



Monthly Operating Review

NOVEMBER 2019

Agenda

- Executive Summary
- Strategy Update
- Operational Review
 - Commercial and Sales
 - Marketing Review
 - Operations and Manufacturing
 - Smart Ventures - Logistics
- Financial Review
- Information Systems & Technology
- Acquisitions and Other Transactions
- Management and Governance Report
- Appendix

Executive Summary

Executive Summary

Good news / positives to business and plan

- Indicative EBITDA is higher than forecast, and prior year due largely to lower volume more than offset by favourable mix and lower cost due to lower headcount. Compared to plan, indicative EBITDA is lower due largely to lower volume and additional headcount.
- Overall POP segment finished up 2.3% versus previous year during three-month POP season
- Wall graphics segment up significantly lead by Mixtiles and Circle Graphics
- Whirlpool tape and gasket volume exceeded previous year, however, shutdown scheduled for two-weeks in December

Risks / challenges to business and plan

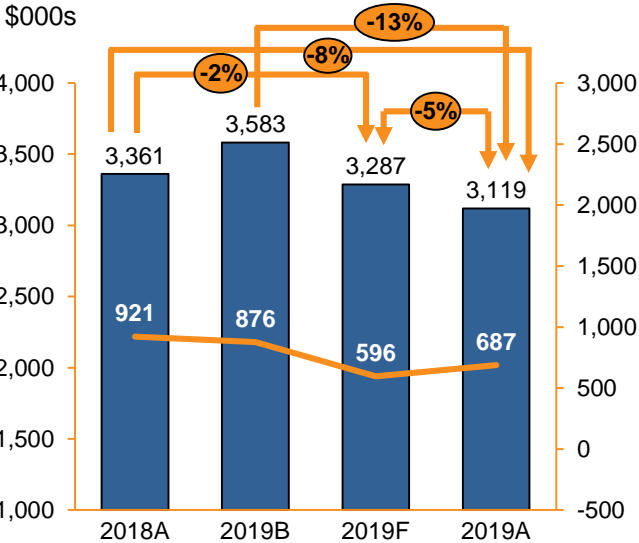
- Paroc quality concerns continue with gaposis and low temperature applications, requesting a £66k credit
- Challenging to find great commercial talent, moved VP Sales search to JM Search

Other material items

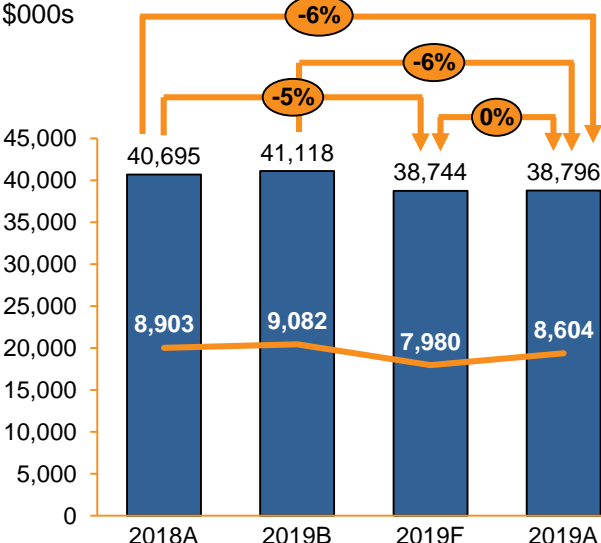
- No safety incidents in November

Monthly Financial Metrics

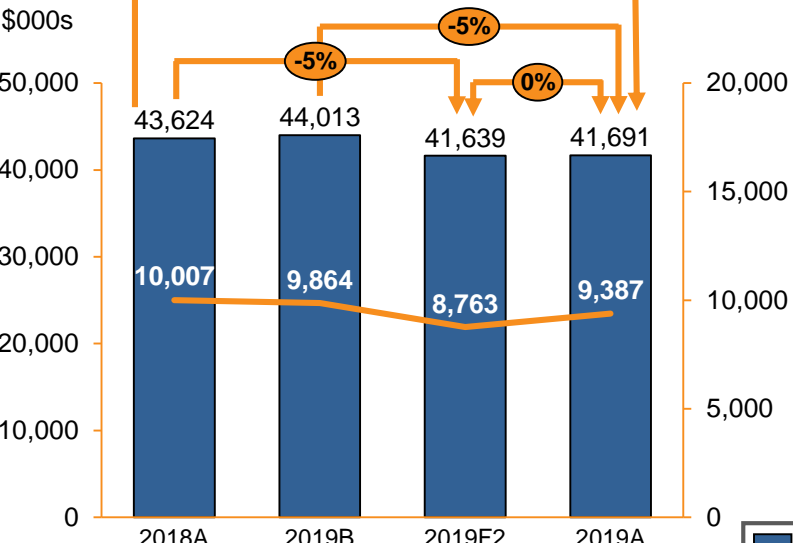
Nov MTD



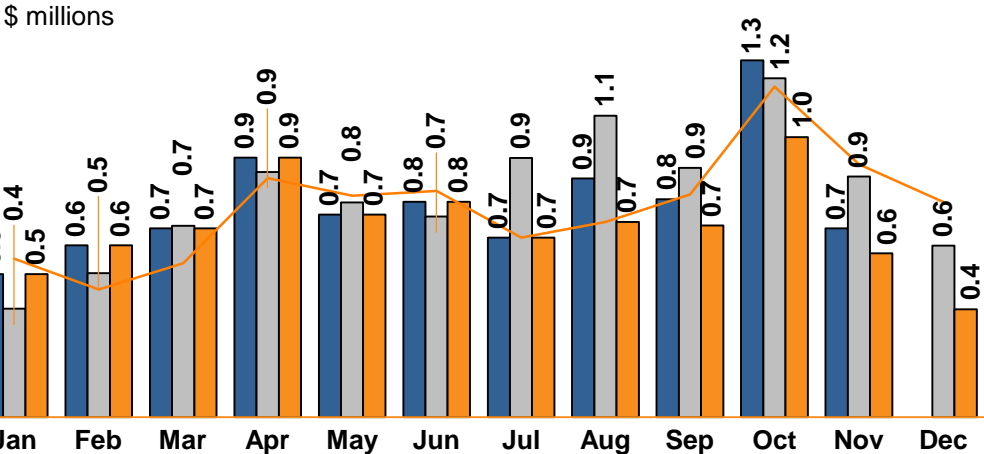
Nov YTD



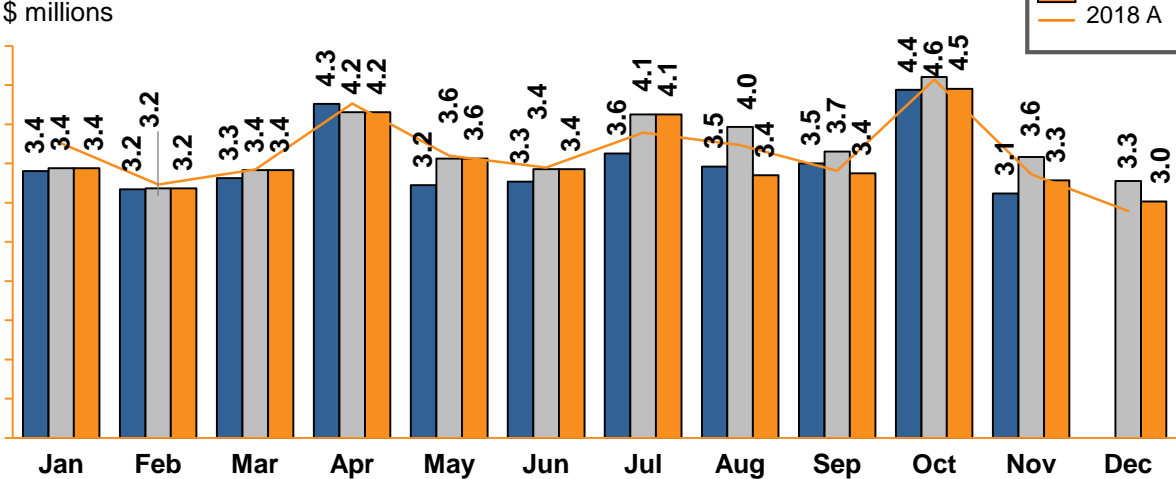
TTM



Monthly EBITDA



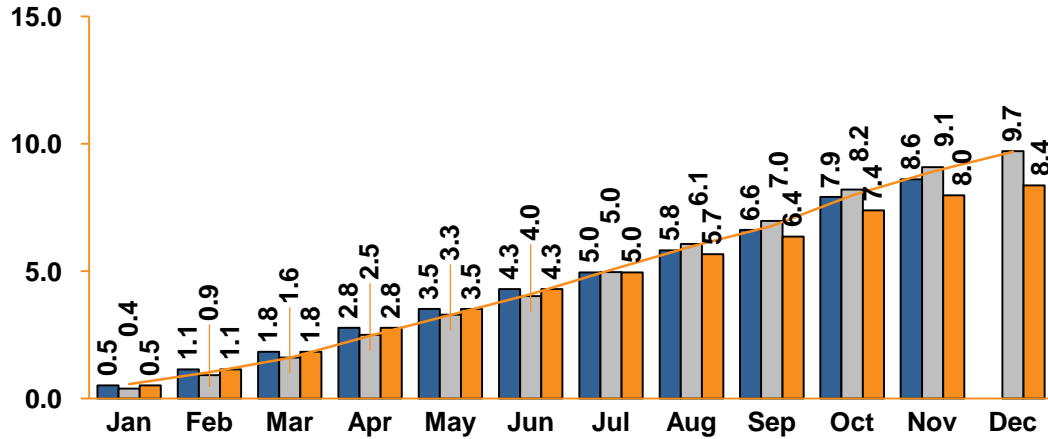
Monthly Net Revenue



Monthly Financial Metrics – con't

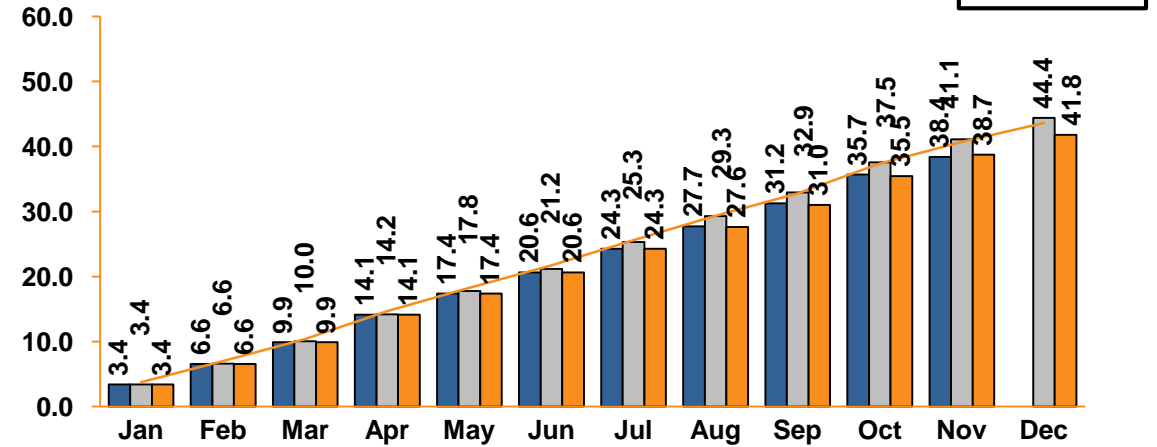
YTD EBITDA

\$ millions



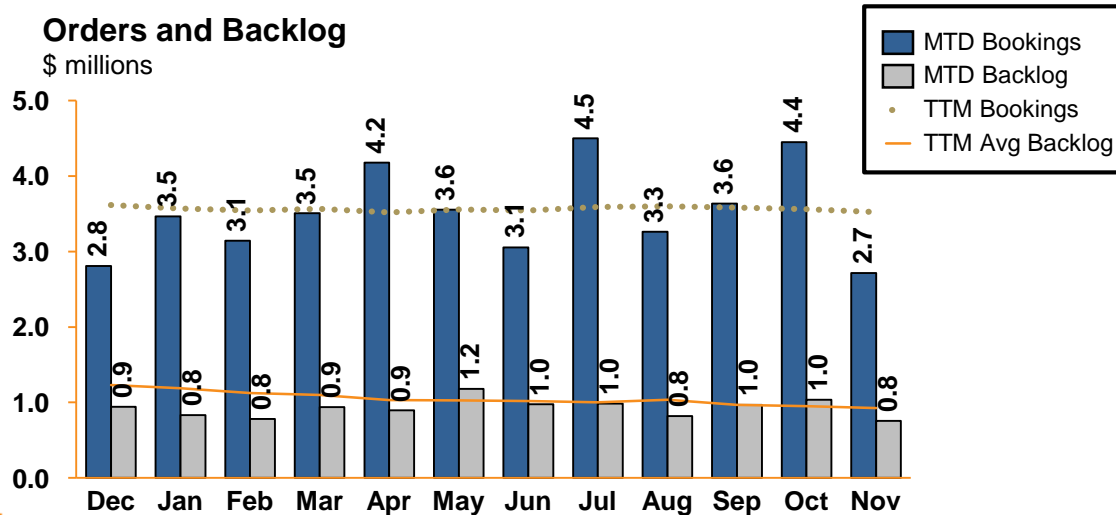
YTD Revenue

\$ millions



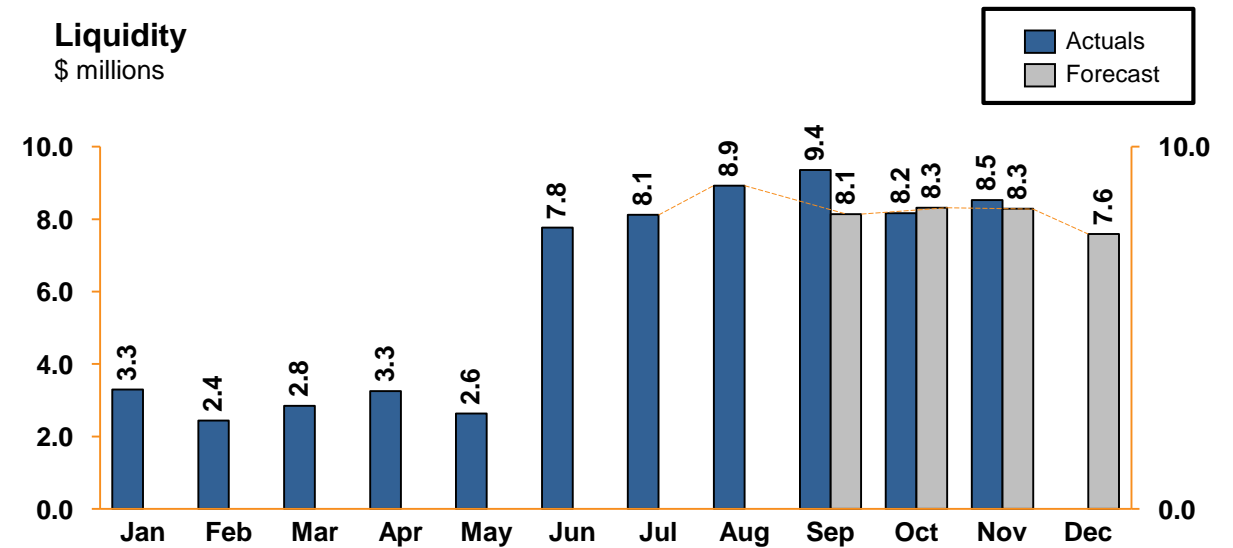
Orders and Backlog

\$ millions



Liquidity

\$ millions



Status of Key Initiatives

STATUS UPDATE: PROJECT DETAILS

STATUS	PROJECT	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
●	Hire, train, implement sales team (Wolak)	<ul style="list-style-type: none"> Weekly status meetings with JM Search; see next slide for key positions 	• Q1 2020	TBD	TBD
●	Sales organization design (Danelz)	<ul style="list-style-type: none"> SmartVentures engaged completing assessment and recommendation, report out December 18th Danelz to work with new VP Sales on final organization structure 	• Dec 2019	TBD	TBD
●	Define needs and begin implementation on new ERP Platform (Gray, Schechtman)	<ul style="list-style-type: none"> First implementation session is scheduled for the second week in December Provisional schedule has Go-Live around June 1, though will look to pull in wherever possible Web and e-commerce sites are not part of the ERP effort, but will be included in integration requirements 	• Q2 2020	TBD	TBD
●	Define needs and begin implementation on new website platform (Lang)	<ul style="list-style-type: none"> Conducted Immersion meeting with agency to kickoff project Project plan for Duraco and Teacher's Tape has been defined Marketing team is developing strategy and obtaining key documents and insight for Avenue 	• Q1 2020	TBD	TBD
●	Develop and initiate plan to support regional sales efforts (Danelz)	<ul style="list-style-type: none"> Express Sites closed November 1st Centralized Inside Sales and Customer Service function into Forest Park 	• Jan 2020	TBD	TBD
●	Deliver \$627k in Cost Saving (McCarney)	<ul style="list-style-type: none"> Continue the purchasing of 5256 adhesive Held a cost savings meeting to review new potential cost savings targets, cost saving higher than expected New Material Manager to focus on additional cost savings for 2020 \$44K savings in Oct. to a \$50K plan 	• Dec 2019	\$584K	YTD-\$537K

Key Positions to be Filled

POSITION	FUNCTION	STATUS AND NEXT STEPS
VP, Sales	Commercial	<ul style="list-style-type: none">• Moved engagement to JM Search• First candidate review call week of 12/16
Regional Sales Manager (2) – SE and SW	Commercial	<ul style="list-style-type: none">• In-person interview with Nick Darling 12/18• Second round phone interview with Phil Griffin 12/17• Beckway preparing additional candidates for pipeline

Risks and Challenges

	DESCRIPTION	POTENTIAL IMPACT TO F2	PLAN TO ADDRESS
R I S K S	<ul style="list-style-type: none"> GE Appliance – Duraco High Bond failed production pilot testing 	<ul style="list-style-type: none"> December (\$80k) 	<ul style="list-style-type: none"> Working with Sales Team to overdeliver current forecast Working with GE to gain final approval on product lot run test
	<ul style="list-style-type: none"> Paroc quality of roll concerns: Original concern was Gaposis & liner separation from adhesive, The updated complaint is poor adhesion at lower application temperatures 	<ul style="list-style-type: none"> Lower revenue (\$80k) and EBITDA (\$20k) 	<ul style="list-style-type: none"> 10/19: Paroc now having issues with tape adhering at lower temperatures(5 degrees C) A conference call scheduled with the Paroc team to get more details around a \$71K claim they have issued to us Shawn is now involved and is reviewing proposed letter to Paroc 12/18: Phil McCarney and Ash Beverage traveling to Helsinki to work directly with Paroc to develop solutions to cold temperature and gaposis issues

Opportunities – no new opportunities incremental to forecast

	DESCRIPTION	POTENTIAL IMPACT	PLAN TO ADDRESS
OPPORTUNITIES			

Wins and Losses

KEY WINS

- Whirlpool Cleveland – awarded silicone seals for new i100 cooking top launching 7/30/20 - \$59k / year
- TeMa Building Solutions – won new product design for foam tape with hotmelt adhesive for sound proofing in cement applications - \$100k / year
- Pointsmith – won DHB order for gas station POP display - \$27k
- Vomela – won Twin Stick / Dubl Kote order for Best Buy signage display, customer needed quick turnaround - \$18k
- Quad New Berlin – won 4081 FingerLift order for promotional graphics going into Lowes - \$32k

KEY LOSSES

- RR Donnelley cancelled \$24k order after fixing display issue in the field, time sensitive

Strategy Update

Duraco's Strategic Plan

VISION

To be the leading global provider of innovative solutions for bonding and sealing applications through expert knowledge and unparalleled service

SALES & MARKETING



Build a world-class sales & marketing engine to expand in new and existing markets

PRODUCT DEVELOPMENT



Invest in product development capabilities to deliver innovative application solutions

OPERATIONAL EXCELLENCE



Drive operational excellent throughout the organization

WINNING CULTURE



Create a winning culture via hiring, empowering, engaging and retaining best in class talent

TECHNOLOGY



Leverage technology to be a competitive advantage

Operational Review

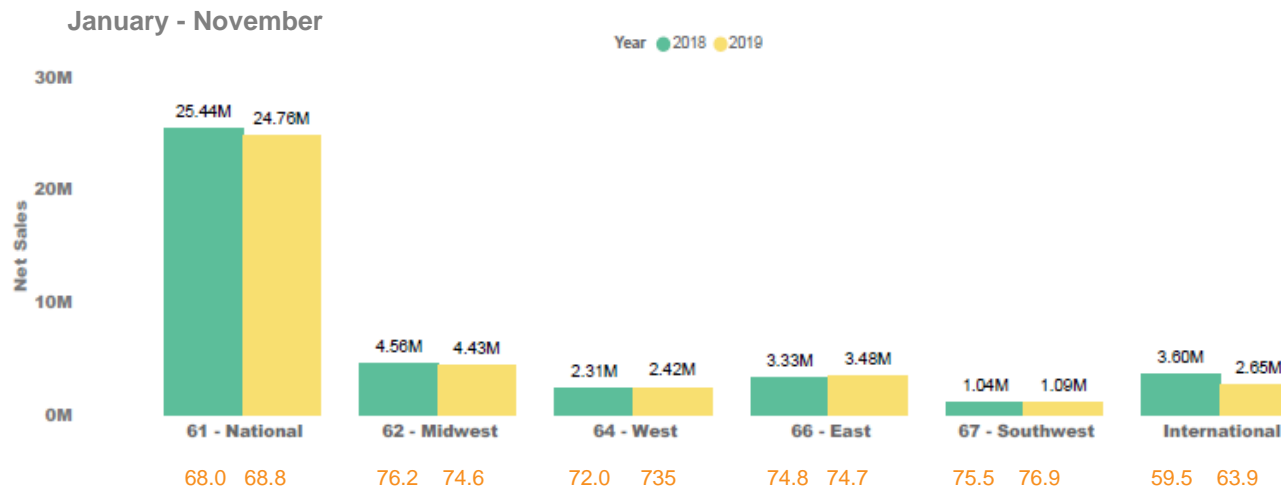
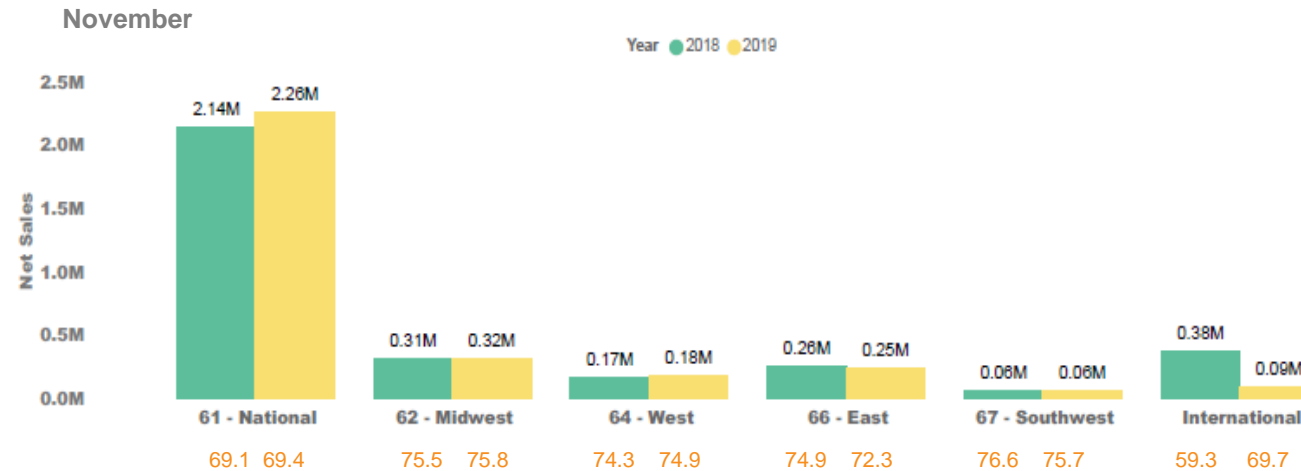
Commercial and Sales

Commercial Bowling Chart

PRIORITY	2018 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2019
GROWTH															
Express Sites	\$11,243	PY	\$1,091	\$910	\$1,002	\$1,254	\$957	\$936	\$991	\$1,034	\$1,024	\$1,233	\$811	\$834	\$12,077
	\$12,030	Plan	\$1,146	\$974	\$1,072	\$1,342	\$1,024	\$1,002	\$1,060	\$1,107	\$1,095	\$1,319	\$889	\$892	\$12,922
	\$11,401	Fcst/Act	\$1,048	\$1,000	\$1,026	\$1,257	\$895	\$969	\$1,142	\$953	\$1,077	\$1,228	\$806	\$892	\$12,293
Point of Purchase	\$16,479	PY	\$1,528	\$1,244	\$1,351	\$1,589	\$1,443	\$1,384	\$1,540	\$1,640	\$1,360	\$1,970	\$1,430	\$1,207	\$17,686
	\$16,601	Plan	\$1,282	\$1,219	\$1,326	\$1,539	\$1,444	\$1,387	\$1,641	\$1,726	\$1,454	\$1,999	\$1,584	\$1,402	\$18,003
	\$15,988	Fcst/Act	\$1,281	\$1,238	\$1,342	\$1,670	\$1,340	\$1,263	\$1,463	\$1,436	\$1,434	\$2,093	\$1,428	\$1,207	\$17,195
Consumer White Goods Appliance	\$5,194	PY	\$439	\$423	\$480	\$543	\$489	\$434	\$606	\$310	\$438	\$592	\$440	\$373	\$5,567
	\$5,296	Plan	\$471	\$390	\$403	\$504	\$434	\$453	\$604	\$470	\$481	\$604	\$482	\$482	\$5,778
	\$4,520	Fcst/Act	\$461	\$387	\$320	\$486	\$359	\$513	\$452	\$375	\$382	\$416	\$369	\$398	\$4,918
Industrials	\$3,606	PY	\$464	\$302	\$285	\$336	\$360	\$369	\$363	\$304	\$245	\$331	\$247	\$240	\$3,846
	\$3,896	Plan	\$375	\$302	\$303	\$355	\$302	\$303	\$500	\$327	\$327	\$375	\$427	\$302	\$4,198
	\$3,219	Fcst/Act	\$330	\$296	\$291	\$352	\$284	\$300	\$314	\$274	\$241	\$321	\$216	\$280	\$3,499
Europe	\$778	PY	\$46	\$95	\$4	\$127	\$84	\$21	\$85	\$74	\$43	\$64	\$135	\$0	\$778
	\$360	Plan	\$0	\$0	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$400
	\$352	Fcst/Act	\$0	\$0	\$56	\$85	\$42	\$33	\$73	\$33	\$28	\$2	\$0	\$40	\$392
Distributors	\$658	PY	\$40	\$44	\$78	\$114	\$74	\$49	\$45	\$21	\$77	\$65	\$51	\$46	\$704
	\$730	Plan	\$40	\$58	\$58	\$70	\$68	\$65	\$77	\$70	\$71	\$87	\$66	\$64	\$794
	\$473	Fcst/Act	\$32	\$36	\$37	\$82	\$58	\$32	\$39	\$66	\$39	\$23	\$29	\$46	\$519
Other	\$1,109	PY	\$54	\$96	\$91	\$112	\$104	\$104	\$103	\$124	\$68	\$96	\$157	\$99	\$1,208
	\$1,370	Plan	\$120	\$100	\$100	\$150	\$120	\$120	\$150	\$120	\$120	\$150	\$120	\$99	\$1,469
	\$1,783	Fcst/Act	\$209	\$98	\$179	\$109	\$120	\$125	\$121	\$170	\$132	\$277	\$243	\$99	\$1,882
New Products	\$0	PY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$310	Plan	\$0	\$0	\$0	\$0	\$5	\$5	\$40	\$40	\$75	\$95	\$50	\$40	\$350
	\$155	Fcst/Act	\$0	\$0	\$0	\$0	\$1	\$8	\$10	\$16	\$34	\$64	\$22	\$40	\$195

Comparable Sale by Customer Segment

NET SALES CURRENT YEAR VERSUS PREVIOUS YEAR



Management Discussion:

Chicago (Large Accounts) sales driven by larger POP and wall hanging accounts

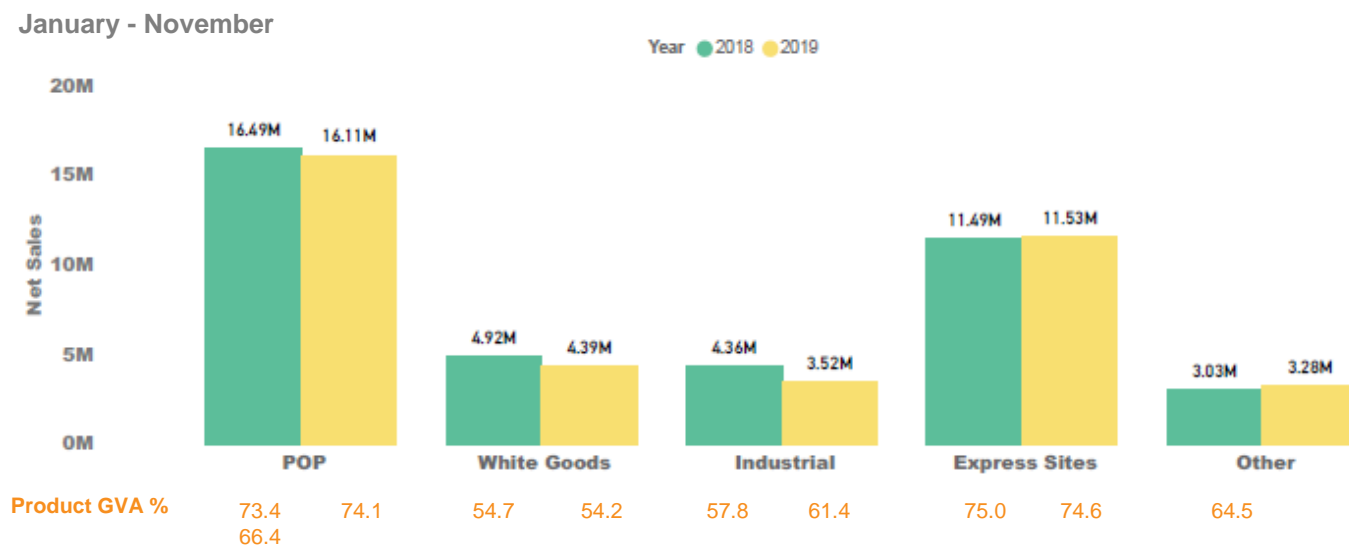
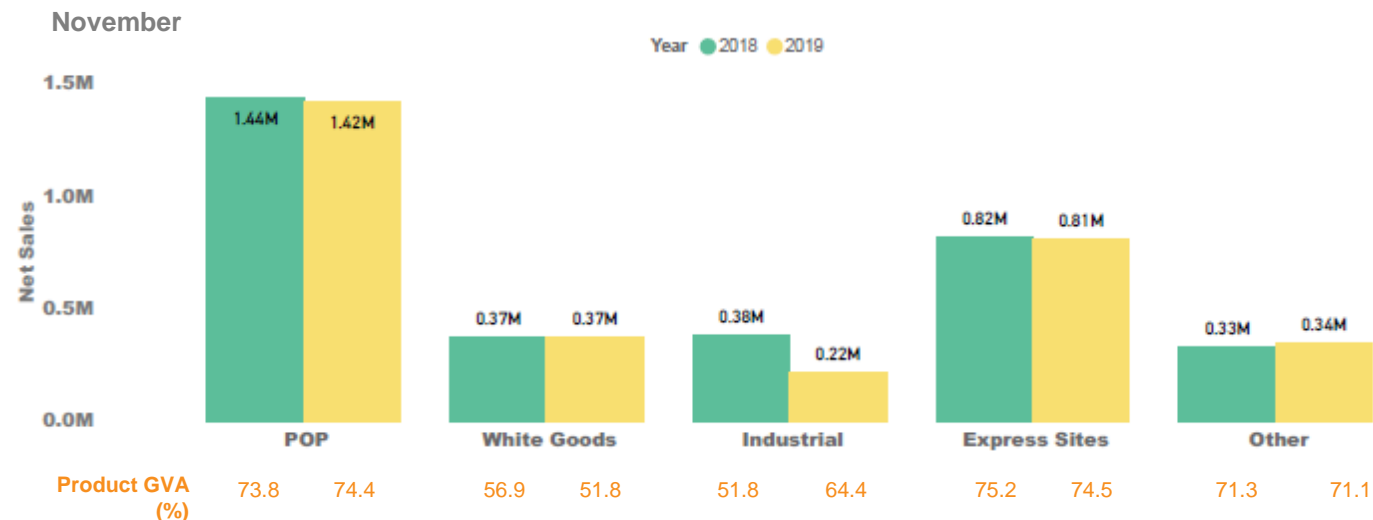
- Large POP accounts up 3.6% MTD, down 2.2% YTD
- Menasha up \$42k MTD, down 298k or 23% YTD, first MoM growth in 12 months and key location, Lyndhurst, NJ up \$40k where Pfizer, J&J, and Costco displays are made
- WestRock up 49% MTD, and \$222k, or 35% YTD, Twin Stick, key category, growing in the month
- Mixtiles and Circle graphics having strong November and December sales

International sales down significantly in the month

- Paroc down \$135k MoM due to increased orders in 2018 anticipating transition from UK to Forest Park supply, and quality challenges causing lack of orders in the month
- La France down \$84k MoM due to ordering cycle and lower demand
- PlanetArt down \$49k MoM due to lower volume versus other Wall Hanging customers, placing orders under US location

Comparable Sale by Customer Segment

NET REVENUE BY CUSTOMER SEGMENT



Management Discussion:

POP segment flat for September MoM; continued overall instability

- Large POP accounts up 3.6% MTD, down 2.2% YTD
- WestRock up 49% MTD, and \$222k, or 35% YTD, Twin Stick, key category, growing in the month
- Menasha up \$42k MTD, down 298k or 23% YTD, first MoM growth in 12 months and key location, Lyndhurst, NJ up \$40k where Pfizer, J&J, and Costco displays are made
- Imagine Printing and Innomark continue to be soft due to similar size projects not repeating versus last year

Whirlpool decline beginning to slow versus previous year

- Whirlpool down \$3.8k MTD, down \$667k YTD
 - Whirlpool awarded new parts for i100 cook top beginning mid-July 2020
 - Whirlpool sending current parts to be quoted and moved from competitors
- GE Appliance has awarded new DHB and working to begin supplying parts in March 2020

Industrial flat YTD

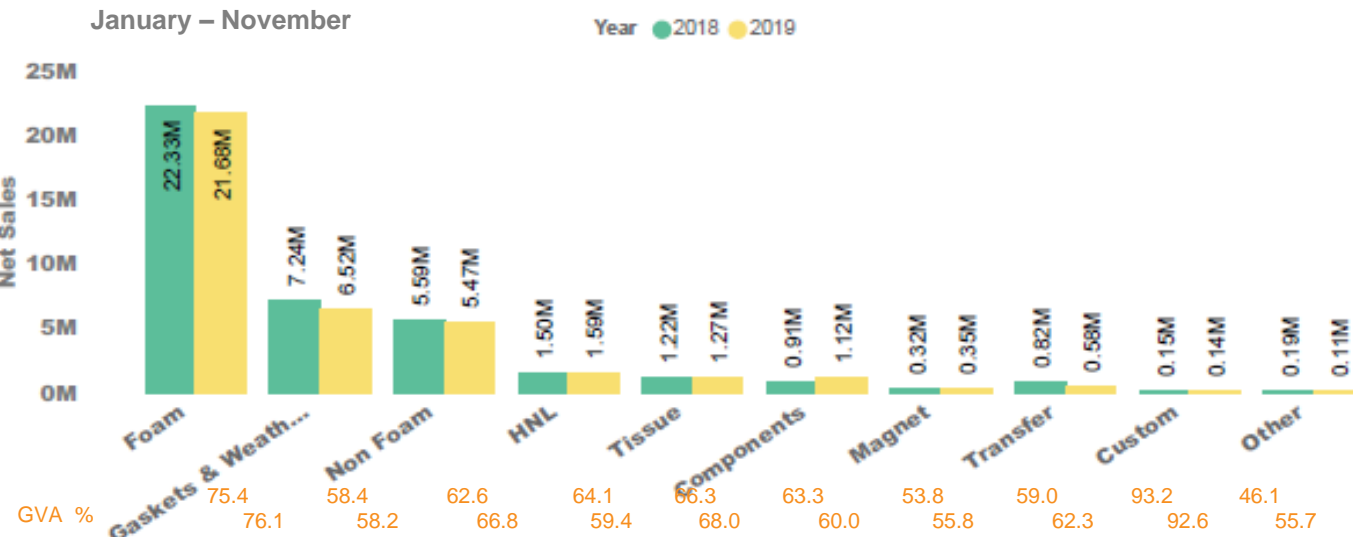
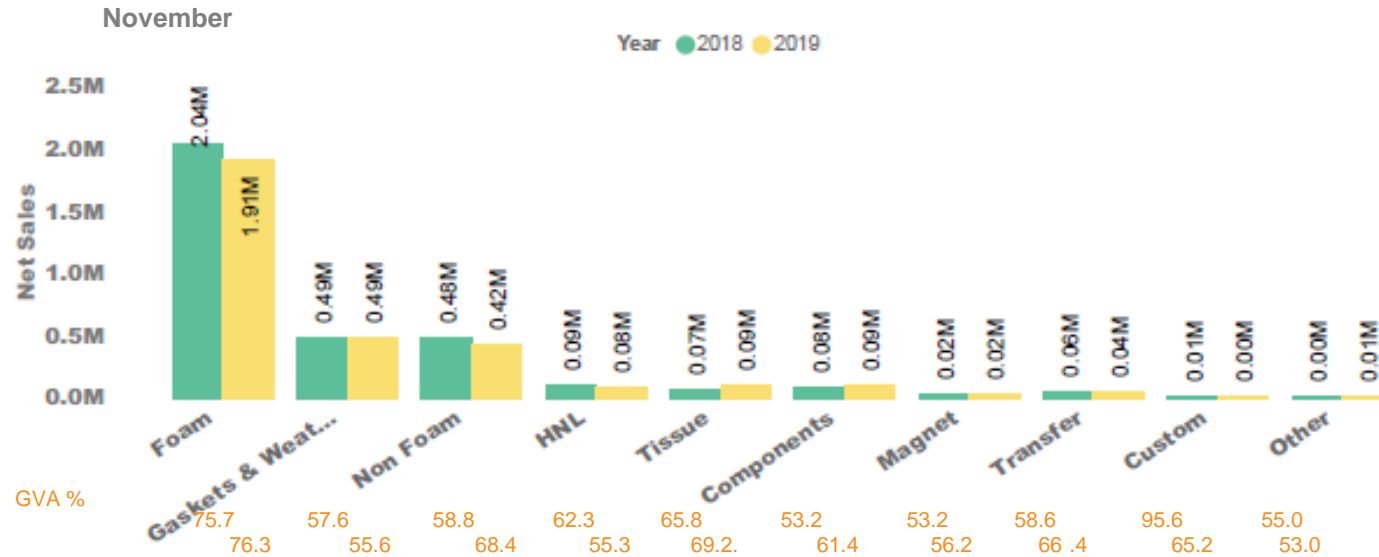
- Paroc quality issues are hurting sales, traveling to Helsinki week of 16th
- Donaldson Company – filters EOL program (\$105k)
- Broadening softness in the industrial segment

Wall Hanging customer currently in holiday ramp; Mixtiles, Circle Graphics

- Mixtiles, Circle Graphics (NC) having very strong November & December

Comparable Sales by Product Category

NET SALES CURRENT YEAR VERSUS PREVIOUS YEAR



Management Discussion:

New products continue to generate new sales there was a slow down last month, especially in 4581. Increasing focus on Marketing generated leads and RSM's are introducing to new prospects.

- November – 4581 - \$12k, Remo One Plus - \$9k
- YTD – 4581 - \$112k, Remo One Plus - \$44k

The Removable family, which includes:

- Remo One
- Remo One Plus
- Remo Two
- Thick Remo One
- Thick Remo Two
- MST
- Remo Two Clear
- Remo One Fil
- 4081 / 4181
- DKOF

Is seeing consistent growth. Based on increased demand through picture market and desire for changeable graphics in the POP industry. Continued Marketing effort focusing on this family.

- YTD sales up \$515k (7.9%)

Weather Stripping & Gaskets is leveling off with three of the last four months being higher than previous year. Due to bottoming out of Whirlpool erosion and new business won there. Part of 2020 strategy is to increase our penetration into those markets that use this product line, such as:

- HVAC
- Appliance
- Truck & Trailer

Core lines of Dubl Kote and Twin Stick still continue to lag. Additional emphasis being put on RSM's to focus on competitive situations and determine what needs to be done to win.

- Dubl Kote – YTD down \$406K (-7%)
- Twin Stick – YTD down \$151k (-2.5%)

Top Customers by MTD and YTD Sales and GVA

Customer & Industry	Current Month Adj Net Sales	PY Month Adj Net Sales	MoM Change Adj Net Sales %	Current Month GVA %	PY Month GVA %	Current Year Adj Net Sales	Prior Year Adj Net Sales	YoY Change in Adj Net Sales %	Current Year GVA %	Prior Year GVA %
Whirlpool (White Goods)	267,199	200,489	33 %	49 %	51 %	2,719,497	3,241,387	-16 %	50 %	50 %
Essentra (Other)	57,247	49,241	16 %	49 %	54 %	1,060,203	1,025,448	3 %	52 %	55 %
Menasha (POP)	91,062	50,419	81 %	73 %	71 %	964,478	1,264,811	-24 %	70 %	68 %
Imagine Print Solutions (POP)	47,690	82,495	-42 %	79 %	80 %	934,714	1,087,548	-14 %	80 %	78 %
WestRock (POP)	103,197	69,383	49 %	72 %	71 %	845,610	622,905	36 %	74 %	74 %
RR Donnelley (POP)	57,067	46,491	23 %	70 %	73 %	843,557	847,402	-0 %	69 %	71 %
Freeman (POP)	42,916	38,658	11 %	64 %	69 %	661,704	591,566	12 %	70 %	70 %
Circle Graphics (POP)	186,383	215,702	-14 %	75 %	73 %	648,165	648,632	-0 %	74 %	74 %
PCA Corporation (POP)	27,735	29,500	-6 %	84 %	82 %	592,877	479,092	24 %	83 %	82 %
Mixtiles (Other)	126,088	57,904	118 %	80 %	82 %	567,386	190,181	198 %	81 %	80 %
Siffron (POP)	50,891	21,724	134 %	73 %	76 %	428,352	404,207	6 %	71 %	67 %
Hennessy Industries - Bada (Other)	40,912	42,730	-4 %	61 %	62 %	394,297	404,966	-3 %	61 %	62 %
Great Northern Corporation (POP)	21,028	5,253	300 %	84 %	84 %	363,635	224,029	62 %	83 %	82 %
Paroc (Industrial)	0	135,000	-100 %	NaN	33 %	353,526	778,000	-55 %	42 %	33 %
Ampac (POP)	23,022	16,344	41 %	59 %	57 %	352,981	196,133	80 %	57 %	57 %
Rapid Display (POP)	9,585	12,200	-21 %	78 %	80 %	346,528	303,211	14 %	77 %	79 %
Serigraph Incorporated (POP)	30,495	12,830	138 %	76 %	78 %	342,839	141,624	142 %	77 %	77 %
Innomark (POP)	8,693	32,260	-73 %	80 %	79 %	335,540	417,975	-20 %	77 %	78 %
Alliance Laundry Systems LLC (White Goods)	28,218	15,048	88 %	64 %	69 %	324,529	339,263	-4 %	65 %	64 %
Donaldson (Industrial)	25,255	35,427	-29 %	59 %	48 %	321,483	438,402	-27 %	57 %	59 %
QUAD GRAPHICS NEW BERLIN (POP)	62,522	9,249	576 %	79 %	80 %	311,940	189,512	65 %	78 %	81 %
Flower City Printing Company (POP)	21,198	22,349	-5 %	82 %	74 %	310,528	321,377	-3 %	77 %	69 %
La France Corporation (White Goods)	897	85,483	-99 %	72 %	70 %	309,956	505,717	-39 %	70 %	70 %
Plastic Products Company Incorporated (White Goods)	22,264	21,547	3 %	47 %	48 %	279,812	142,194	97 %	47 %	47 %
Stumps Shindigz (POP)	38,544	4,551	747 %	75 %	74 %	278,611	65,109	328 %	75 %	73 %
Bay Cities Container Corporation (POP)	10,085	21,165	-52 %	84 %	82 %	265,339	185,368	43 %	83 %	84 %
Stoughton Trailers Incorporated (Industrial)	12,553	13,151	-5 %	38 %	43 %	250,127	231,776	8 %	42 %	48 %
ATLANTIC PACKAGING (Other)	20,263	18,854	7 %	67 %	67 %	245,312	360,515	-32 %	68 %	66 %
PRESSURE SENSITIVE NETWORK (POP)	11,665	10,302	13 %	63 %	58 %	209,524	167,871	25 %	57 %	53 %
Bernard Group (POP)	24,220	5,237	363 %	81 %	80 %	206,272	157,927	31 %	80 %	81 %
B & R Moll Incorporated (POP)	7,785	2,873	171 %	68 %	71 %	203,702	80,616	153 %	58 %	67 %
SCHNEIDER ELECTRIC MEXICO (Industrial)	13,373	17,078	-22 %	65 %	63 %	203,551	178,247	14 %	65 %	62 %
K International (POP)	30,138	60,392	-50 %	81 %	82 %	196,759	277,056	-29 %	84 %	81 %
ALLIANCE PLASTICS (POP)	31,709	27,471	15 %	70 %	63 %	180,532	190,638	-5 %	64 %	63 %
Pointsmith (POP)	33,029	15,414	114 %	84 %	71 %	179,775	123,996	45 %	78 %	74 %
Total	3,156,647	3,333,637	-5 %	70 %	69 %	38,833,049	40,278,548	-4 %	70 %	69 %



Sales Breakdown by Company and Segment

YoY Net Sales

Company	POP	White Goods	Industrial	Other	Total
61 - National	-167K	-322K	-232K	43K	-678K
62 - Midwest	-247K		90K	30K	-127K
64 - West	14K		68K	25K	107K
66 - East	16K		68K	65K	149K
67 - Southwest	50K		-2K	1K	49K
International	-307K	-201K	-603K	166K	-945K
Total	-641K	-522K	-612K	329K	-1,445K

YoY % Change in Net Sales

Company	POP	White Goods	Industrial	Other	Total
61 - National	-1 %	-7 %	-7 %	2 %	-3 %
62 - Midwest	-8 %		14 %	4 %	-3 %
64 - West	1 %		25 %	17 %	5 %
66 - East	1 %		37 %	13 %	4 %
67 - Southwest	6 %		-3 %	1 %	5 %
International	-30 %	-39 %	-55 %	17 %	-26 %
Total	-3 %	-11 %	-11 %	7 %	-4 %

YoY GVA

Company	POP	White Goods	Industrial	Other	Total
61 - National	-30K	-184K	-183K	104K	-293K
62 - Midwest	-215K		12K	32K	-171K
64 - West	21K		42K	29K	92K
66 - East	-6K		38K	50K	82K
67 - Southwest	39K		-3K	2K	38K
International	-198K	-148K	-196K	72K	-469K
Total	-390K	-332K	-289K	289K	-721K

YoY % Change in GVA

Company	POP	White Goods	Industrial	Other	Total
61 - National	-0 %	-8 %	-9 %	8 %	-2 %
62 - Midwest	-9 %		3 %	5 %	-5 %
64 - West	2 %		26 %	31 %	6 %
66 - East	-0 %		27 %	15 %	3 %
67 - Southwest	6 %		-5 %	3 %	5 %
International	-28 %	-41 %	-46 %	11 %	-22 %
Total	-2 %	-12 %	-9 %	9 %	-3 %

Management Discussion:

POP segment makes up 63% of sales and 67% of profits

- Chung Lam is international and down \$334k in sales for business that will not repeat
- Menasha down \$300k in YTD in sales
- WestRock up \$222k YTD in sales and \$161k in GVA
- Stumps Shindigz is up \$213k YTD in sales and \$161k in GVA
- Geographic sales coverage important to maintain customer support as market changes continue

White Goods makes up 11% of sales and 9% of profits

- Whirlpool is down \$522k in sales and \$270k in GVA

Industrial makes up 13% of sales and 11% of profits

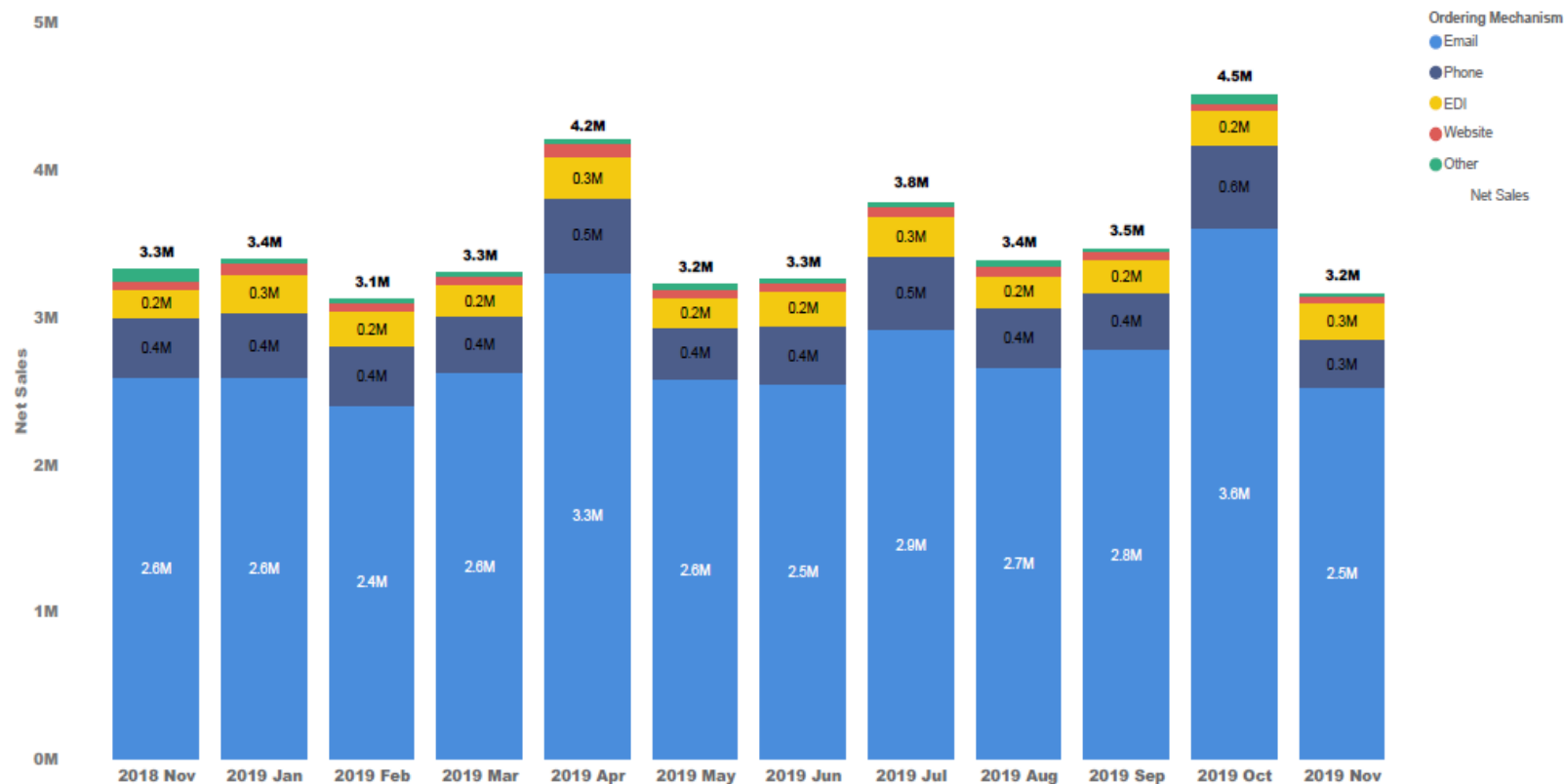
- Geographic sales coverage allows for more focus on each territory
- Working with SmartVentures to build plan supporting greater “go-to-market” strategy; web, distribution, converters
- Looking at low GVA customers for strategic pricing action

Other makes up 13% of revenue and 13% of profits

- Growth is driven by wall hangings customers Mixtiles and PlanetArt who are up \$412k in sales
- Automotive segment hurting by the loss of Undercover down \$244k in sales

Sales Trend Overview

SALES BY ORDERING CHANNEL



Management Discussion:

Email is ~78% of current ordering method

- The orders are generally sent as PDFs and manually entered in our CRM (MSS) by the customer service team

EDI is exclusively for Whirlpool, but not true EDI

- Explore move more customers to EDI when we have a new ERP system

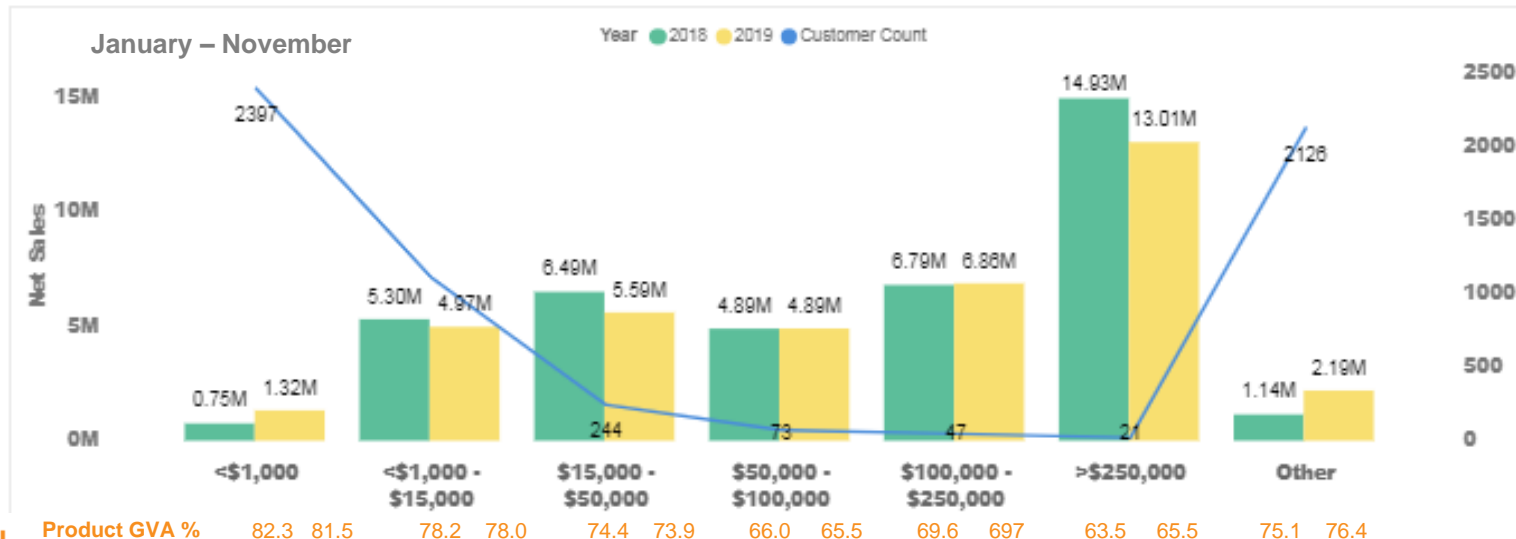
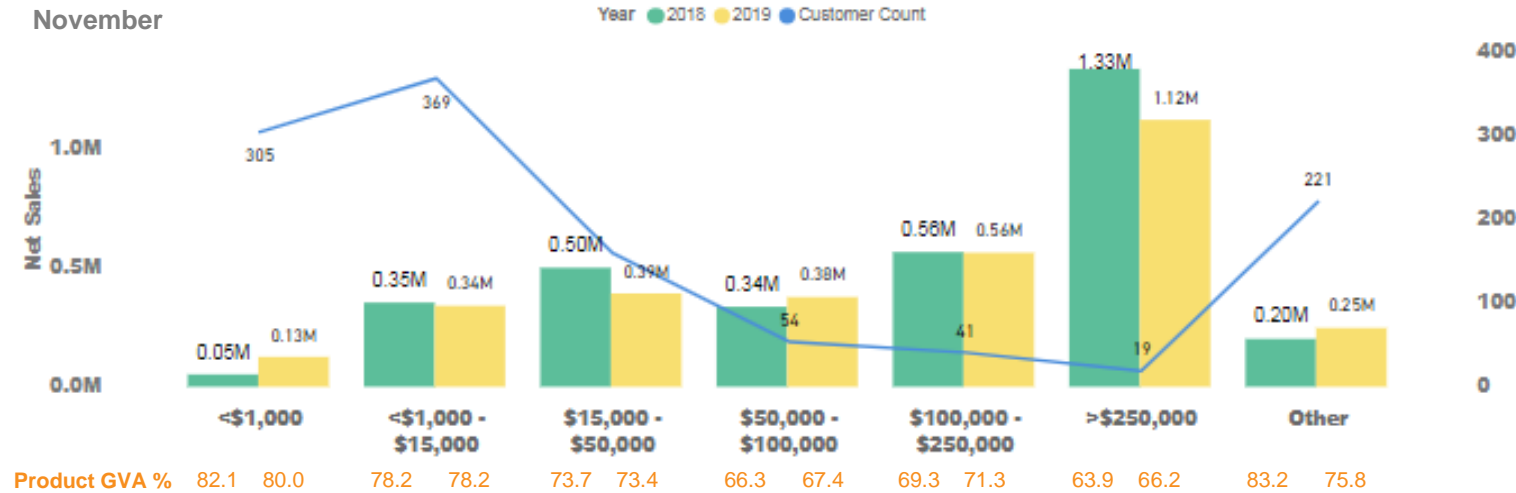
The Other category includes orders by: fax, customer's website, postal mail, and orders called in by a Duraco Sales Person

- The majority of revenue in this category comes from faxes

The new website will have the functionality and ease of use to provide a better customer experience

Comparable Sales by Customer Size

SALES BY CUSTOMER SIZE¹



1. "Other" customers are those that joined in the current or prior fiscal year

Management Discussion:

\$250k+ (21 accounts)

- Whirlpool is the biggest decline, down \$666k YTD (19%)
- Chung Lam is project-based business that is not repeating, down \$334k
- Menasha is down \$288k (23%) YTD and WestRock is up \$223k (36%) YTD
- MTD declines are Paroc (\$135k) and La France (\$85k)

\$100k - \$250k (47 accounts)

- This Tier is growing despite Undercover moving business before year started, down \$243k YTD
- Major growth drivers are POP accounts Plastic Products, GNC, Serigraph, Bay City Containers. GE Appliances has also grown 55% YTD and new projects are still being won

\$50 - \$100k (73 accounts)

- Decreased business at Halstead and end of life at Wilbert account for a deficit of \$109k YTD
- MTD largest growth account is Stumps Shindigz (\$34k)

\$15k - \$50k (244 accounts)

- This tier is down \$921k YTD. The decline is a combination of projects not repeating and business lost. Decline accounts are being worked on by revamped inside sales team long with outside sales.

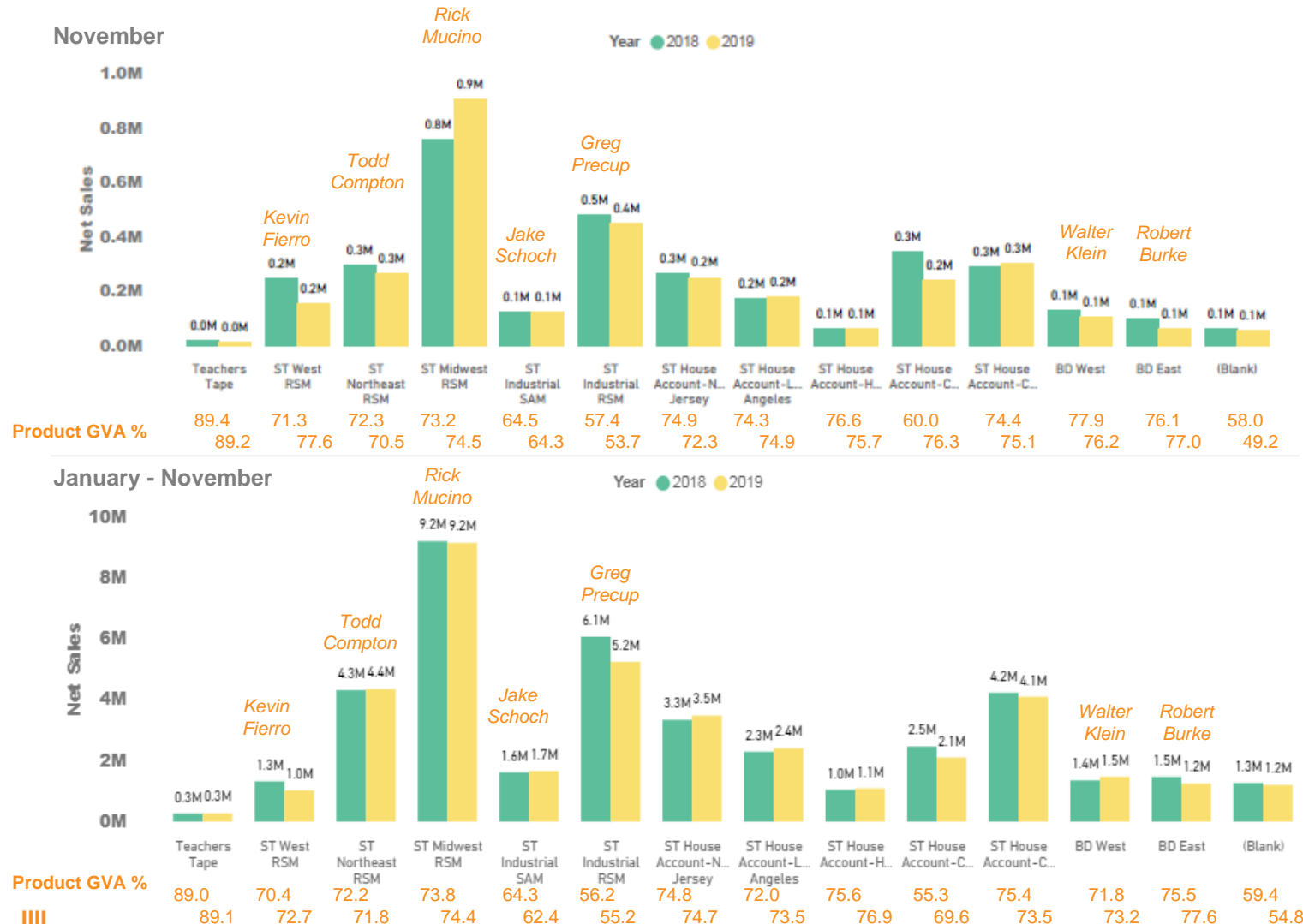
\$1k to \$15k (1113 accounts)

- Tier is down \$354k YTD. Duraco has centralized the inside sales team and hired an Inside Sales Manager. These accounts will be a priority for this revamped team.

Other category is customers that were new in 2018 or 2019

Sales Trend Overview

SALES BY TERRITORY – EXPRESS SITE SALES ARE TIED TO A TERRITORY VS SALESPERSON



Management Discussion:

Service Centers are growing marginally and significant resources needed to support individual locations

- High churn rate and lack of lead conversion process within Service Centers
- Working with SmartVentures to develop logistics supply chain model to support North America coverage from Duraco HQ

Currently supporting Southeast and Southwest territories from other regional sales people – Limits time for customer facing call

Industrial RSM down \$721k YTD primarily Whirlpool down \$569k

- GE Appliance DHB retest scheduled for November
- Up MoM; Plastic Products Co, \$15.5k or 230%, TH Plastics, \$6 or 54%, Alliance Laundry, \$2.6k or 8.3%
- Down YTD; Undercover \$182k, Donaldson \$105k

Midwest RSM responsible for all large POP customers; September, up 1.1% Mom, YTD down \$220k or -3.1%

- Up MoM; WestRock \$11k or 29%, Imagine Print, \$60k or 86%, TMS, \$30k, Classic Graphics, \$33k or 890%
- Down YTD; Menasha \$336k or -30%, Artemax \$84k or 67%, Atlantic Packaging \$92k or -31%, RR Donnelley, \$69k or -10%

Northeast RSM started with Duraco in February 2019, down 16% MoM, down 1.0% YTD

- HAVI competing against Ampac for the McDonald's "to go" bags
- Up MoM; Ampac, \$38k, Packaging Corp of America \$38k or 83%, Oliver Printing, \$15k or 295%
- Down YTD; Miller Studio \$78k or -40%, Commercial Cutting & Graphics, \$52k or -57%, Summit Manufacturing \$60k or -82%

Positive performance within the month by Business Development; up 69% & 33% MoM



1. "Other" are sales to Essentra and legacy customers of Essentra transferred to Duraco

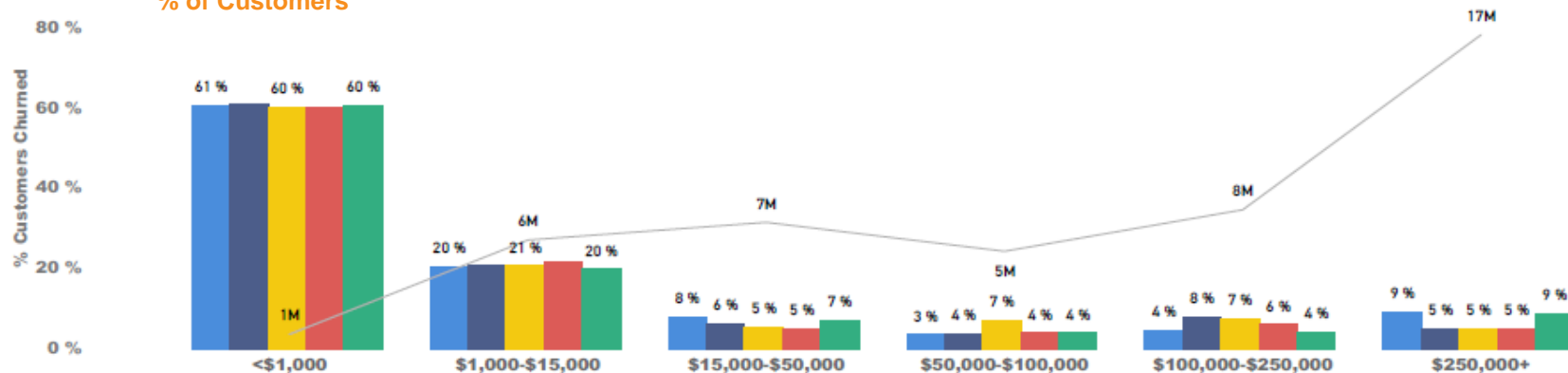
Sales Trend Overview

CUSTOMER CHURN

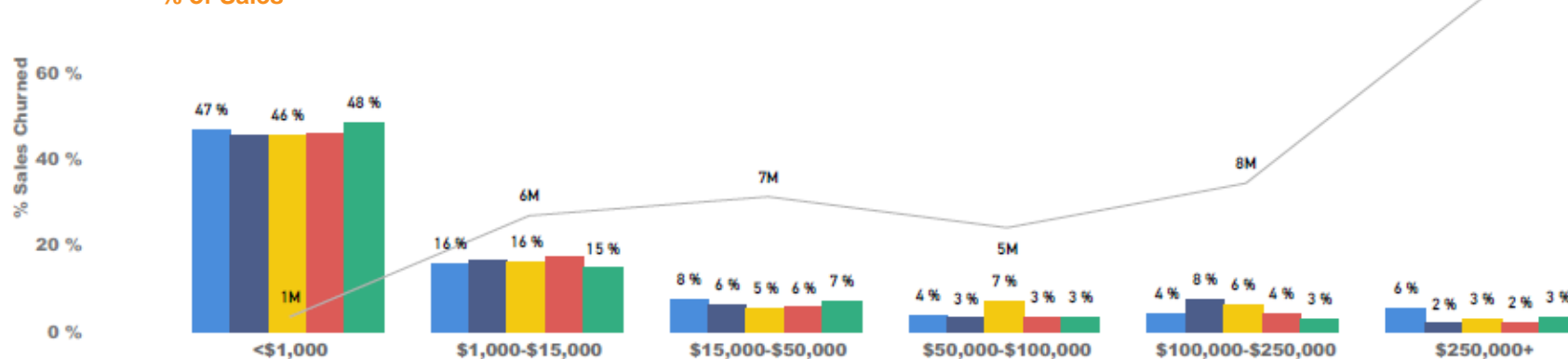
Defined as customers whose trailing 12-month product revenue is less than 10% of the 12-24 month product revenue, excluding Teachers Tapes (B2C channel)

Churn As Of ● 2018-12-31 ● 2019-03-31 ● 2019-06-30 ● 2019-09-30 ● 2019-12-02 — Total Sales

% of Customers



% of Sales



Customer spend (12-24 months ago)



Management Discussion:

Churn rate for >\$50k is made up for 5 accounts

- Duraco understands the churn for each account

Between \$15k - \$50k is made up by 17 accounts

Working to improve churn rate for <\$15k accounts

- Duraco to improve our online ordering process
- Building stronger inside sales and customer support teams to promote a better customer experience for small to medium size customers

Details:

Customers \$250k+ (2 accounts)

- Chung Lam: End of life part for Target Store
- Undercover foam tape business lost to competitor. Sales working to win back

Customers \$100k - \$250k (1 account)

- Halstead: Lack of programs and low demand for their decorative wall planks

Customers \$50k - \$100k (2 accounts)

- Wilbert Plastics had a part com end of life
- Baesman Group had projects that did not report. Sales is in contact about future projects

Customers \$15k - \$50k (17 accounts)

- The majority of these customers are handled by the inside sales team
- Each of these accounts will receive a call and a potential sales visit to understand lost revenue

Customers \$1k - \$15k (272 accounts)

- Duraco's inside sales team has been centralized and re-aligned. Some progress has been made and we expect this churn rate to decrease.

Customers under \$1k (2874 accounts)

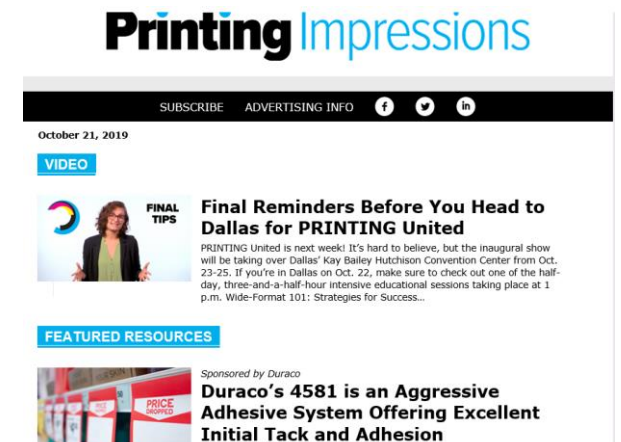
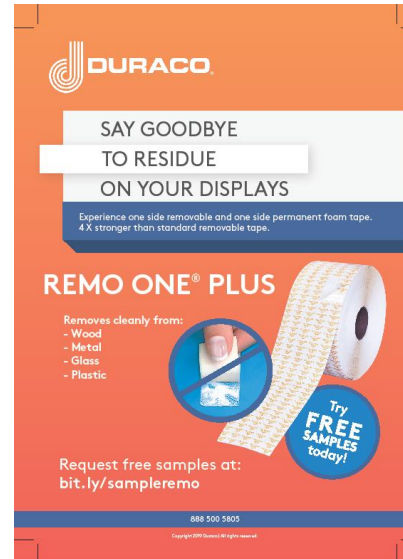
- Churn is flat and could potentially reduced by a more user friendly website

Marketing Overview

November Retrospective

OVERVIEW OF ACTIVITIES THAT OCCURRED DURING THE PRIOR MONTH

- The marketing department communicated through a variety of channels to generate **385 leads** in November
- Leads are defined as contacts who complete a form fill for a sample request
- The following channels were utilized:
 - AIC Boxscore
 - Infogroup
 - Assembly Magazine
 - Shop!
 - Direct Mail (4581)
 - Printing Impressions
 - Creative Magazine
 - Learning Magazine
 - Social Media
- To view the Q4 IMC calendar, please see **Appendix**



Key Project Overview

ACTIVE + ON DECK PROJECTS WITHIN THE MARKETING DEPARTMENT

PROJECT	OVERVIEW
Social Media Integration	<ul style="list-style-type: none">• Setup social media profiles for Duraco + Teacher's Tape (Facebook, Instagram, Twitter, LinkedIn, YouTube)• Developed December content calendar and distributed content to profiles• Defined initial goals and objectives• Increase following by 170%
New Websites (Duraco + Teacher's Tape)	<ul style="list-style-type: none">• We conducted an official kickoff with Avenue on November 19th with the core project team• The marketing team will be working with Avenue to hand over a variety of deliverables and assets to move the project along through phase 1
Duraco Brand Guidelines	<ul style="list-style-type: none">• The marketing team rolled out new Duraco brand guidelines company wide• We will be initiating Phase 2 in 2020 which will include working on brand messaging, positioning, voice
Duraco Product Catalog	<ul style="list-style-type: none">• The marketing team has finalized the design and development of the new product catalog• Included in the Appendix is the new look and feel for the new catalog• The product catalog is expected to be printed and ship to customers the second week of January
Exhibit Marketing Campaign	<ul style="list-style-type: none">• We will be launching an integrated marketing campaign on December 5th to target the Exhibit market with our Remo One Plus product• Included in the marketing campaign will be a postcard mailer, email blast, market sell sheet and script for our inside sales team. See assets in the Appendix
Teacher's Tape Brand Guidelines	<ul style="list-style-type: none">• Initiating execution on new visuals for Teacher's Tape to be ready for new website• Conducting research and analysis to determine marketing plan for Teacher's Tape
Amazon Partnership	<ul style="list-style-type: none">• The marketing team is in the beginning stages of researching and architecting plan to pursue an Amazon ecommerce partnership as an additional source of revenue

Operations and Manufacturing

Operations Dashboard

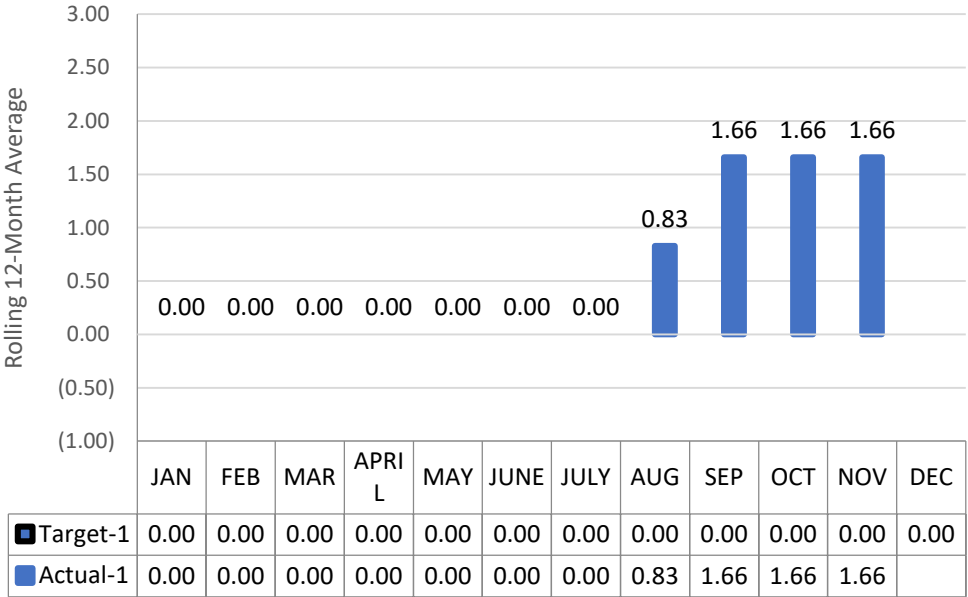
	PRIORITY	UOM	Owner		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Safety	Total Recordable Incident Rate (TRIR Rolling 12M)	#	John B.	PY	1.93	1.94	1.95	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4
				Plan	0	0	0	0	0	0	0	0	0	0	0
				Actual	0	0	0	0	0	0	0	0.83	1.66	1.66	1.66
	DART Score	#	John B.	PY	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28
				Plan	1.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
				Actual	0	0	0	0	0	0	0	0.83	1.66	1.66	1.66
	Step Completion %	%	John B.	PY	78%	89%	92%	94%	94%	90%	89%	88%	83%	89%	90%
				Plan	80%	80%	92%	92%	92%	92%	92%	92%	92%	92%	92%
				Actual	97%	93%	94%	96%	93%	94%	93%	93%	92%	93%	92%
	Landfill Diversion %	%	Bill V.	PY	41%	13%	26%	20%	21%	21%	13%	16%	22%	1%	77%
				Plan	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
				Actual	53%	80%	45%	46%	33%	51%	54%	43%	38%	36%	66%
Quality	Customer EQDs	#	Susan C.	PY	12	8	12	10	10	12	9	9	10	16	6
				Plan	11	10	10	11	10	10	11	10	10	11	10
				Actual	11	11	9	12	7	10	10	12	18	18	10
	Percentage of EQDs/Lines shipped	#	Susan C.	PY	0.28%	0.22%	0.31%	0.22%	0.27%	0.33%	0.19%	0.21%	0.25%	0.23%	0.31%
				Plan	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
				Actual	0.28%	0.30%	0.23%	0.30%	0.18%	0.28%	0.25%	0.28%	0.47%	0.43%	0.30%
	Cost of Poor Quality (COPQ)	\$	David D.	PY	\$122.45	\$90.67	45.397	66.383	71.91	65.42	85.823	83.6213	37.891	50.761	33.969
				Plan	\$75.30	\$60.23	\$60.23	\$75.30	\$60.23	\$60.23	\$75.30	\$60.23	\$60.23	\$75.30	\$60.23
				Actual	\$66.17	\$54.52	\$60.51	\$47.97	\$47.78	\$23.18	\$33.31	\$69.50	\$38.47	\$92.88	\$41.47
	Rework	\$	Danny F.	Plan	\$9.79	\$7.83	\$7.83	\$9.79	\$7.83	\$7.83	\$9.79	\$7.83	\$7.83	\$9.79	\$7.83
				Actual	\$8	\$14	\$14.00	\$6.89	\$2.89	\$3.75	\$8.65	\$4.02	\$6.27	4.251	2.848
	Material Scrap	\$	Danny F.	Plan	\$31.02	\$24.82	\$24.82	\$31.02	\$24.82	\$24.82	\$31.02	\$24.82	\$24.82	\$31.02	\$24.82
				Actual	\$14.58	\$20.23	\$11.15	\$22.12	\$14.50	\$11.90	\$21.39	\$14.23	\$24.21	\$22.34	\$14.73
	Total Credits	\$	David D.	Plan	\$34.48	\$27.59	\$27.59	\$34.48	\$27.59	\$27.59	\$34.48	\$27.59	\$27.59	\$34.48	\$27.59
				Actual	\$43.20	\$20.60	\$35.36	\$18.97	\$30.40	\$7.53	\$3.28	\$51.25	\$7.99	\$66.30	\$23.89
	CS Credits Issued	\$	Andy S.	Plan	\$11.00	\$10.00	\$10.00	\$11.00	\$10.00	\$10.00	\$11.00	\$10.00	\$10.00	\$11.00	\$10.00
				Actual	\$43.08	\$20.60	\$32.80	\$18.10	\$18.00	\$0.00	\$2.44	\$33.47	\$19.73	\$36.62	\$18.48
	QC Return Credits Issued	\$	Susan C.	Plan	\$15.58	\$12.46	\$12.46	\$15.58	\$12.46	\$12.46	\$15.58	\$12.46	\$12.46	\$15.58	\$12.46
				Actual	\$0.12	\$0.00	\$2.56	\$0.87	\$2.57	\$7.53	\$0.83	\$17.78	\$7.94	\$29.67	\$5.41

Operations Dashboard con't

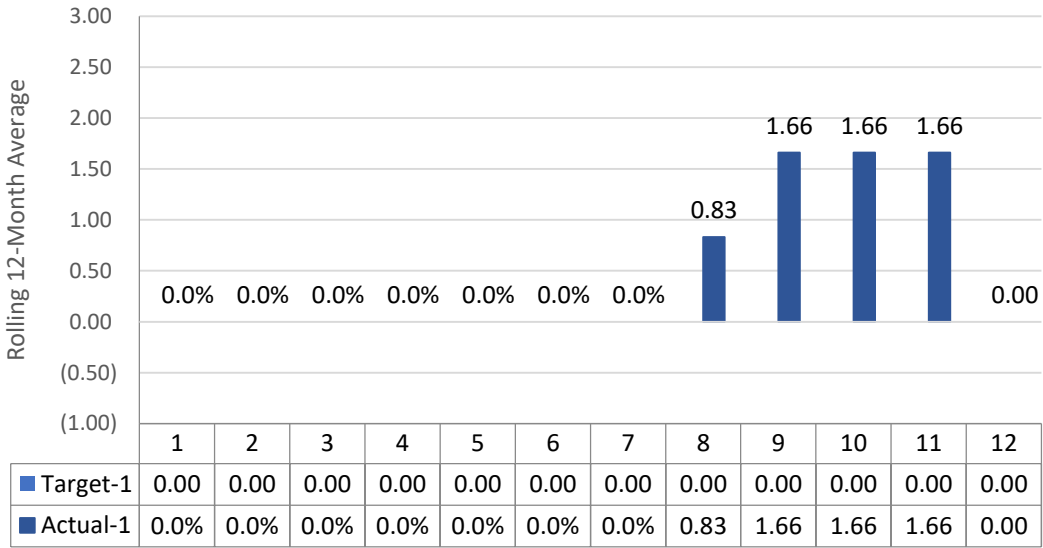
	PRIORITY	UOM	Owner		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Delivery	Shipments Specialty Tapes (Consolidated)	\$	Phil M.	PY	\$3,669	\$3,499	\$3,503	\$4,301	\$3,198	\$3,335	\$3,936	\$3,523	\$3,700	\$4,517	\$2,972
				Plan	\$3,802	\$3,165	\$3,389	\$4,009	\$3,474	\$3,266	\$3,891	\$3,826	\$3,548	\$4,499	\$3,658
				Actual	\$3,320	\$3,081	\$3,255	\$4,065	\$3,154	\$3,218	\$3,710	\$3,460	\$3,503	\$0	\$3,119
	Shipments Chicago (External Only)	\$	Phil M.	PY	\$2,661	\$2,593	\$2,606	\$3,116	\$2,260	\$2,470	\$2,860	\$2,605	\$2,553	\$3,112	\$2,570
				Plan	\$2,576	\$2,169	\$2,296	\$2,640	\$2,386	\$2,229	\$2,798	\$2,686	\$2,396	\$3,099	\$2,693
				Actual	\$2,308	\$2,084	\$2,229	\$2,852	\$2,659	\$2,244	\$2,490	\$2,504	\$2,426	\$0	\$2,314
	Production Efficiency	%	Danny F.	PY	87.0%	87.0%	88.4%	88.3%	89.0%	89.3%	89.4%	89.6%	89.9%	90.1%	90.8%
				Plan	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	91.0%	91.0%	91.0%	91.0%	91.0%
				Actual	90.2%	89.9%	89.8%	90.2%	91.1%	89.6%	89.2%	89.0%	90.0%	92.0%	91.2%
	OTDIF	%	Phil M.	PY	98.2%	98.0%	97.1%	98.5%	98.2%	98.6%	98.4%	98.3%	98.0%	98.3%	98.5%
				Plan	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
				Actual	98.8%	98.8%	99.0%	98.5%	98.8%	98.2%	95.3%	98.3%	97.6%	98.7%	98.1%
Cost	Cost Savings	\$	Laura K.	PY	\$25,030	\$38,134	\$60,789	\$63,654	\$56,638	\$43,631	\$50,189	\$60,461	\$43,334	\$56,258	\$27,245
				Plan	\$65,082	\$51,930	\$47,620	\$51,392	\$50,924	\$50,924	\$50,642	\$47,725	\$57,041	\$50,580	\$50,580
				Actual	\$49,556	\$44,479	\$35,811	\$25,633	\$57,198	\$72,371	\$56,044	\$46,762	\$52,425	\$51,570	\$44,949
	Consolidated Gross Inventory Dollars	\$000's	Phil M.	PY	\$6,645	\$6,435	\$6,361	\$6,398	\$6,265	\$6,007	\$6,349	\$6,253	\$6,049	\$6,166	\$6,067
				Plan	\$6,490	\$6,270	\$6,280	\$6,290	\$6,280	\$6,270	\$6,260	\$6,260	\$6,370	\$6,350	\$6,350
				Actual	\$6,460	\$6,560	\$5,952	\$6,235	\$0	\$0	\$0	\$5,487	\$5,649	\$5,496	\$5,927

Health and Safety

KPI #1 - Total Recordable Incident Rate (TRIR)



KPI #1B - Day Away Restricted or Transferred (DART)



Management Discussion:

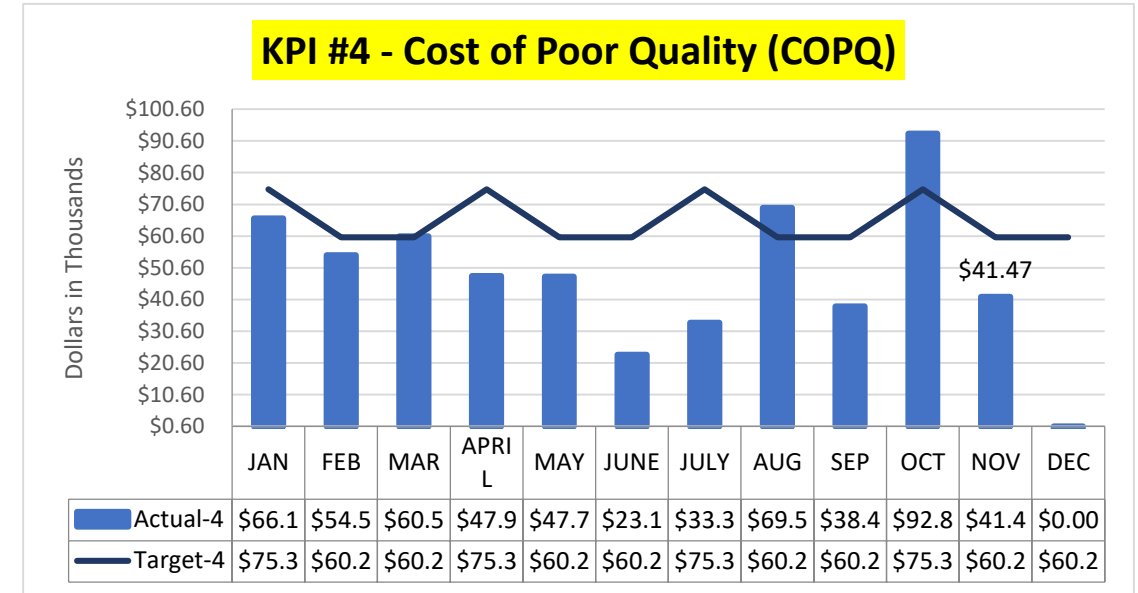
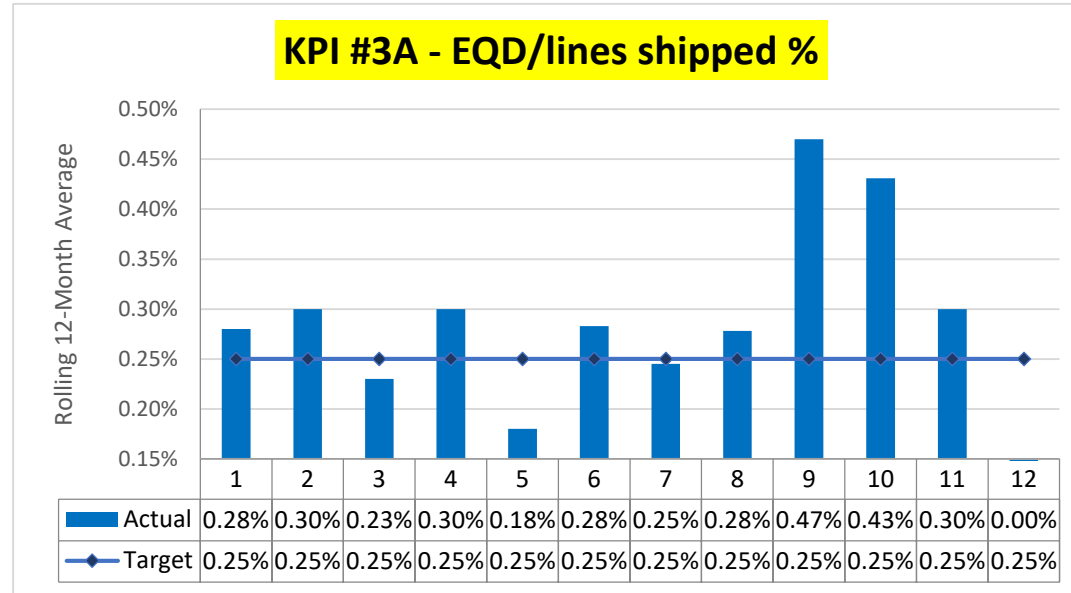
No injuries in November

- October Comment: Water testing of our eyewash stations revealed trace amounts of Legionella
- We continue to take a proactive approach to addressing the concern, actions currently being taken:
 - Changed out faucets that were identified and switching to bottled water station for the Essentra team
 - Working closely with the City of Forest park with updates. Forest Park implemented hydrant Flushing in our area
 - Additional follow up testing currently going to verify effectiveness of the actions we have taken

Quality

EQD % OF LINES SHIPPED

Defective order lines as % of total order lines

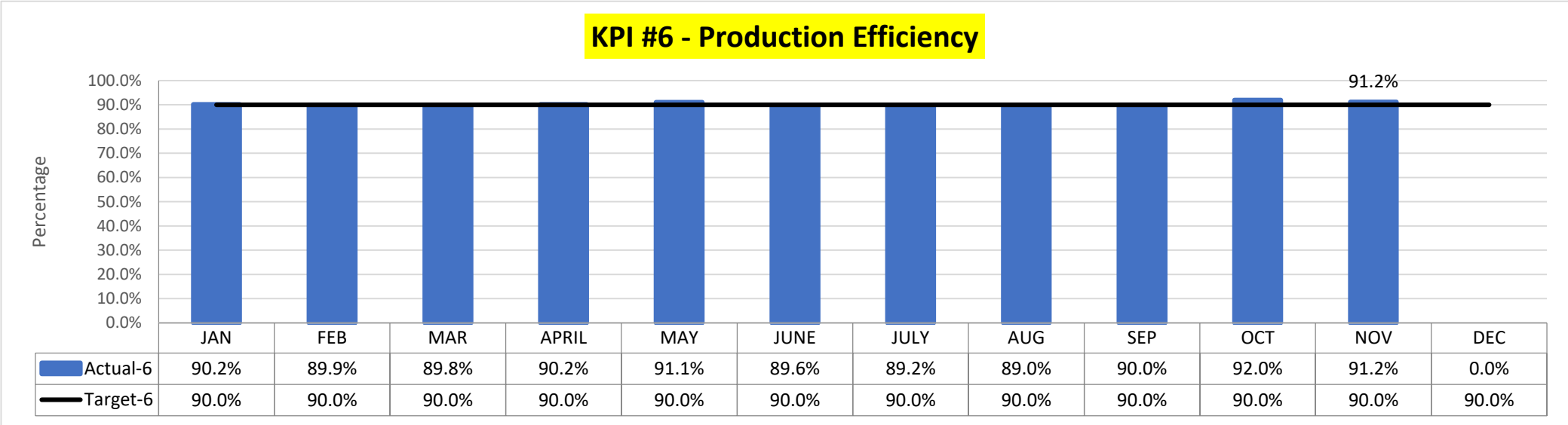


Management Discussion:

- EQD%: higher than goal but trending down.
- COPQ: A great rebound from the uptick last month
- YTD date compared to 2018: \$754 Vs 2019 \$576 , \$178K less YTD or down 23%.
 - This years Goal was set at 10% less than 2018
 - \$100k due to reduction in material scrap and another \$75k less for QC returns

Productivity

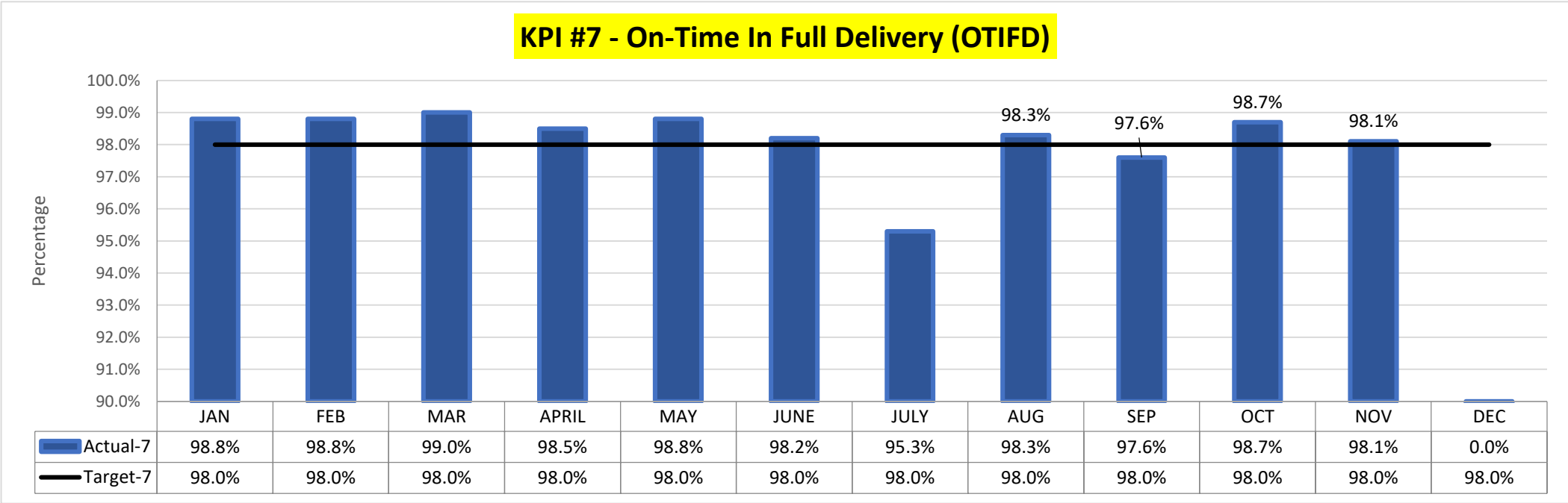
Production Efficiency
% of standard throughput achieved



Management Discussion:

- Another good month seen in the converter work center

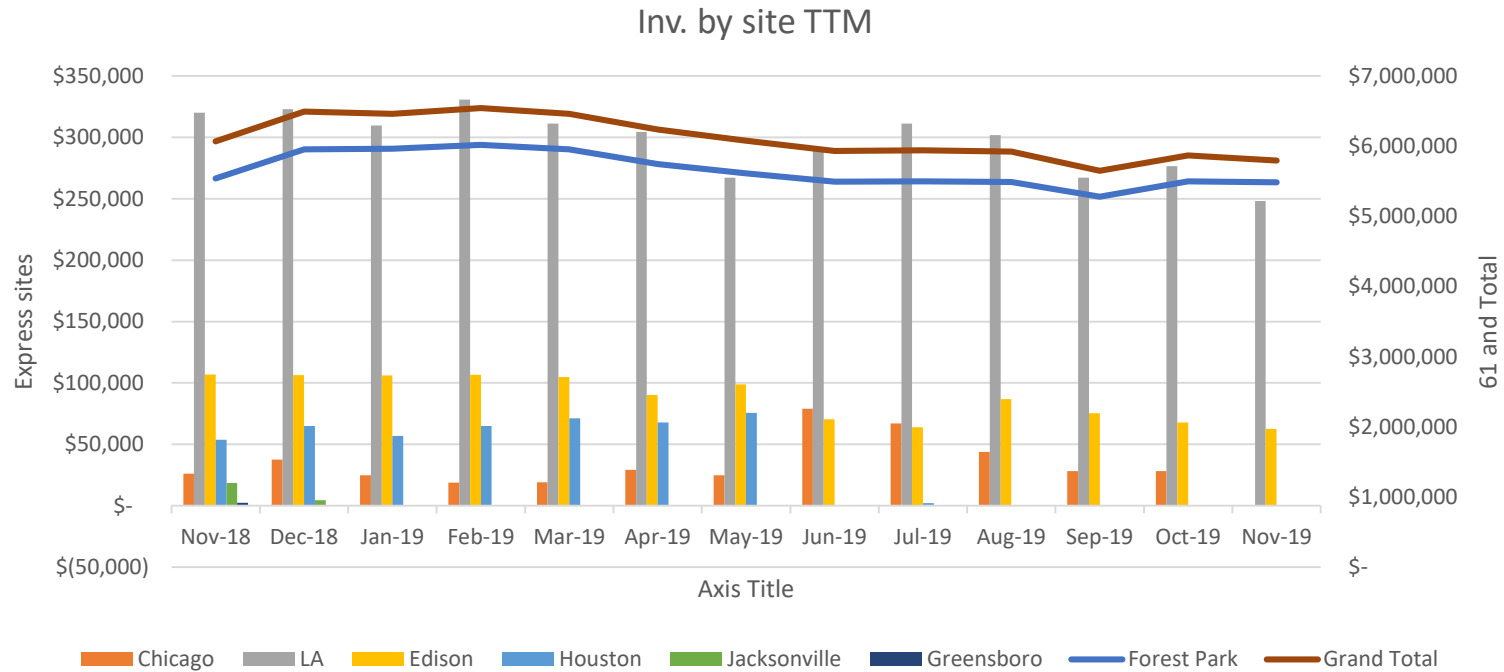
Shipping



Management Discussion:

No concerns

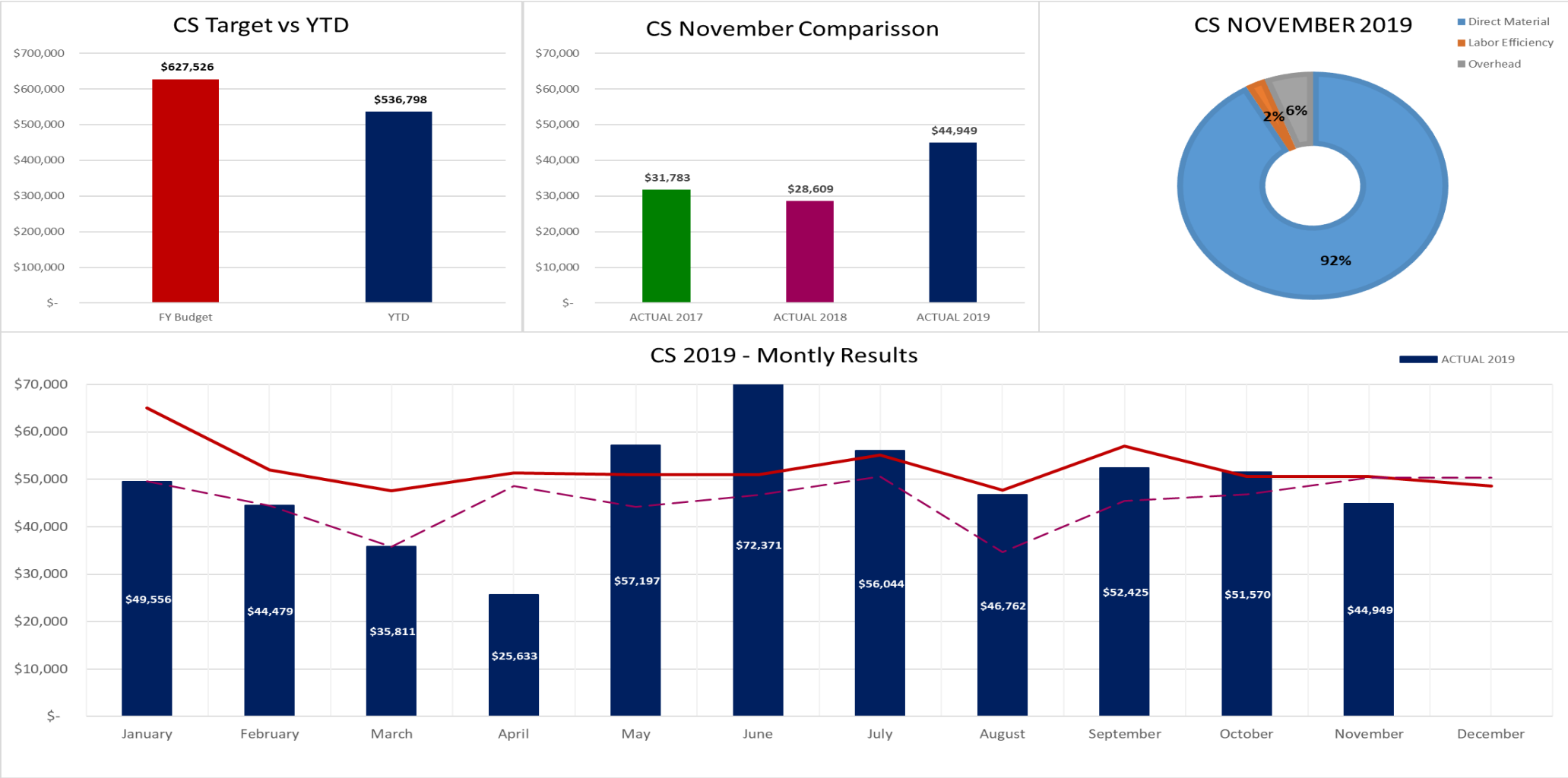
Inventory



Management Discussion:

- Jacksonville and Greensboro Express sites were shut down Jan. 2019
- Chicago WH (62) shutdown and absorbed into Forest Park(61)
- Currently a Greenbelt project is in place to look at optimizing WIP and Raw materials
- Gross inventory down slightly from last month (1.26%) or \$74k. A majority is at Forest park, the express sites stayed at relatively the same level
- Gross inventory down 7.3% as compared to end of 2018

Duraco Cost Savings 2019- Specialty tapes



Smart Ventures - Logistics

Supply Chain Project Update

- Onboarding final LTL Carrier Fusion Transport
- The Rates provided for Same Day in the bid were not significantly different from current. As Duraco decides on its selected 3PL model in the US it would be of benefit to go back to market for pricing in key areas where Same day service will be required.
- Duraco is working with 3PL in Toronto to finalize requirements and establish SOP for go to market Supply Chain services
- TMS Vendor has been approved
- Duraco will need to review updated rate increases from UPS for 2020 along with accessorial increases. UPS has introduced a new fee for shipments between 50-75 lbs. starting Jan 1 2020. An analysis should be done to measure cost impact and potential offsetting recovery efforts

To Do Project Actions:

- Final Draft Shipping Policy and Procedures for Duraco will be completed by December 17th 2019

Known Estimated Cost Improvements

✓ Improve LTL Rates	On Track for Savings	\$60K - \$80K
✓ Improve Freight Forwarder Rates	On track for Savings	\$12K - \$18K
✓ Add Shipping Charge to Collect Shipments	To be Reviewed	\$75K - \$110K*
✓ Establish new Shipping Policy and Same Day Direct	On Track for Savings	\$15K - \$25K

**Duraco will need to understand potential customer impact and determine internally to move forward or not*

Financial Review

Summary P&L – Nov 2019

\$'000	MTD		Var (Fcst)		Bud MTD		Var (Bud)		PY MTD		Var (PY)		YTD				TTM	
	Act	Fcst	\$	%	Act	\$	%	Act	\$	%	Act	\$	Act	Fcst	\$	%	Bud	\$
Gross Revenue	\$ 3,129	\$ 3,295	\$ (166)	(5.0%)	\$ 3,590	\$ (461)	(12.9%)	\$ 3,241	\$ (113)	(3.5%)	\$ 38,938	\$ 38,881	\$ 57	0.1%	\$ 41,203	\$ 41,825		
Net Revenue	3,119	3,287	(168)	(5.1%)	3,583	(464)	(12.9%)	3,361	(242)	(7.2%)	38,796	38,744	52	0.1%	41,118	41,691		
Material	959	1,076	117	10.9%	1,171	212	18.1%	1,066	107	10.1%	12,857	12,997	140	1.1%	13,846	13,591		
DM %	30.7%	32.7%	0	6.1%	32.7%	0	5.9%	31.7%			33.1%	33.5%	0		\$ 0	32.6%		
Labor	380	393	13	3.4%	384	4	1.2%	380	1	0.2%	4,395	4,443	48	1.1%	4,554	4,860		
DL %	12.2%	12.0%	(0)	(1.8%)	10.7%	(0)	(13.5%)	11.3%			11.3%	11.5%	0		\$ 0	11.7%		
Other COGS	405	445	40	8.9%	429	24	5.5%	326	(79)	(24.4%)	4,898	5,068	171	3.4%	5,221	5,337		
Total COGS	1,744	1,914	170	8.9%	1,984	240	12.1%	1,772	28	1.6%	22,150	22,508	359	1.6%	23,622	23,789		
Gross Margin	1,375	1,373	2	0.1%	1,599	(224)	(14.0%)	1,589	(214)	(13.5%)	16,646	16,236	411	2.5%	17,496	17,903		
Gross Margin %	44.1%	41.8%			44.6%			47.3%			42.9%	41.9%			42.6%	514.4%		
R&D	21	27	5	20.3%	26	5	17.9%	19	2	9.0%	279	272	(7)	(2.4%)	260	297		
Sales & Marketing	286	419	133	31.7%	337	51	15.0%	304	(17)	(5.7%)	3,682	4,055	373	9.2%	4,061	3,837		
Administrative	263	249	(14)	(5.8%)	138	(125)	(90.8%)	116	148	127.9%	2,124	2,017	(107)	(5.3%)	1,652	2,197		
Other Opex	–	–	–	0	–	–	0	2	(2)	(100.0%)	31	–	(31)		–	31		
Total Opex	571	695	124	17.9%	501	(70)	(14.0%)	441	130	29.4%	6,116	6,345	229	3.6%	5,972	6,362		
EBITDA	804	675	129	19.1%	1,098	(294)	(26.7%)	1,148	(343)	(29.9%)	10,531	9,882	649	6.6%	11,524	11,540		
EBITDA %	25.8%	20.5%			30.6%			34.1%			27.1%	25.5%			28.0%	27.7%		
Bank allowable EBITDA add-backs	35	–	35	0	(222)	257	(115.8%)	(227)	262		(1,269)	(1,415)	146	(10.3%)	(2,442)	(1,496)		
Bank EBITDA	839	678	161	23.7%	876	(37)	(4.2%)	921	(81)	(8.8%)	9,262	8,476	786	9.3%	9,082	10,044		
	26.9%	20.6%			24.5%			27.4%			23.9%				22.1%	24.1%		
(Standalone Costs)	(152)	–	(70)	0	–	152	0	–	(152)	(0)	(657)	(496)			–	(657)		
Indicative EBITDA	687	596	91	15.3%	876	(189)	-21.6%	921	(234)	-25.4%	8,604	7,980			9,082	9,387		
Indicative %	22.0%	18.1%			24.5%			27.4%			22.2%	20.6%			22.1%	22.5%		
Net Income (Loss)	\$ (61)	\$ (168)	\$ 107	(63.8%)	\$ 654	\$ (715)	(109.3%)	\$ 627	\$ (688)	109.7%	\$ 5,208	\$ 4,291			\$ 6,835	\$ 5,759		

\$'000	MTD		Variance (Fcst)		Bud MTD		Variance (Bud)		PY MTD		Variance		YTD			
	Act	Fcst	\$	%	Act	\$	%	Act	\$	%	Act	\$	Act	Fcst	Bud	\$
Opex Overview:																
Payroll (Payroll, OT, SS & Taxes, Ter	\$ 251	\$ 326	75	23.1%	\$ 227	(24)	(10.4%)	\$ 224	\$ 26	11.7%	\$ 2,721	\$ 2,863	\$ 142	5.0%	\$ 2,681	2,943
Benefits (Medical, Dental, Life, ADI	41	49	8	15.7%	36	(5)	(14.0%)	42	(1)	(1.5%)	446	459	\$ 13	2.7%	\$ 428	479
Bonus	42	78	36	45.9%	31	(11)	(35.4%)	7	35	487.4%	481	550	\$ 69	12.5%	\$ 388	561
Marketing	80	80	0	0.0%	72	(8)	(10.6%)	70	10	13.6%	856	856	\$ (0)	(0.0%)	\$ 864	745
Commissions	8	8	(0)	(0.6%)	8	(0)	(0.6%)	(7)	15	(226.2%)	101	100	\$ (1)	(0.9%)	\$ 99	91
Travel and Entertainment	20	33	12	38.1%	26	5	20.7%	16	4	23.1%	204	236	\$ 31	13.4%	\$ 175	223
Rent and Facilities	–	27	27	100.0%	16	16	100.0%	17	(17)	(100.0%)	130	231	\$ 101	43.8%	\$ 222	146
Insurance	14	14	–	0.0%	3	(10)	(301.0%)	4	9	215.5%	100	100	\$ –	0.0%	\$ 41	107
Professional Fees	46	6	(40)	(638.8%)	6	(40)	(638.8%)	3	43	1437.7%	168	59	\$ (110)	(186.9%)	\$ 73	142
Utilities, Repairs, Maint. & Security	3	1	(2)	(166.0%)	3	0	1.1%	3	0	17.0%	37	36	\$ (1)	(3.9%)	\$ 46	41
Office Supplies	5	5	(0)	(0.3%)	5	(0)	(0.3%)	2	3	157.2%	64	59	\$ (5)	(9.1%)	\$ 56	68
IT	27	21	(6)	(28.9%)	21	(6)	(28.9%)	18	9	49.2%	282	281	\$ (1)	(0.3%)	\$ 265	291
Bad Debt	6	3	(3)	(85.1%)	3	(3)	(85.1%)	11	(5)	(45.5%)	39	38	\$ (1)	(2.8%)	\$ 42	31
Real Estate Taxes	13	13	(0)	(0.0%)	13	(0)	(0.0%)	10	2	22.9%	150	150	\$ (0)	(0.0%)	\$ 150	161
Other Expenses	15	32	17	53.0%	30	15	50.2%	20	(5)	(23.7%)	335	328	\$ (7)	(2.2%)	\$ 442	333
Total Opex	\$ 571	\$ 695	\$ 124	17.9%	\$ 501	\$ (70)	(14.0%)	\$ 441	\$ 130	29.4%	\$ 6,116	\$ 6,345	\$ 229	3.6%	\$ 5,972	\$ 6,362

Management Discussion:

COGS

- Direct material costs are lower than forecast due to favorable mix and \$45k lower inventory reserve expense due to a \$30k release and no accrual
- Union costs favorable due to lower medical and other insurance expense
- Lower 'Other COGS' due to a slight increase in FG inventory and lower spending across all departments

OPEX

- Open positions are the key driver to lower OPEX costs compared to forecast. Reduction of bonus accrual for the commercial team and elimination of rent charges from the express sites

ADD-BACKS

- Add-backs relate to various legal expenses for one off contracts and the mortgage and some travel for acquisitions

EBITDA

- Indicative EBITDA is better than forecast due largely to lower headcount, favorable mix, and the inventory reserve release

Balance Sheet

	Nov-19			Oct-19			Nov-19		
	Act	\$	%	Act	Act		Fcst	\$	%
\$'000									
Current Assets									
Cash and cash equivalents	\$ 1,528	\$ 363	31.1%	\$ 1,165	\$ 1,283	\$ 245	19.1%		
Short term investments	—	—	0	—	—	—	0		
<i>Accounts receivable, gross</i>	6,036	(181)	(2.9%)	6,217	5,584	(452)	(8.1%)		
<i>Accounts receivable, reserves</i>	(96)	(6)	6.4%	(91)	(83)	13	(16.2%)		
Accounts receivable, net	5,940	(186)	(3.0%)	6,126	5,501	(438)	(8.0%)		
<i>Inventory, gross</i>	5,928	(62)	(1.0%)	5,990	5,987	59	1.0%		
<i>Inventory, reserves</i>	(984)	25	(2.5%)	(1,009)	(826)	158	(19.1%)		
Inventory, net	4,944	(37)	(0.7%)	4,981	5,161	217	4.2%		
Prepaid expenses and other current assets	329	(242)	(42.4%)	571	300	(29)	(9.8%)		
Current portion of deferred taxes	—	—	0	—	—	—	0		
Other current assets	—	—	0	—	—	—	0		
Total Current Assets	12,740	(103)	(0.8%)	12,844	12,245	496	4.0%		
Non-Current Assets									
<i>Property, plant & equipment, gross</i>	20,136	228	1.1%	19,908	20,503	368	1.8%		
<i>Accumulated depreciation</i>	(7,692)	(83)	1.1%	(7,609)	(7,694)	(2)	0.0%		
Property, plant & equipment, net	12,443	145	1.2%	12,299	12,809	366	2.9%		
<i>Identifiable intangible assets, gross</i>	—	—	0	—	—	—	0		
<i>Accumulated amortization</i>	(17,556)	(116)	0.7%	(17,440)	(17,556)	0	(0.0%)		
Identifiable intangible assets, net	61,421	(116)	(0.2%)	61,537	61,389	(32)	(0.1%)		
Deferred financing cost	—	—	0	—	—	—	0		
Other non-current assets	—	—	0	—	—	—	0		
Total Non-Current Assets	73,865	28	0.0%	73,836	74,198	333	0.4%		
Total Assets	\$ 86,605	\$ (75)	(0.1%)	\$ 86,680	\$ 86,443	\$ (162)	(0.2%)		
Current Liabilities									
Current portion of long-term debt	—	\$ —	0	\$ —	\$ —	\$ —	0		
Line of Credit	545	268	96.5%	277	578	(33)	(5.7%)		
Accounts payable	1,849	(359)	(16.3%)	2,208	1,884	(35)	(1.9%)		
Accrued liabilities	1,907	65	3.6%	1,842	1,743	165	9.4%		
Accrued compensation	—	—	0	—	—	—	0		
Income taxes payable	331	12	3.9%	318	(69)	399	(581.4%)		
Other current liabilities	—	—	0	—	—	—	0		
Total Current Liabilities	4,632	(14)	(0.3%)	4,646	4,136	496	12.0%		
Long-term liabilities									
Long-term debt less current maturities	41,359	—	0.0%	41,359	42,209	(850)	(2.0%)		
Deferred income taxes	—	—	0	—	—	—	0		
Other non-current liabilities	—	—	0	—	—	—	0		
Total Long-Term Liabilities	41,359	—	0.0%	41,359	42,609	(1,250)	(2.9%)		
Total Liabilities	45,991	(14)	(0.0%)	46,005	46,745	(754)	(1.6%)		
Shareholders' Equity									
Common stock	39,007	—	0.0%	39,007	39,007	—	0.0%		
Capital in excess of stated value	—	—	0	—	—	—	0		
Retained earnings	1,607	(61)	(3.7%)	1,668	690	917	132.8%		
Accumulated other comprehensive income	—	—	0	—	—	—	0		
Other equity transactions	—	—	0	—	—	—	0		
Total Shareholders' Equity	40,614	(61)	(0.1%)	40,675	39,698	917	2.3%		
Total Liabilities and Shareholders' Equity	\$ 86,605	\$ (75)	(0.1%)	\$ 86,680	\$ 86,443	\$ 162	0.2%		

Management Discussion:

- Increase in fixed assets due to initial payment for Duplex Slitter \$232K
- Loan balance is lower than forecast due to additional principal payment in October and normal \$260k payment
- Income tax accrual is based on Net Income. This balance will reduce over the next several months as restructuring costs increase and BT provides further tax advice.

OPEX Detail

\$'000

	YTD			Explanation of Variance				Variance Impact		
	Act	Forecast	Variance B / (W)	One-Time / Non-recurring	Timing	Change in Run-rate	Other	Total Variance B / (W)	YoY Impact B / (W)	Annualized Impact B / (W)
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 2,721	\$ 2,863	\$ 142		\$ -	\$ 142	\$ -	\$ 142	\$ 142	\$ 850.39
Benefits (Medical, Dental, Life, AD&D & 401K	446.03	458.55	13	13	-	-	-	13	-	-
Bonus	481.39	549.90	69	69	-	-	-	69	-	-
Marketing	855.97	855.97	(0)	(0)	-	-	-	(0)	-	-
Commissions	101.40	100.45	(1)	(1)	-	-	-	(1)	-	-
Travel and Entertainment	204.02	235.50	31	31	-	-	-	31	-	-
Rent and Facilities	130.08	231.49	101			101	-	101	101	608
Insurance	99.94	99.94	-		-	-	-	-	-	-
Professional Fees	168.38	58.69	(110)	(110)	-	-	-	(110)	-	-
Utilities, Repairs, Maint. & Security	37.20	35.81	(1)	(1)	-	-	-	(1)	-	-
Office Supplies	64.17	58.84	(5)	(5)	-	-	-	(5)	-	-
IT	281.56	280.68	(1)	(1)	-	-	-	(1)	-	-
Bad Debt	39.17	38.11	(1)	(1)	-	-	-	(1)	-	-
Real Estate Taxes	150.35	150.35	(0)	(0)	-	-	-	(0)	-	-
Other Expenses	335.15	327.84	(7)	(7)	-	-	-	(7)	-	-
Total Opex	\$ 6,116	\$ 6,345	\$ 229	\$ (14)	\$ -	\$ 243	\$ -	\$ 229	\$ 243	\$ 1,459

Management Discussion:

- Payroll: Have not hired VP of Sales and other open positions.
- Bonus: Commercial Bonus was over accrued YTD
- Rent and Facilities: Change in Run-rate represents rent expense increase for LA & New Jersey offices resulted by sublease cost agreed upon the TSA agreement
- Professional Fees: Recruiting Fees for search and hire. Inside Sales, IT Manager, Customer Service, and Executive Assistant. Professional legal fees for stand-alone of Duraco Specialty Tapes. These have been taken as an add-back

One- time costs

ONE-TIME COSTS												
\$'000												
	YTD			Explanation of Variance					Variance Impact			
	Act	Forecast	Variance B / (W)	One-Time / Non-recurring	Timing	Change in Run-rate	Other	Forecast (06/19 - 06/20)	Forecast (07/20 - 12/20)	Total Variance B / (W)	YoY Impact B / (W)	Annualized Impact B / (W)
Transaction Services Agreement (TSA)	\$ 393	\$ 393	\$ 0	\$ 0		\$ -		\$ 791	\$ (25)	\$ 0	\$ 0	\$ 3
Opening Balance Sheet audit	12	5	(7)	\$ (7)		-		12		(7)	(7)	(42)
Asset Valuation Report	10	40	30	\$ 30		-		40		30	30	180
ERP Implementation	-	75	75	\$ 75		-		550		75	75	450
Website Build	85	35	(50)	\$ (50)		-		350		(50)	(50)	(300)
Data Analytics Platform	4	80	76	\$ 76		-		160				
IT System Upgrade	-	50	50	\$ 50		-		300	50	50	50	300
Supply Chain Specialist	60	60	-	\$ -		-		60		-	-	(60)
Pricing Specialist	-		-	\$ -		-			125	-	-	-
Sales Force Efficiency Specialist	99	60	(39)	\$ (39)		-		134		(39)	(39)	(234)
MOR Setup	37	50	13	\$ 13		-		40		13	13	76
HR Specialist	117	130	13	\$ 13		-		147		13	13	78
Beckway Group	171	187	15	\$ 15		-		171				
IT Specialist	36	30	(6)	\$ (6)		-		126	35	(6)	(6)	(36)
Recruitment of new personnel	-	243	243	\$ 243		-		-		243	243	1,458
Marketing/product roadmap study	-	-	-	\$ -		-		-	200	-	-	-
Rebranding	23	75	52	\$ 52		-		75		52	52	313
Other	5	-	(5)	\$ (5)		-		5		(5)	(5)	(30)
Total 1x Costs	\$ 1,052	\$ 1,513	\$ 461	\$ -	\$ 461	\$ -	\$ -	\$ 2,961	\$ 385	\$ 369	\$ 369	\$ 2,156

Management Discussion:

- YTD includes one-time costs since Close
- Current forecast for first year spend is higher than bank allowable \$3m, will flex with CAPEX (ERP, Website, IT Upgrades) and other add back categories
- Billing is delayed for Opening Balance Sheet Audit

Cashflow Statement

\$'000	MTD		Variance		YTD		Variance	
	Act	Fcst	\$	%	Act	Fcst	\$	%
Cash flow from operations								
Net Income (Loss)	\$ (61)	\$ (168)	\$ 107	(63.8%)	\$ 5,208	\$ 4,291	\$ 917	21.4%
Depreciation, amortization and other	200	202	(2)	(0.9%)	2,218	2,220	(2)	(0.1%)
Capitalized fees & expenses	—	—	—		—	—	—	0
Gain (loss) on sale of fixed assets	—	—	—		—	—	—	0
Non-cash interest expense	268	284	(17)	(5.9%)	1,422	1,482	(60)	(4.0%)
Non-cash dividends	—	—	—		(2,702)	(2,702)	—	0.0%
Deferred income tax	—	—	—		—	—	—	
Change in operating assets and liabilities:								
Accounts receivable	186	154	33	21.3%	(947)	(509)	(438)	86.1%
Inventory	37	15	22	147.4%	543	327	217	66.3%
Prepaid expenses and other current assets	242	17	225	1308.2%	3,027	3,057	(29)	(1.0%)
Accounts payable	(359)	(141)	(218)	154.9%	(1,108)	(1,073)	(35)	3.3%
Accrued expenses	65	(324)	389	(120.2%)	412	648	(235)	(36.3%)
Accrued income taxes	12	(72)	85	(117.2%)	(5,561)	(5,961)	399	(6.7%)
Other changes in operating assets and liabilities	—	—	—		(26,484)	(26,451)	(32)	0.1%
Other cash flow from operations	—	—	—		—	—	—	
Total Cash Flow from Operations	\$ 591	\$ (33)	\$ 624	(1880.1%)	\$ (23,972)	\$ (24,672)	\$ 700	(2.8%)
Cash flow from investing								
Additions to property, plant and equipment	\$ (228)	\$ —	\$ (228)		\$ 1,558	\$ 1,191	\$ 368	30.9%
Acquisitions of companies, net of cash acquired	—	—	—		—	—	—	
Investment in intangibles	—	—	—		—	—	—	
Earnout payments	—	—	—		—	—	—	
Other cash flow from investing (goodwill)	—	—	—		—	—	—	
Total Cash Flow from Investing	\$ (228)	\$ —	\$ (228)		\$ 1,558	\$ 1,191	\$ 368	30.9%
Cash flow from financing								
Proceeds from the issuance (repayment) of ST	\$ —	\$ —	\$ —		\$ —	\$ —	\$ —	
Proceeds from the issuance of debt	—	—	—		—	—	—	
Repayment of debt	—	—	—		(1,987)	—	(1,987)	
Capital lease	—	—	—		—	—	—	
Common stock issued (repurchased)	—	—	—		—	—	—	
Common stock cash dividends paid	—	—	—		—	—	—	
Preferred stock issued (repurchased)	—	—	—		—	—	—	
Other cash flow from financing costs	—	—	—		—	—	—	
Total Cash Flow from Financing	\$ —	\$ —	\$ —		\$ 20,647	\$ 21,470	\$ (823)	(3.8%)
Effect of FX rates on cash and cash equivalents	\$ —	\$ —	\$ —		\$ —	\$ —	\$ —	
Net change in cash	\$ 363	\$ (33)	\$ 396	(1192.8%)	\$ (1,767)	\$ (2,012)	\$ 245	(12.2%)
Beginning cash	1,165	1,316	(151)	(11.5%)	23,991	22,984	1,007	4.4%
Change in cash	363	(33)	396	(1192.8%)	(1,767)	(2,012)	245	(12.2%)
Ending cash	\$ 1,528	\$ 1,283	\$ 245	19.1%	\$ 22,224	\$ 20,972	\$ 1,252	6.0%

13 Week Cash Forecast

13 Week Cash Flow Forecast

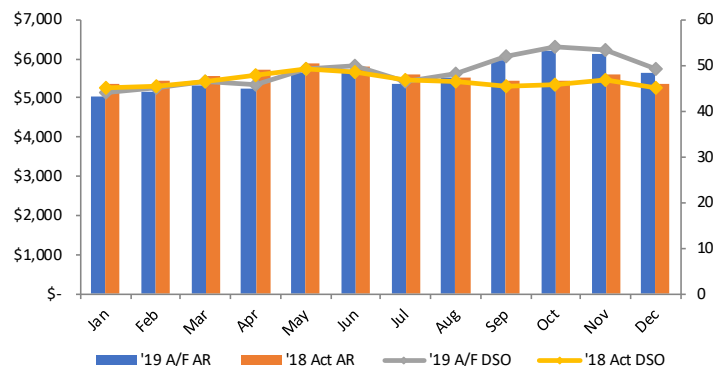
	W/E	12/7/19	Act 12/7/19	12/14/19	12/21/19	12/28/19	12/31/19	1/4/20	1/11/20	1/18/20	1/25/20	2/1/20	2/8/20	2/15/20	2/22/20	2/29/20	3/7/20
Beginning Cash Balance		2,092,849	2,092,849	2,560,817	2,527,944	2,809,689	2,884,899	1,584,236	1,692,260	1,838,130	2,009,593	2,106,810	1,859,843	1,812,817	1,553,343	1,503,816	1,570,008
Total Cash Inflow		830,410	1,075,568	792,430	916,495	914,995	110,000	573,774	923,673	639,713	845,020	482,318	696,276	696,276	696,276	696,276	655,092
Cash Outflow																	
Accounts Payable		362,000	364,152	439,500	387,000	406,482	-	337,000	337,000	339,500	337,000	370,200	337,000	337,000	339,500	337,000	395,200
Payroll		70,000	69,551	275,000	70,000	275,000	-	70,000	275,000	70,000	310,000	70,000	310,000	70,000	310,000	70,000	310,000
Union Benefits		65,000	87,447	4,500	29,000	62,000	-	-	69,500	-	4,500	62,000	-	-	-	62,000	-
Non-Union Benefits		66,000	69,224	12,553	-	12,553	-	-	12,553	-	12,553	66,000	12,553	-	12,553	-	12,553
401k		-	-	25,000	-	25,000	-	-	25,000	-	25,000	-	25,000	-	25,000	-	25,000
Taxes		-	-	-	-	-	-	-	-	-	-	-	-	170,000	-	-	-
CAPEX		-	-	-	40,000	-	-	-	-	-	-	-	-	320,000	-	-	-
Term Loan Interest Payments		-	-	-	-	-	782,329	-	-	-	-	-	-	-	-	-	-
Term Loan Payments		-	-	-	-	-	265,000	-	-	-	-	-	-	-	-	-	-
Revolver Interest Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revolver Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unused Line Fee Payments		-	-	-	-	-	11,000	-	-	-	-	-	-	-	-	-	-
OGC Quarterly Management Fee Payment		-	-	-	-	-	250,000	-	-	-	-	-	-	-	-	-	-
One Time Costs		58,750	17,226	68,750	108,750	58,750	102,334	58,750	58,750	58,750	58,750	161,084	58,750	58,750	58,750	161,084	58,750
Total Cash Outflow		621,750	607,600	825,303	634,750	839,785	1,410,663	465,750	777,803	468,250	747,803	729,284	743,303	955,750	745,803	630,084	801,503
Weekly Cash Inflow/(Outflow)		208,660	467,968	(32,873)	281,745	75,210	(1,300,663)	108,024	145,870	171,463	97,217	(246,966)	(47,027)	(259,474)	(49,527)	66,192	(146,411)
Ending Cash Balance		2,301,509	2,560,817	2,527,944	2,809,689	2,884,899	1,584,236	1,692,260	1,838,130	2,009,593	2,106,810	1,859,843	1,812,817	1,553,343	1,503,816	1,570,008	1,423,597
Outstanding Checks		(460,000)	(555,650)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)
Net Available Cash		1,841,509	2,005,167	2,067,944	2,349,689	2,424,899	1,124,236	1,232,260	1,378,130	1,549,593	1,646,810	1,399,843	1,352,817	1,093,343	1,043,816	1,110,008	963,597

MANAGEMENT DISCUSSION

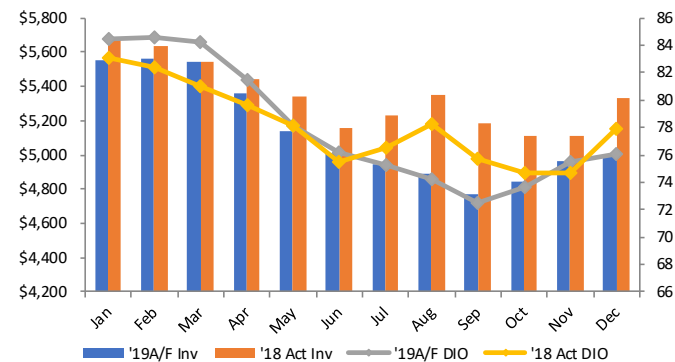
- (w/e 12/21) Capex - Initial \$40K payment for the End Splicer machine.
- (w/e 12/31) Loan Interest - Quarterly \$782K interest payment on loan.
- (w/e 12/31) Loan Payment - Quarterly \$265K repayment of loan.
- (w/e 1/25) Real Estate Tax Payment
- (w/e 1/25) Capex - Second payment, \$320K, for the Duplex Slitter machine.
- (Oct - Mar) IT Projects - Est. weekly cost to begin ERP conversion, Website Build and Systems upgrade.

Working Capital and Cash Conversion Cycle

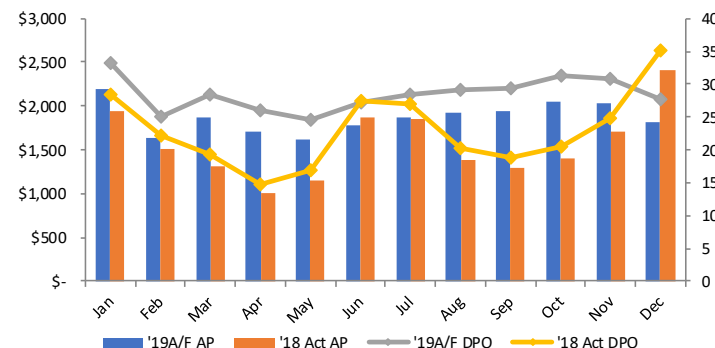
Accounts receivable, net



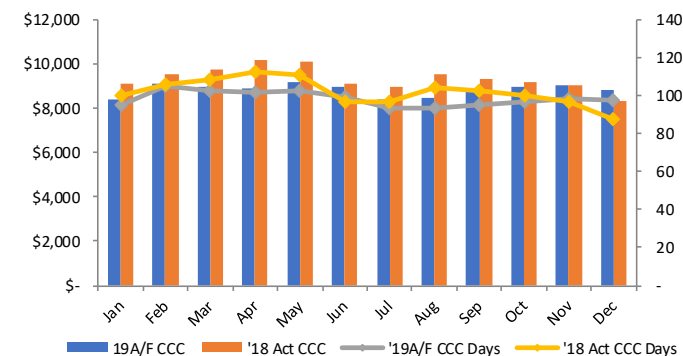
Inventory, net



Accounts Payable, net



Cash Conversion Cycle



Management Discussion:

- '19 CCC has improved due largely to lower inventory balances and higher A/P partially offset by higher A/R
- Inventory was built in November partially due largely to timing. Inventory balance is down significantly from prior year and is below forecast
- A/P is higher due partially to one off restructuring costs which will not be at this level at this time next year. Team is working to track how much is in A/P each month to make sure we have a clean benchmark
- A/P is lower at the end of the year as there will not be an A/P hold; former parent held A/P at the end of each year

Working Capital

	2019 October	2019 November	November Fcast	2018 December
Net Inventories	4,981	4,944	5,176	5,582
External Trade Receivables	6,126	5,940	5,655	4,977
External Other Receivables	571	329	317	182
External Trade Payables	(2,208)	(1,849)	(2,025)	(2,957)
External Other Payables	(1,842)	(1,907)	(1,766)	(1,495)
Net Working Capital	\$ 7,629	\$ 7,457	\$ 7,356	\$ 6,290

Management Discussion:

Working Capital

- November closed with a slight build up of finished goods however this was offset by a larger drop in raw material
- Reduction on sales is causing the decrease in total A/R. 94% of Invoices fall into the Current or 1 to 30 day aging buckets continue to perform at good levels
- Decreased in Other Receivables that is caused by the amortization of prepaid quarterly management charges of \$ 195K
- External Other Payables has a small increase compared to last month. Increased the accrual for marketing spending of \$24K , the accrual for non-commercial bonus \$62K

Information Systems and Technology

Status of Key IT Initiatives

STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
Infrastructure	●	<ul style="list-style-type: none"> Network separation staging continues, with progress being made. Key LAN definition and routing updates have been made successfully. Actively working with Essentra to accomplish shared server resolution, but Essentra's year-end IT change freeze will slow progress. Now believe Jan-Feb likely. 	Q1 20120	N/A	N/A
ERP	●	<ul style="list-style-type: none"> Project underway. Initial business process reviews held in December. Focusing on data migration preparations and Core Team training through December. 	Q2 2020	N/A	N/A
Enterprise applications (other than ERP)	●	<ul style="list-style-type: none"> HelpScout migration completed. Visio acquired. Investigating AutoCAD and MatLab. 	Q2 2020	N/A	N/A
Telephony	●	<ul style="list-style-type: none"> Focus upon Call Center requirements. Dependency on network separation, so delay to Q1 2020 likely. 	Q1 2020	N/A	N/A
End-points	●	<ul style="list-style-type: none"> Highly dependent upon network separation so that we can take responsibility for our own security profile and actively manage our computers. 	Q1 2020	N/A	N/A

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

Acquisitions and Other Transactions

M&A Pipeline Update

The opportunities below have emerged following a detailed review with Duraco MGMT and a highly coordinated outreach effort with buy-side advisor Mesirow Financial

Name	Geography	Primary Products	Est. Revenue	Est. EBITDA	Status
Near Term Opportunities					
Infinity Tapes	US	Double Coated, Transfer, Tamper Evident Tapes	\$10M	\$1m	Received Exclusivity. Currently working through diligence
Early Stage Opportunities					
IDI Fabrication	US	Tapes, Rigid, Flexible, Converting	\$22M	NA	President of IDI is slowly engaging with David
Advantage Adhesives	US	Pressure Sensitive, Transfer, Finger-lift	\$10M	NA	Aaron following up with owner.
Pres-On	US	Tape and Cap Liner	\$15M	NA	Trying to contact owner
DermaMed Coatings	US	Pressure Sensitive, Woven, Double Coated	\$15M	NA	Attempting to Penetrate
AM Rubber and Foam Gaskets	US	Rubber and Roam Gaskets	\$15M	NA	Attempting to Penetrate
Project Connect (ITW)	Global	Seals, Gaskets, Films	\$200M	\$36M	NDA Signed
Tekra	US	Converter	\$100M	\$15M	Teaser received, waiting for CIM
Declined or Deferred Opportunities					
Can-Do Tapes	US	Converter /Distributor	\$22M	\$3M	Declined: Duraco management passed due to lack of synergies
Zone Enterprises	US	Converter	\$25M	\$3M	Deferred: Owner wants to complete an acquisition prior to selling
Diga	Mexico	Foam Gaskets, Molded Polyethylene	\$22M	\$2M	Duraco deferred: Not pursuing at this time

Management Discussion of Near Term Opportunities:

Infinity Tapes

- Vinay, Brad, and Phil completed a site visit on Nov 14
- Have received exclusivity through Jan 31
- Deal will require a rooftop consolidation. Should drive a minimum of \$1m of synergies post closure

Management Discussion of Declined or Deferred Opportunities:

Can-Do Tapes

- Duraco management visited Can Do in Nashville at the beginning of October.
- Decided to not proceed with the investment due to lack of synergies, over exposure to automotive market.

Zone Enterprises

- Owner wants to complete an acquisition before he sells.
- Initial meeting with Scott Zone, President & CEO in Forest Park, IL
- Converter with manufacturing in St. Louis, MO & Monterrey, MX
- Distribution locations throughout USA, Mexico, and Canada
- Owner interested in rolling stake and gaining scale beyond what he can do organically

Diga

- Will likely not pursue right now.
- Initial call held and high level financial information received from Seller
- Concentration in auto 54% (30% Valeo), Mexican footprint and low gross margin (23%) may be perceived as value destructive

Management and Governance

Governance Organization

Board of Directors

- Andrew Nikou
- Paul Bridwell
- Matthias Gundlach
- David Danelz

Audit Committee

- Shawn Haghighi
- Paul Bridwell
- Brad Schechtman

2019 Auditors

- Baker Tilly
 - Yunis Altahami - Partner

Anonymous Hotline

- Navex is live via [Duraco.ethicspoint.com](https://duraco.ethicspoint.com)

Internal control & authority matrix

- Brad and Vinay to review and update

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

Legal, Governance, and Compliance

Legal Counsel

- Duraco is using KDDK for everyday contract matters (Partner rate is \$395/hr)
 - Part of the Meritas legal network
 - Have done work with Morgan Lewis in the past
 - Receiving a 15% discount on all projects
- Duraco is using TAFT for trademark work (Partner rate is \$800/hr)
- For any significant legal matters, Duraco will discuss legal strategy with Shawn prior to engaging any law firm

NAVEX

- Duraco.ethicspoint.com is live for anonymous ethics violations reporting
- Investigating adding a NAVEX service (policy tech) to provide electronic tracking of policy deployment and training
- Investigating adding “gift” reporting through the ethics point tool to track gifts given and received

Governance Policies

- Policies have been sent to outside counsel for review and revision
- Currently operating under Essentra’s policies, which are sufficient for now
- Employee handbook is being sent to outside counsel for review

Audit and Tax

Purchase Accounting

- Received preliminary valuation report from VRC. Team is reviewing the details.
- Valuation currently shows \$14m of goodwill
- Baker Tilly working to finalize their purchase accounting report

2019 Audit

- Baker Tilly on site week of October 21 to complete interim audit of Q3; intended to reduce the amount of work required at year end
- Year end audit work will commence in Forest Park on January 28th
- Draft financial statements due to Duraco on Feb 21, 2020
- Final financial statements due to Duraco on Feb 28, 2020

Appendix

Commercial Updates to MOR

11/2019: Gross Margin changed to GVA

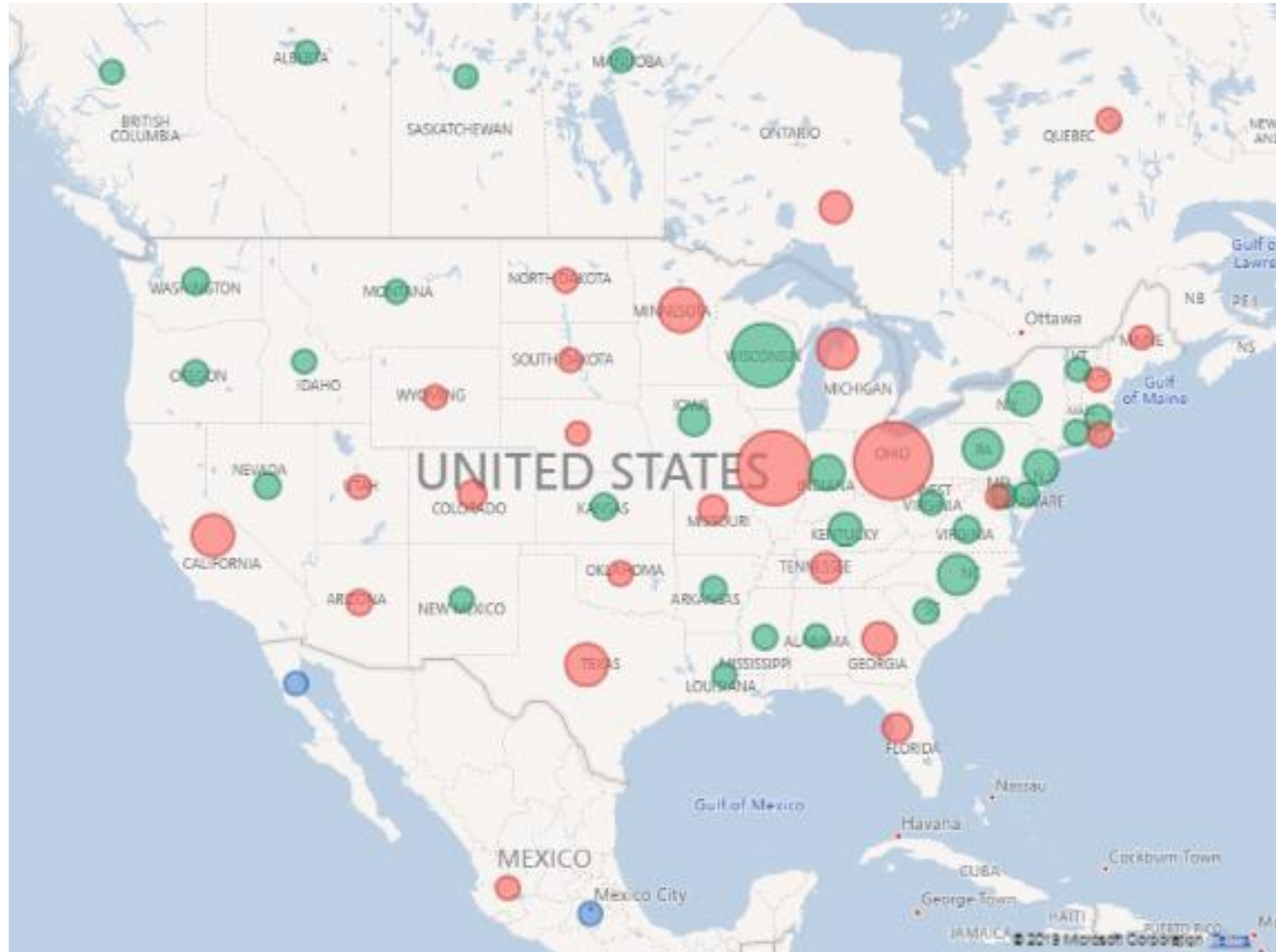
11/2019: Revenue on the commercial slides was adjusted to reflect quality of earnings:

- Added revenue to Essentra (except Essentra Nottingham)
- Increased revenue to Essentra prior to 07/01/2019 by 27% to reflect cost + 40%
- Removed sales of components sold to Whirlpool prior to 07/01/19
- Removed “Walgreens Tape” sales (item 503880)
- Added revenue of sales directly from Essentra Nottingham to Paroc
- Added revenue for the 7 Canadian customers that originally invoiced to Essentra Toronto

Sales by Geography

YTD SALES BY STATE AND YOY % CHANGE IN SALES

Size of the bubble = 2019 YTD sales; Red = decline vs. YTD PY; Green = growth vs. YTD PY; Based on delivered state



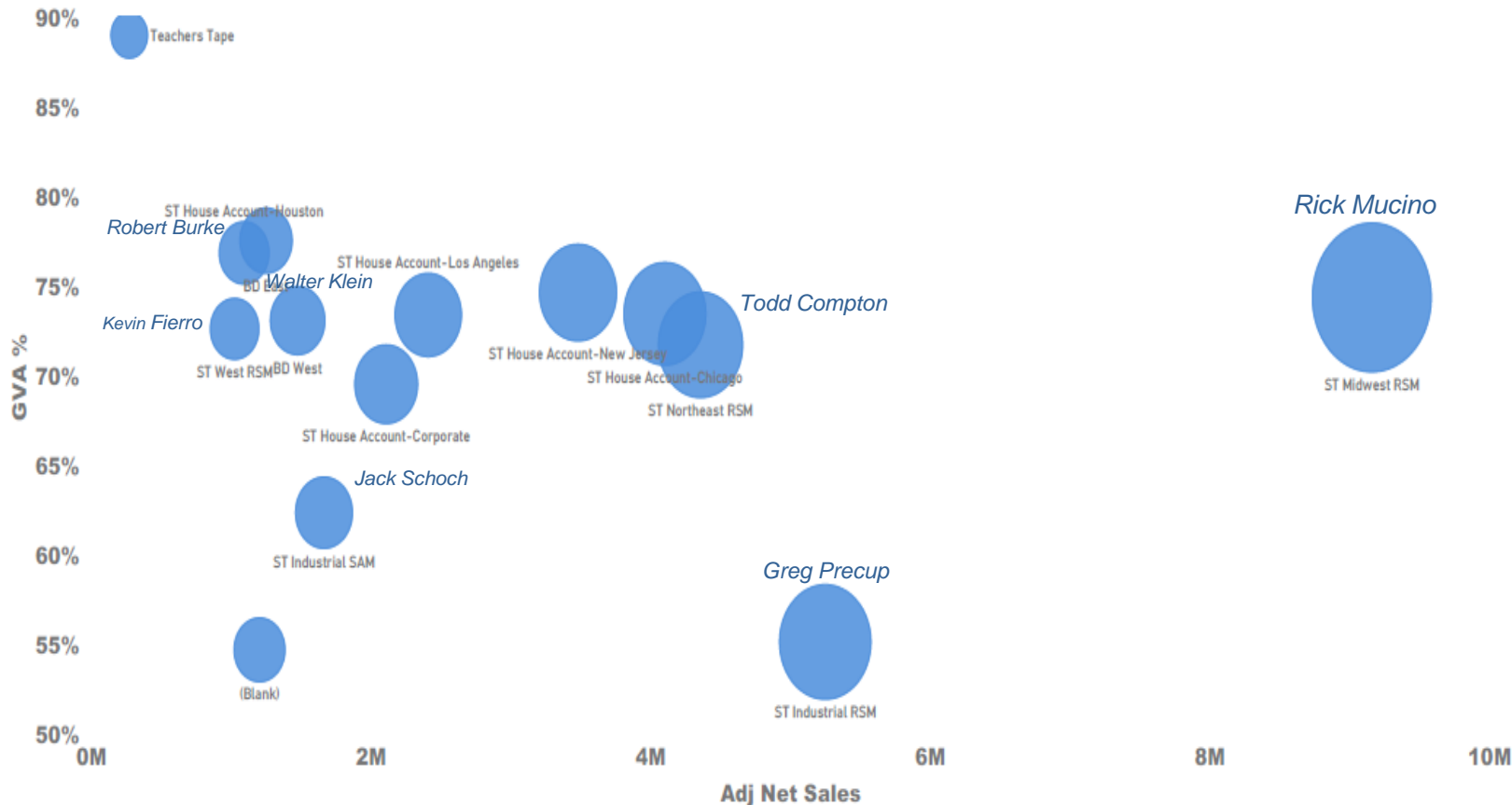
Management Discussion:

- Large POP accounts down in MN, WI, IL
 - Imagine, Menasha, K International, ARI Packaging
- Whirlpool primary manufacturing locations are Marion, Clyde & Cleveland, OH and Benton Harbor, MI
- Broad POP base down in California
 - 17 of Top 20 down POP accounts are supported by LA Service Center

Sales Rep Efficiency

SALES REP TRAILING THREE MONTHS

Net revenue contribution vs. Gross Margin



Management Discussion:

SmartVentures is assisting with a study of the sales and commercial functions

- Plan to address Sales group performance, go-to-market strategy, distribution channels, markets served, territory alignment, data metrics, pricing and discounting review, Sales group compensation, CRM, Sales operations, and Sales training program
- Action Plan and Road Map for implementation starting 2020

Details:

- Rick Mucino (Midwest) has the majority of large POP customers
- Greg Precup (Industrial / Appliance) supports Whirlpool and other appliance customers
- Kevin Fierro (West) – the volume is low for the greater geography
 - Duraco is underpenetrated in the Texas market...lack sales resource
- Todd Compton (Northeast) has a blend of POP & Other accounts, and supports Canada
- Jack Schoch (Industrial) managing small, lower margin accounts
- Teacher's Tape has untapped potential...working with SmartVentures

Sales Breakdown by Company and Segment

YTD Net Sales

Company	POP	White Goods	Industrial	Other	Total
61 - National	15,435K	4,085K	3,031K	2,211K	24,762K
62 - Midwest	2,863K		752K	815K	4,430K
66 - East	2,644K		253K	582K	3,479K
International	726K	309K	490K	1,128K	2,653K
64 - West	1,913K		334K	169K	2,416K
67 - Southwest	911K		73K	109K	1,093K
Total	24,492K	4,394K	4,933K	5,014K	38,833K

YTD Net Sales % of Total

Company	POP	White Goods	Industrial	Other	Total
61 - National	40%	11%	8%	6%	64%
62 - Midwest	7%		2%	2%	11%
64 - West	5%		1%	0%	6%
66 - East	7%		1%	1%	9%
67 - Southwest	2%		0%	0%	3%
International	2%	1%	1%	3%	7%
Total	63%	11%	13%	13%	100%

YTD GVA

Company	POP	White Goods	Industrial	Other	Total
61 - National	11,187K	2,152K	1,892K	1,475K	16,706K
62 - Midwest	2,074K		459K	640K	3,173K
64 - West	1,390K		204K	122K	1,715K
66 - East	1,916K		180K	377K	2,472K
67 - Southwest	674K		55K	80K	809K
International	504K	213K	229K	704K	1,650K
Total	17,745K	2,365K	3,019K	3,397K	26,526K

YTD GVA as % of Total

Company	POP	White Goods	Industrial	Other	Total
61 - National	42%	8%	7%	6%	63%
62 - Midwest	8%		2%	2%	12%
64 - West	5%		1%	0%	6%
66 - East	7%		1%	1%	9%
67 - Southwest	3%		0%	0%	3%
International	2%	1%	1%	3%	6%
Total	67%	9%	11%	13%	100%

Management Discussion:

YTD Sales Breakdown by Customer Size and Segment

YoY Net Sales

sales_tier	POP	White Goods	Industrial	Other	Total
<\$1,000	420K	5K	71K	74K	571K
<\$1,000 - \$15,000	-170K	-2K	-59K	-100K	-331K
\$15,000 - \$50,000	-703K	27K	-129K	-92K	-897K
\$50,000 - \$100,000	-114K	-39K	56K	104K	7K
\$100,000 - \$250,000	133K	200K	38K	-299K	72K
>\$250,000	-542K	-732K	-549K	-88K	-1,912K
Other	336K	19K	-40K	730K	1,045K
Total	-641K	-522K	-612K	329K	-1,445K

YoY % Change in Net Sales

sales_tier	POP	White Goods	Industrial	Other	Total
<\$1,000	94 %	319 %	97 %	32 %	76 %
<\$1,000 - \$15,000	-4 %	-5 %	-7 %	-23 %	-6 %
\$15,000 - \$50,000	-15 %	12 %	-12 %	-19 %	-14 %
\$50,000 - \$100,000	-3 %	-100 %	5 %	34 %	0 %
\$100,000 - \$250,000	3 %	37 %	4 %	-51 %	1 %
>\$250,000	-7 %	-18 %	-44 %	-5 %	-13 %
Other	237 %	Infinity	-28 %	85 %	91 %
Total	-3 %	-11 %	-11 %	7 %	-4 %

YoY GVA

sales_tier	POP	White Goods	Industrial	Other	Total
<\$1,000	332K	3K	53K	63K	451K
<\$1,000 - \$15,000	-130K	-2K	-52K	-72K	-256K
\$15,000 - \$50,000	-580K	16K	-90K	-48K	-702K
\$50,000 - \$100,000	-97K	-43K	-4K	76K	-68K
\$100,000 - \$250,000	127K	106K	17K	-205K	45K
>\$250,000	-244K	-424K	-198K	-98K	-964K
Other	201K	13K	-15K	573K	773K
Total	-390K	-332K	-289K	289K	-721K

YoY % Change in GVA

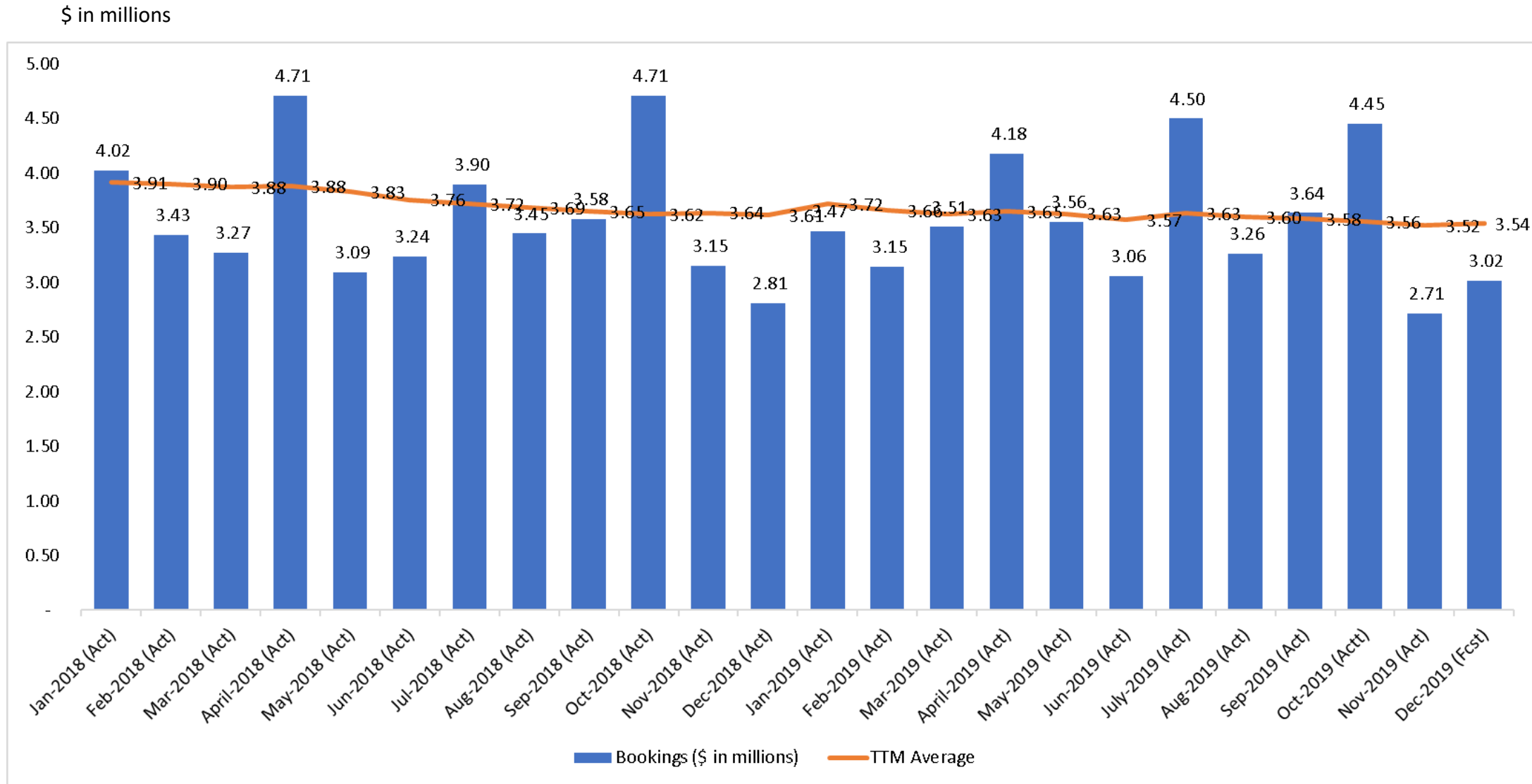
sales_tier	POP	White Goods	Industrial	Other	Total
<\$1,000	101 %	257 %	96 %	35 %	80 %
<\$1,000 - \$15,000	-4 %	-10 %	-8 %	-22 %	-6 %
\$15,000 - \$50,000	-17 %	10 %	-12 %	-16 %	-15 %
\$50,000 - \$100,000	-4 %	-100 %	-1 %	35 %	-2 %
\$100,000 - \$250,000	4 %	39 %	3 %	-53 %	1 %
>\$250,000	-4 %	-19 %	-38 %	-9 %	-10 %
Other	183 %	Infinity	-20 %	90 %	94 %
Total	-2 %	-12 %	-9 %	9 %	-3 %

Management Discussion:

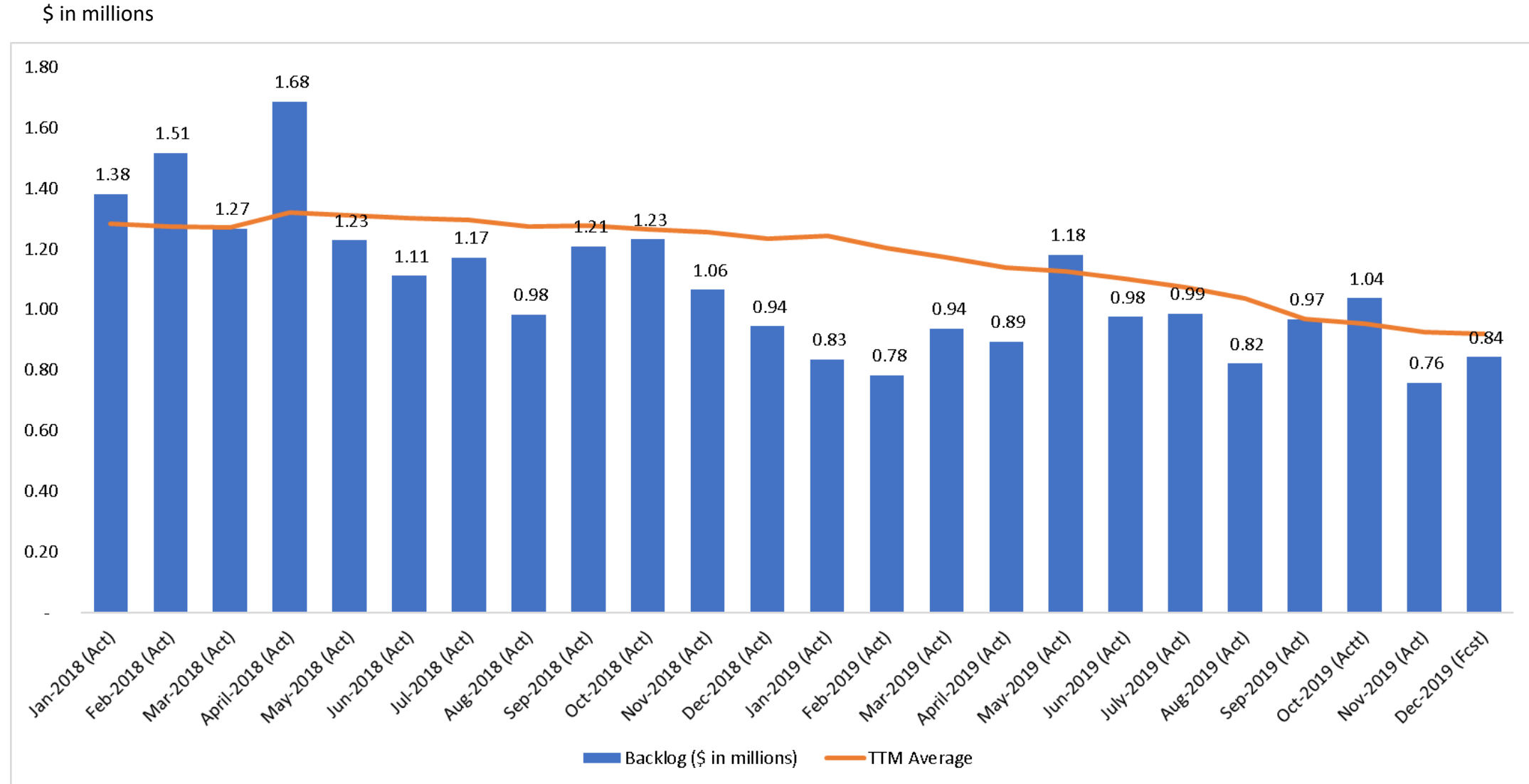
Monthly Cash Flow

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Variance		PY	Variance	
\$'000	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ 300	\$ 575	\$ 1,075	\$ 704	\$ 1,024	\$ 795	\$ 61	\$ 187	\$ 87	\$ 462	\$ (61)	\$ (256)	\$ 4,952	\$ 7,303	\$ (2,351)	(32.2%)	\$ -	\$ 4,952	
Depreciation, amortization and other	205	204	204	197	198	169	236	202	202	201	200	202	2,419	2,553	(134)	(5.2%)	-	2,419	
Capitalized fees & expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash interest expense	0	1	4	-	-	18	294	299	279	258	268	294	1,716	-	1,716		-	1,716	
Non-cash dividends	20	14	21	(1,190)	(1,564)	(2)	-	-	-	-	-	-	(2,702)	-	(2,702)		-	(2,702)	
Deferred income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in operating assets and liabilities:																	\$ -		
Accounts receivable	29	(286)	34	64	(804)	643	105	(436)	(454)	(28)	186	785	(163)	-	(163)		-	(163)	
Inventory	30	(81)	82	223	182	88	30	95	136	(279)	37	(117)	427	-	427		-	427	
Prepaid expenses and other current assets	(113)	(468)	(421)	4,466	(880)	644	(268)	(33)	120	(263)	242	137	3,164	-	3,164		-	3,164	
Accounts payable	(1,533)	442	15	(350)	170	172	(3)	101	(66)	303	(359)	(48)	(1,156)	-	(1,156)		-	(1,156)	
Accrued expenses	151	(42)	(303)	(12)	101	61	111	61	178	42	65	89	501	-	501		-	501	
Accrued income taxes	244	64	(308)	(5,892)	-	-	35	82	31	171	12	(110)	(5,671)	-	(5,671)		-	(5,671)	
Other changes in operating assets and liabilities	-	-	-	858	(858)	(26,451)	-	-	(32)	-	-	-	(26,484)	-	(26,484)		-	(26,484)	
Other cash flow from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flow from Operations	\$ (667)	\$ 424	\$ 404	\$ (932)	\$ (2,431)	\$ (23,864)	\$ 601	\$ 556	\$ 480	\$ 865	\$ 591	\$ 975	\$ (22,997)	\$ 9,856	\$ (32,853)	(333.3%)	\$ -	\$ (22,997)	
Cash flow from investing																			
Additions to property, plant and equipment	\$ (183)	\$ (20)	\$ 2	\$ 547	\$ 1,564	\$ (7)	\$ -	\$ 0	\$ (50)	\$ (66)	\$ (228)	\$ (368)	\$ 1,191	\$ -	\$ 1,191		\$ -	\$ 1,191	
Acquisitions of companies, net of cash acquired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnout payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other cash flow from investing (goodwill)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flow from Investing	\$ (183)	\$ (20)	\$ 2	\$ 547	\$ 1,564	\$ (7)	\$ -	\$ 0	\$ (50)	\$ (66)	\$ (228)	\$ (368)	\$ 1,191	\$ -	\$ 1,191		\$ -	\$ 1,191	
Cash flow from financing																			
Proceeds from the issuance (repayment) of ST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from the issuance of debt	-	-	-	-	-	42,474	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of debt	-	-	-	-	-	-	-	-	-	(1,987)	-	(1,104)	(3,091)	-	(3,091)		-	(3,091)	
Capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock issued (repurchased)	-	-	-	(235)	174	(16,180)	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock cash dividends paid	-	-	-	-	-	(3,600)	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred stock issued (repurchased)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other cash flow from financing costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flow from Financing	\$ -	\$ -	\$ -	\$ (235)	\$ 174	\$ 22,694	\$ -	\$ -	\$ -	\$ (1,987)	\$ -	\$ (1,104)	\$ 19,543	\$ -	\$ 19,543		\$ -	\$ 19,543	
Effect of FX rates on cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in cash	\$ (850)	\$ 404	\$ 406	\$ (619)	\$ (693)	\$ (1,177)	\$ 601	\$ 556	\$ 430	\$ (1,188)	\$ 363	\$ (496)	\$ (2,263)	\$ -	\$ (2,263)		\$ -	\$ (2,263)	
Beginning cash	3,295	2,444	2,848	3,254	2,635	1,943	765	1,366	1,922	2,353	1,165	1,528	3,295	-	3,295		-	3,295	
Change in cash	(850)	404	406	(619)	(693)	(1,177)	601	556	430	(1,188)	363	(496)	(2,263)	-	(2,263)		-	(2,263)	
Ending cash	\$ 2,444	\$ 2,848	\$ 3,254	\$ 2,635	\$ 1,943	\$ 765	\$ 1,366	\$ 1,922	\$ 2,353	\$ 1,165	\$ 1,528	\$ 1,031	\$ 23,255	\$ -	\$ 23,255		\$ -	\$ 23,255	

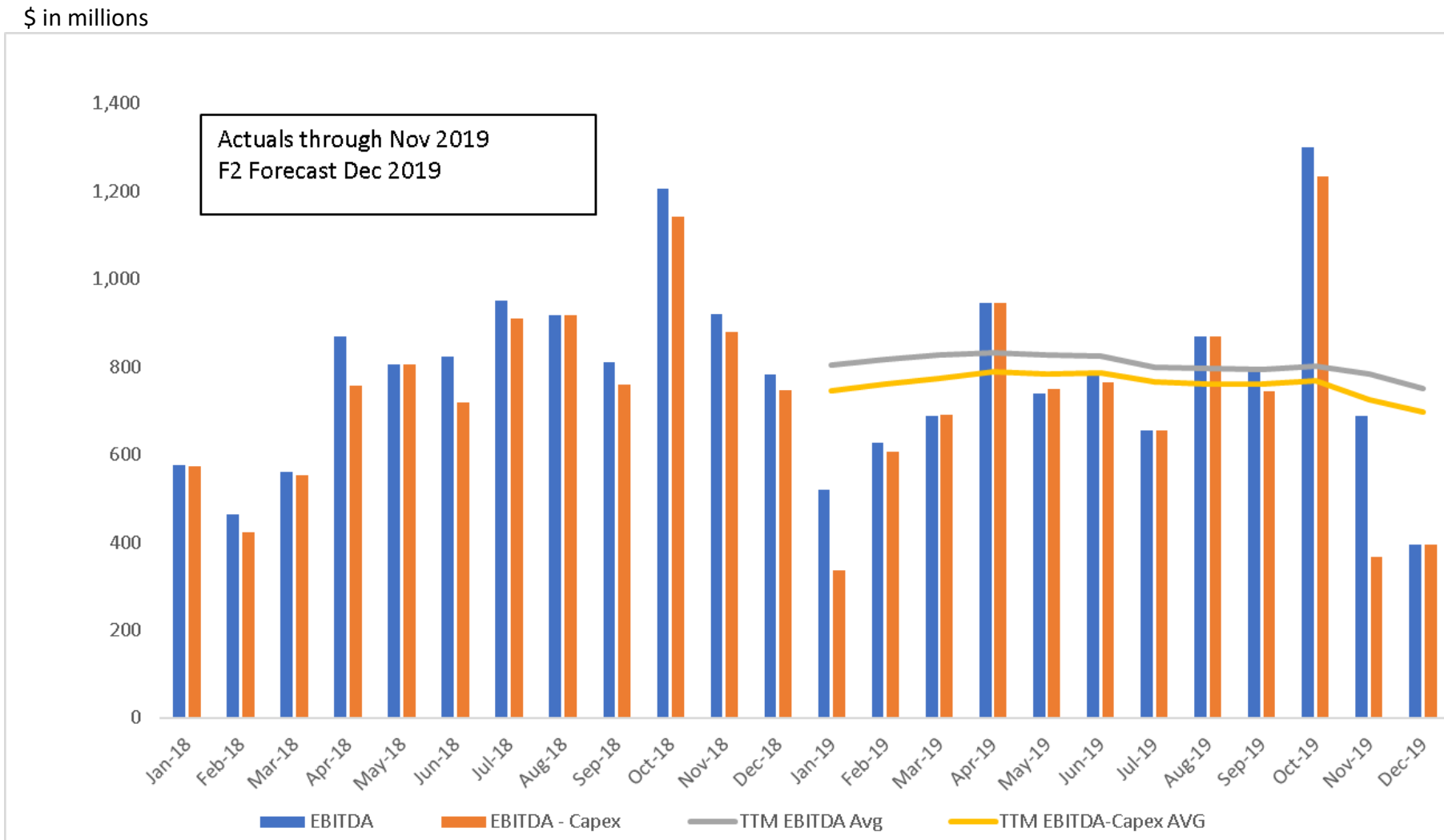
Trended Monthly Bookings (23 month act + 1 month fcst)



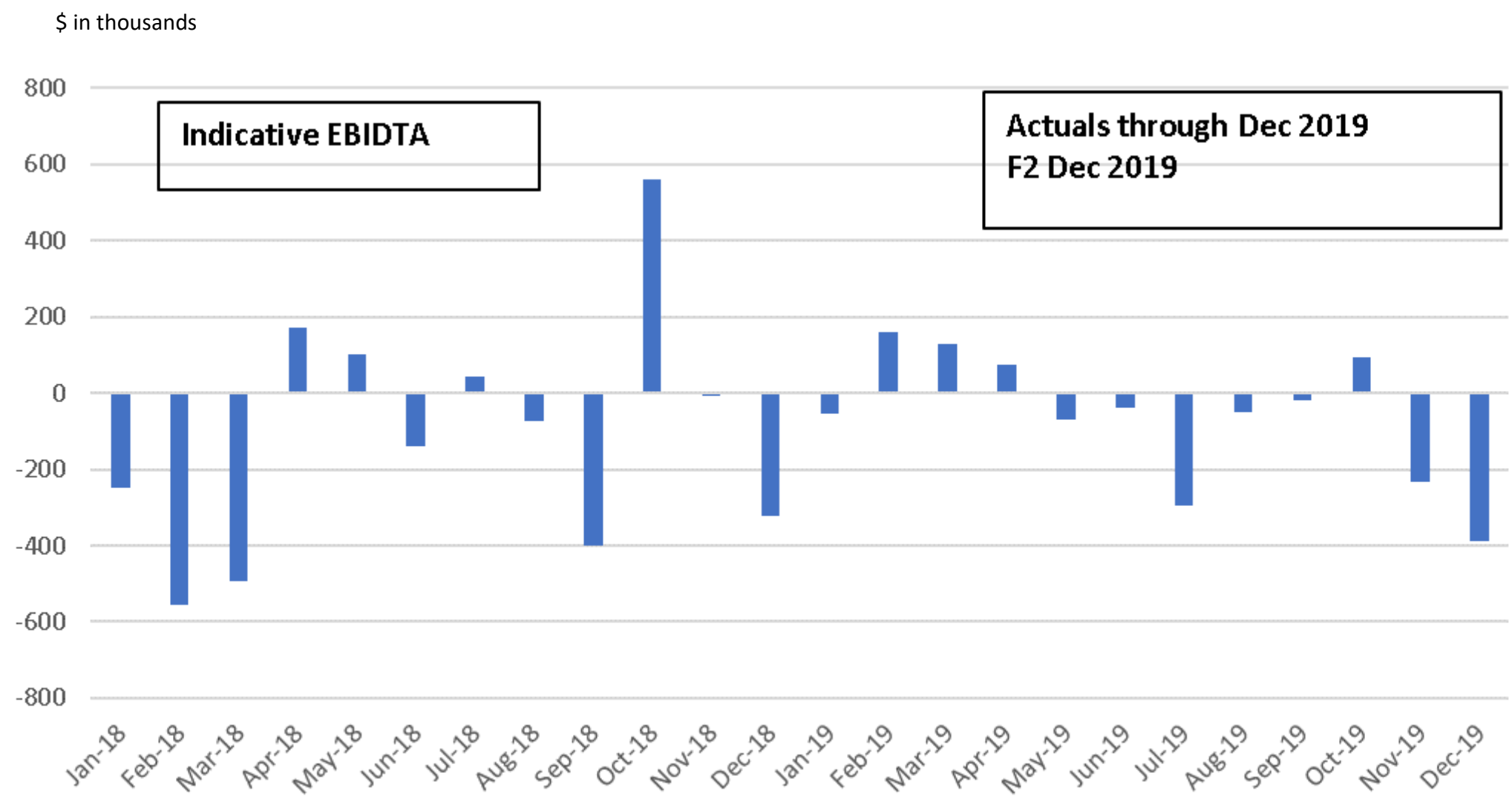
Trended Monthly Backlog (23 month act + 1 month fcst)



EBITDA and EBITDA-CapEx

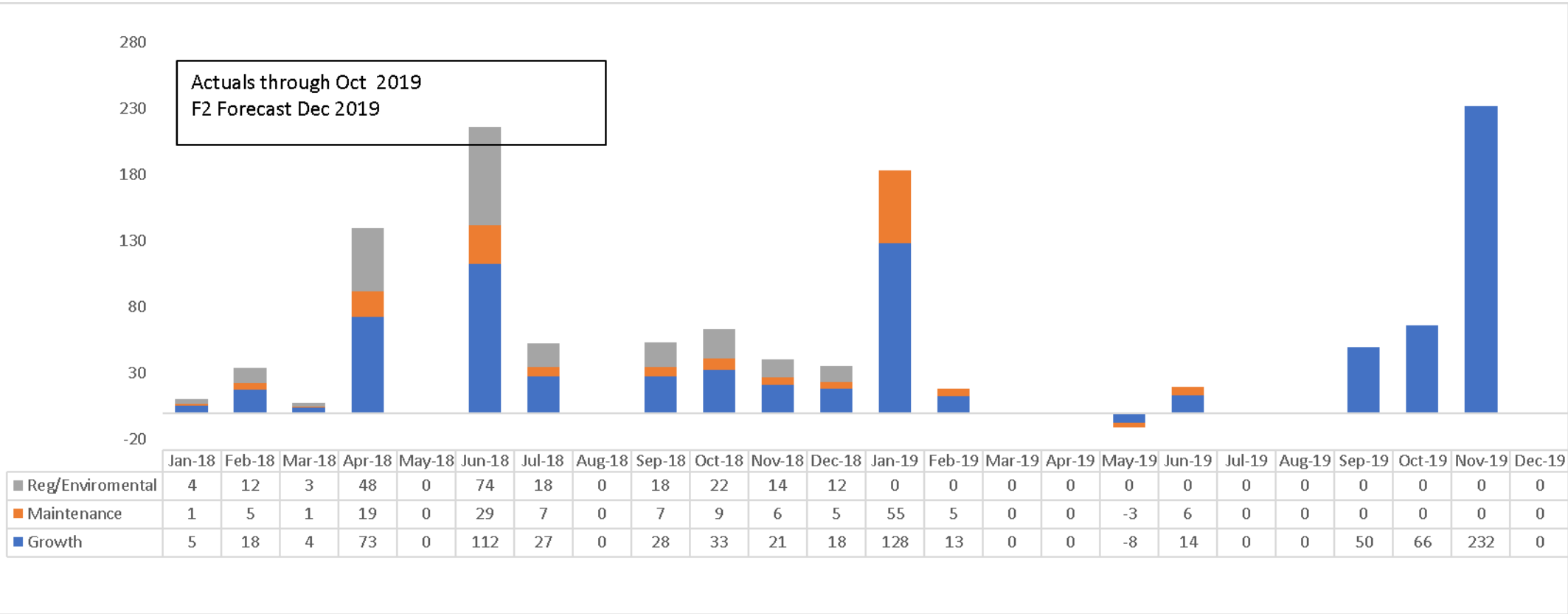


Y-o-Y \$ EBITDA Change

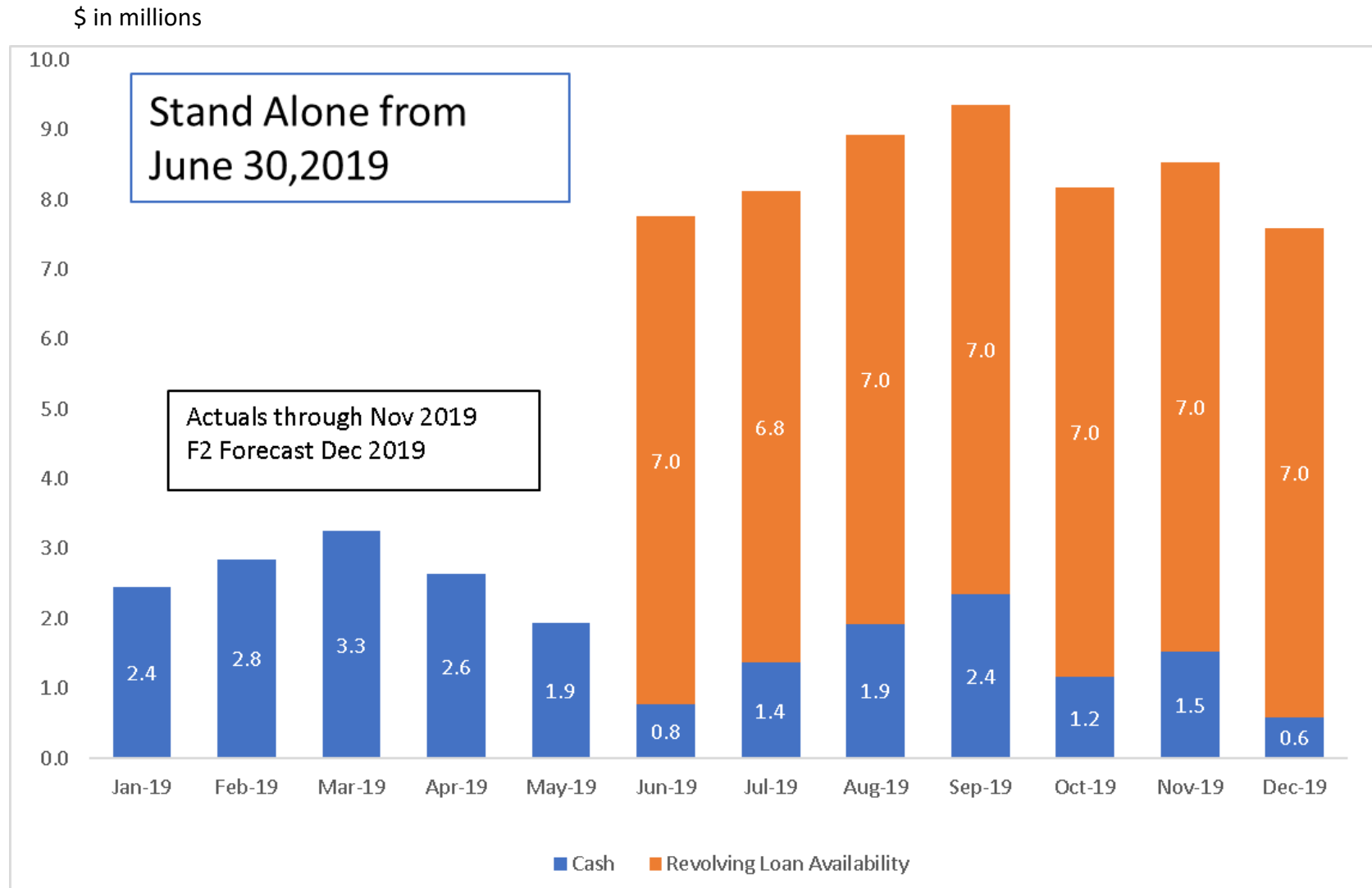


Capital Expenditures

\$ in thousands



Liquidity Forecast



Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	HIRES	INVOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	77	-	1	-	77
Operations - Hourly	7	-	-	-	7
Operations - Salary	20	-	-	-	20
Research & Development	2	-	-	-	2
Sales & Marketing	27	1	5	-	23
Administrative	10	-	-	-	10
Other	-	-	-	-	-
Agency FTE & Temps	-	-	-	-	-
Total Headcount	144	1	6	-	139

NOTE: Turnover trend remains below monthly target of 1%

Headcount Trending by Month

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sept-19	Oct-19	Nov-19	Dec-19
Direct Labor	78	78	77	77	78	78	78	78	77	78	77	78
Operations - Hourly	6	6	6	7	7	7	7	7	7	7	7	7
Operations - Salary	18	18	18	18	19	19	20	20	20	20	20	20
Research & Development	2	2	2	2	2	2	2	2	2	2	2	2
Sales & Marketing	23	22	23	23	24	23	24	24	26	27	23	32
Administrative	7	7	7	7	7	7	7	8	10	10	10	14
Other	-	-	-	-	-	-	-	-	-	-	-	-
Agency FTE & Temps	-	-	-	1	1	1	1	-	-	-	-	-
Total Headcount	134	133	133	135	138	137	139	139	142	144	139	153

Management Discussion

Roles Added by EOY:

- Sales: Customer Service Rep, Regional Sales Manager (2), VP Sales
- Administrative: AP Specialist, AR Specialist, HR Generalist

Transit Packaging Dimensional Mailer

OVERVIEW

Product

- 4581 Dry Edge

Target Audience

- Packaging SIC Codes
- 2631 – Paperboard Mills
- 2652 – Setup Paperboard Boxes
- 2653 – Corrugated & Solid Fiber Boxes
- 5113 – Industrial & Personal Service Paper
- Existing Customers- purchased since Jan 2017
- DK Film
- Finger Lift

Total Audience Reach

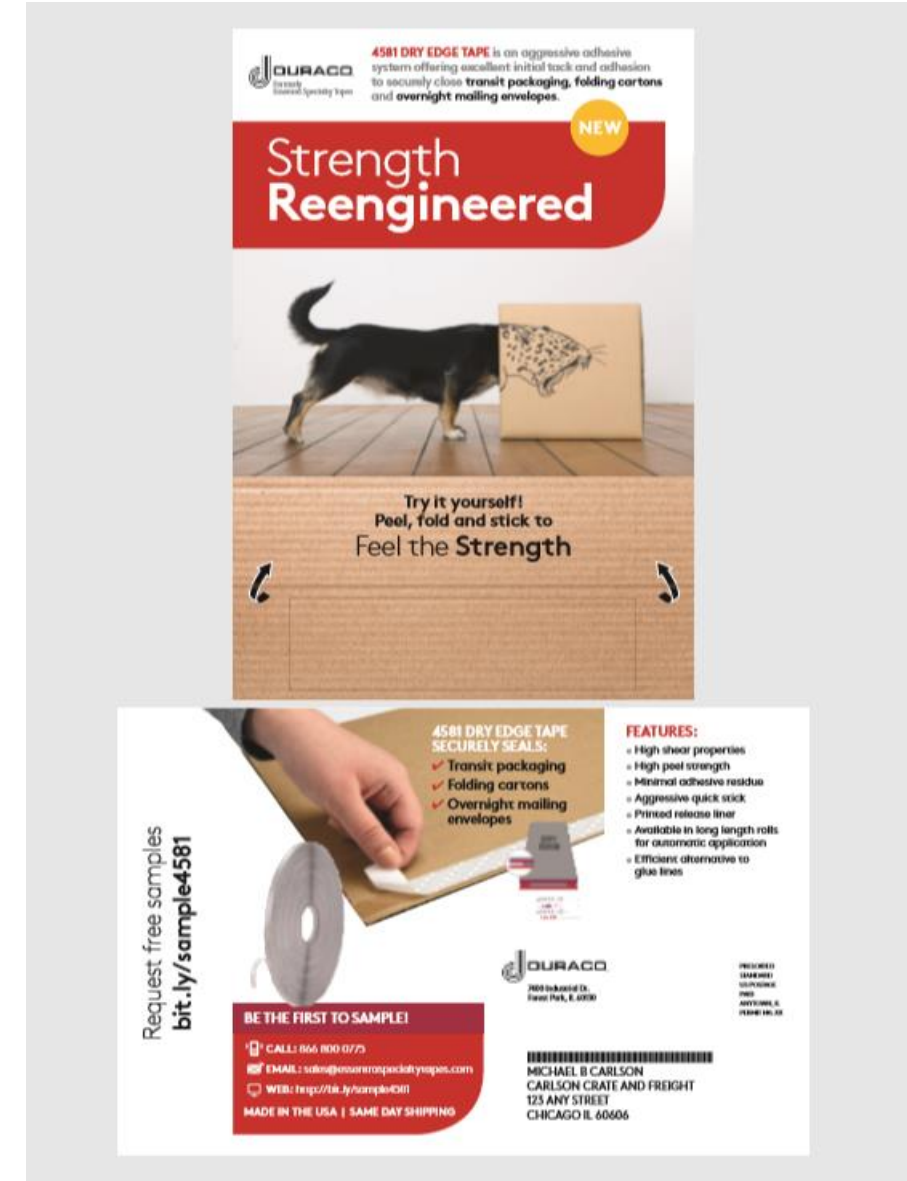
- 7,429

CTA (Call to Action):

- Request free samples

Messaging:

- Strength Reengineered – 4481 on steroids
- Perfect for packaging, strong for overnight & international packaging



Marketing Workstream

The main focal points can be broken up into 3 categories

Project Highlight included *in appendix*

Brand Transition (July 2019 – October 2019)

- Update logo and brand colors on all key touchpoints
 - *Current website, product literature, sample kits, corporate documents + assets, presentations, exterior signage, interior signage*
- Transition of processes and services from Essentra to Duraco
 - *Email marketing platform, lead upload process, MSS training + website management, shared account transfers*
- Communications (External + Internal)

Brand Refresh (July 2019 – April 2019)

- Brand Strategy (Mission, Vision, Messaging, Positioning, Narratives)
- Brand Identity (Brand Style Guide)
- New Website
- 2019/2020 Product Catalog

Marketing Strategy (July 2019 – December 2020)

- Develop 2019/2020 Marketing Plan around strategic pillars + initiatives
- Determine and execute key Initiatives + action items
- Determine KPI's
- Execute on 2019 focal points

Understanding Marketing Growth

WE STRIVE TO ACHIEVE THE FOLLOWING QUANTIFIABLE IMPACTS + OUTPUTS

- **Marketing Intelligence**
 - Data and knowledge outputs
 - Buyer Persona profiles
 - Market map (SIC + Industry Opportunities)
 - Market/Industry analysis
 - Product analysis by market
- **Lead + Customer Acquisition**
 - Increase in leads (compared to current lead volume)
 - Increase in SAL's
 - Increase in sales from marketing leads
 - Increase in new customers from marketing leads
 - Understand impact and performance of each channel (attribution project)
 - Increase web revenue
- **Analytics + Attribution**
 - Dashboard creation
 - Understand impact and performance of each channel (attribution initiative)
 - Consistent reporting and analyzation
 - Decisions + actions made from analyzation
 - Increase in conversions based on analyzation (CRO)
- **Sales Enablement**
 - Decrease in the lead to open prospect ratio
 - Decrease in the lead to canceled ratio
 - Increase in marketing qualified leads
 - Increase in sales accepted leads
 - Increase content creation and usage
 - Increase in prospects turning into customers from lead nurturing
- **User Experience + Customer Experience**
 - Website launch
 - Brand book/guidelines
 - Enhanced NPS scores
 - Positive customer surveys
 - Positive customer reviews
- **eCommerce Optimization**
 - Increase in ecommerce sales
 - Increase in ecommerce sales with current customers
 - Increase in ecommerce sales through third party ecommerce distributors

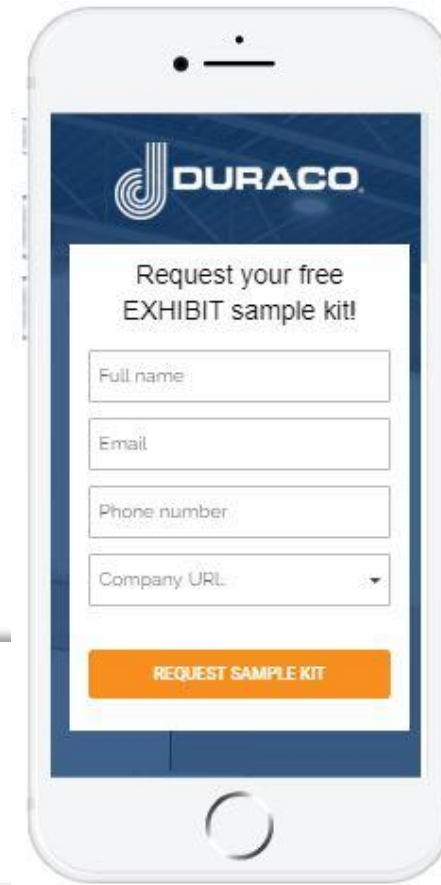
Q4 Integrated Marketing Communications Calendar

VERTICAL	PRODUCT FOCUS	PRODUCT MESSAGING	MEDIA MIX
POP	Remo One Plus 4581 (All)	<ul style="list-style-type: none"> Product Messaging: Use for Holiday displays, our tape can sustain countless restocks Tagline: Tis the season to stick 	<ul style="list-style-type: none"> Direct Mail Ad Shop! (Print ad, Sponsored Webinar, In-Email Ad) Google AdWords Social Media (Facebook, Instagram, LinkedIn) Design: Retail (Digital banners, eBlast) Facebook Sponsored Ad LinkedIn Sponsored Ad Taboola Ad Live Intent (In-Email Ad)
Print	4581 Fingerlift	<ul style="list-style-type: none"> Product Messaging: use our tape to hold up your signage, reliability Tagline: Strength Reengineered 	<ul style="list-style-type: none"> Direct Mail Ad Google AdWords Printing Impressions Social Media (Facebook, Instagram, LinkedIn) Facebook Sponsored Ad LinkedIn Sponsored Ad
Transit Packaging	4581 Dry Edge	<ul style="list-style-type: none"> Product Messaging: Strength, Optimization, Seal Reliability Tagline: Strength Reengineered 	<ul style="list-style-type: none"> Direct Mail Ad Google AdWords Social Media (Facebook, Instagram, LinkedIn) Boxscore (Digital banners, In-email ad) Facebook Sponsored Ad Taboola Ad Live Intent In-Email Ad LinkedIn Sponsored Ad
Industrial	Duraco High Bond	<ul style="list-style-type: none"> Product Messaging: Replacing screws, fasteners with DHB. Tagline: Many Applications. One Solutions 	<ul style="list-style-type: none"> Google AdWords Social Media (Facebook, Instagram, LinkedIn) LinkedIn Sponsored Ad Facebook Sponsored Ad Taboola Ad Live Intent In-Email Ad
Education	Teacher Tape	<ul style="list-style-type: none"> Product Messaging: Use teachers tape to replace residue or damage with tacks, goo, etc. Tagline: We've Got Your Back. Decorate Damage Fee. 	<ul style="list-style-type: none"> Learning Magazine Social Media (Facebook, Instagram, LinkedIn) Google AdWords Facebook Sponsored Ad LinkedIn Sponsored Ad

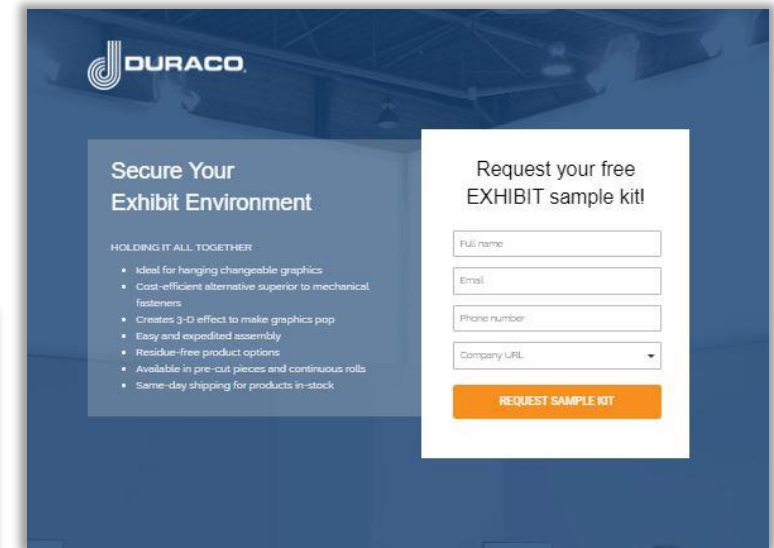
Lead Flow

EXHIBIT CAMPAIGN

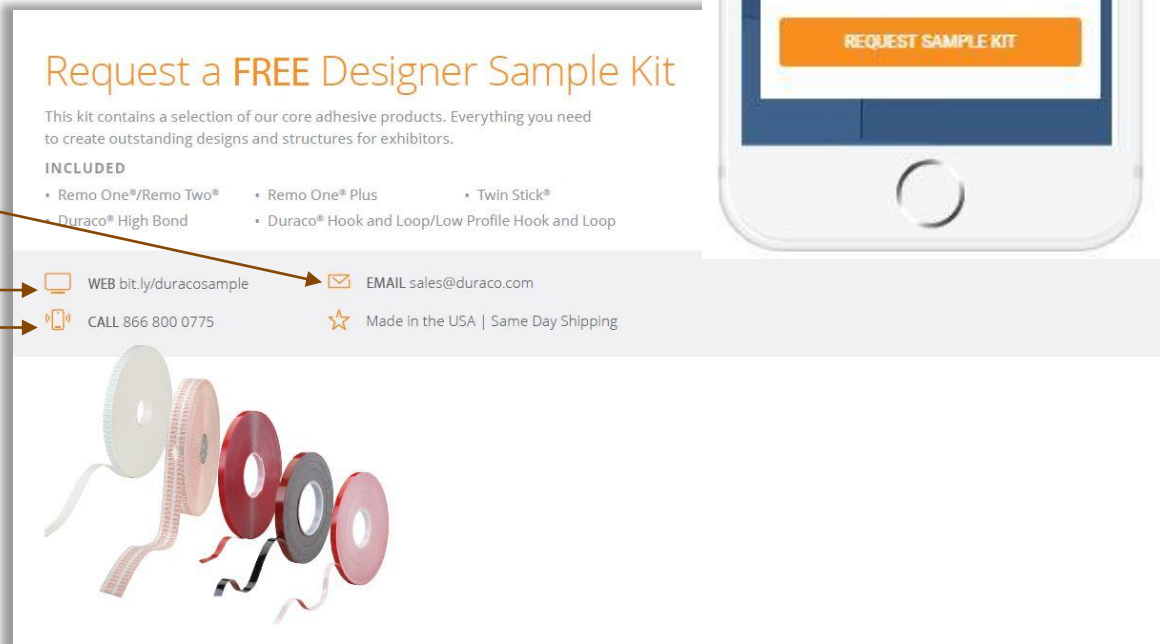
- How will leads flow to you?
 - Phone
 - Email
 - Form Fill on Landing Page
 - These leads will be distributed by Inside Sales Manager
 - Comment:



The smartphone screen displays the Duraco logo at the top. Below it, the text reads "Request your free EXHIBIT sample kit!". There are four input fields: "Full name", "Email", "Phone number", and "Company URL" (with a dropdown arrow). At the bottom is an orange button labeled "REQUEST SAMPLE KIT".



The desktop layout features the Duraco logo and a background image of an exhibit. On the left, a section titled "Secure Your Exhibit Environment" lists benefits: "Ideal for hanging changeable graphics", "Cost-efficient alternative superior to mechanical fasteners", "Creates 3-D effect to make graphics pop", "Easy and expedited assembly", "Residue-free product options", "Available in pre-cut pieces and continuous rolls", and "Same-day shipping for products in-stock". On the right, a white box contains the form "Request your free EXHIBIT sample kit!" with the same input fields and orange "REQUEST SAMPLE KIT" button as the mobile version.



The desktop layout features the Duraco logo and a background image of an exhibit. On the left, a section titled "Request a FREE Designer Sample Kit" describes the kit's contents. Below this, a table lists the included products: Remo One®/Remo Two®, Remo One® Plus, Twin Stick®, Duraco® High Bond, and Duraco® Hook and Loop/Low Profile Hook and Loop. At the bottom, there are four contact options: a web link (bit.ly/duracosample), an email address (sales@duraco.com), a phone number (866 800 0775), and a note about being made in the USA with same-day shipping. Arrows point from the "Request your free EXHIBIT sample kit!" text on the smartphone and the "Request your free EXHIBIT sample kit!" text on the desktop to the contact information section.



Call to Action: Sales Sheet/Sample Kit



Secure Your Exhibit Environment

- ✓ Changeable Graphics
- ✓ Alternative to Mechanical Fasteners
- ✓ Removable and Permanent Products

- Ideal for hanging changeable graphics
- Cost-efficient alternative superior to mechanical fasteners
- Creates 3-D effect to make graphics pop
- Easy and expedited assembly
- Residue-free product options
- Available in pre-cut pieces and continuous rolls
- Same-day shipping for products in-stock



duraco.com | sales@duraco.com | 866.800.0775



Perform Beyond Expectation

Duraco offers a full line of permanent and removable adhesives essential for holding together displays or structures. Our specialty tapes make for easy application that provide an aggressive stick on surfaces such as: wood, metal, plastic, corrugated cardboard and glass. Equip your booths with our customized solutions.

CHANGEABLE GRAPHICS/TEMPORARY DISPLAY

- Remo One®
- Remo One® Plus
- Remo Two®
- Remo One® Film
- Duraco® Hook and Loop
- Duraco® Hook and Loop Low Profile

PERMANENT DISPLAY

- Twin Stick®
- Thick Twin Stick®
- Duraco® High Bond
- Dubl Kote®
- DK Film
- Duraco® Red



NEED QUICK TURNAROUND?

Duraco manufactures in-house, providing the convenient service of same-day shipping and on-site tape experts. Contact us today.

duraco.com | sales@duraco.com | 866.800.0775

[in](#) [f](#) [t](#) [@](#)

Call to Action: Sales Sheet/Sample kit

What is in the kit?

- ✓ Twin Stick®
- ✓ Remo One®
- ✓ Remo Two®
- ✓ Remo One® Plus
- ✓ Duraco® High Bond
- ✓ Duraco® Hook and Loop
- ✓ Low Profile Hook and Loop

Part # 542814



Duraco® Exhibit Sample Kit

Contains:

- Twin Stick®
- Remo One®
- Remo Two®
- Remo One® Plus
- Duraco® High Bond
- Duraco® Hook and Loop
- Low Profile Hook and Loop

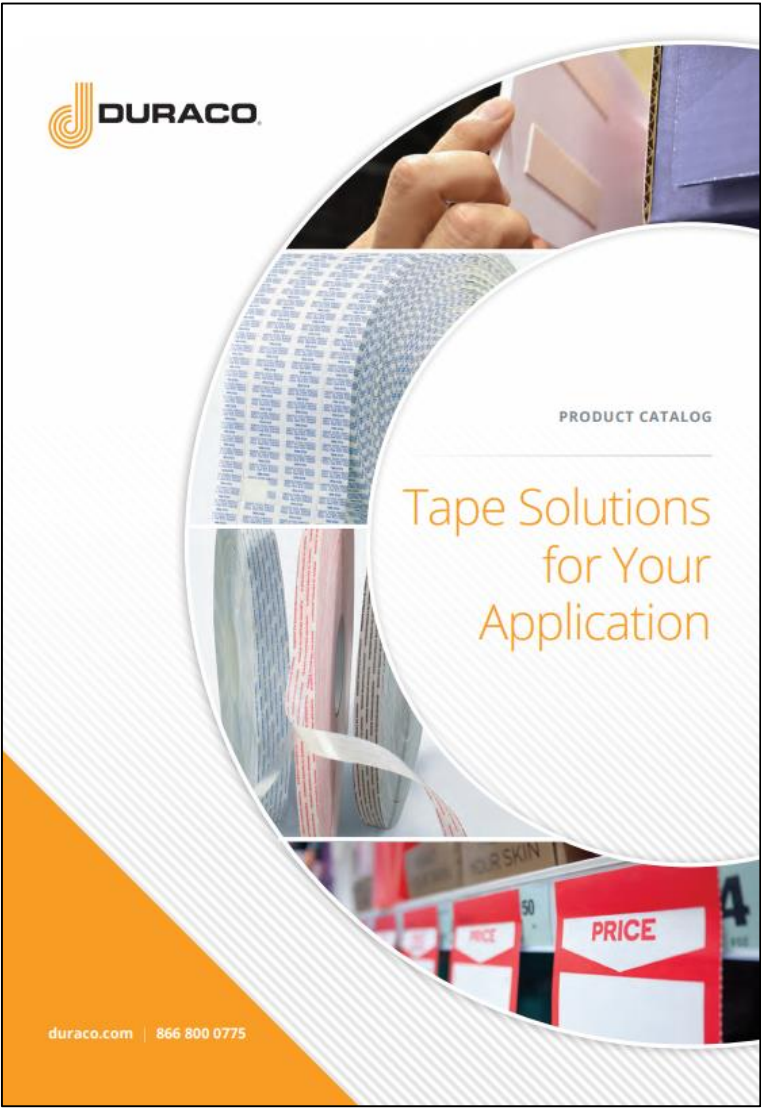
*Available in Different Thicknesses,
Sizes and Pre-Cut Pieces on a Roll*

Call today to order!
866 800 0775
duraco.com

Part # 542814



New Product Catalog



POP/Print Direct Mailer

OVERVIEW

Product

- 4581 DE, FL and EE

Target Audience

- POP/Print/Signage SIC Codes
- 3993 - SIGNS & ADVERTISING SPECIALTIES
- 7312 - OUTDOOR ADVERTISING SERVICES
- 7336 - COMMERCIAL ART & GRAPHIC DESIGN
- 2752 - COMMERCIAL PRINTING-LITHOGRAPHIC
- 2759 - COMMERCIAL PRINTING NEC
- 2761 - MANIFOLD BUSINESS FORMS
- 2542 - OFFICE & STORE FIXTURES EXCEPT WOOD
- 2621 - PAPER MILLS
- 2671 - PACKAGING PAPER & PLASTICS FILM-COATED
- And more!
- Existing Customers - purchased since Jan 2017
- Dubl Kote
- Twin Stick

Total Audience Reach:

- 92,609

CTA (Call to Action):

- Request free samples

Messaging:

- Imagine the possibilities

Be the first to sample!

CALL: 888 500 5805
EMAIL: sales@essentraspecialtytapes.com
WEB: bit.ly/4581samples
SAME DAY SHIPPING
Made in the USA

DURACO
Formerly
Essentra Specialty Tapes
1400 W. Industrial Drive
Forest Park, IL 60130

PRODUCE/ SIGNAGE/ OUTDOOR/ POSTAGE/ AND/ PRINTING/ TRUCK/ CARDS/ STICKER/ IL

Imagine the possibilities

4581 Adhesive System NEW
Strength Reengineered

4581 Adhesive System NEW

Essentra's 4581 is an aggressive adhesive system offering excellent initial tack and adhesion.

FEATURES

- High shear properties
- High peel strength
- Aggressive quick stick
- Minimal adhesive residue
- Printed release lines
- Available in long length rolls for automatic application
- Efficient alternative to glue lines

APPLICATIONS

- POP displays
- Posters/Signage

A solution for every application

4581 Dry Edge
4581 Finger Lift
4581 Edge to Edge

POP CODE
FINGER LIFT
EDGE TO EDGE


Q4 Creative + Ads




Securely seal anything in transit.

DURACO

Discover 4581 Tape



Specialty Tapes




PERFORMS BEYOND EXPECTATION

Securing Your Exhibit Environments

- Tape ideal for changeable graphics
- Cost-efficient alternative superior to mechanical fasteners
- Creates 3D effect to make graphics pop
- Easy and expedited assembly
- Residue-free product options
- Available in pre-cut pieces and continuous rolls
- Same-day shipping for products in-stock

duraco.com 888 500 5805



Securely seal anything in transit.

Discover 4581 Tape

DURACO



The Look You Want,
The Strength You Need



Experience a bond that is superior to screws and rivets with the aesthetic appeal.

DISCOVER DHB TAPE



Smooth sides. Light load.



Experience a high performance alternative to screws and rivets that absorb and isolate shock and vibration.

DISCOVER DHB TAPE





Thank You