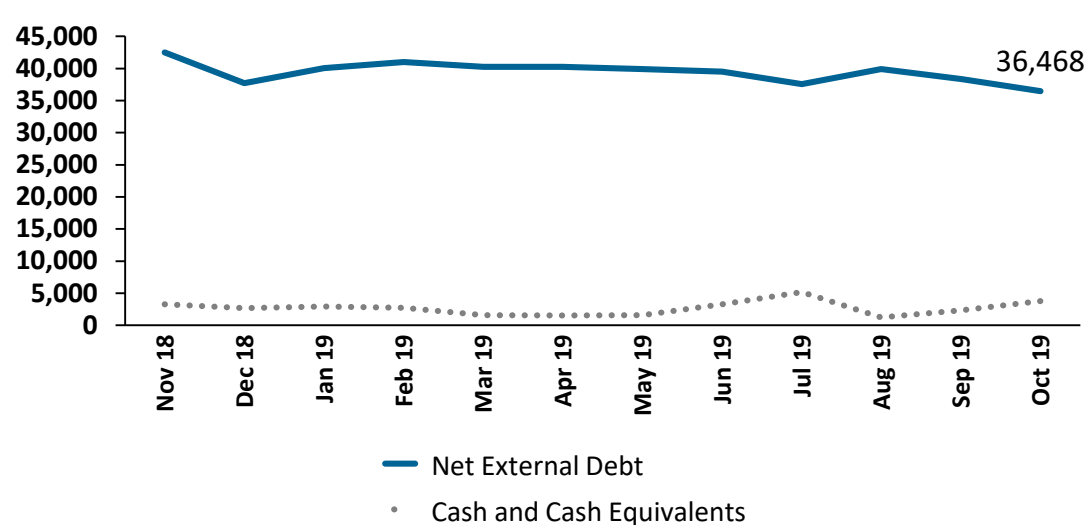
Order Intake

\$ millions



Liquidity

\$ millions



1. YTD actuals + remaining year forecast

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Executive Summary: October

- At 11/18 (68% through the month), Nov MTD invoiced sales were at \$2.4M (47% of Plan) and bookings were at \$2.3M (45% of Plan)
 - Management working to accelerate sales in the latter part of the month, but November likely to be lighter than Plan
 - Nov 2019 invoiced sales and bookings target of \$5.1M, up from \$4.8M in Oct, \$4.5M in Sep, \$4.3M in Aug, \$4.0M in Jul, \$3.9M in Jun, \$3.5M in May, and \$3.2M in Apr
- Management continuing to work through historical maintenance revenue recognition issues related to the audit
 - Data collection/analysis will enable comprehensive historical reporting of recurring revenue metrics beginning Jan 2017 (may not pursue 2016 analysis, due to messy data)

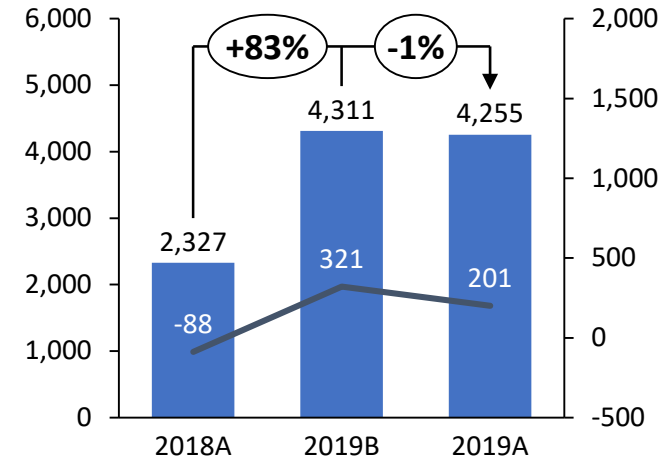
	Oct 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	4.3M	201K	33.7M	985K
19B	4.3M	321K	33.0M	413K
19A % of 19B	99%	63%	102%	239%
18A	2.3M	(88K)	21.2M	2,583K
19A % of 18A	183%	NM	159%	38%

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Expand Product Offering <i>(Chris Jaynes, Jon Burns)</i>		Gen 3 hardware and Solstice 4.0 has launched; Mgmt targeting launching Low Cost Enterprise ("LCE") pod in Q1 2020 at half-priced ASP (\$699), with significantly deprecated feature set, but ability to upgrade to full-capability pod	<ul style="list-style-type: none"> Gen 3 / v4.0 complete Low Cost Enterprise targeting Q1 2020 	TBD	TBD
B: Develop VTC Strategy <i>(Chris Jaynes)</i>		Solstice Relay (aka VTC integration) underway; prototype demo'd June 12-14 at Infocom, with very positive feedback; mgmt. provided demo to OGC at Q3 QOR	<ul style="list-style-type: none"> Feb 2020 in Amsterdam at ISE Conference 	TBD	TBD
C: Expand Sales Coverage <i>(Rick Emery)</i>		Recent hires in US; interviews ongoing in US and EMEA	<ul style="list-style-type: none"> Ongoing 	TBD	TBD
D: Drive Recurring Revenue <i>(Rick Emery)</i>		Oct subscription invoiced sales of \$776K beat \$720K Plan and GAAP subscription revenue of \$927K beat \$917 Plan	<ul style="list-style-type: none"> Ongoing 	TBD	TBD
E: Enable Recurring Revenue Reporting <i>(Dan Hudspeth)</i>		Mgmt is restructuring the order entry process using Salesforce, rather than implementing the NetSuite contract management module, which would have been used to enable recurring revenue reporting. Mgmt in process of determining an alternative approach to provide the required reporting.	<ul style="list-style-type: none"> TBD 	<i>Enabler</i>	<i>Enabler</i>

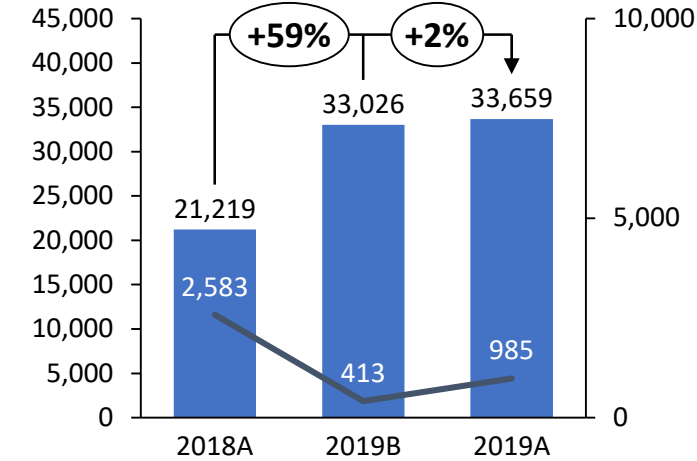
October MTD

\$000s



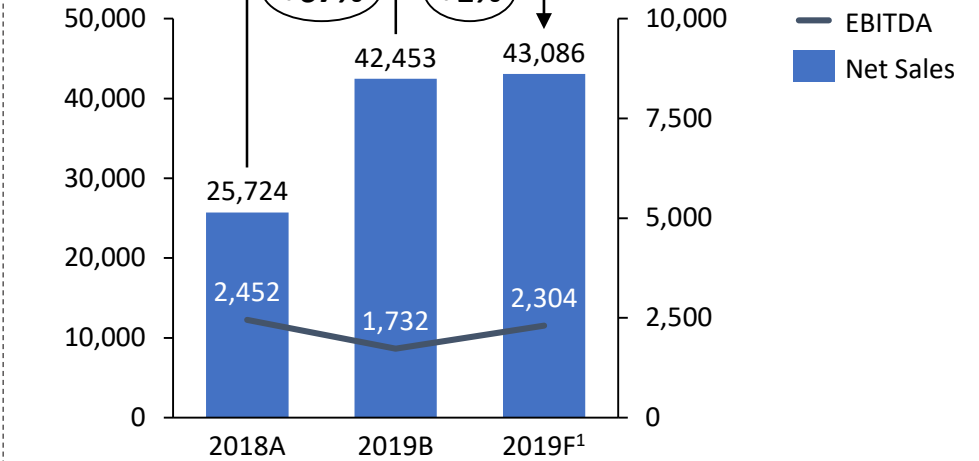
October YTD

\$000s



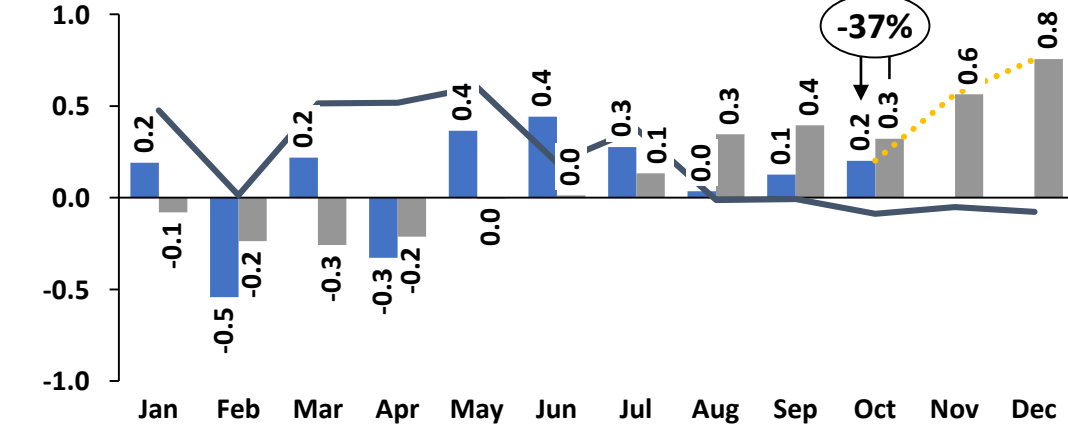
Full Year

\$000s



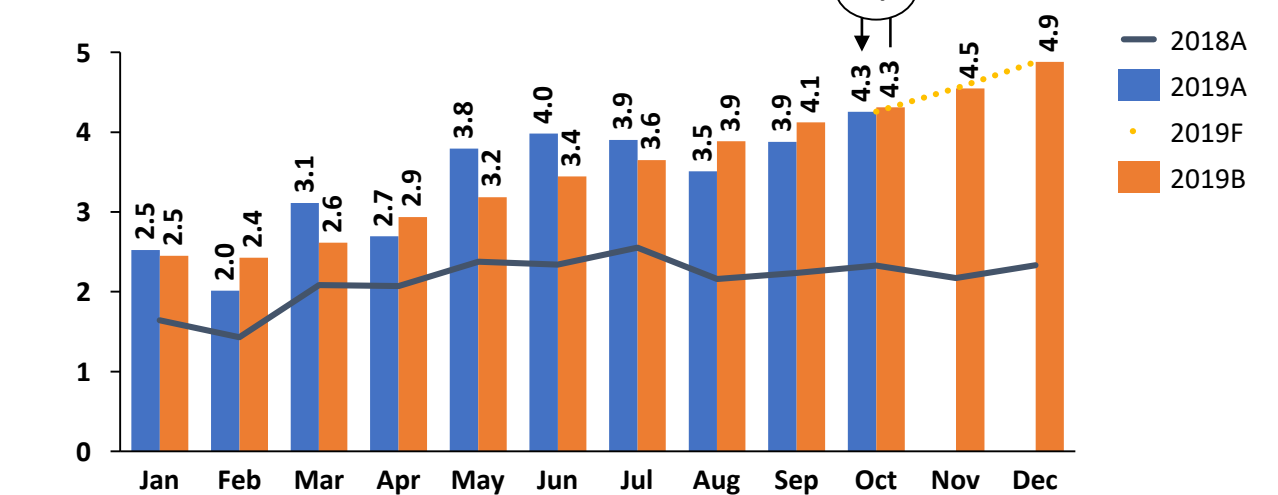
Monthly EBITDA

\$ millions



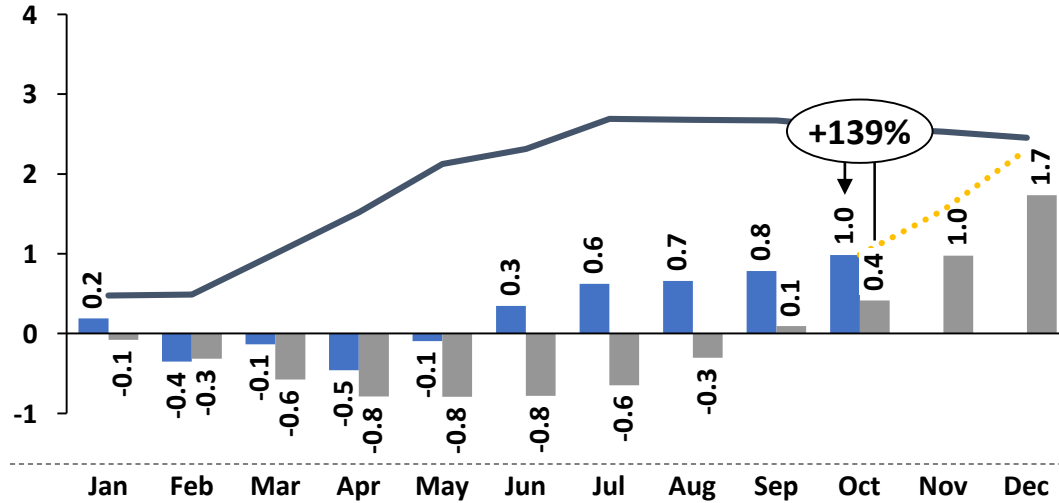
Monthly Net Revenue

\$ millions



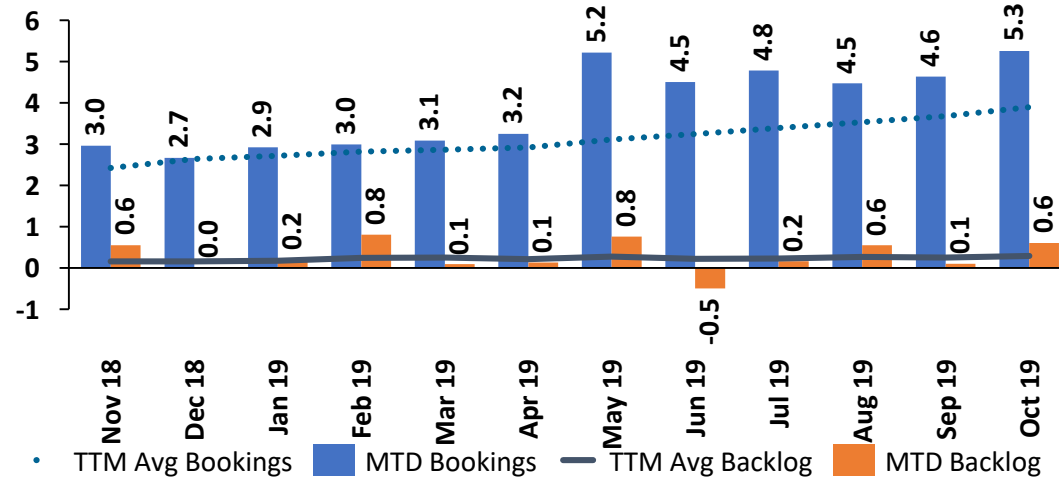
YTD EBITDA

\$ millions



Order Intake

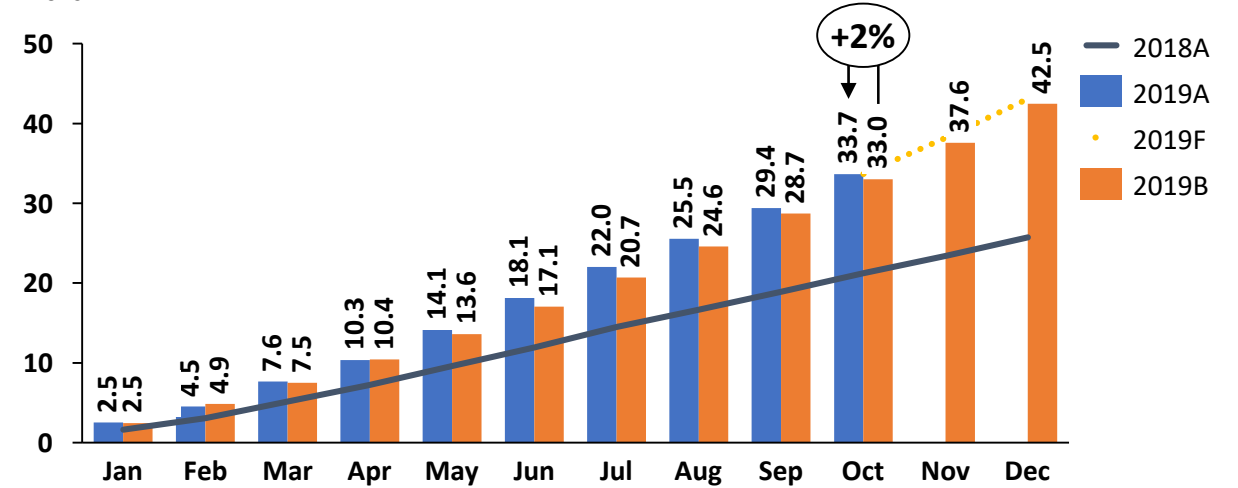
\$ millions



1. YTD actuals + remaining year forecast

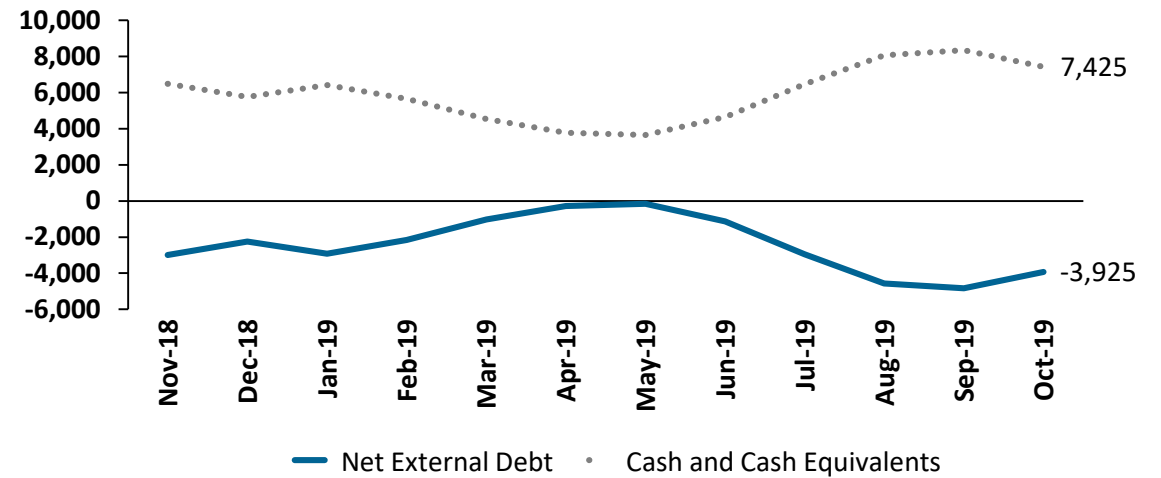
YTD Revenue

\$ millions



Liquidity

\$ millions



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S&G



Executive Summary October

- At 11/15 (56% through the fiscal month), Oct MTD sales were at \$0.9M (26% of Plan, 109% of PY MTD), bookings were at \$1.4M (36% of Plan, 101% of PY MTD), and backlog was at \$7.6M (102% of Nov 2018 ending backlog of \$7.4M)
- New Quality Mgr starts on Mon 11/18
- Intro call between Mark LeMire (S&G CEO) and Michael Gass (Fichet CEO) completed on Tue 10/1; in-person meeting at Fichet scheduled for Thu 11/21 to discuss opportunities including distribution synergies (in process of making initial intros), joint product development (putting S&G locks on Fichet safes), and shared market analysis
- Engaging SmartVentures to conduct global sales strategy review; onsite kick-off held at Nicholasville Tue 11/12
- As of Oct 2019 (Jan-Oct Actuals + Nov-Dec Reforecast), management forecasts full-year revenue of \$44.3M (92% of Plan, 101% of PY Actual), Adj EBITDA of \$11.1M (91% of Plan, 111% of PY Actual), and PF Standalone Adj EBITDA of \$10.4M (87% of Plan, 104% of PY Actual)
- BeckWay engaged on searches for Customer Relationship Director (overseeing Product Mgmt, Marketing, Customer Service) and North America Regional Sales Director





	Oct 2019			YTD		
Period	Rev	Adj EBITDA	PF ¹ Adj EBITDA	Rev	Adj EBITDA	PF ¹ Adj EBITDA
19A	4.0M	1.2M	1.1M	37.3M	9.5M	8.9M
19B	4.5M	1.2M	1.2M	41.0M	10.6M	10.3M
19A % of 19B	90%	98%	94%	91%	90%	86%
18A	3.8M	0.9M	0.9M	38.0M	8.9M	8.9M
19A % of 18A	107%	139%	130%	98%	107%	99%

1. PF for unincurred standalone costs

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Establish globally consistent pricing strategy <i>(Andrew Martinez, Mary Cox, Steve Tonkel, Matt Williams)</i>	 <ul style="list-style-type: none"> Mgmt holding weekly calls to accelerate data mining and identify current list pricing, average sales price, discount levels by customer segment/region, and average margins by customer segment/region Later, will explore using Simon Kucher (or another consultant) to conduct price elasticity analysis to further optimize pricing levels and build model for ongoing pricing optimization 	<ul style="list-style-type: none"> Announcement to market by 2/1/2020 New pricing implemented as of 4/1/2020 	TBD	TBD
B. Launch refreshed brand and digital market presence (i.e., website) <i>(Kelly Edney, OGx)</i>	 <ul style="list-style-type: none"> New logo shape and color finalized; brand style guide development in progress; brand style guide draft to be presented 11/15, sell sheets template in progress Team finalized positioning statements, website architecture, and brand rollout plan Team in process on copy development 	<ul style="list-style-type: none"> New website and rebranding launch on 2/3/2020 	<i>Enabler</i>	<i>Enabler</i>

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
C. Develop new industrial design aesthetic for existing and new products <i>(Devon Ratliff, Kelly Edney, Patrick Cunningham, OGx)</i> 	<ul style="list-style-type: none"> Internal design freeze for the new keypad targeted for 11/15 Prototype components on order for firmware development and testing Keypad desktop demo functional Demo user app available. Marketing reviewing app workflow and screen layout concepts 	<ul style="list-style-type: none"> Q4 2019 	<i>Enabler</i>	<i>Enabler</i>
D. Improve installation instructions for key product lines <i>(Patrick Cunningham, Kelly Edney, OGx)</i> 	<ul style="list-style-type: none"> Defining requirements for Quick Start installation instructions to be included as part of residential (e-commerce) packaging 	<ul style="list-style-type: none"> Q1 2020 	TBD	TBD
F. Develop new core products <i>(Patrick Cunningham, Devon Ratliff)</i> 	<ul style="list-style-type: none"> Prioritized product development pipeline through Q2 2020, focused on opportunities that are highly strategic, large and highly certain, and high ROI Liberty has indicated they are largely satisfied with Securam electronic lock quality (warranty issues reduced 60%+ vs. S&G); will have to compete on new features to win back business Business Case (ROC) models for potential 3Q/4Q 2020 products complete. Financials being developed to validate prioritization and inclusion in 2020 AOP 	<ul style="list-style-type: none"> Commercialization dates from Nov 2019 through Dec 2020 	\$1.6M	\$0
G. Develop SIOP process using historical data analytics <i>(Michael Rose, Craig Saunders, OGx)</i> 	<ul style="list-style-type: none"> Completed 2nd load of OGx forecast with expected results. Awaiting official forecast accuracy file from OGx; total accuracy expected to be the same or slightly better than Demand Solutions; OGx looking at measuring the 80s product Consolidating S&G files & OGx historical graphs to create SIOP presentation. Utilization of new CRM tool for sales opportunities will be critical to improving forecast accuracy. New CRM tool will be in place during phase 1 of NetSuite (March 2020). Will begin using opportunities from the weekly sales call in the interim. 	<ul style="list-style-type: none"> Nov 2019 (delayed from Sep 2019) 	TBD	TBD

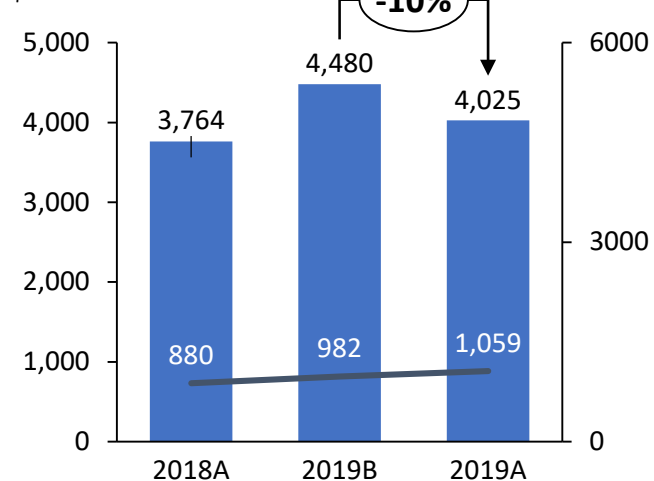
Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
H. Deploy manufacturing technology to improve quality <i>(Craig Saunders, OGx)</i> 	<ul style="list-style-type: none"> On packaging lines, management implementing \$1K barcode software leveraging existing barcode hardware to address packaging quality issues; much more cost effective than original ~\$60K vision system and software identified by OGx Software update on barcode scanning to be implemented by the end of November. Will require barcoding of all components. Notification to suppliers for purchased components will be sent by the end of November. Additional changes to the current process include a 3 second delay in selecting the correct picture from the menu to drive proper behavior. Review will begin internally to identify alternate areas to deploy AI vision systems with an appropriate ROI. 	<ul style="list-style-type: none"> Q4 2019 (delayed from Q3 2019) 	TBD	TBD

Monthly financial metrics

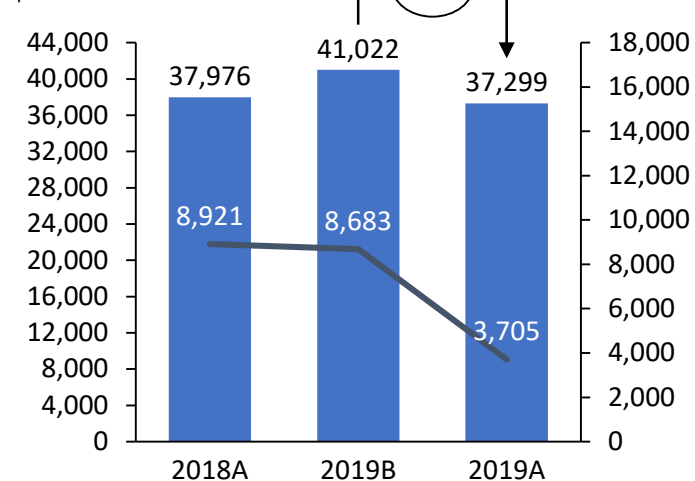
October MTD

\$000s



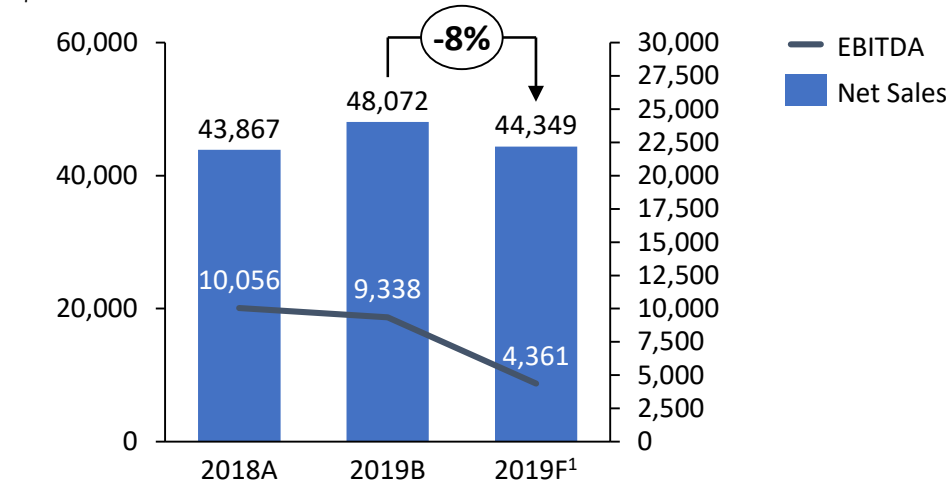
October YTD

\$000s



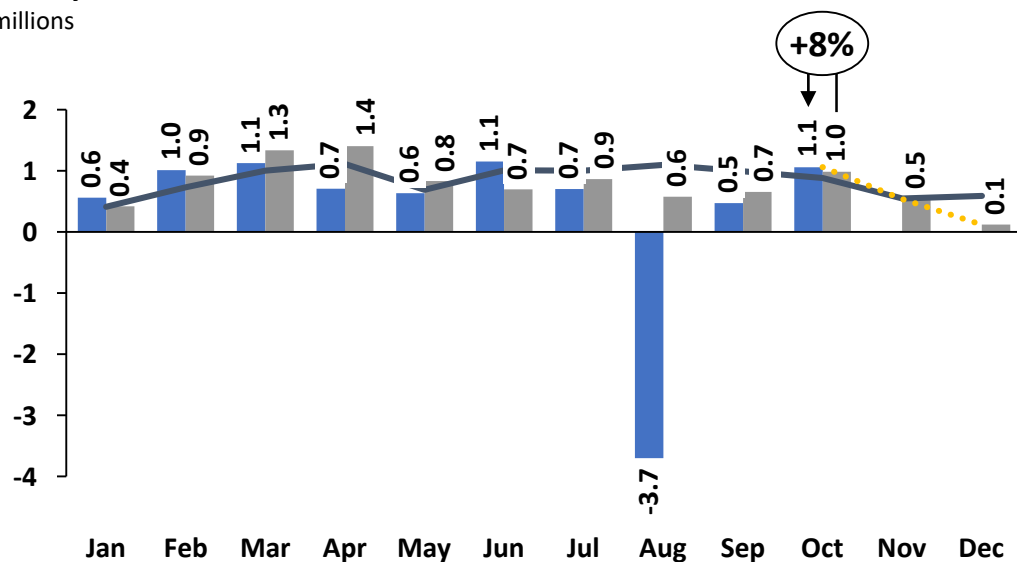
Full Year

\$000s



Monthly EBITDA

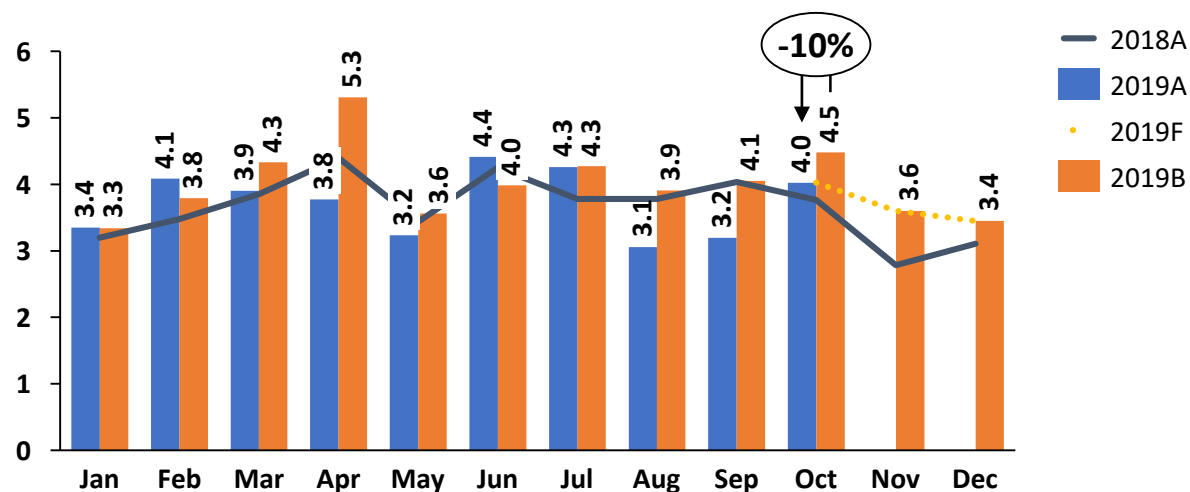
\$ millions



1. YTD actuals + remaining year forecast

Monthly Net Revenue

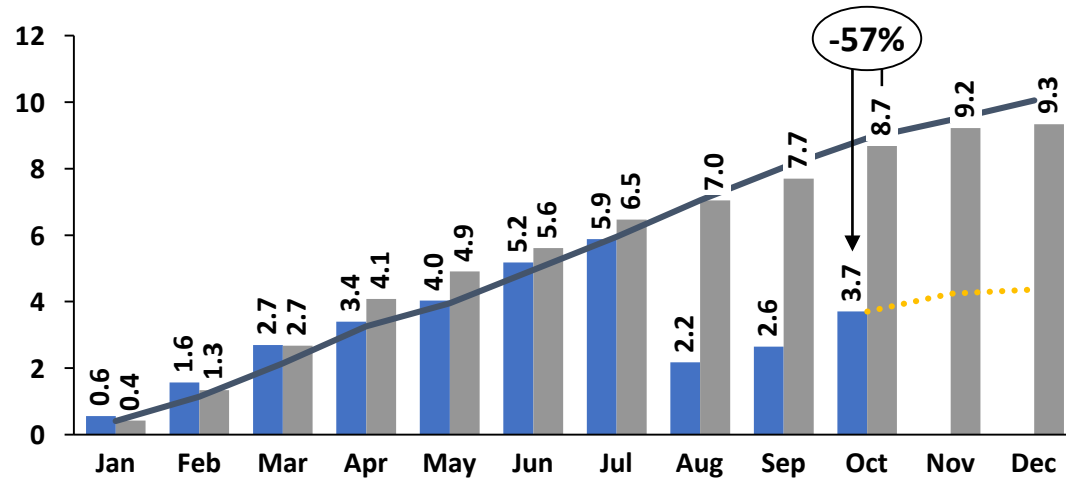
\$ millions



Monthly financial metrics

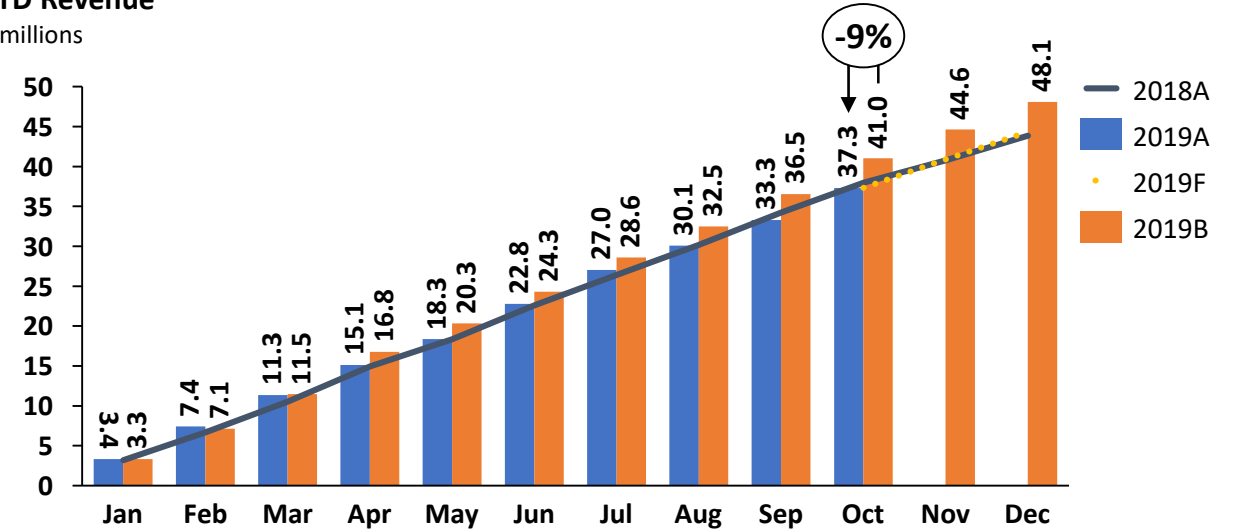
YTD EBITDA

\$ millions



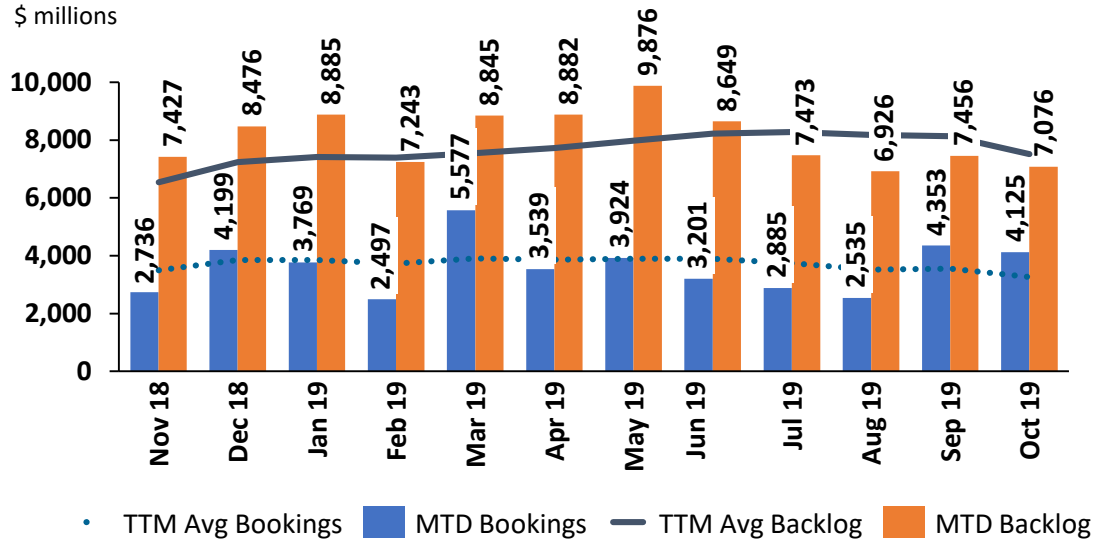
YTD Revenue

\$ millions



Order Intake

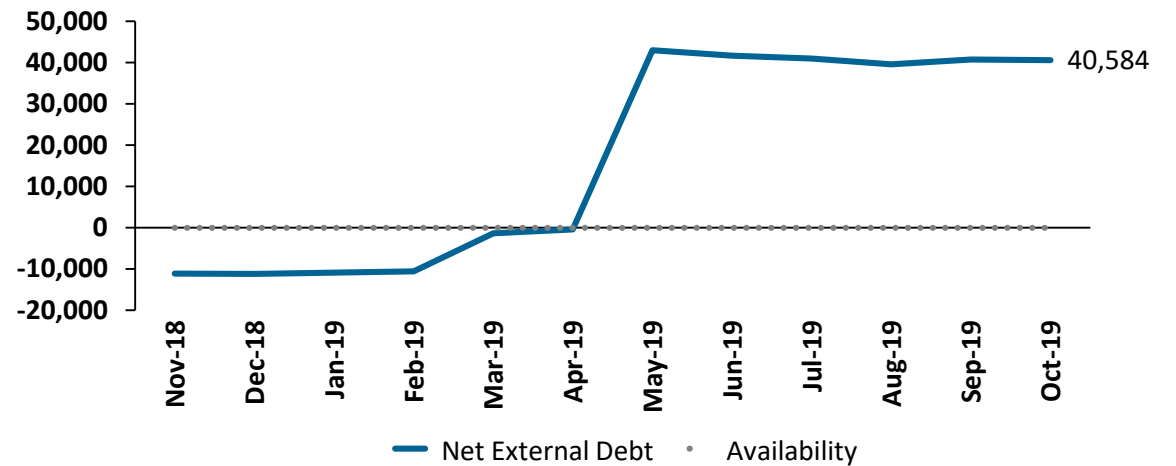
\$ millions



1. YTD actuals + remaining year forecast

Liquidity

\$ millions



1.e

Duraco





Executive Summary: October

- October results: Revenue @ \$4.4MM (99% of re-forecast, 98% of PY) and EBITDA @ \$1.4MM (127% vs. re-forecast, 120% vs. PY) due to mix effect (higher POP mix than expected driving margin) and open positions (e.g., VP of Sales not yet filled)
- Carve-out activities largely complete; oversight will roll into strategic planning governance as of 11/21; IT will be long lead time item—scheduled to complete in May of 2020
- Product development: Engaged OGx to commercially advise on co-product development agreement with high growth customer (MixTiles)
- Add-on acquisitions: Submitted LOI for Infinity Tapes (\$1MM EBITDA pre-synergy; ~\$2MM post-synergy rooftop consolidation / tuck-in deal based in Lawrence, MA) on 11/18

	Oct 2019		YTD	
Period	Rev	EBITDA	Rev	EBITDA
19A	\$4.44	\$1.41MM	\$35.8	\$8.44MM
19F*	\$4.46	\$1.09MM	\$35.6	\$7.79MM
19A % of 19B	99%	127%	100%	108%
18A	\$4.5	\$1.2MM	TBD	TBD
19A % of 18A	98%	120%	TBD	TBD

*19F = 2019 re-forecast

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Salesforce effectiveness <i>(Smart Ventures, Long)</i>		<ul style="list-style-type: none"> Improve sales reporting, controls, organizational structure, coverage, and strategy Project kicked-off; interim check in schedule for end of September Improve sales coverage and overall commercial effectiveness through targeted hiring 	Q4 2019	TBD	TBD
B: Pricing		<ul style="list-style-type: none"> Scoping & resourcing in-progress 	• Q2 2020	TBD	TBD
C: New Market Entry		<ul style="list-style-type: none"> Scoping & resourcing in-progress; initial framing this week with workshop next week 	• Q4 2019	TBD	TBD
D: ERP Integration		<ul style="list-style-type: none"> Selected Infor CloudSuite as system 	July 2020		

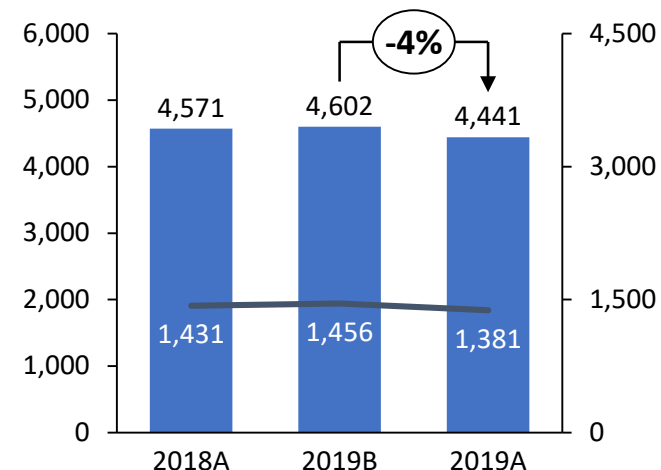
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
E: CRM Launch		<ul style="list-style-type: none"> Initial scoping phases 	March 2020	<i>TBD</i>	<i>TBD</i>
F: eCommerce Platform Launch (Avenue)		<ul style="list-style-type: none"> Selected Avenue as partner / Magento as platform; initial discovery meeting next Tuesday 	<i>April 2020</i>	<i>TBD</i>	<i>TBD</i>
D: New Product Development Acceleration (OGx)		<ul style="list-style-type: none"> Engaged with Avi to advise on co-development opportunities 	TBD	<i>TBD</i>	TBD
E: Continuous Improvement (Phil, Randy Aardema)		<ul style="list-style-type: none"> Labor and Overhead productivity Focus on eliminating finger-lift constraint 	TBD	<i>TBD</i>	TBD
F: Sourcing / Spend Reduction		<ul style="list-style-type: none"> Developed implementation plan for sourcing “waves” approach over next 15 months; quantification in-progress Leveraging existing GPOs (e.g., CoreTrust) for quick-wins with indirect spend for travel / p-card initially 	TBD (Waves)	<i>TBD</i>	<i>TBD</i>

Monthly financial metrics

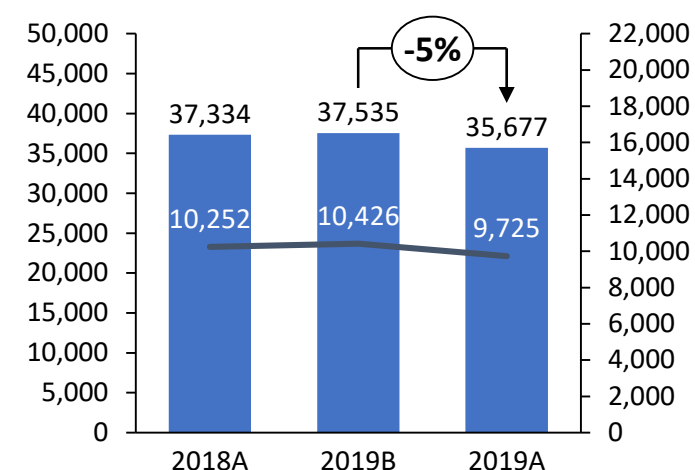
October MTD

\$000s



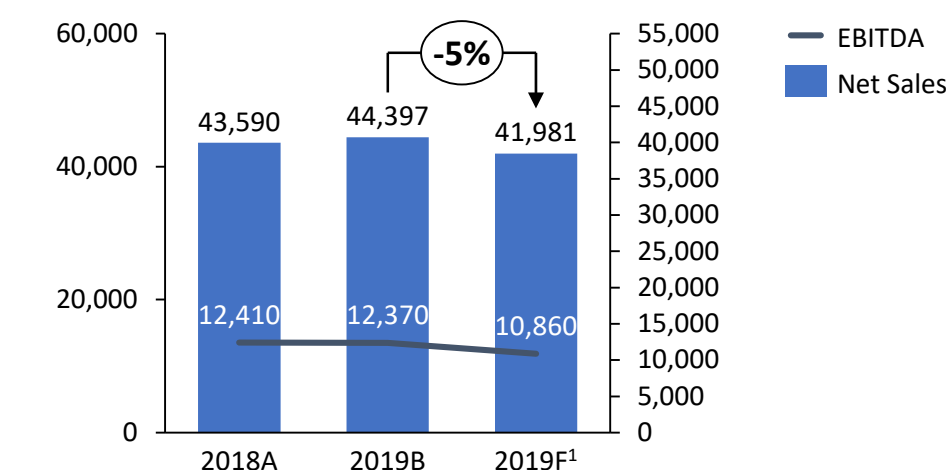
October YTD

\$000s



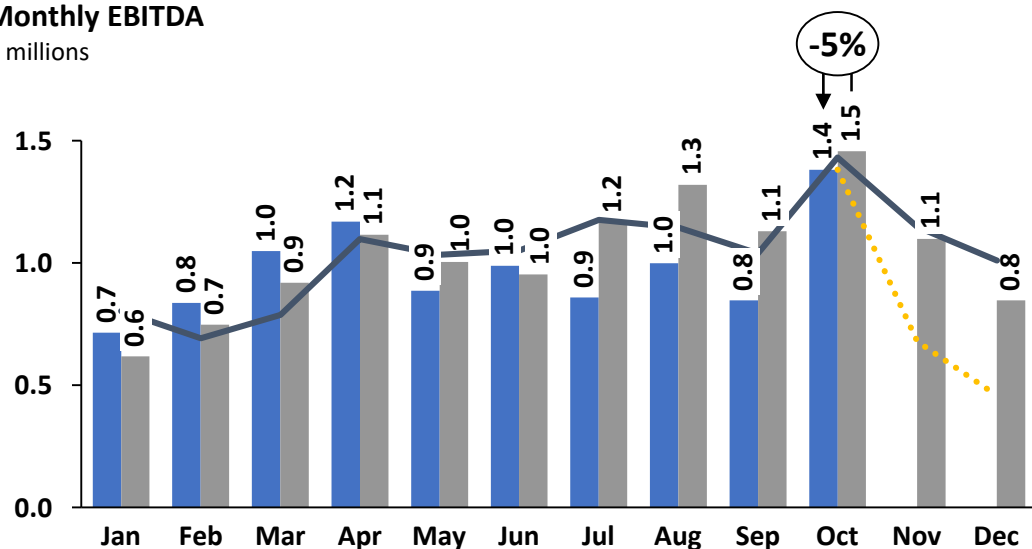
Full Year

\$000s



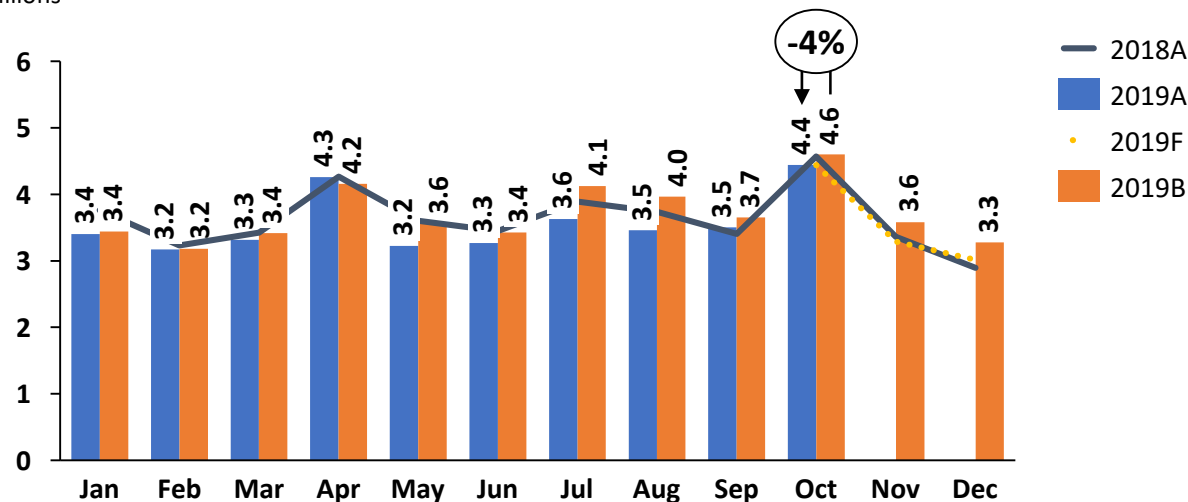
Monthly EBITDA

\$ millions



Monthly Net Revenue

\$ millions



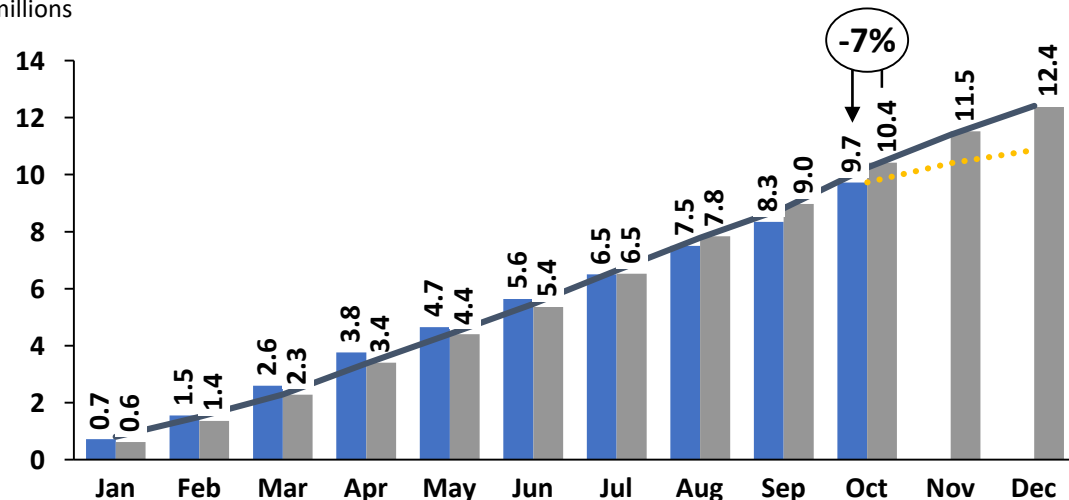
1. YTD actuals + remaining year forecast

*Note: Duraco EBITDA shown here does not include TSA or standalone costs

Monthly financial metrics

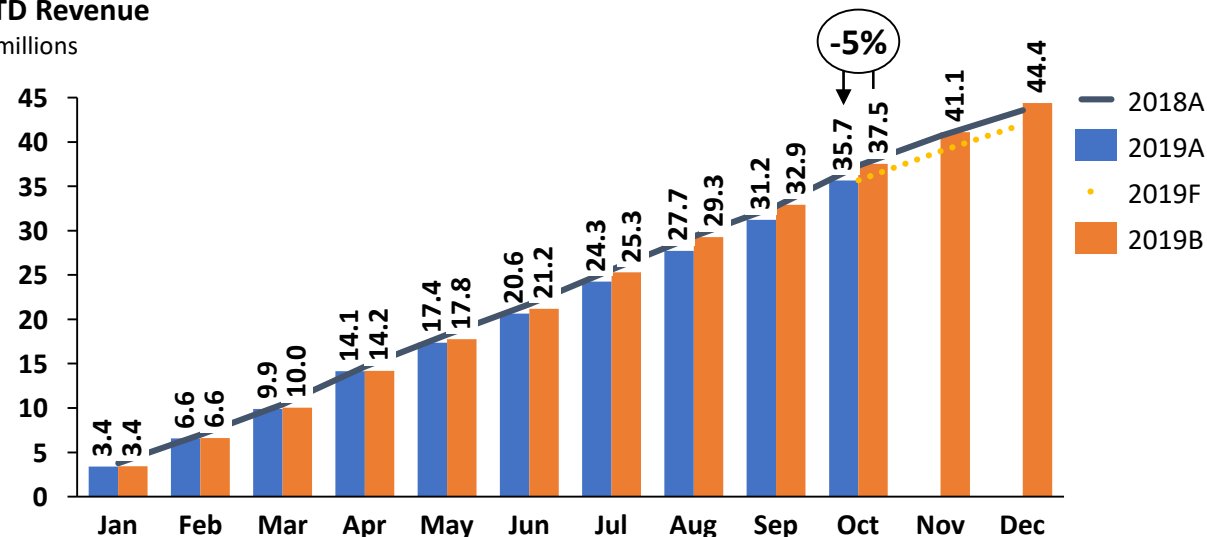
YTD EBITDA

\$ millions



YTD Revenue

\$ millions



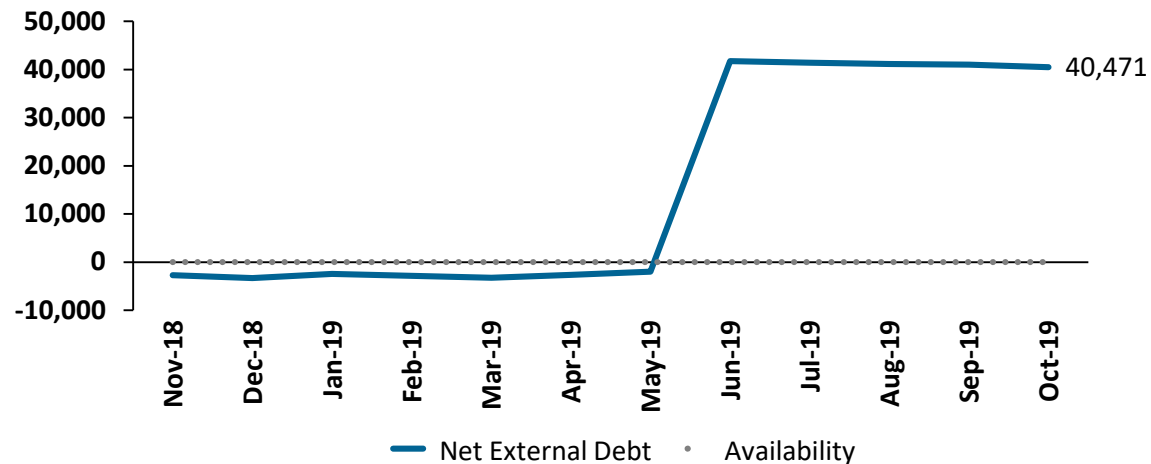
Order Intake

\$ millions



Liquidity

\$ millions



1. YTD actuals + remaining year forecast

*Note: Duraco EBITDA shown here does not include TSA or standalone costs

1.f



Inrule

Executive Summary: October


- At 11/15 (53% through the month), Nov MTD bookings were at \$0.9M (87% of Plan)
- Michael (InRule VP Sales) connected with Rick Emery (Mersive CRO) to discuss sales team composition, sales KPIs tracked, and general approach to driving growth at this stage / size of company
- Beth (InRule VP Marketing) connected with Martin Payne (Mersive CMO) to learn about the marketing technology Mersive has been successfully using

	Oct 2019			YTD	
Period	ARR	Rev	EBITDA	Rev	EBITDA
19A	\$10.0M	0.9M	118K	8.8M	\$633K
19B	\$9.6M	0.9M	161K	8.9M	\$415K
19A % of 19B	104%	98%	73%	98%	153%
18A	\$7.6M	0.8M	(103K)	7.5M	(\$995K)
19A % of 18A	33%	120%	NM	117%	NM



Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. Restructure the product machine organization <i>(Loren Goodman)</i>		<ul style="list-style-type: none">• New product machine organization documentation finalized Thu 11/7• Began interviewing candidates for Chief Product Officer role (which will head up the product machine organization)	<ul style="list-style-type: none">• Dec 2019	TBD	TBD
B. Deliver decision services product feature <i>(Dan Reynolds)</i>		<ul style="list-style-type: none">• Development complete; in process of testing• In process of executing launch plan• Expect to release ahead of schedule (likely Nov 2019)	<ul style="list-style-type: none">• Dec 2019	TBD	TBD

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
C. Deliver centralized authentication capability <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> Finished testing Released week of 10/21 	<ul style="list-style-type: none"> Oct 2019 	TBD	TBD
D. Develop integrations team strategy and roadmap <i>(Mark Lonsway, Dan Reynolds)</i>		<ul style="list-style-type: none"> Signed Microsoft AppSource ISV (Independent Software Vendor) contract; avoided InRule being removed from AppSource platform; management expects revenue share agreement to cost us ~\$30-60K/year for existing customers, and increase to ~\$100-200K/year by the end of 2020 (reflecting additional customer growth) 	<ul style="list-style-type: none"> Mar 2019 	TBD	TBD
E. Develop services strategy <i>(Mark Lonsway)</i>		<ul style="list-style-type: none"> Setup tracking process in CRM Early prototype of Time Entry in segmentation in PowerBI Next steps: Establish back office reporting, utilization, and metrics tracking 	<ul style="list-style-type: none"> Dec 2019 	TBD	TBD
F. Develop recruiting strategy to fill key ongoing positions <i>(Beth Worthem, Functional Leaders)</i>		<ul style="list-style-type: none"> Accounting Manager: Candidate started Tue 11/12 IT Manager: BeckWay in process of identifying candidates; GD to conduct initial screening Sales Development Rep: Verbal acceptance, with target start date of Mon 12/2 Chief Product Officer: In process of interviewing candidates 	<ul style="list-style-type: none"> Acct Mgr: Nov 2019 IT Mgr: Dec 2019 SDR: Dec 2019 CPO: Jan 2020 	TBD	TBD
G. Develop embedded authoring services <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> Cleaned up technical debt associated with embedded authoring In process of iterating on usability and UI 	<ul style="list-style-type: none"> Dec 2019 	TBD	TBD

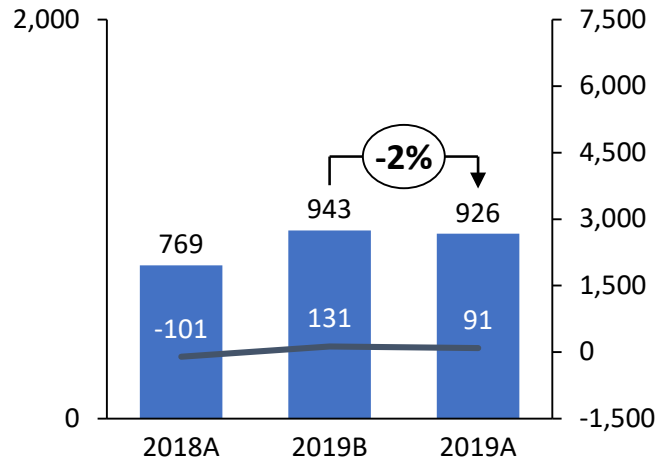
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
H. Develop channel strategy <i>(Michael Bonner)</i>		<ul style="list-style-type: none">• Researched market comp packages for Alliance Manager (channel manager)• Next steps: continue to gather existing alliance data and organize in CRM, define success metrics for channel, hire full-time Alliance Manager	<ul style="list-style-type: none">• Jan 2019	TBD	TBD
I. Develop sales team strategy <i>(Michael Bonner)</i>		<ul style="list-style-type: none">• Gathered data to validate need for Sales Development Rep (SDR) addition• In process of interviewing SDR candidates	<ul style="list-style-type: none">• Jan 2019	TBD	TBD

Monthly financial metrics

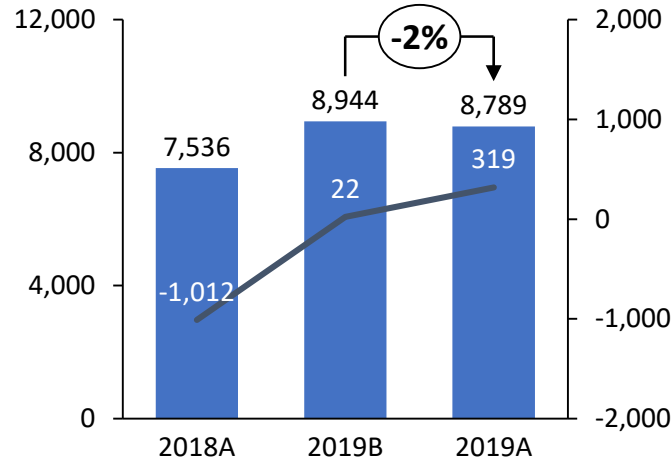
October MTD

\$000s



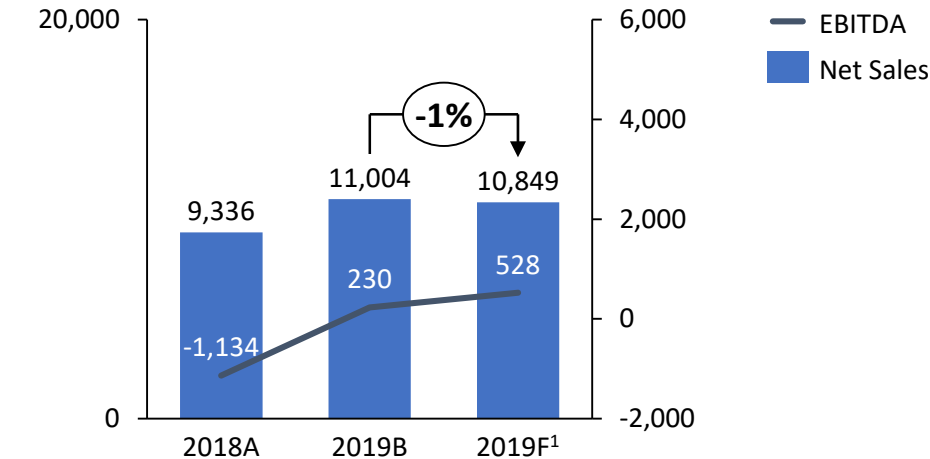
October YTD

\$000s



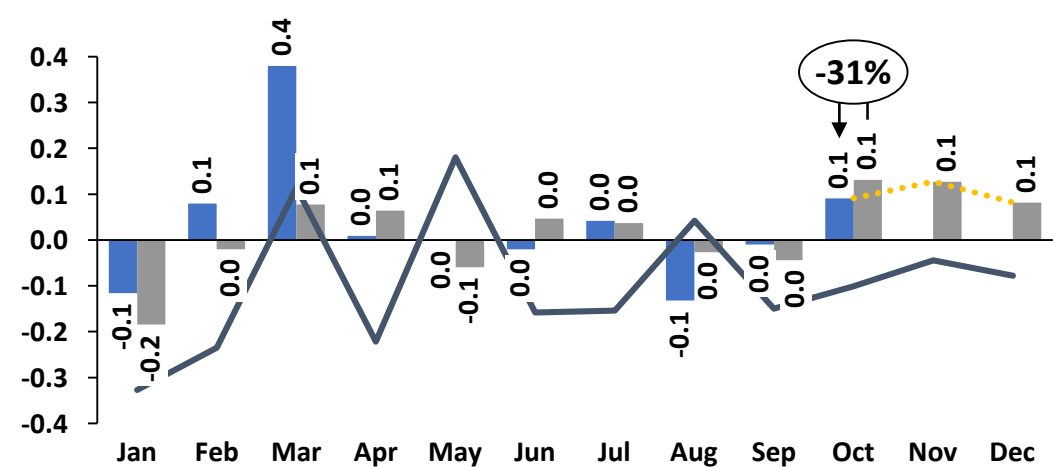
Full Year

\$000s



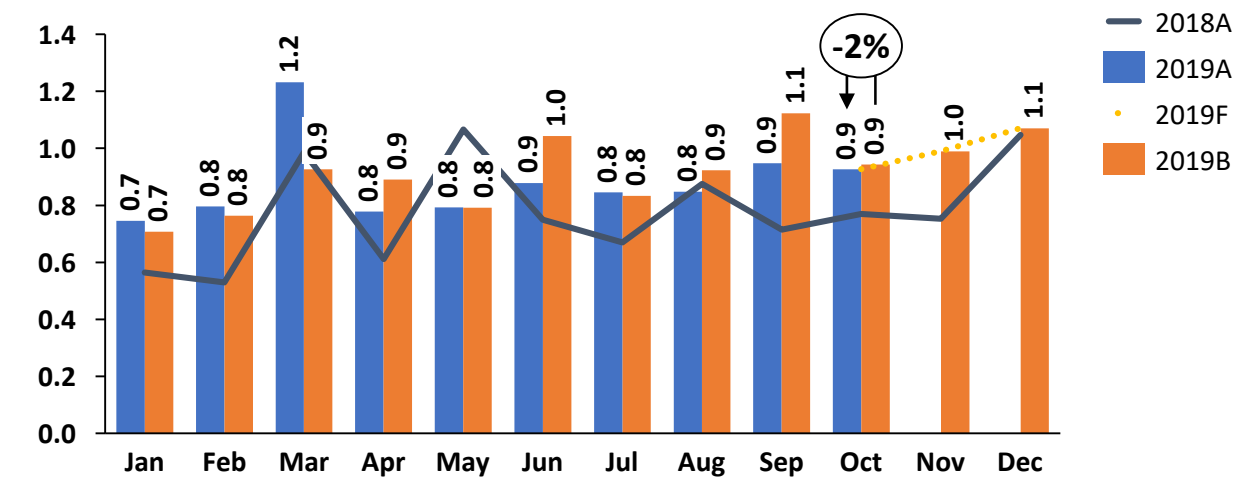
Monthly EBITDA

\$ millions



Monthly Net Revenue

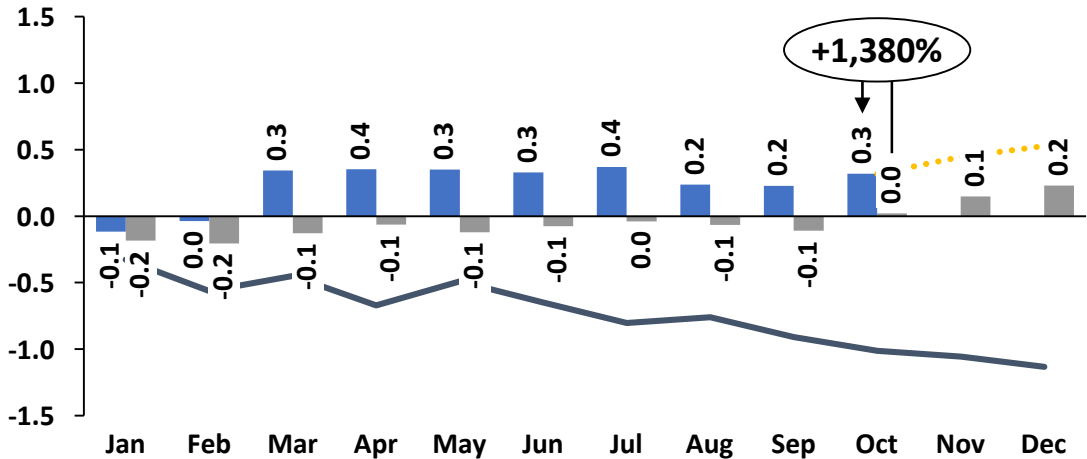
\$ millions



1. YTD actuals + remaining year forecast

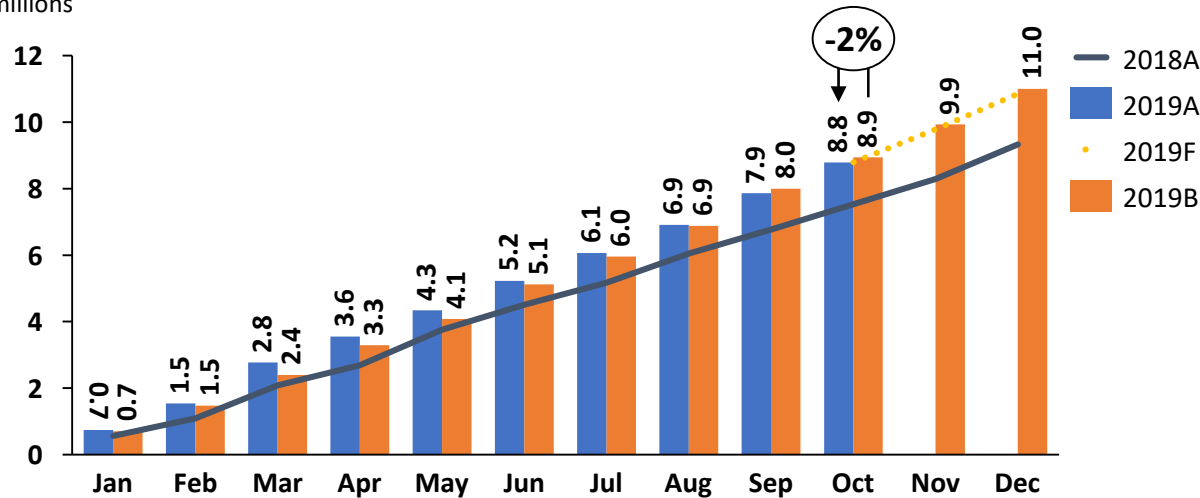
YTD EBITDA

\$ millions



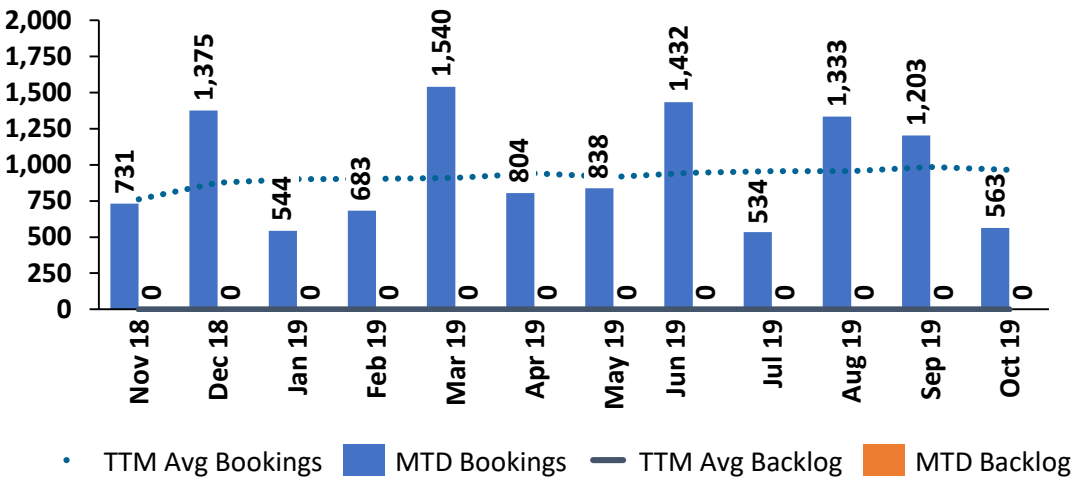
YTD Revenue

\$ millions



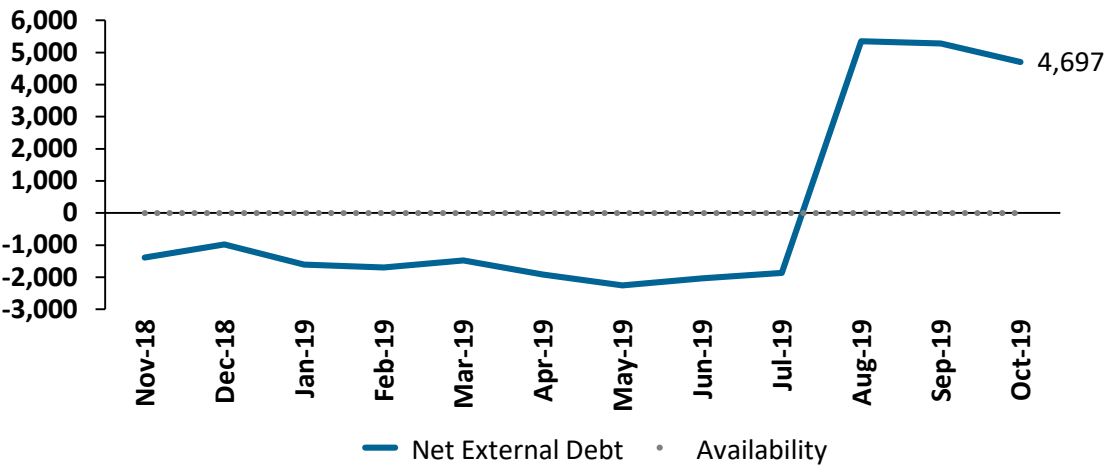
Order Intake

\$ millions



Liquidity

\$ millions



2

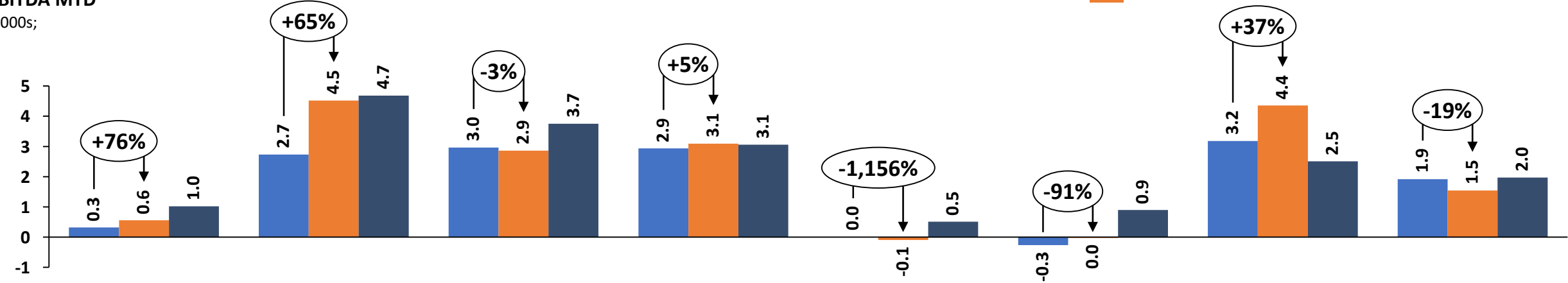
European Portfolio Updates

Consolidated Europe portfolio EBITDA performance (without IFRS16)

2018A 2019B
2019A

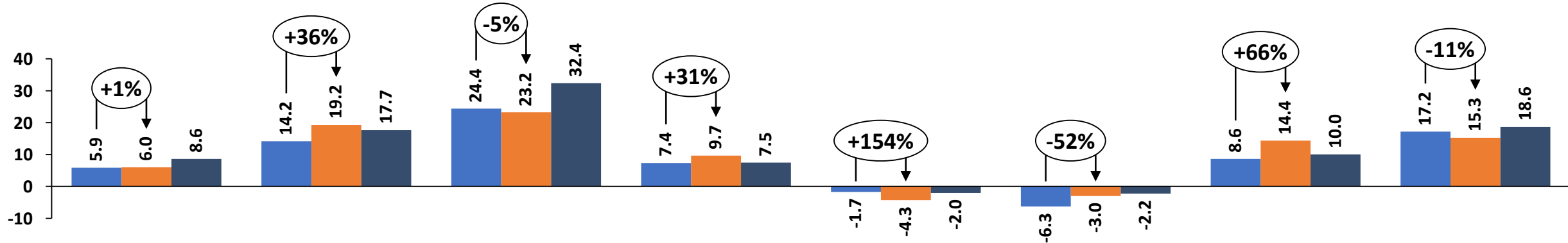
EBITDA MTD

€ 000s;



EBITDA YTD

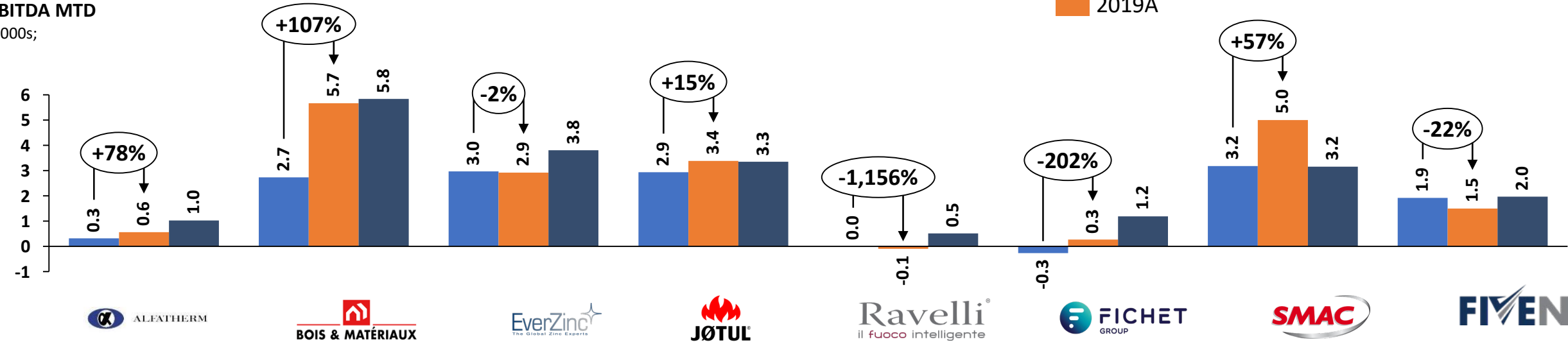
€ millions; Jotul- Krmillions



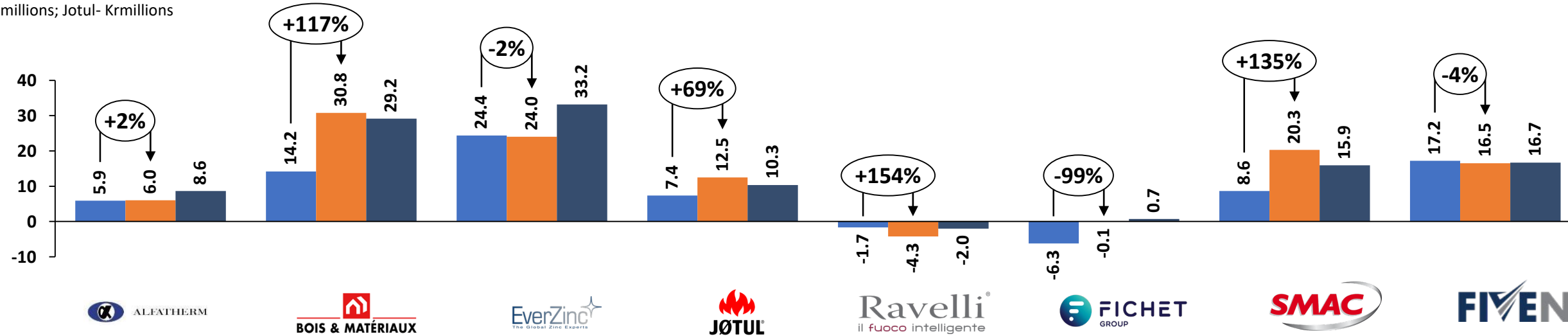
Consolidated Europe portfolio EBITDA performance (with IFRS 16)

EBITDA MTD
€ 000s;

2018A 2019B
2019A



EBITDA YTD
€ millions; Jotul- Krmillions



2.a

Alfatherm

**Executive Summary: Week of 11-20**

- October Sales reached €6.0M which is below both Budget (-18%) and PY (-11%), with Sleeves (-45% vs. Budget) and drawers (-52% vs. Budget)
- Like-for-like EBITDA in October is €0.6M, lower than Budget (-45% or €-0.5M) but €+0.3M better than PY; Accounting adjustment (IFRS 16) of €+5k inflated EBITDA
- Like-for-like YTD EBITDA at €6.0M is better than PY at €5.9M but lower than budget at €8.6M; accounting IFRS 16 impact of €+23k improved reported EBITDA
- Like for like FY 2019 EBITDA is forecasted at €6.9M vs PY at €6.4M and a budget at €10M; full year IFRS 16 impact is €+30k favorable
- €5M have been injected to support business turnaround and avoid delivery stoppage
- Schatt cancelled its visit due 30th October, still pending new date
- Turnaround team to be defined. Quote received from AlixPartners, EIM and OP2 to support turnaround
- Profit Velocity: Effective workshop on 16th October to analyze furniture and metal lamination businesses; 2nd workshop to be booked for end of November
- Factoring: pursuing discussion with FactoFrance, General Finance and MB Fata
- Alfatherm US Key Account manager under recruitment

M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	6,0	0,6	57,8	6,0	68,4	6,9
19B	7,3	1,0	66,9	8,6	79,4	10,0
19A % of 19B	82%	55%	86%	70%	86%	69%
18A	6,7	0,3	61,1	5,9	72,1	6,4
19A % of 18A	89%	178%	95%	102%	95%	108%

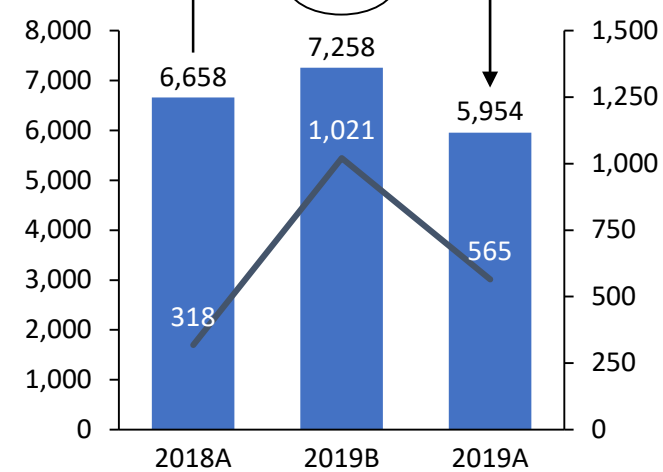
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (€MM)	
			Projected	Actual
A. Sales Director recruitment	●	<ul style="list-style-type: none"> • Currently on hold and focusing on turnaround • On going search to recruit Alfatherm US Key Account manager 	tbd	
B. Business Turnaround	●	<ul style="list-style-type: none"> • AlixPartners, EIM and OP2 quoted to support Management turnaround effort • Decision to be finalized before end of November 		
C. Factoring	●	<ul style="list-style-type: none"> • FactoFrance is still looking for a credit insurance on Lampre • Contact initiated with General Finance 	N/A	N/A
D. Production efficiency	●	<ul style="list-style-type: none"> • Plants management to be re-organized following the resignation of Gorla plant manager 	0,5	
E. Profitability analysis	●	<ul style="list-style-type: none"> • Effective workshop on 16th October to analyze furniture and metal lamination businesses; • 2nd workshop to be booked for end of November 		

Monthly financial metrics

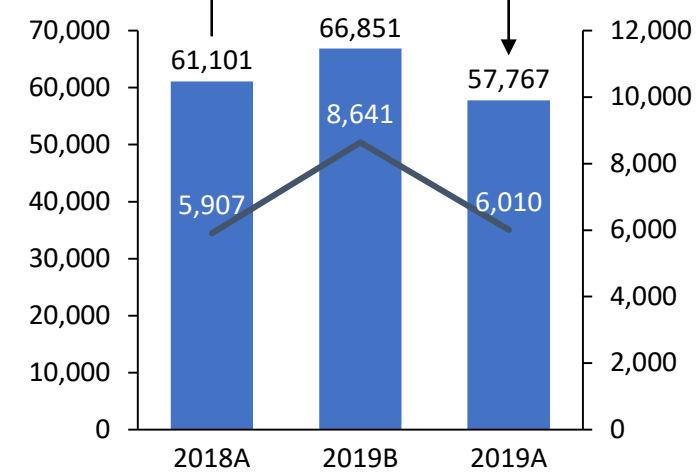
Oct MTD

€000s



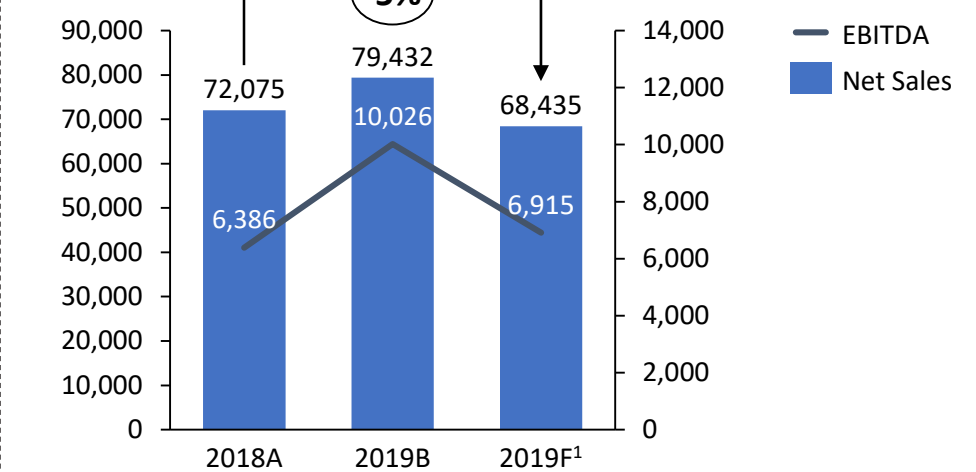
Oct YTD

€000s



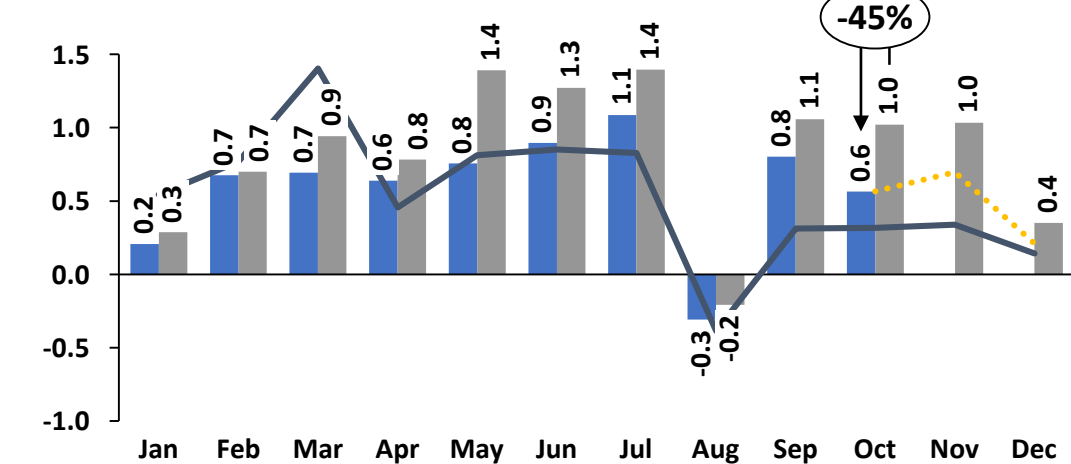
Full Year

€000s



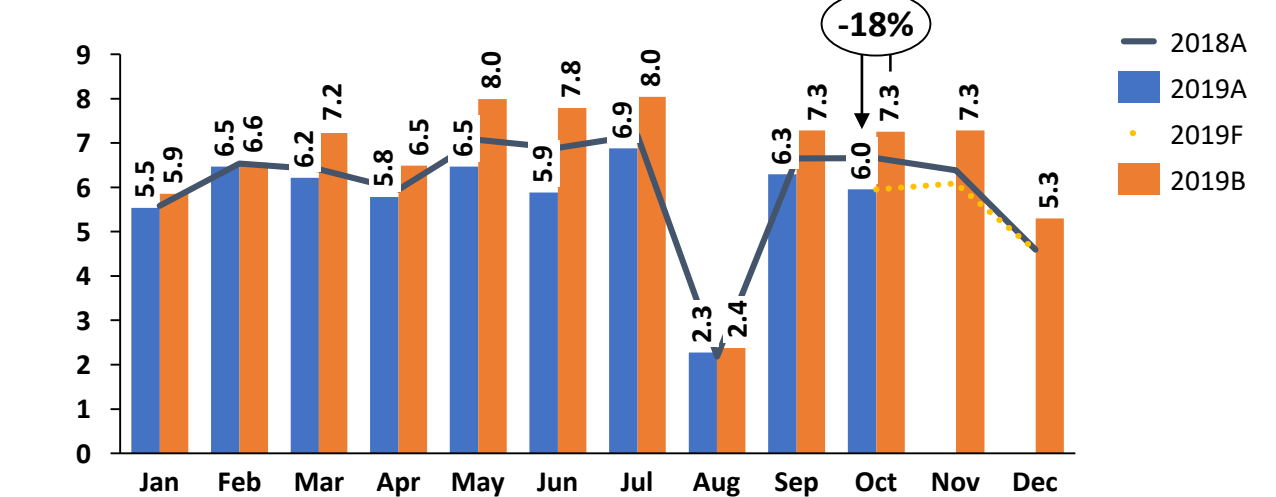
Monthly EBITDA

€ millions



Monthly Net Revenue

€ millions



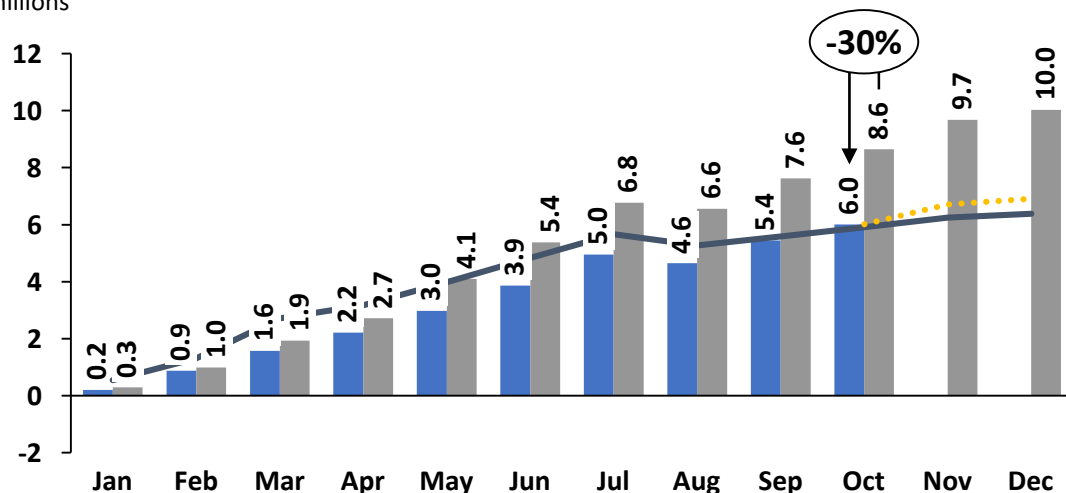


ALFATHERM

Monthly financial metrics

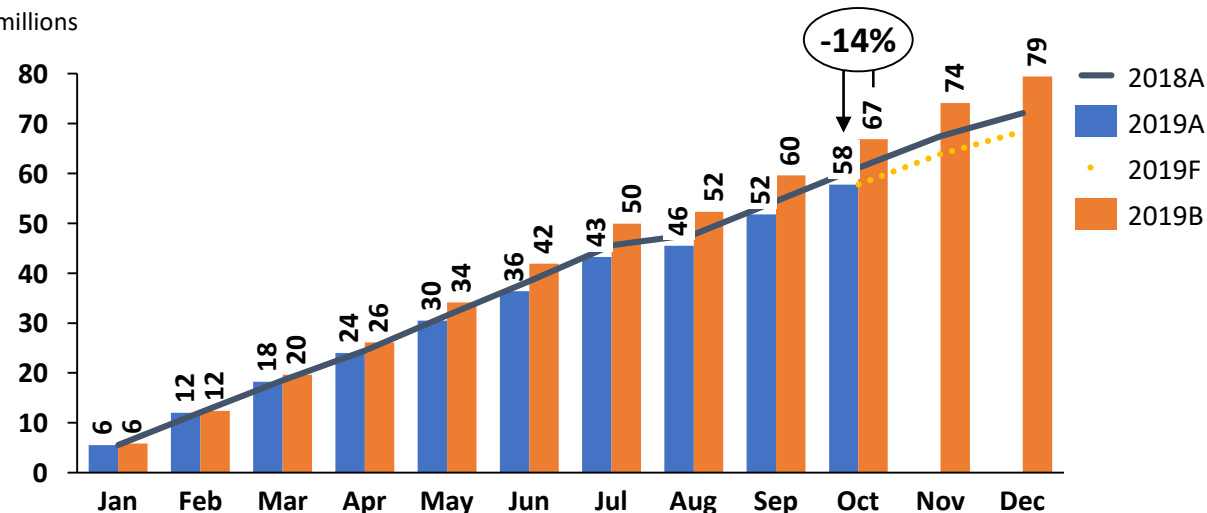
YTD EBITDA

€ millions



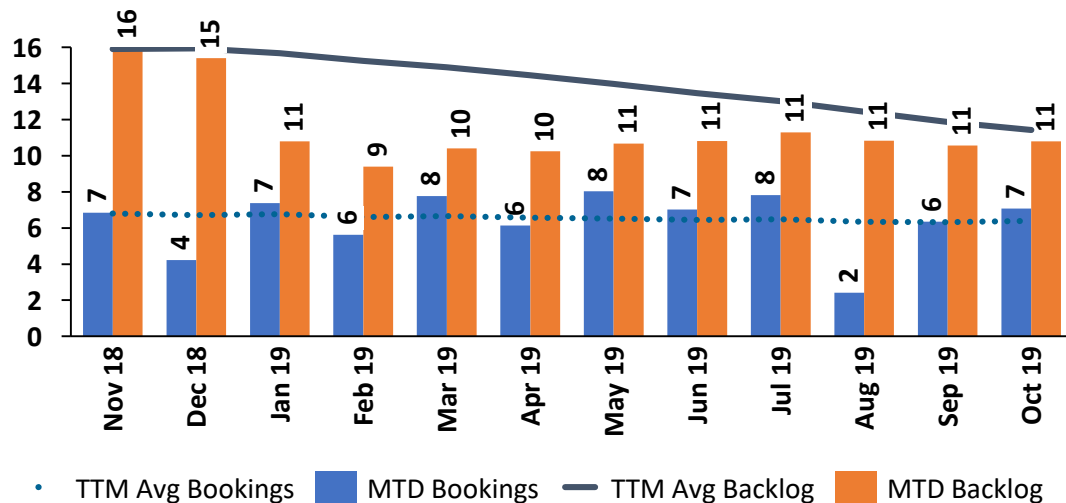
YTD Revenue

€ millions



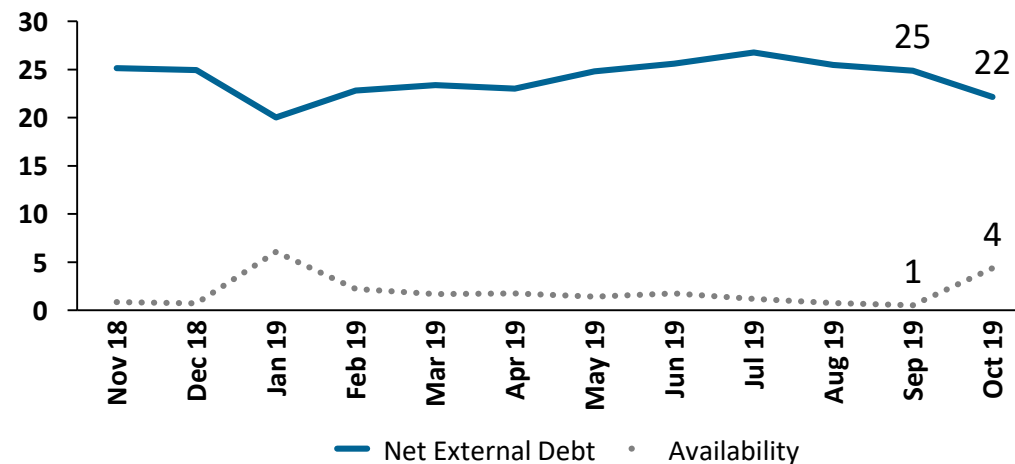
Order Intake

€ millions



Liquidity

€ millions



1. YTD actuals + remaining year forecast

2.b

B&M




October EBITDA outperformed PY due to better margin rate and personnel efficiencies

Executive Summary: Week of 11-20

- Oct sales with €62.2M was -2.0% below PY and -0.4% below budget with same days of sales in the month; while market shares for the two networks remained stable market went down versus last year and B&M traded accordingly; YTD Sales with € 536.1M is +3.0% above PY and +2.3% above budget, benefitting from better performance in the first semester of 2019
- The decline of residential construction in France decelerated further with builders 12 months rolling order book turning positive again (12 months rolling: order book of builders +2.3%, new housing permits -5.9%, new housing starts -3.5%)
- Oct like-for-like EBITDA with +€4.5M was +€1.7M above PY due to a better margin rate (29% vs 28.3%) coupled with lower operating cost (mainly personnel cost) due to efficiency gains in operations; IFRS 16 impact pushed reported EBITDA by +€1.1M to +€5.7M
- YTD like-for-like EBITDA with +€19.3M was +€4.8M above PY and +€1.6M above budget; IFRS 16 impact pushed reported YTD EBITDA by +€11.5M to €30.8M
- FY EBITDA outlook remained at €19.1M versus PY at €15.7M and budget at €18.1 due to higher sales; IFRS 16 impact will push reported YTD EBITDA by +€13.7M to €32.8M
- Sales in November after 8 days out of 19 is at € 21.6M which is +4.5% below PY (like for like, actual sales will be significantly lower due to 2 days less) and -2.7% below budget; Commercial margin level at 19.7% versus 18.2% in PY and 19.2% in budget
- Vendor Loan: Discuss whether we want to push for the offer from Fergusson (20% haircut on €20M payable i.e. reduction to 16M, pay 5M by end 2019 plus 11 until 2022)**
- Split: Announcement done on October 31 without major issues; workers council requested an external specialist to analyze the carve out implications
- Exit: meeting with St Gobain held on November 13 to exchange some further information; next steps: StG to evaluate antitrust concerns; updated non binding offer expected beginning of January

M €	Oct MTD		Oct YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	62.2	5.7	536.1	30.8	633.2	32.8
19B	62.4	5.8	523.8	29.2	618.9	31.9
19A % of 19B	100%	97%	102%	106%	102%	103%
18A	63.4	2.7	520.2	14.2	619.7	15.7
19A % of 18A	98%	207%	103%	227%	102%	210%

Status Update: Project Details

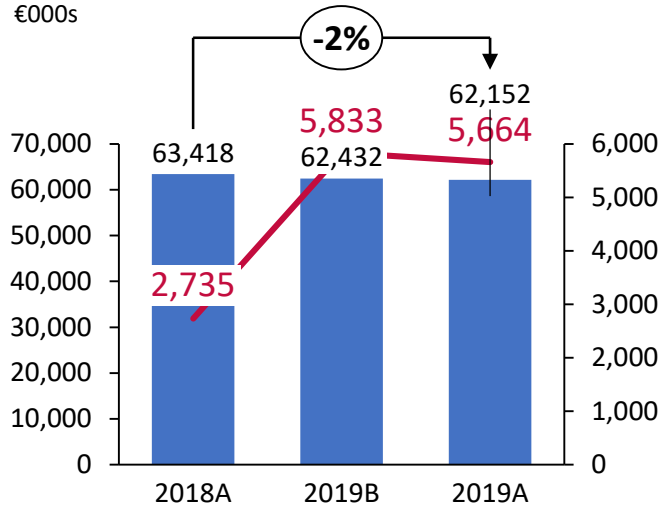
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Exit process		<ul style="list-style-type: none"> meeting with St Gobain held on November 13 to exchange some further information; next steps: StG to evaluate antitrust concerns; updated non binding offer expected beginning of January 	TBD	TBD
B. Split of PanoFrance network to increase exit options		<ul style="list-style-type: none"> Announcement done on October 31 without major issues; workers council requested an external specialist to analyze the carve out implications 	TBD	TBD
C. OGx initiatives		<ul style="list-style-type: none"> Pricing: Implementation of proprietary Big Data solution to optimize pricing of 20/80 products at branch level; Optimal pricing proposal based on the combination of past transactions & price sensitivity levels; Solution implemented in 55 branches by year-end 2019; early results of +0.15 pp in gross margin Digitalization: Search engine & web traffic optimized (+40% natural referencing); Online catalog with real-time product availability; cross-selling & alternative product functionalities 	TBD	TBD

 Complete
  Just started
  On Track
  At Risk
  Behind Schedule

Monthly financial metrics

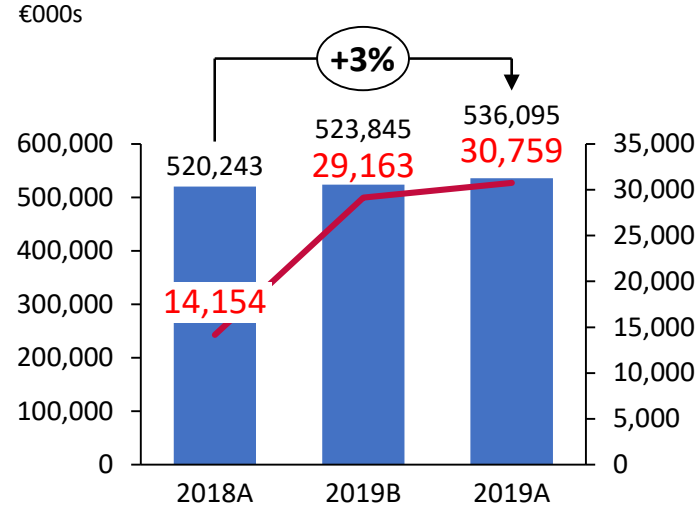
Oct MTD

€000s



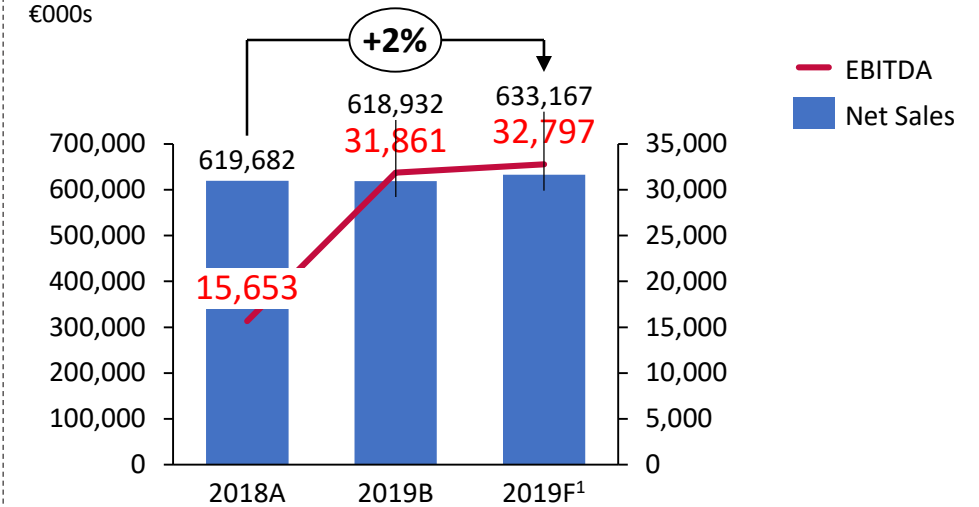
Oct YTD

€000s



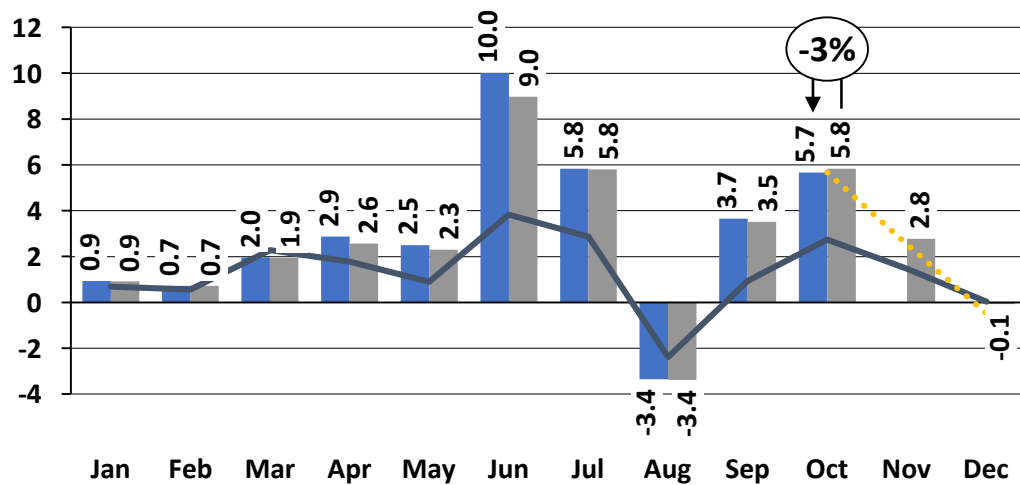
Full Year

€000s



Monthly EBITDA

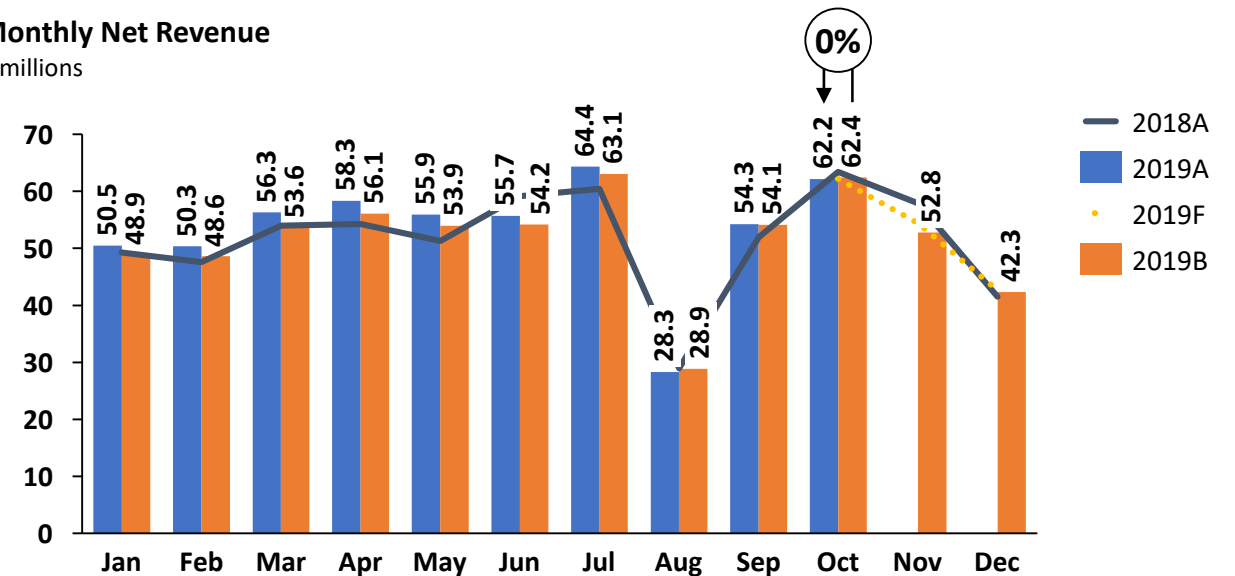
€ millions



1. YTD actuals + remaining year forecast

Monthly Net Revenue

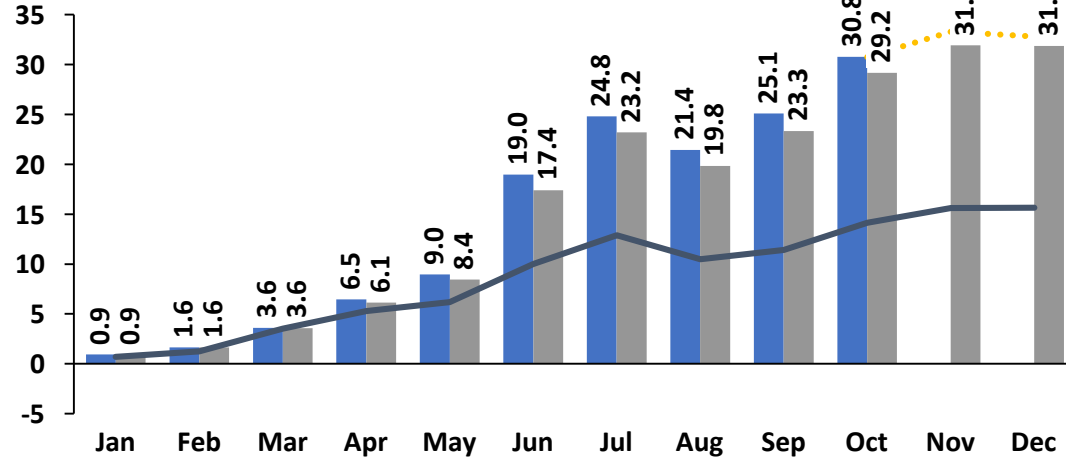
€ millions



Monthly financial metrics

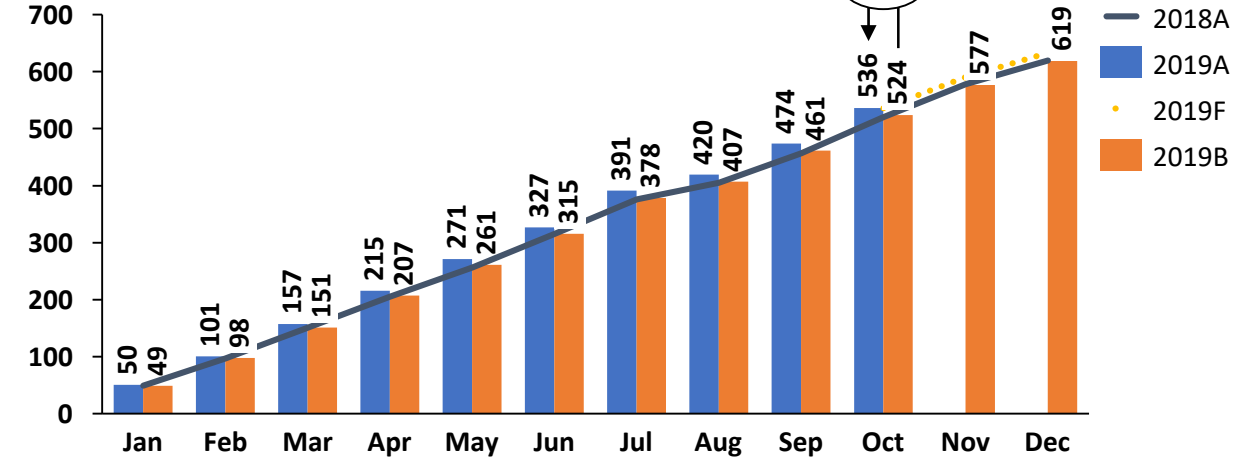
YTD EBITDA

€ millions



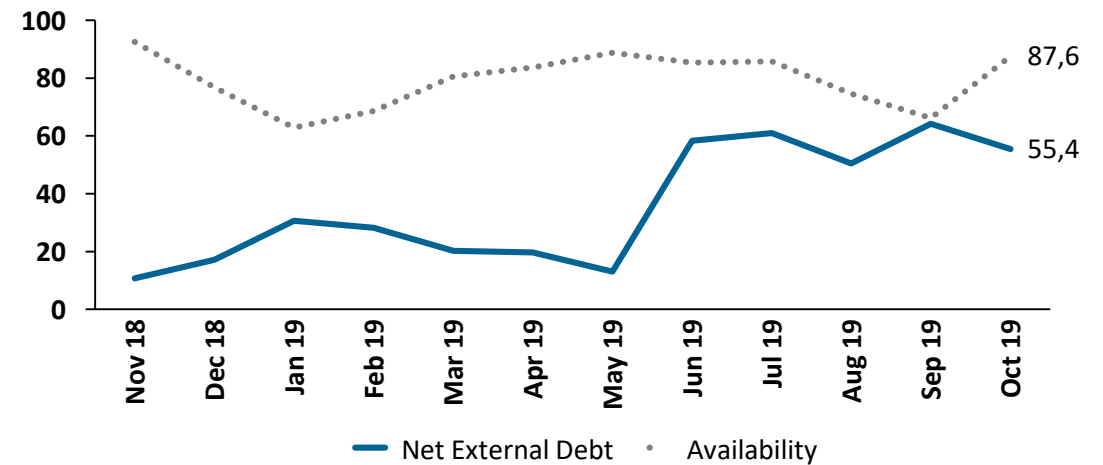
YTD Revenue

€ millions



Liquidity

€ millions



2.c

Everzinc

October performance in line with forecast and LY, but remains below budget due to lower FZP volumes and higher raw material costs. Refinancing discussions progressing

Executive Summary: Week of 10-23

- October sales reached €43.1M vs. budget of €49.1M and LY of €44.5M, driven by the lower volumes and lower Zinc LME (USD\$2.4k/t vs. USD\$2.7k/ton in budget and LY)
- EBITDA reached €2.9M and included €54k related to IFRS 16, which, despite the lower volumes, is in line with LY. Nevertheless, performance was below BP, mostly due to the lower FZP volumes and higher raw material costs
- YTD EBITDA at €24M was broadly in line with PY at €24.4M but remained below budget at €33.2M (IFRS 16 impact of €+787k adjusted within the reported EBITDA)
- FY 2019 EBITDA continues to be expected at the level of €30.1M, including €945k for IFRS16
- Cash position reached €49.3M (vs. €48.7M last month) and is expected to reach €55.3M by year-end. Refinancing discussions are progressing with the potential members of the bank pool (3 confirmed and 2 pending feedback) and debt funds (1 confirmed and 1 pending feedback). Final feedback expected for this week in order to enable OGC to select the partners to be engaged in final negotiations. Closing expected by December 2019
- New CFO started to review the current tax structure to enable the cash upstream of c. €20M post refinancing and a meeting with tax advisors will take place this week to discuss this and other tax matters

M €	Oct MTD		Oct YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	43.1	2.9	434.7	24.0	517.0	30.1
19B	49.1	3.8	484.5	33.2	571.2	39.4
19A % of 19B	88%	76%	89%	72%	90%	76%
18A	44.5	2.9	488.9	24.4	565.2	29.3
19A % of 18A	97%	98%	89%	98%	91%	103%

Status Update: Project Details

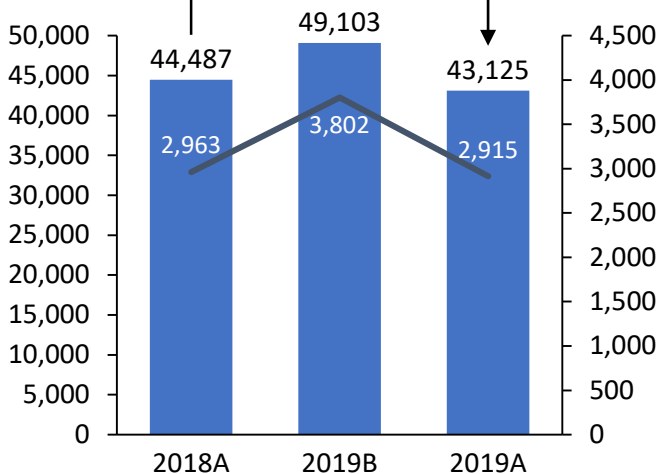
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
Group CFO Recruitment	●	<ul style="list-style-type: none"> Rene Pit started on October 10th
Inventory Reduction	●	<ul style="list-style-type: none"> Reduction progressing according to plan with target of -10k tons to be reached by December (potential risk of 2k tons)
Refinancing	●	<ul style="list-style-type: none"> Final TSs expected for this week. Partners for final negotiations to be selected
Zano Carve-Out	●	<ul style="list-style-type: none"> Legal carve-out completion expected for Q4 with retroactive effect to July 31st 2019. Certifications in progress
OGx Initiatives	●	<ul style="list-style-type: none"> Brand Recognition: new social media and website launched. New business cases videos published last week 		
	●	<ul style="list-style-type: none"> Thought Leadership: R-Zinc conference successfully held in Liege with over 80 participating companies 		
	●	<ul style="list-style-type: none"> Operational Excellence: ZANO industrialization tests progressing. New trials expected in Q1 and Q2 2020 		

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

Monthly financial metrics

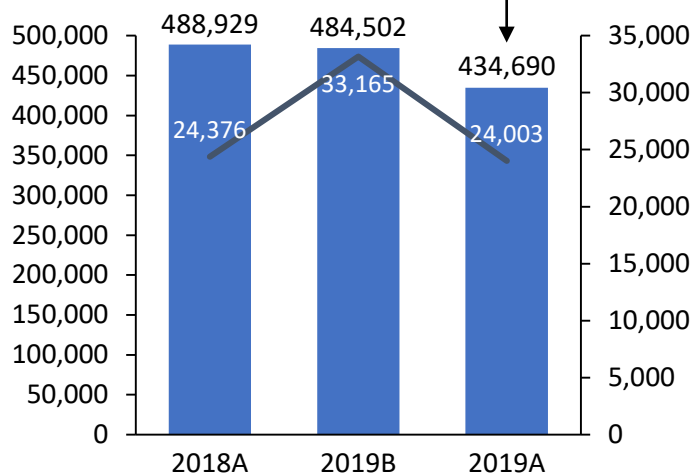
Oct MTD

€000s



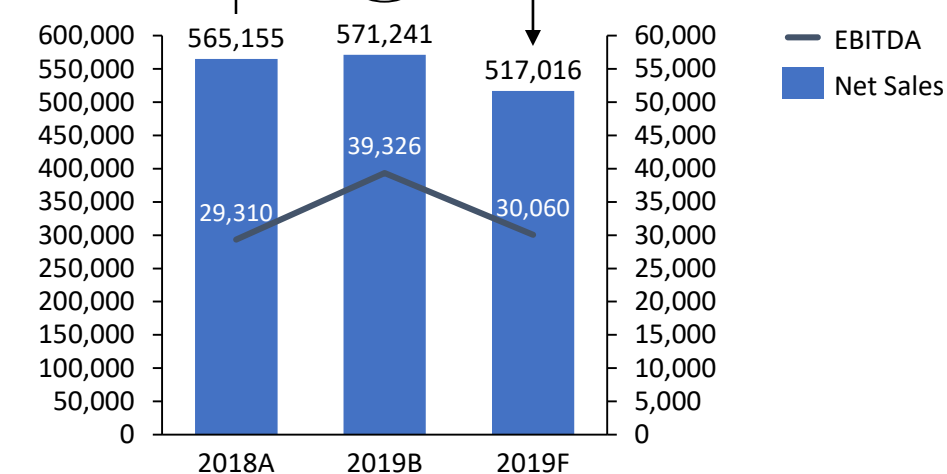
Oct YTD

€000s



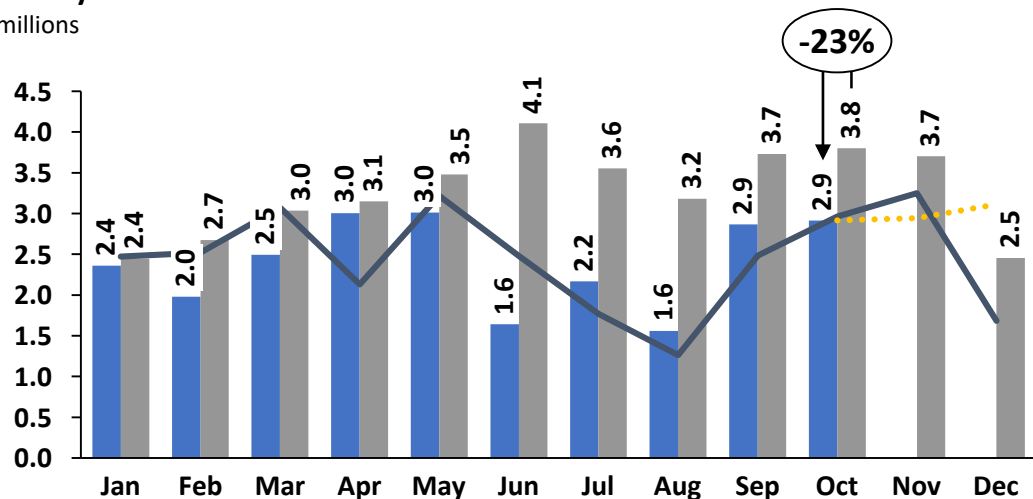
Full Year

€000s



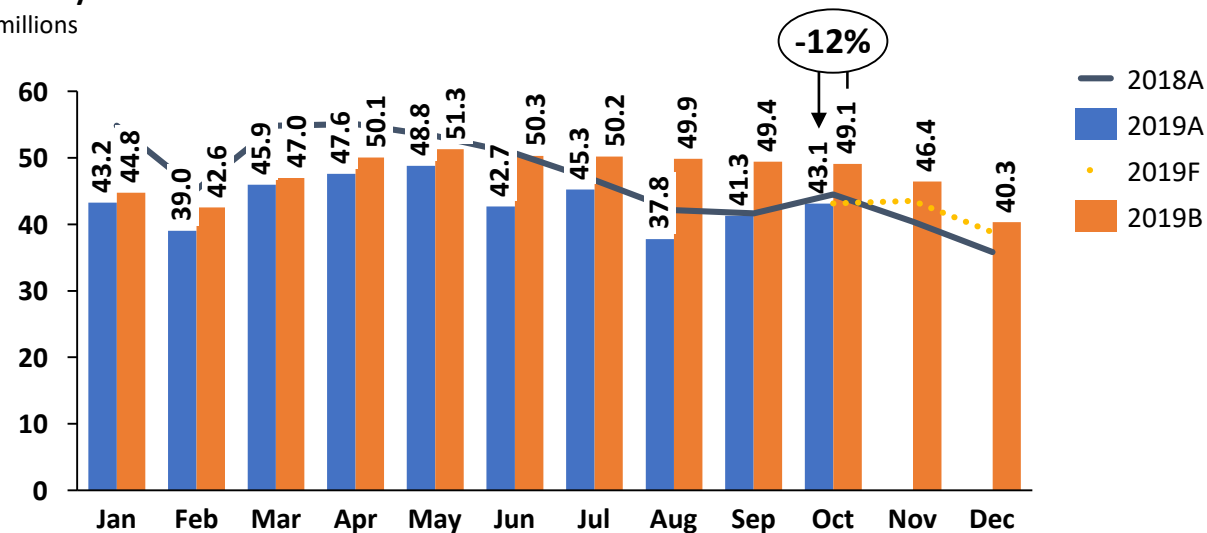
Monthly EBITDA

€ millions



Monthly Net Revenue

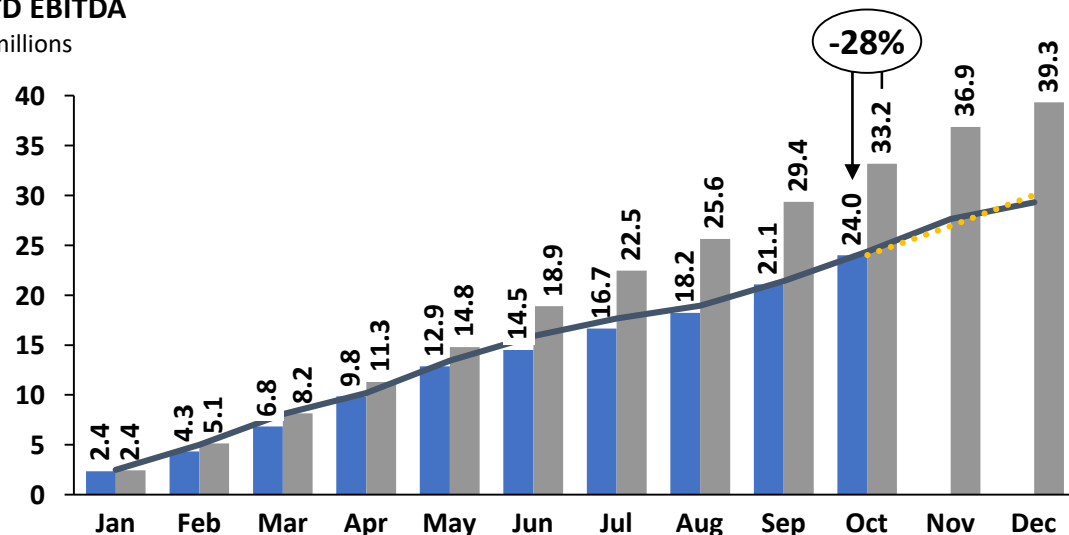
€ millions



Monthly financial metrics

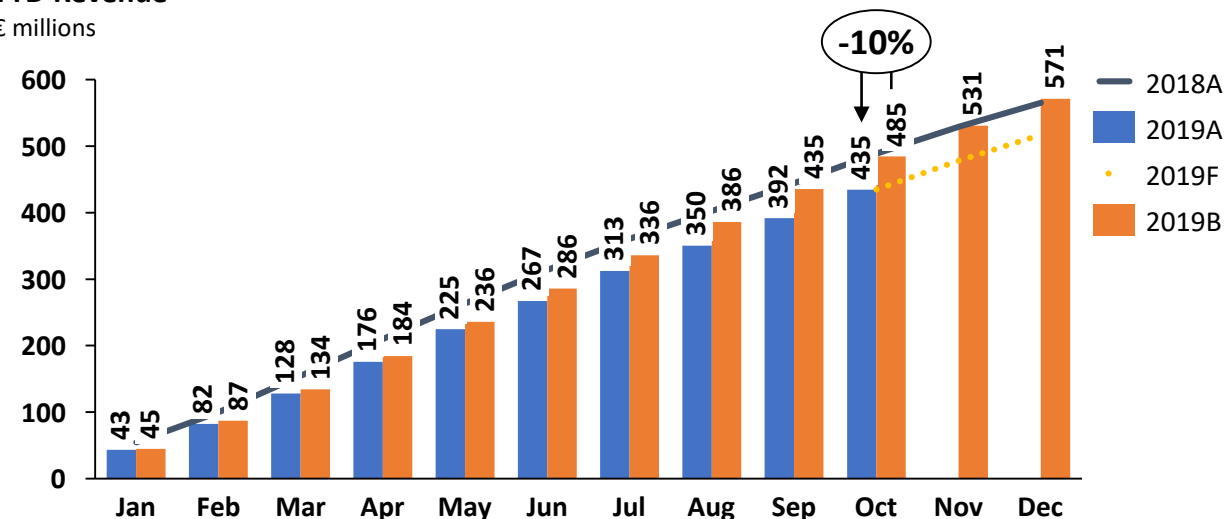
YTD EBITDA

€ millions



YTD Revenue

€ millions

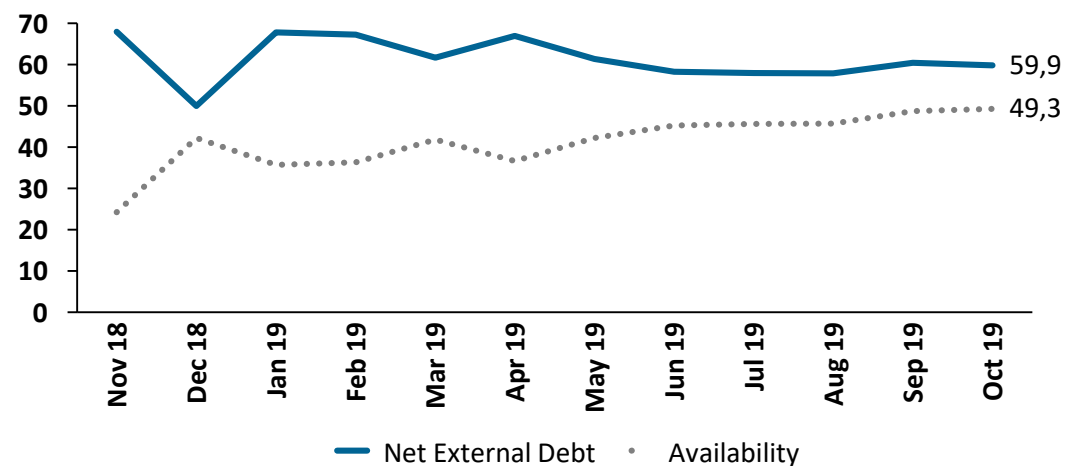


Order Intake

€ millions

Liquidity

€ millions



2.d

JOTUL



EBITDA in line with budget and above PY; production in Scandinavia will stop end as per plan of November to relocate machinery to Poland

Executive Summary: Week of 11-20

- Oct net sales with NOK 134.1M were +5% above PY and -6% below budget; sales performance down in all countries except the US and incremental sales contribution from AICO France
- Order Intake in October with NOK 124.5M underperformed PY at NOK 133.7M; some top line risks for the coming 2-3 months vs current forecast
- Gross margin at 36.6% was above PY at 35.2% and budget at 34.5%; strong margin was driven by sales mix effects on fixed cost and reclassification of abnormal productivity below EBITDA (NOK 1.6M) due to the relocation
- Like-for-like EBITDA in Oct with NOK 31.2M was above PY by +4.5M due to a better margin rate and higher sales volume contributed by AICO France; Accounting adjustment (IFRS 16) of +NOK 2.9M inflated EBITDA to a reported EBITDA of NOK 34.1M
- Like-for-like YTD EBITDA at NOK 97.3M better than PY at NOK 74.3M and budget at NOK 75.5M; accounting IFRS 16 impact of NOK +28.3M boosted reported EBITDA to 125.6M
- Like-for-like FY 2019 EBITDA outlook remained at NOK 107.6M vs PY at NOK 92.1M and a budget at NOK 107.1 and an LTM performance of NOK 115M; full year IFRS 16 impact of NOK +38M will increase reported EBITDA to NOK 146M in 2019;
- Current trading in early November shows a decline in order intake versus budget and PY which fuels some top line concerns for the remainder of the year; After 11 days out of 21, Sales is at NOK 54.9M which -3% below PY and -17% below BU; Order Intake is -17% below PY
- Production transfer to Poland on plan: Production in Norway and Denmark will stop end of November; subsequently all remaining machinery will be transferred to Poland to start up production on January 7; **Inventory is built to ship products in December and January**; at this point there is no red flag (HR hiring on plan, main machinery on schedule with a small delay for the sheet metal paint line but without significant consequences)

M NOK	Oct MTD		Oct YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	134	34.1	767	125.6	977	146.5
19B	143	34.2	747	107.5	956	145.2
19A % of 19B	94%	99%	103%	117%	102%	101%
18A	128	29.6	745	74.3	912	92.1
19A % of 18A	105%	115%	103%	169%	107%	159%

Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Relocation of production from Norway & Denmark to Poland	●	Polish factory visited on October 1st and meetings with local management; very good momentum and only one yellow flag regarding one painting line identified for the factory startup yet; hiring process on schedule	0 in 2019 NOK 50M in 2020	0
B. Development of Jotul branded pellet stoves	●	<ul style="list-style-type: none">• 3 AICO stoves have been redesigned for Jotul and will be launched in France in November 2019 for the winter season• Additional models to be presented in February 2020 at the Verona fair TBD	TBD	0

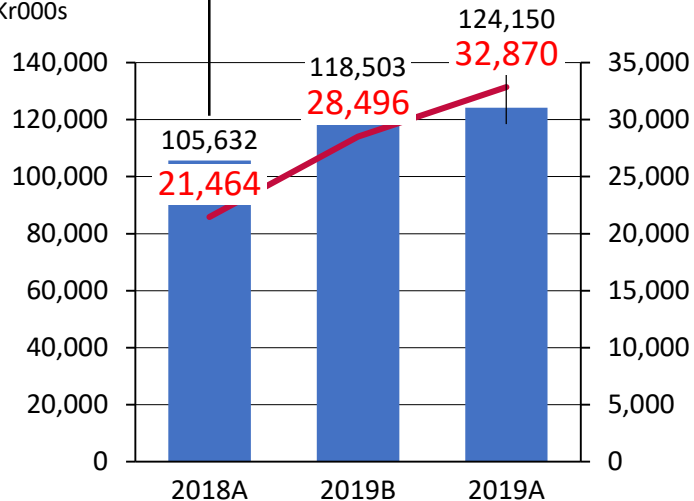
● Complete ● Just started ● On Track ● At Risk ● Behind Schedule



Monthly financial metrics

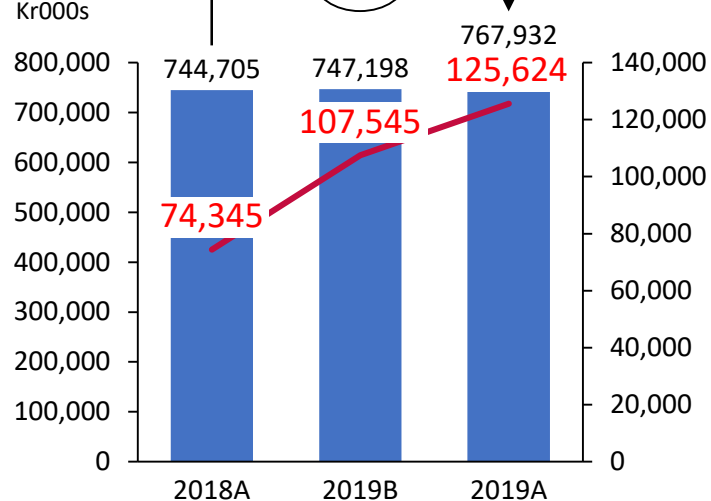
September MTD
Kr000s

+18%



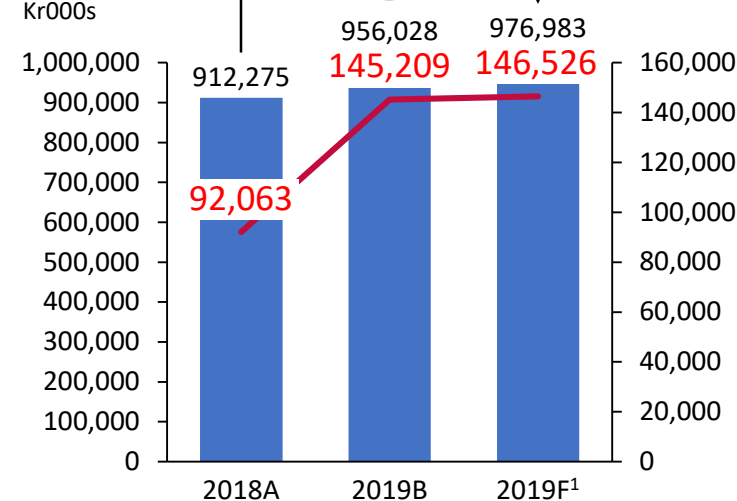
September YTD
Kr000s

+3%



Full Year
Kr000s

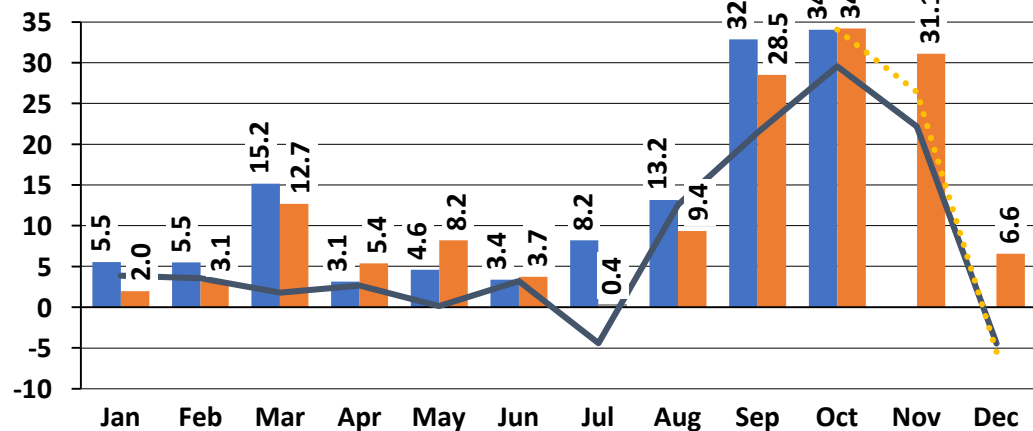
+7%



EBITDA
Net Sales

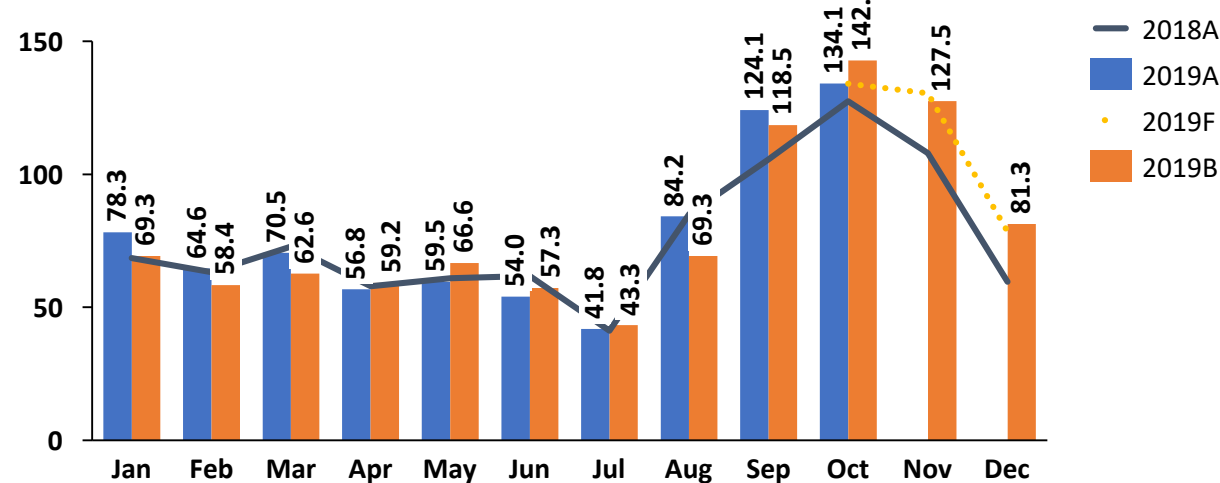
Monthly EBITDA

Kr millions



Monthly Net Revenue

Kr millions



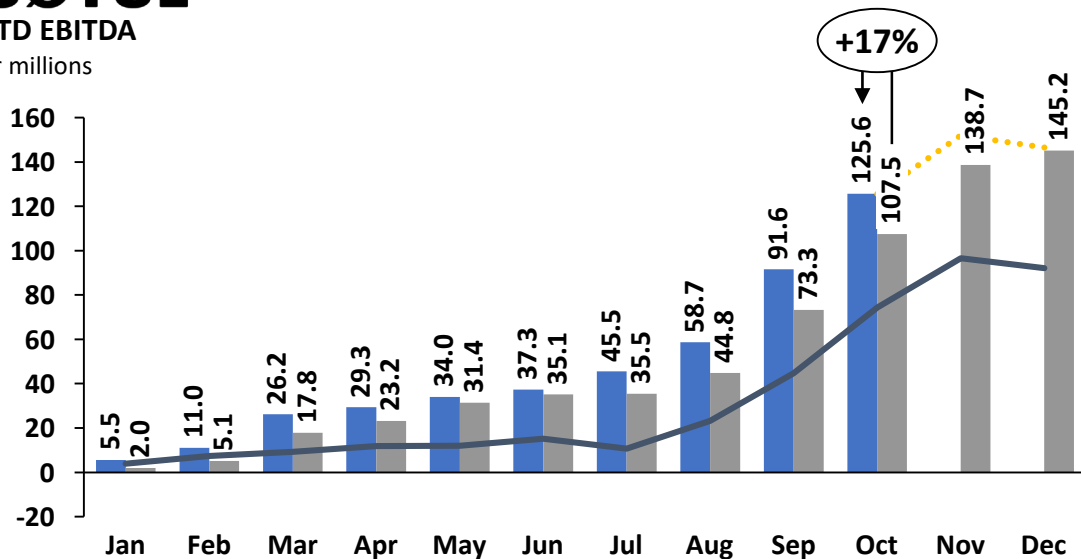
1. YTD actuals + remaining year forecast



YTD EBITDA

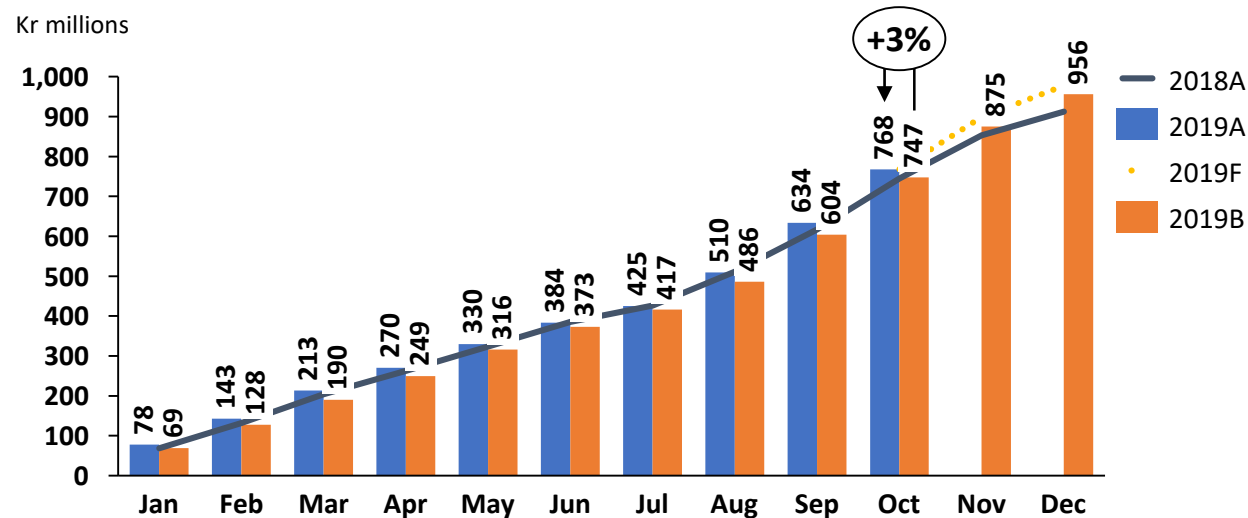
Kr millions

Monthly financial metrics



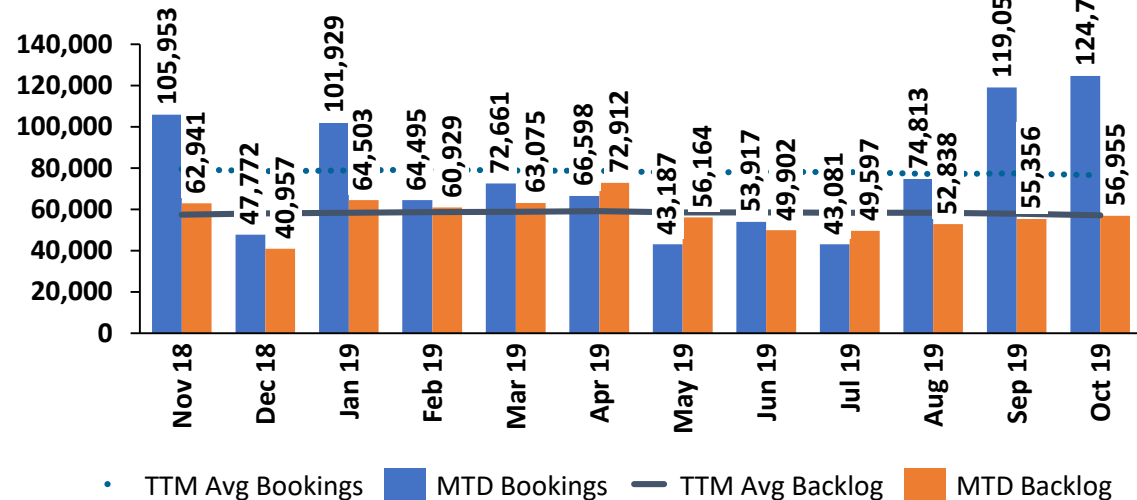
YTD Revenue

Kr millions



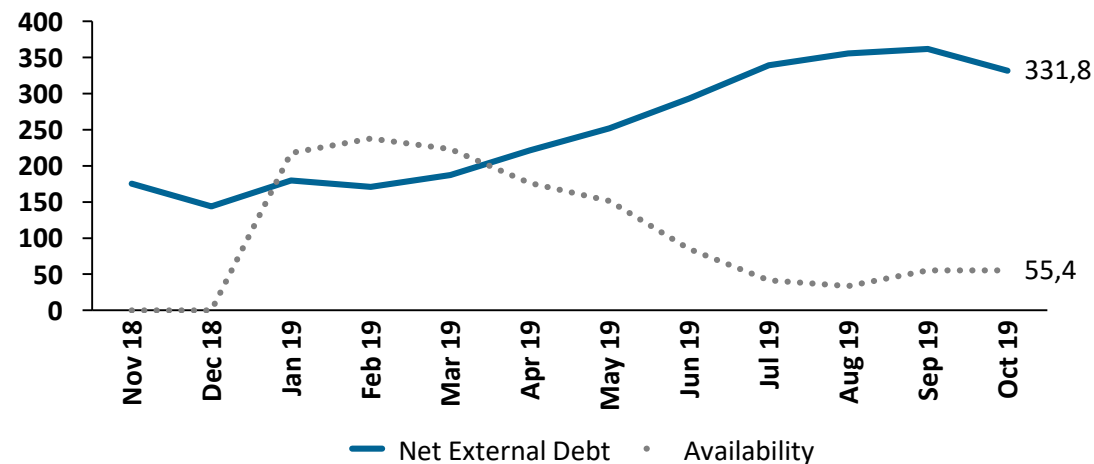
Order Intake

Kr millions



Liquidity

Kr millions



1. YTD actuals + remaining year forecast

2.e

Ravelli



October was break even month in 2019 while sales are still very low due to warm weather and negative market circumstances in Italy

Executive Summary: Week of 11-20

- Oct net sales were -11% below PY and -18% below budget; lower sales vs PY, still impacted by a slow start of the winter season due to warm weather;
- YTD sales with €23.2M significantly under PY at 31.6 due to market decline of close to 20% in Italy (political situation and weather) and the portfolio rationalization
- Order Intake in October with € 4.3M -11% below PY and order backlog at €3.8M versus €2.4M in PY
- Gross Margin in the month at 14.1% double than PY at 8.3% but still below expectation mainly due to sell out of slow moving inventory at lower price levels
- Oct EBITDA close to break even but affected by lower sales volume and a low margin rate due to sell out of older stock items
- FY 2019 EBITDA outlook is at € -4.8M vs PY at €-6.5M;
- Headcount at 141 versus 151 in PY and 146 in budget
- Budget: a revised budget will be discussed on November 19th with a target to further rationalize the company and prepare the integration into Jotul with a break even runrate by end 2020

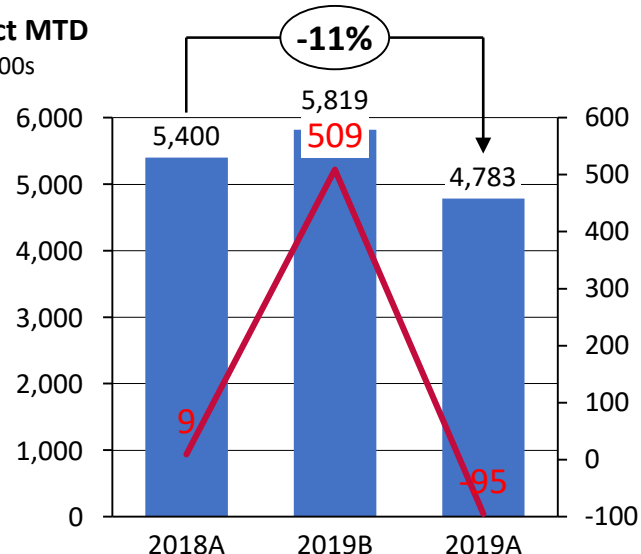
M €	Oct MTD		Oct YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	4.8	-0.1	23.2	-4.3	30.3	-4.8
19B	5.8	0.5	29.3	-2.0	38.2	-1.3
19A % of 19B	82%	Na	79%	na	79%	Na
18A	5.4	0.0	31.6	-1.7	38.1	-6.5
19A % of 18A	89%	Na	73%	Na	79%	na

Status Update: Project Details

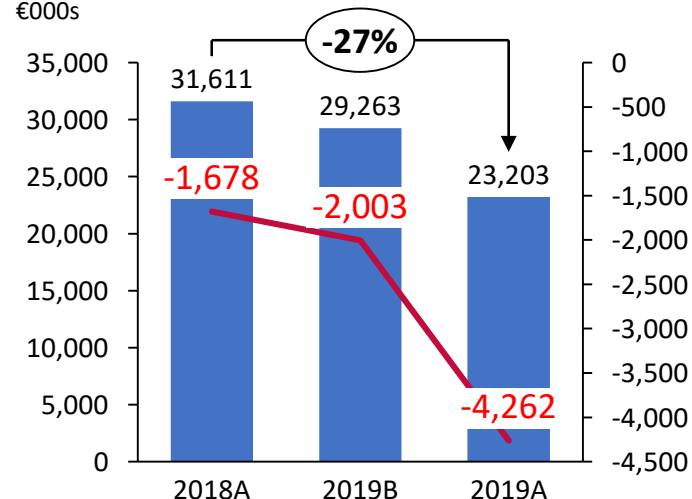
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Prepare revised turnaround plan with new CEO		<ul style="list-style-type: none"> • -25% Reduction of product portfolio (kill all products with contribution margin below 30%) by year-end 2019 to reduce business complexity • Gradual headcount reduction of 28 people until year-end 2019 • Rationalization of distribution setup from 3 warehouses to one • Resourcing of components (including casting from Jotul) • Total annual cost reduction of app. €2.3M (full benefits for 2020); one of cost of approximately €600k (headcount reduction mainly on temps) 	€2.3M	TBD
B. Financing		<ul style="list-style-type: none"> • factoring facilities with General Finance (€3M) and Eurofactor (€ 1.8M) have been installed and should provide sufficient liquidity to finance the business throughout the remainder of 2019 	TBD	TBD

Monthly financial metrics

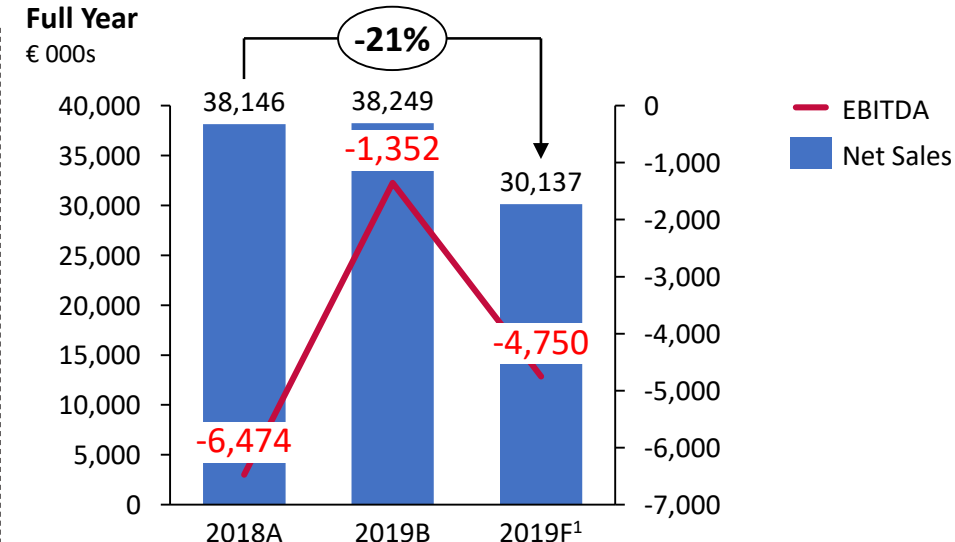
Oct MTD
€000s



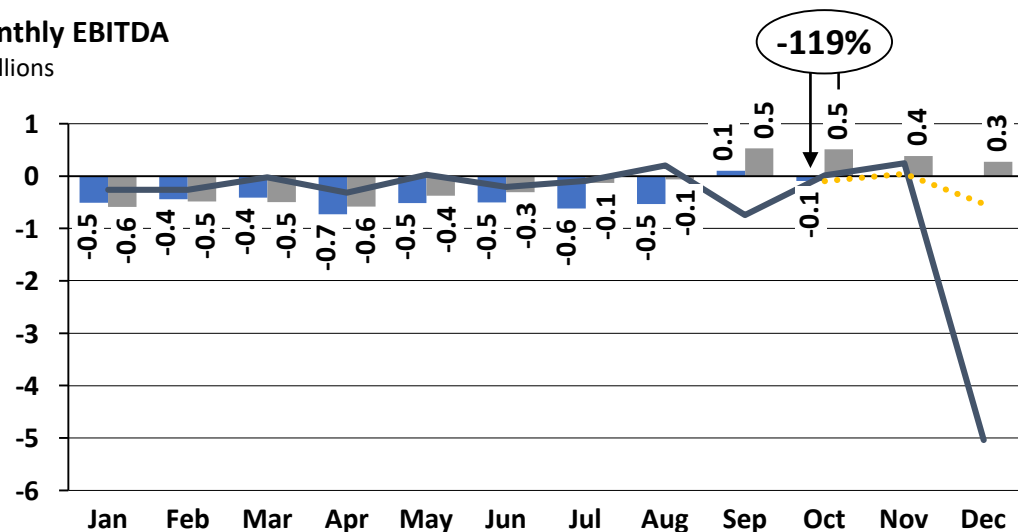
Oct YTD
€000s



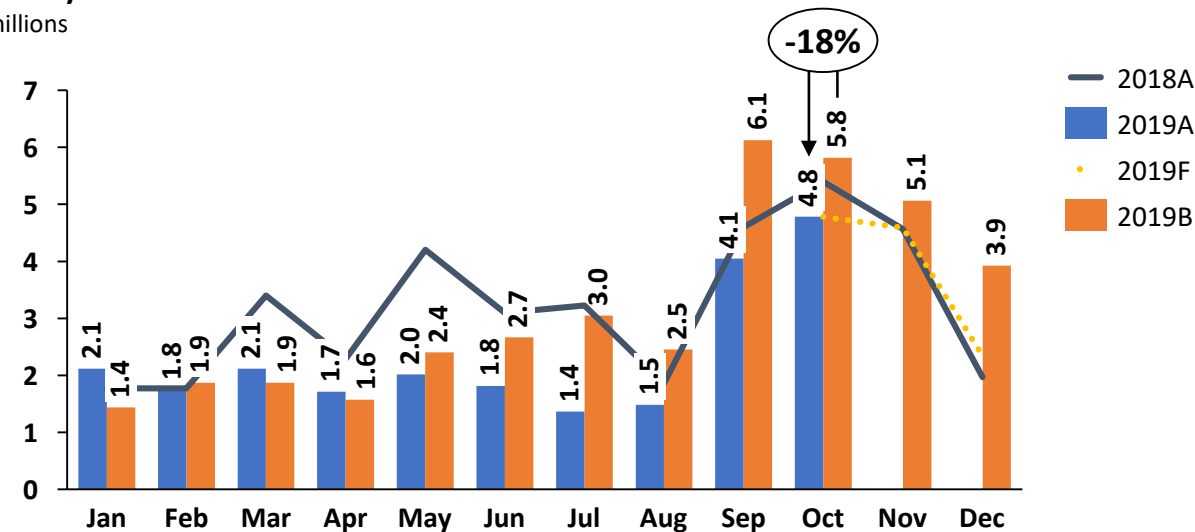
Full Year
€ 000s



Monthly EBITDA
€ millions



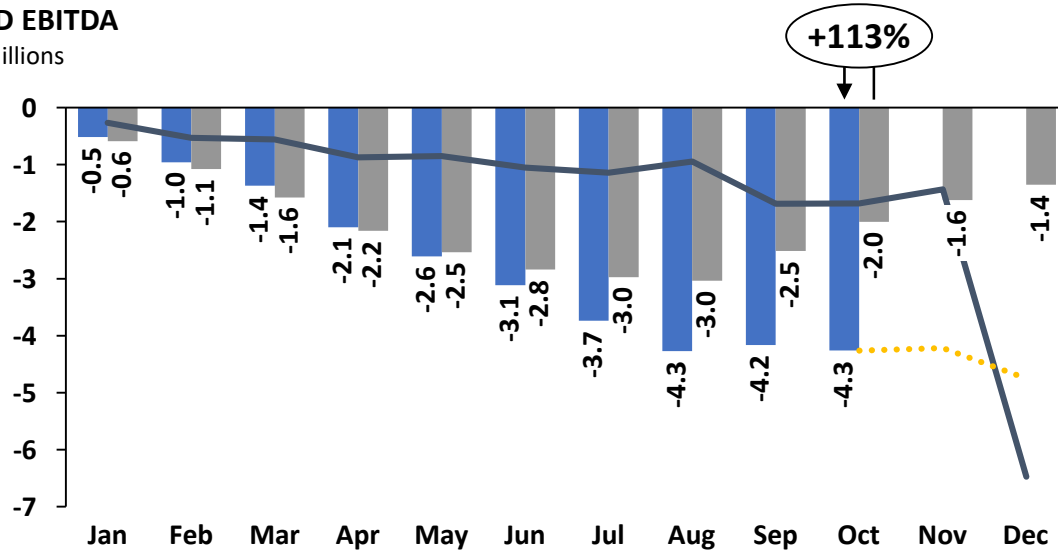
Monthly Net Revenue
€ millions



Monthly financial metrics

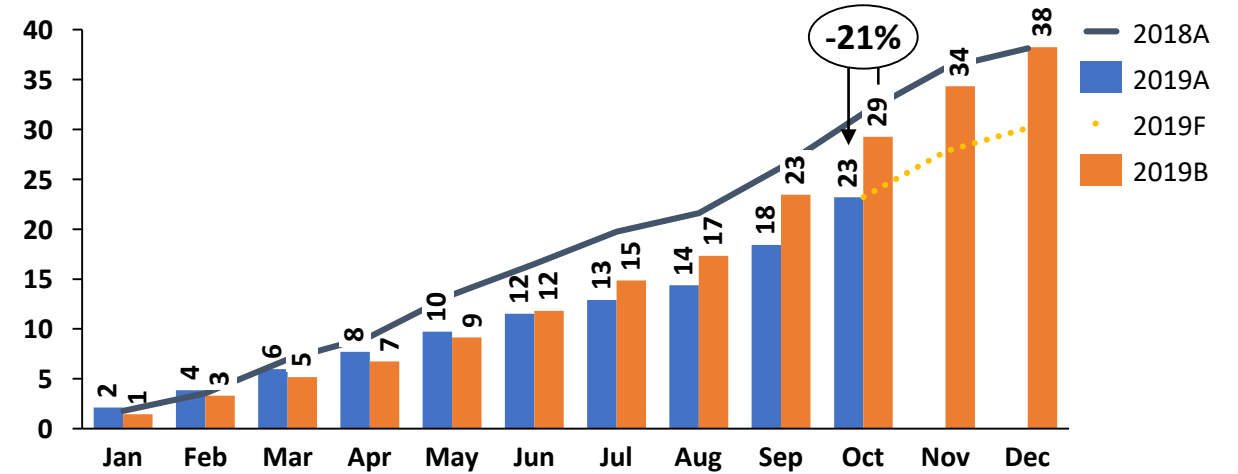
YTD EBITDA

€ millions



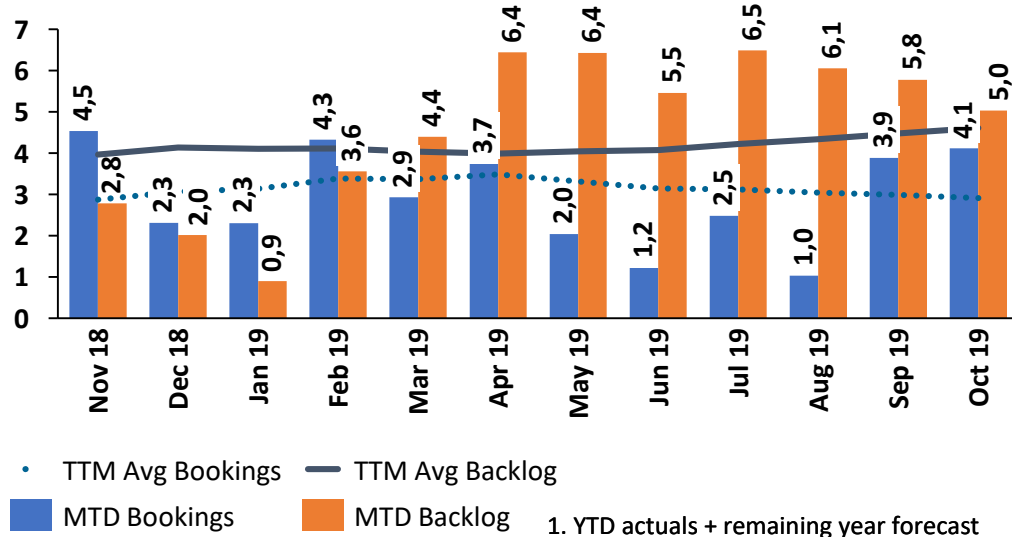
YTD Revenue

€ millions



Order Intake

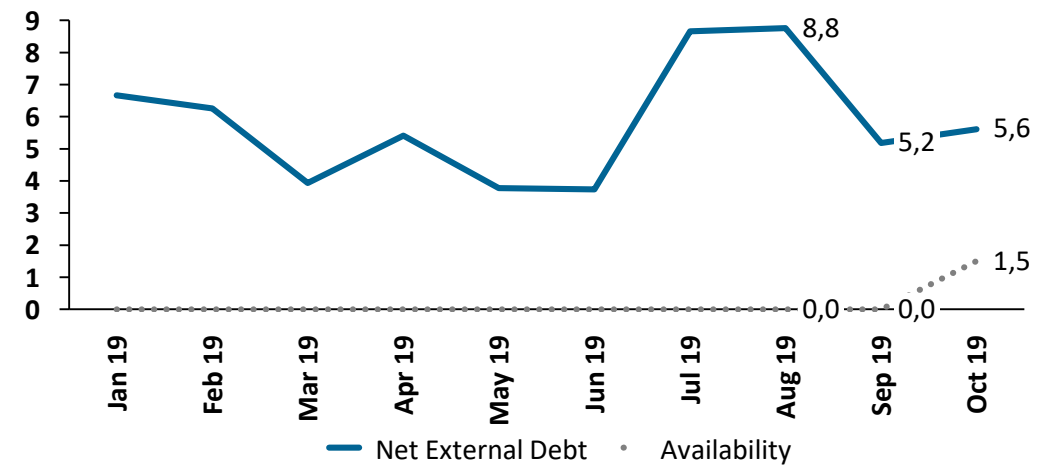
€ millions



1. YTD actuals + remaining year forecast

Liquidity

€ millions



2.f

Fichet

Executive Summary: Week of 10-23

- October sales reached €11.1M, which is -12% below Budget and -8% below PY ; Variance with budget driven by Cash Management due to Gunnebo lower orders and on Services due to inefficiencies caused by the redundancy plan
- Like-for-like EBITDA in October was at breakeven (€0M) which is lower than Budget (-103%) but better than PY (+91% or €+1.0M)
Accounting adjustment (IFRS 16) of €0.3M inflated EBITDA to a reported EBITDA of €0.3M
- Like-for-like YTD EBITDA at €-3.0M is lower than Budget (-35%, or €-0.8m) but better than PY (+52% or €+3.3M)
YTD IFRS 16 impact of €+2.9M will increase reported EBITDA to €-0.1M in 2019
- Like for like FY 2019 EBITDA is forecasted at €-1.3M vs PY at €-6.4M and a budget at €-0.4M; full year IFRS 16 impact of €+3.5M will increase reported EBITDA to €2.2M in 2019
- “Fichet Next”: On-going transformation activities including definition of R&D roadmap and processes, manufacturing KPI definition and saving plan
- Group reorganisation/redundancy plan: FSSF (63 jobs at stake). Process completed; FB (16 jobs) Process completion by end of December
- On-going recruitment of the Group Sales Director with 3 candidates shortlisted

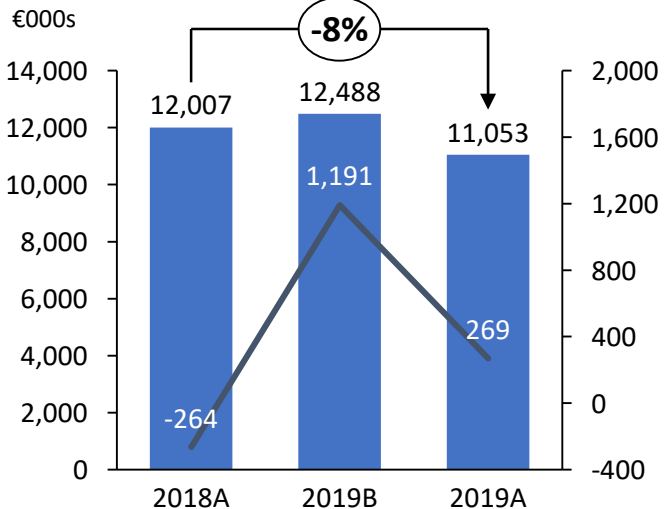
M €	Sept MTD		Sept YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	11,1	0,3	104,8	-0,1	128,4	2,2
19B	12,5	1,2	108,9	0,7	133,9	3,1
19A % of 19B	89%	23%	96%	-9%	96%	70%
18A	12,0	-0,3	101,6	-6,3	124,9	-6,4
19A % of 18A	92%	-102%	103%	1%	103%	-34%

Status Update: Project Details

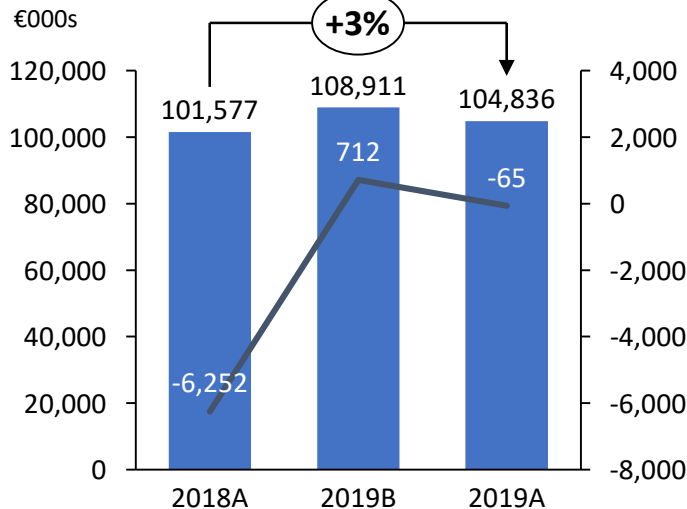
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Backlog cleansing	●	• 2.9M€ identified to be reviewed (7% of the backlog) including 1.5M€ prior to 2018		
B. Group Sales Director and Benelux Sales manager recruitment	●	• 3 candidates shortlisted for Group Sales Director. To be interviewed by OGC before end of November		
C. Cost reduction and cash program	●	• Overdue reduction target (from €6M down to €4M). €5M to date	0.3	
D. New commercial strategy implementation / Transformation	●	• “Fichet Next”: on-going transformation workshops • Formal communication to employees about the Group organization on 6 th November		
E. Restructuring Plan	●	• FSSF plan completed by end of October • FB: From 3rd October, start of the voluntary period, process to be completed in Dec19	0.7	0.6
F. OGx initiatives	●	• Currently analysing the digitalization of processes (geolocalisation, Asset QR, smart sensor), Also rethinking the R&D structure and organization	tbd	

Monthly financial metrics

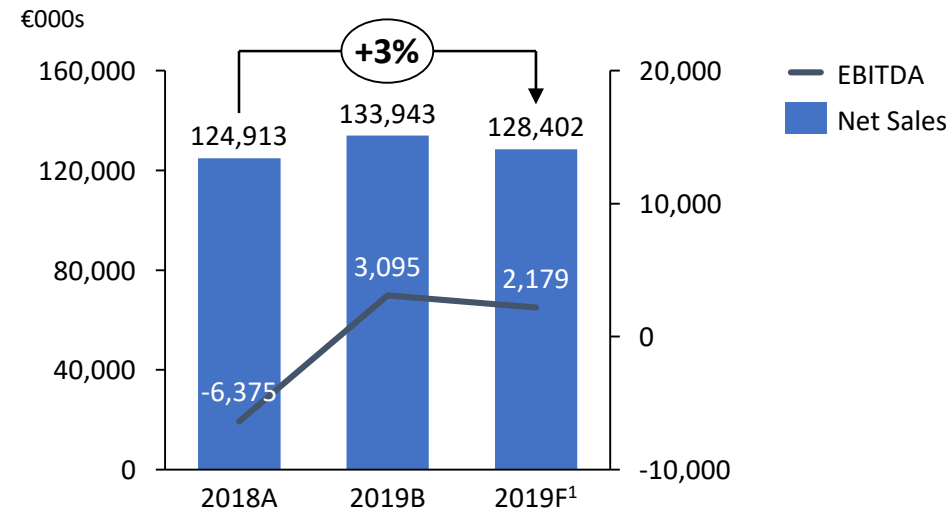
Oct MTD



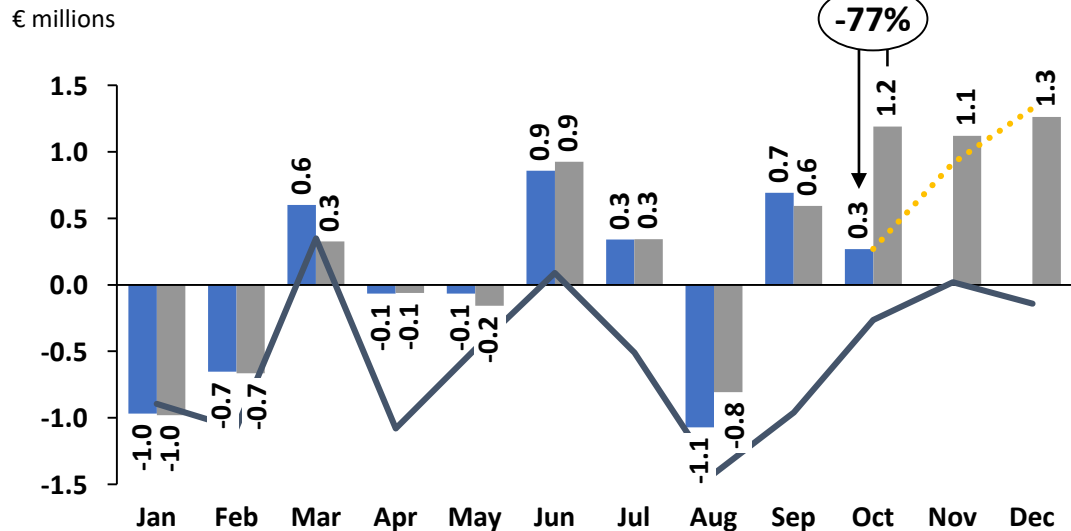
Oct YTD



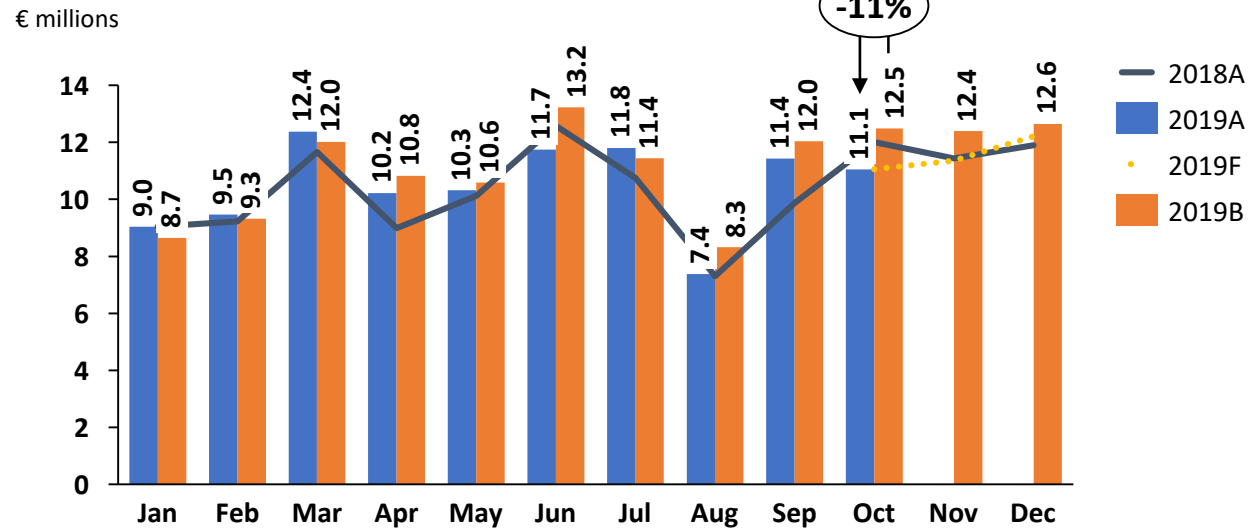
Full Year



Monthly EBITDA

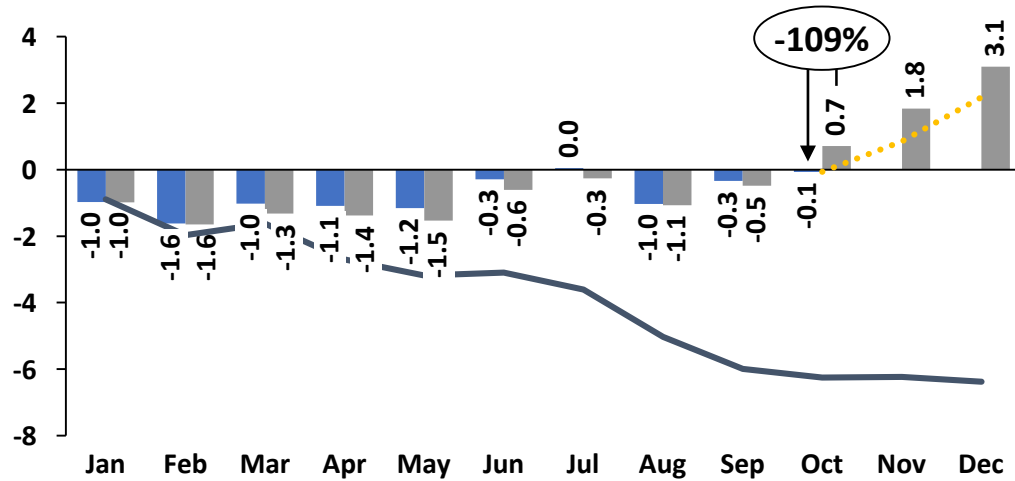


Monthly Net Revenue



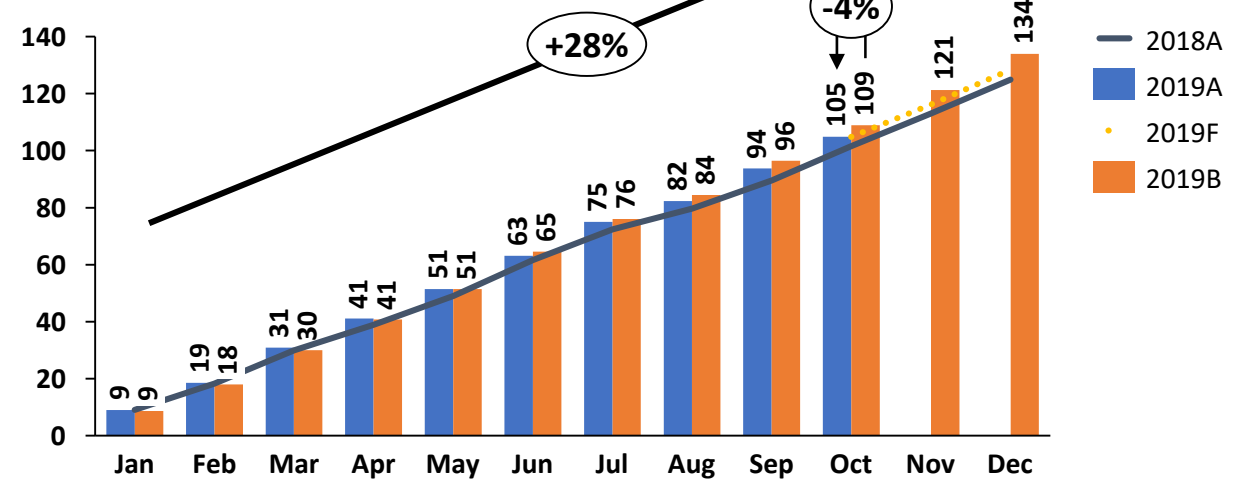
YTD EBITDA

€ millions



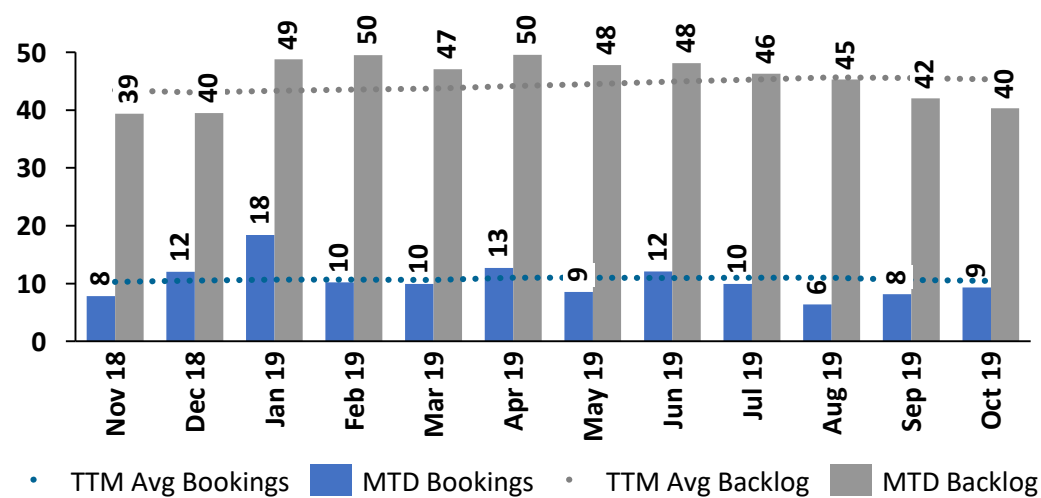
YTD Revenue

€ millions



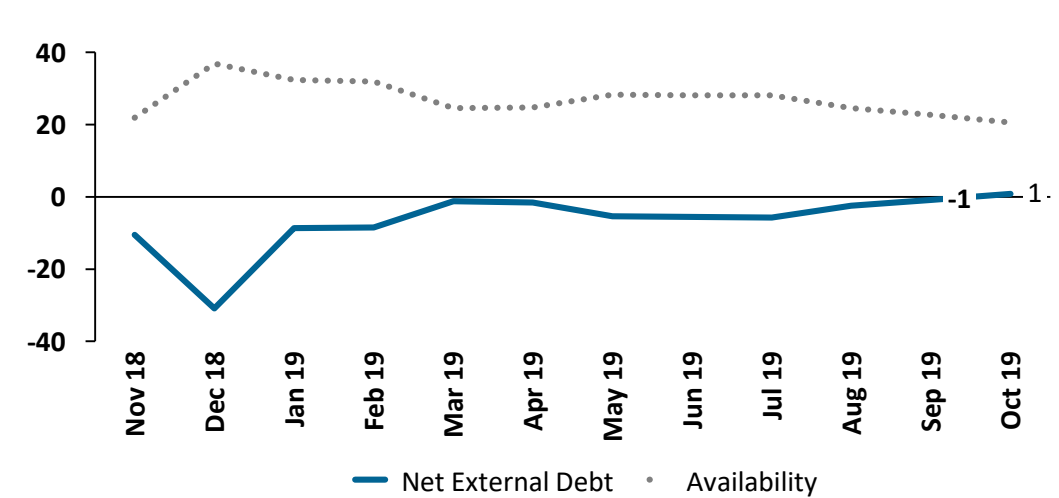
Order Intake

€ millions



Liquidity

€ millions



2.g






SMAC

Executive Summary: Week of 11-20

- Note :23 business days in October 2019 vs. 23 in 2018. October sales were 8.4% above Budget and 3% above PY on a like for like basis. Vs PY, sales are at flat on Works activity (but +4% in France and – 29% on International due to exceptional sales in 2018) and +12.8% vs. on Industry activity.
- Like-for-like EBITDA in October with € 3.7 m (excluding favorable one-off for € 0.7m) of which € 2.4 m on Works and € 1.3 m on Industry) is both higher than Budget (+17%) and PY (+75% or +€ 1.7 m), as 2018 included € 1m of non recurring items. Accounting adjustment (IFRS 16) of € 0.6 m inflates EBITDA to a reported EBITDA of € 5 m.
- Like-for-like YTD EBITDA at € 14.4 m (of which € 6.9 m on Works and € 7.5 m on Industry) is better than Budget (+28%, or €+ 4.4 m) and also PY (€+ 19.7 m of which €+ 15.5m on Works and € + 4.2 m on Industry), as 2018 included € + 13.8 m of non recurring items. Impact of top line growth (+6.6% on works and + 12.1% on Industry) and better execution on works done as well decreasing SG&A vs. 2018. YTD IFRS 16 impact of € + 5.9 m increases reported EBITDA to € 20.4 m in 2019.
- Like for like FY 2019 EBITDA is forecasted at € 12.9 m vs PY at € 9.7 m and a budget at € 12.7 m ; full year IFRS 16 impact of € 7.2 m will increase reported EBITDA to €20.1 m in 2019. Reforecast of € 20.1 m seems conservative even if December is expected to be a month with negative EBITDA margin.
- Follow up of accident (fire) during waterproofing works early September in a medical center west of France. No individual injured. But direct damages and consequential losses estimated now between € 5 and to € 10 m fully covered by civil liability insurances except 200 K€ deductible. Increase of insurance premiums to expect in 2020.

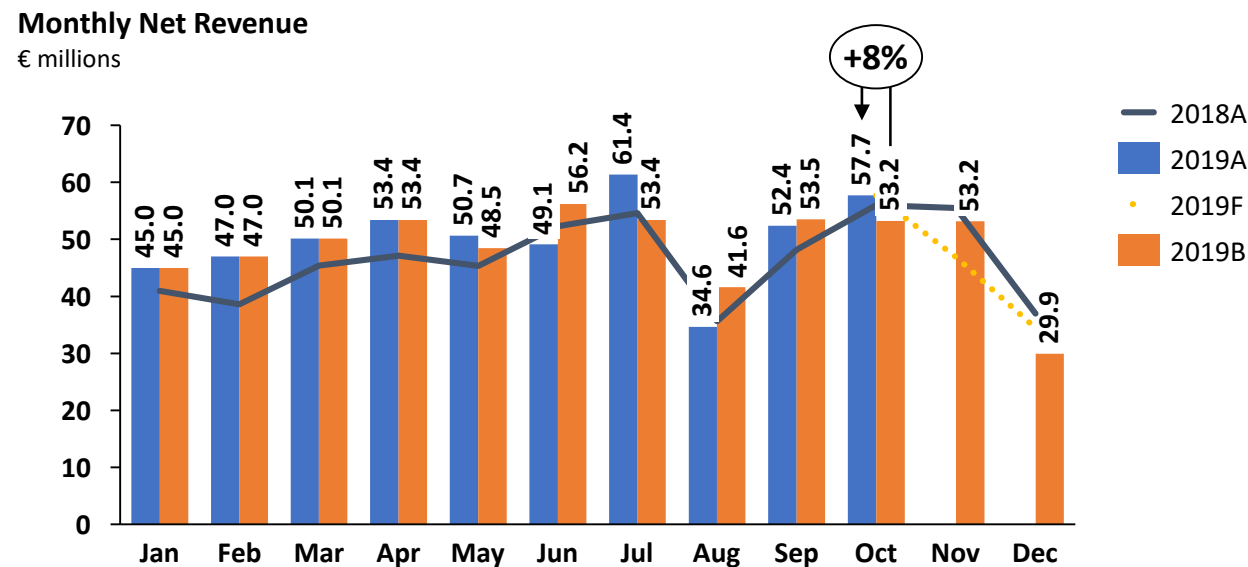
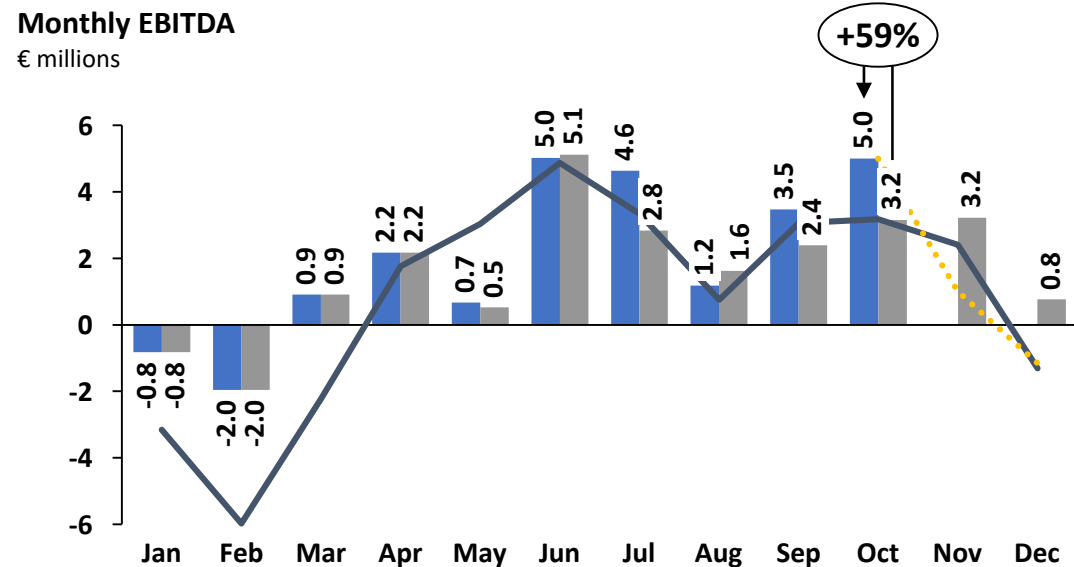
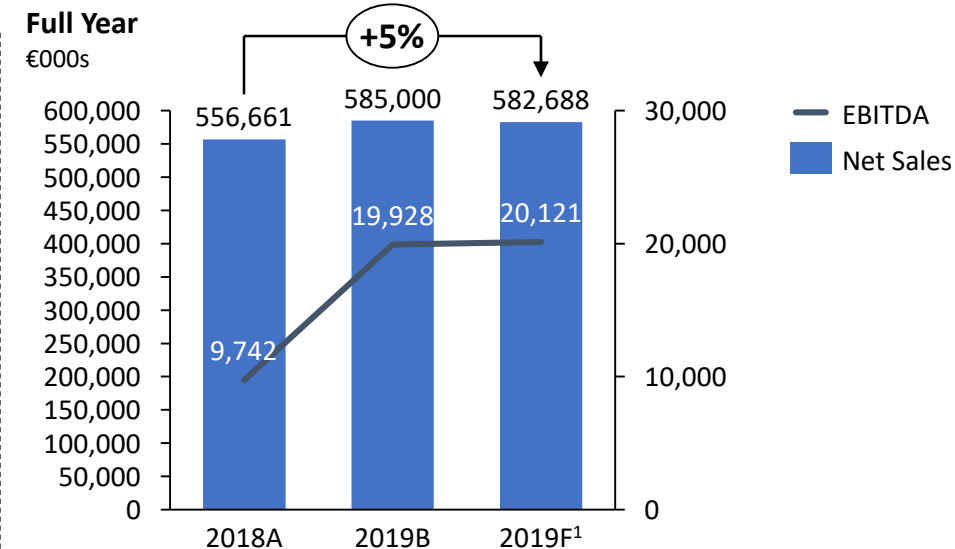
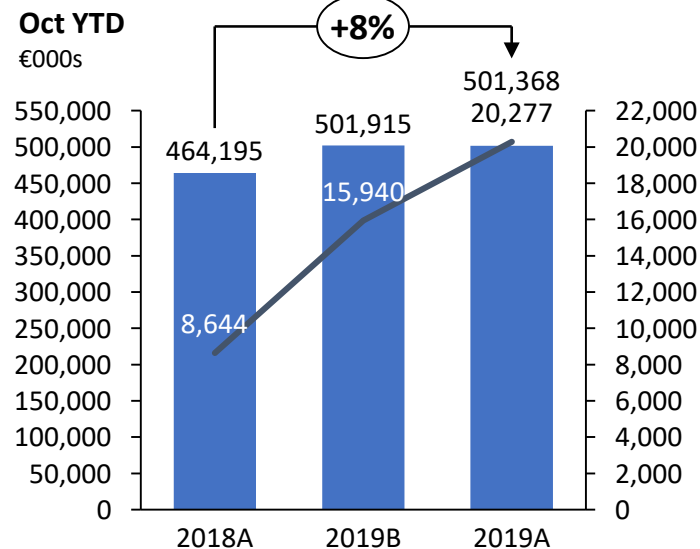
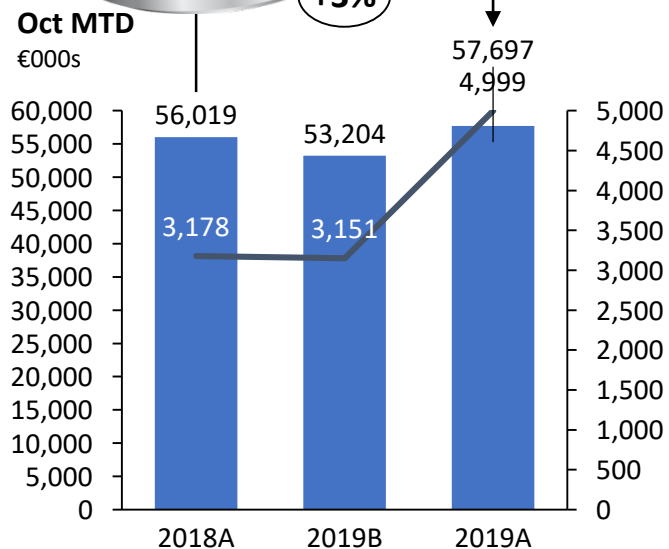
M €	OCT MTD		OCT YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	57.7	5	501.4	20.3	582.7	20.1
19B	53.2	3.15	501.9	15.9	585	19.9
19A % of 19B	108.4 %	159%	99.9%	127.7 %	99.6%	101%
18A	56	3.18	464.2	8.6	556.7	9.7
19A % of 18A	103%	157%	108%	236%	104.7 %	207%

Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Bitumen supply on Industry Business (Axter)		<ul style="list-style-type: none"> No stop in production in October 2019 due to shortage of supply of bitumen. Third month in a row. 30% of 2020 quantities secured with a price at 300€/ ton securing as well B2020 assumptions taken. 	NA	NA
B. Social Roadmap		<ul style="list-style-type: none"> Discussions ongoing with unions to implement new framework agreement on internal mutual fund, social benefits and working time management. 	+ [2] m€ min	NA
C. Operational excellence implementation		<ul style="list-style-type: none"> Test in 3 different local branches during next 3 months to test robustness of the standards identified. 	+ [x] m€-TBD	NA
D. IT Carve-Out and definition of new ERP		<ul style="list-style-type: none"> IT carve out on time as of today. No red flag. ERP project : Hearings on going with SAP / Microsoft / IFS => Decision to be taken mid December the latest. Payroll system to be changed as well. 	TBD	NA
E. Sale of Industry Division		<ul style="list-style-type: none"> Work in progress on VDD streams. Announcements to employees on Nov 18 Teasers sent the market by end of November 	NA	NA



Monthly financial metrics



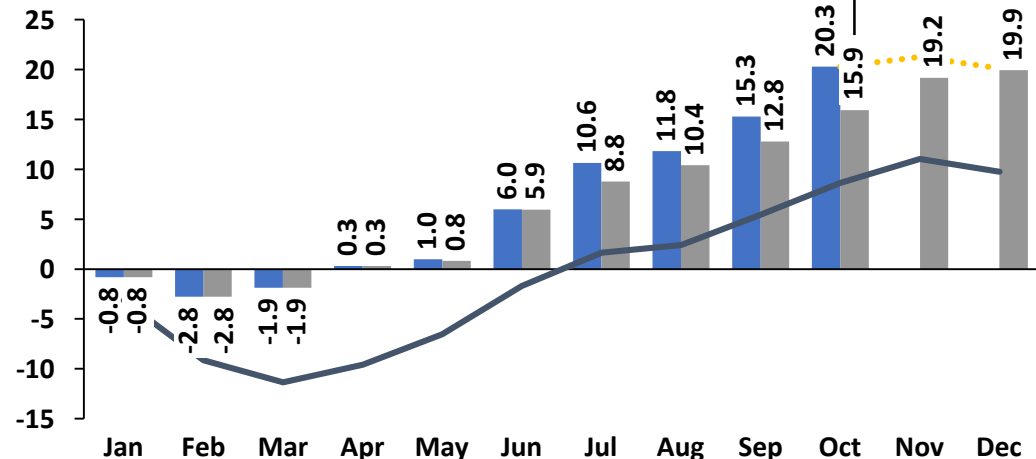
1. YTD actuals + remaining year forecast



Monthly financial metrics

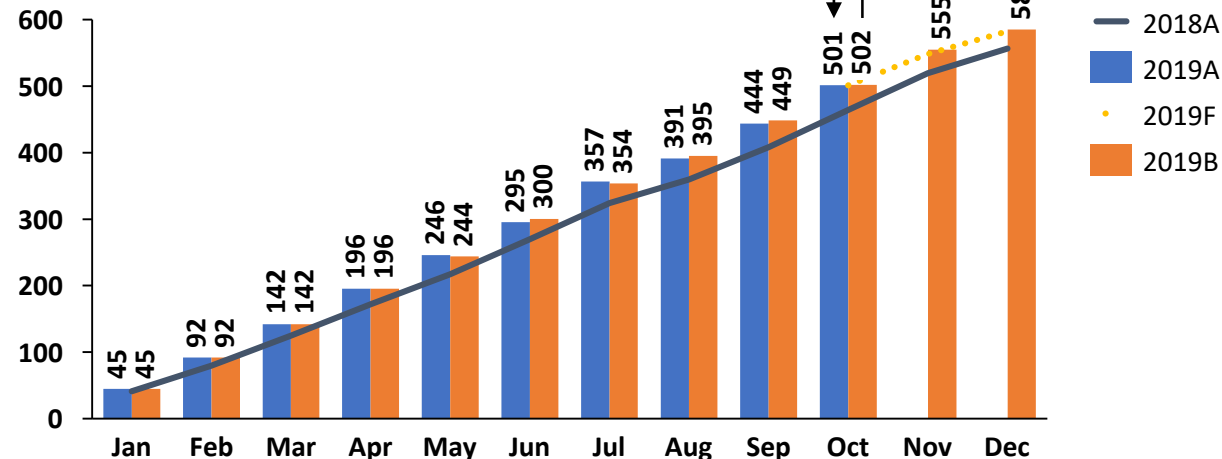
YTD EBITDA

€ millions



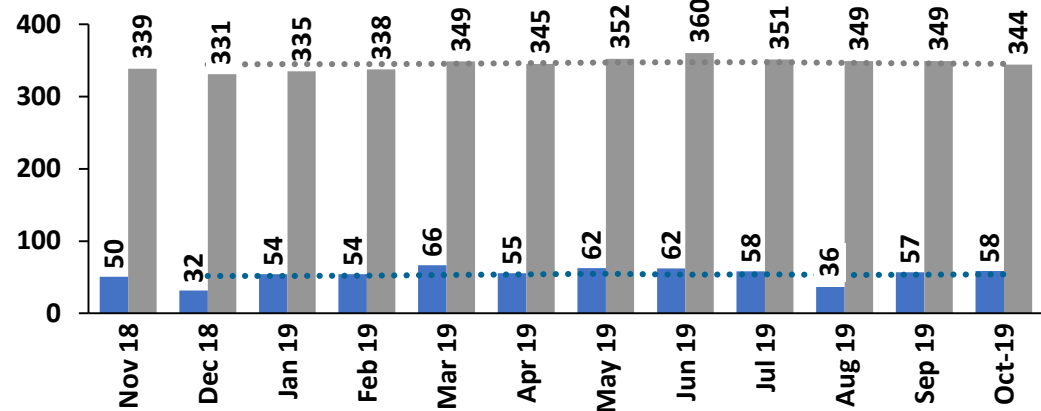
YTD Revenue

€ millions



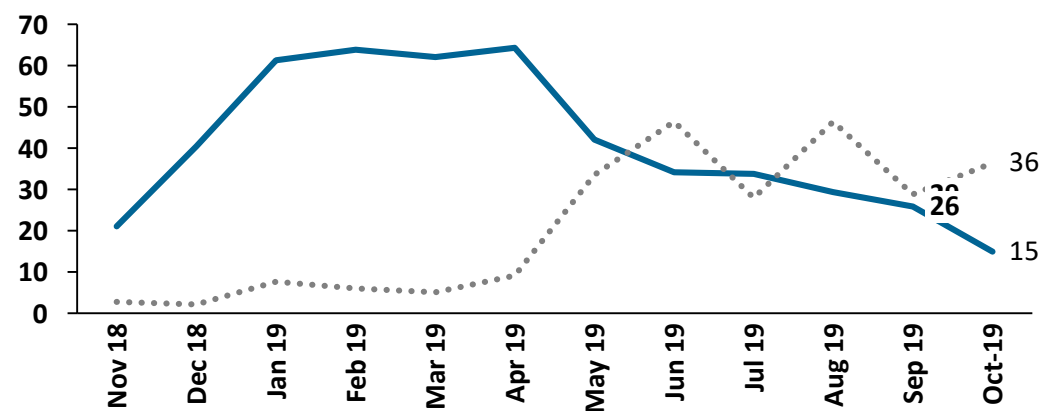
Order Intake

€ millions



Liquidity

€ millions



• TTM Avg Bookings • MTD Bookings • TTM Avg Backlog • MTD Backlog

— Net External Debt • Availability

1. YTD actuals + remaining year forecast

Availability = cash + undrawn lines from factoring (impact since closing May June 2019)

Net External Debt = Debt to bank (including factor debt) + IFRS 16 debt (16.4m€) + Seller Note (8m€) - CASH

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Executive Summary: Week of 11-20

- October sales were -22% below Budget , -21% vs. 2018 and -1% vs. latest reforecast. Vs 2018, decrease is mainly driven by DPF (diesel filters) by € - 0.9m, €-0.5 m on sales to saint Gobain, € -0.6m on abrasives and € - 0.5 m on metallurgical clients.
- Like-for-like EBITDA in October with € 1.6 m (of which € 0.4 m non recurring margin in Belgium) is lower than budget (-20%) and lower than LY (-17%, i.e. € - 0.3m). Decrease in top line is partly compensated by better mix. Accounting adjustment (IFRS 16) of € -0.1 m (correction of previous month) inflates EBITDA to a reported EBITDA of € 1.5 m.
- Like-for-like YTD EBITDA at € 15.3 m is lower than Budget (-18%, or € - 3.4 m) and also PY (€ - 1.9 m). Vs. 2018, Impact of decreasing sales on Diesel filters, € - 9.4m; decrease in sales with Saint Gobain (€ -2.6m => letter sent to confirm SPA commitments) not compensated by other activities such metallurgy, refractories or other specialty products. Negative impact as well of stop in production in Venezuela during Q2 impacting Q3 as well.
- YTD IFRS 16 impact of € + 1.3m increases reported EBITDA to € 16.5 m in 2019.
- Like for like FY 2019 EBITDA is forecasted at € 17.5 m vs PY at € 19.8 m, budget at € 21.3 m, and post closing initial reforecast at € 19.3m ; full year IFRS 16 impact of € 1.5 m will increase reported EBITDA to € 18.9 m in 2019. Commercial action plan still necessary to confirm sales included in the forecast. Actions launched as well to adapt organization especially in Norway.

M €	Oct MTD		Oct YTD		Full Year	
Period	Rev	EBITDA	Rev	EBITDA	Rev	EBITDA
19A	9.8	1.5	102.9	16.5	122.2	18.9
19B	12.6	2	113.9	18.64	133.9	21.3
19A % of 19B	77.8%	75%	90.3%	88.5%	91.3%	88.7%
18A	12.4	1.92	111.7	17.17	131.4	19.8
19A % of 18A	101.6 %	78%	92.1%	96.1%	93%	95.4%

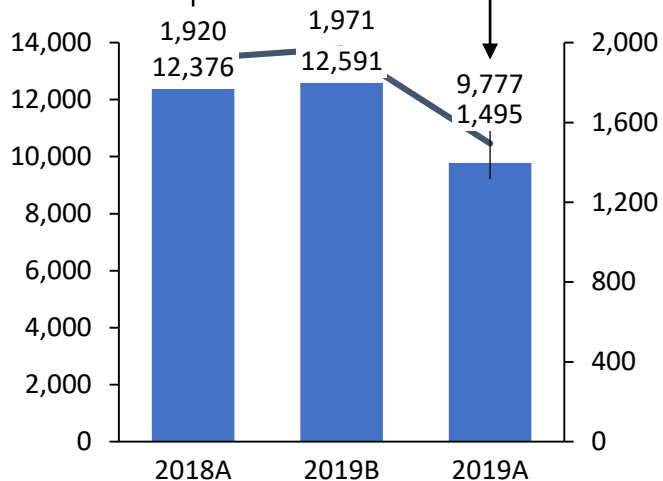
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Closing Accounts		<ul style="list-style-type: none"> No Agreement found with Saint Gobain. Independent expert to be appointed. Expected as per the contract KPMG is conflicted, hence need to find an alternative. 	TBD	NA
B. Management and HQ		<ul style="list-style-type: none"> CFO : New CFO, Stein Erik Odmussen, arrived Sept 2. Good inception so far. Finance team : Business controller and chief accountant recruited. Arrival Nov 1. COO : COO recruited in Sept dismissed. Recruitment of new one ongoing with Korn Ferry 	NA	NA
C. Factoring		<ul style="list-style-type: none"> Successful implementation for Norway with Facto-France. First financing for Belgium done for Belgium on Oct 2 for 1.3 m€. Market testing in Brazil ongoing not completed yet. Expected WC line to reach ca 5 m€. 	NA	NA
D. IT Carve-Out		<ul style="list-style-type: none"> Project launched with Net System. Reminder : TSA in place with Saint Gobain until April 2020 the latest. No red flag so far on the project. Upgrade of ERP to take place this week. 	TBD	NA
E. Strategic Roadmap		<ul style="list-style-type: none"> Work in progress with Nexant. Conclusions expected 	+ <i>[x]</i> M€	NA
F. Venezuela		<ul style="list-style-type: none"> 2600 tons produced in October. Increasing power costs ongoing locally impacting internal cost of supply of crude SIC 	+ <i>[x]</i> M€	-1.m€

 Complete
  Just started
  On Track
  At Risk
  Behind Schedule

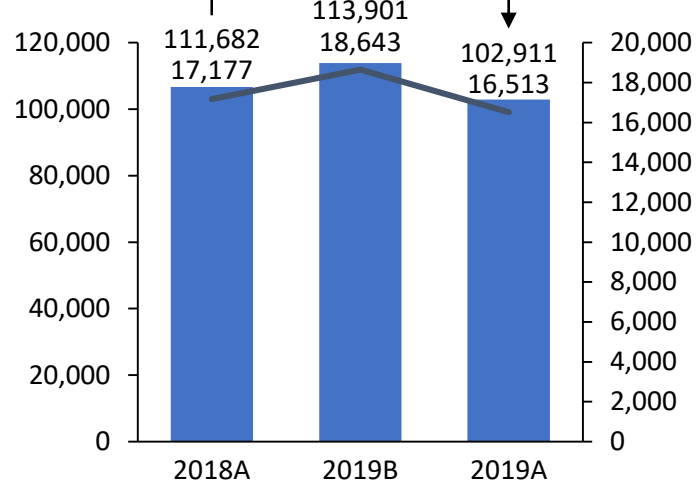
Oct MTD

€000s



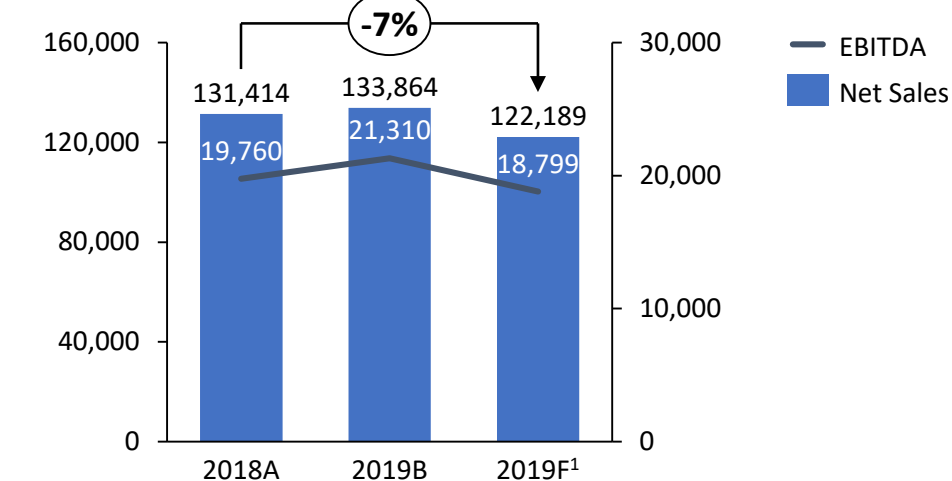
Oct YTD

€000s



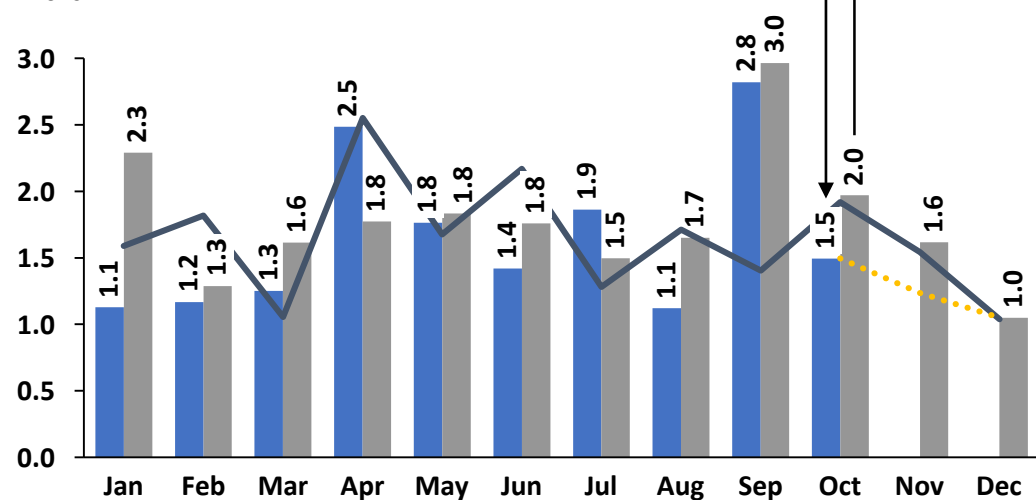
Full Year

€000s



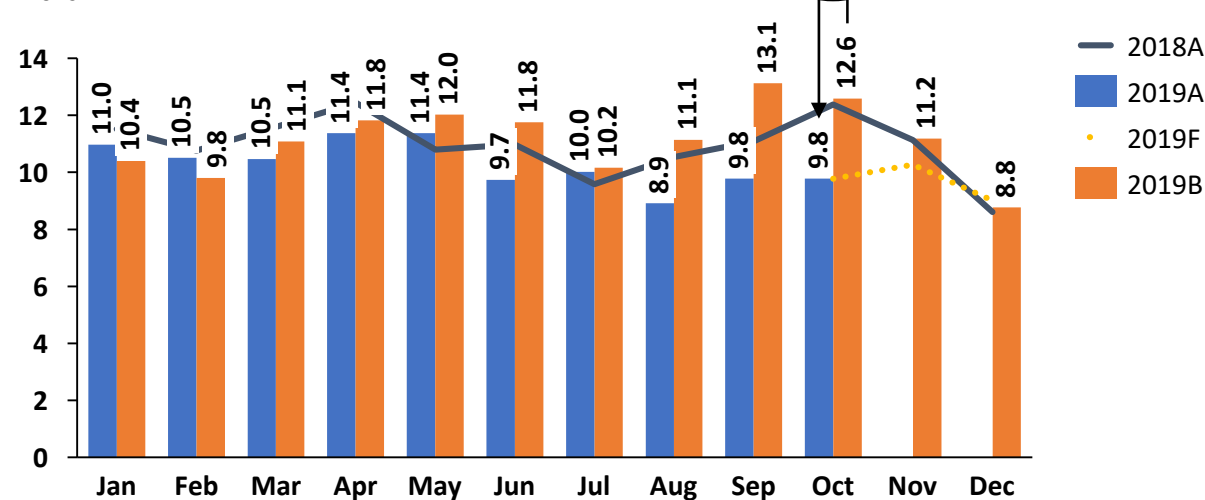
Monthly EBITDA

€ millions



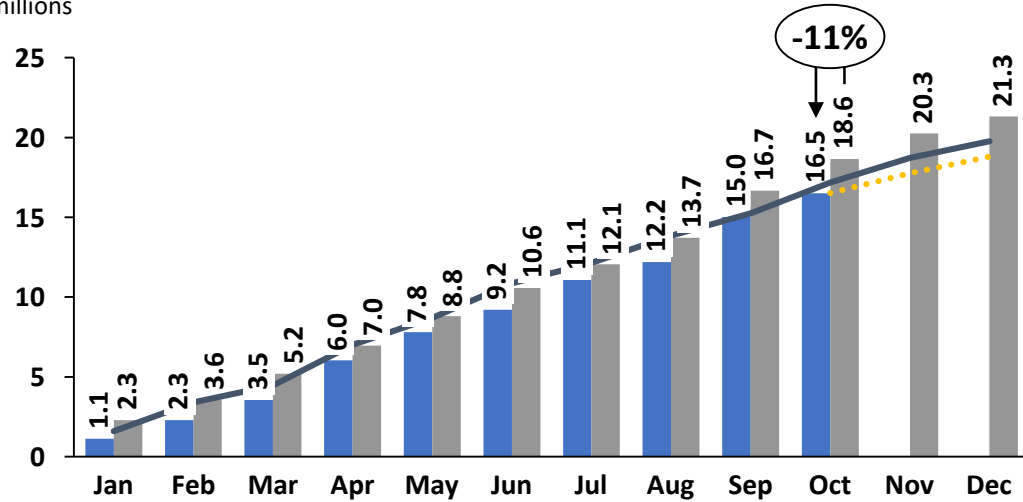
Monthly Net Revenue

€ millions



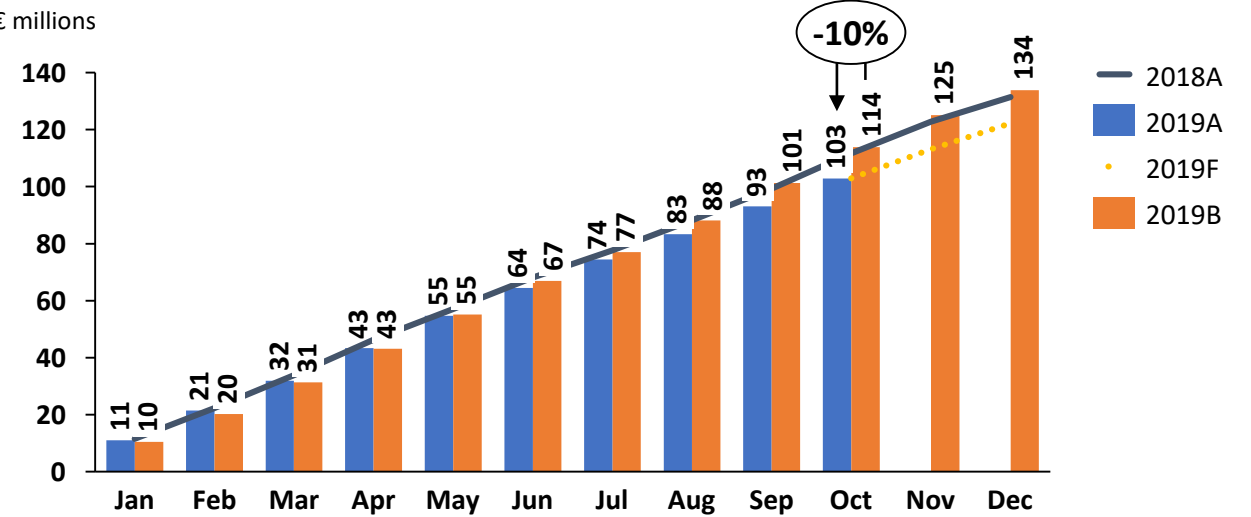
YTD EBITDA

€ millions



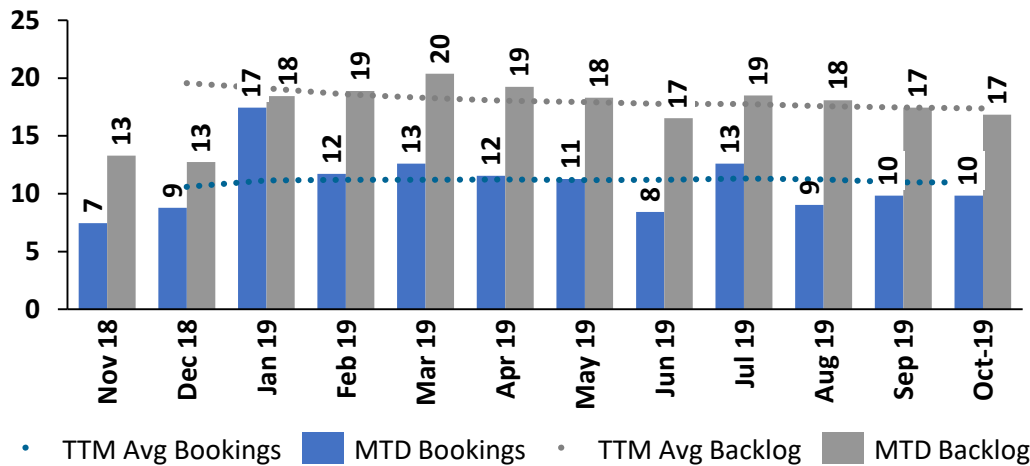
YTD Revenue

€ millions



Order Intake

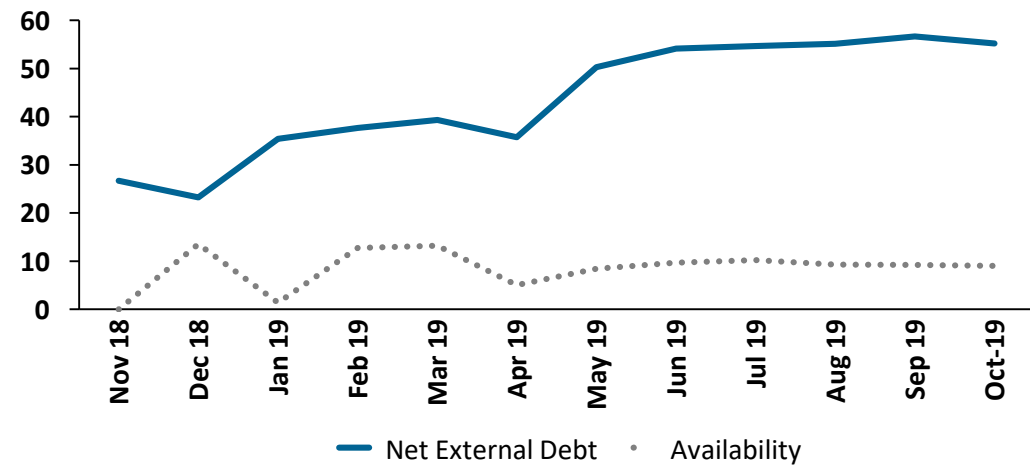
€ millions



1. YTD actuals + remaining year forecast

Liquidity

€ millions



Liquidity = cash at bank at this stage. (undrawn lines of factoring not taken into account yet)
Next external debt includes now the impact of the Bond issued by FIVEN AS and IFRS 16 debt for 5.7 m€