Hufcor, Inc. Quarterly Financial Review

Quarter Ended December 31, 2019

January 27, 2020

HUFCOR

HUFCOR Executive Summary

1. Overall focus remains on building the team accounting & finance team while supporting the transformational improvements in Janseville production capacity/efficiency in preparation for increased commercial opportunities in 2H 2020.
    - Jared Franz hired as Corporate Controller in January 2020 – to be based in Dallas Corporate Facility
    - Search underway for Director of FP&A (Dallas-based) while remaining team is assessed for go-forward roles
2. Preliminary financial restatement completed; final restatement to be completed in conjunction with 2019 audit process
3. Numerous major initiatives planned for accounting & finance organization over 2020 to improve speed & accuracy of information

Management Summary Commentary on 2019 Full Year Results:

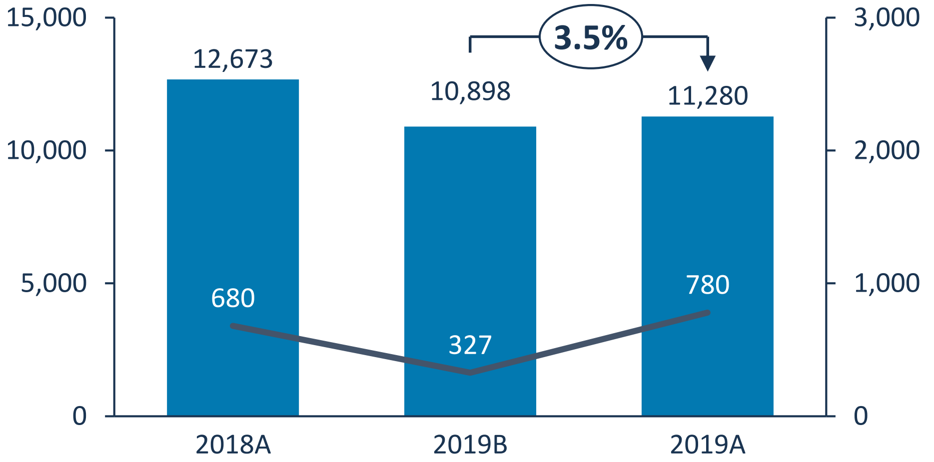
- Financial performance exceeded expectations in Q4 and for the full year 2019.
- Strong revenue growth in both domestic and international divisions, driven by large projects
    - Domestic Revenue increased 8.7% vs 2018
    - International Revenue increased 7.6% vs 2018
- Positive results in the 4th Quarter with Physical Inventory (Physical Inventory, resulted in only $372k net adjustment after write-off & purge), performance of the self-insured health plan & the confirmation of proper reserve levels as part of financial restatement
- Gross profit margins improved, primarily through Domestic material % declines, net of increases in labor and International material increases, as well as warranty cost increases in Domestic operations due to quality issues
- Administrative expenses increased with elevated Bad Debt and Consultant expenses given operational turnaround, as well as gradual addition of FTE's to build the team
- FYE 2019 Bank EBITDA of >$11 mm and covenant compliance (with likelihood to revise upward following audit adjustments)
- **<u>Pro Forma Adjusted EBITDA for FYE 2019 of $8.5 million, which accounts for required 2020 hires, is baseline to measure against 2020 AOP</u>**

Section 1

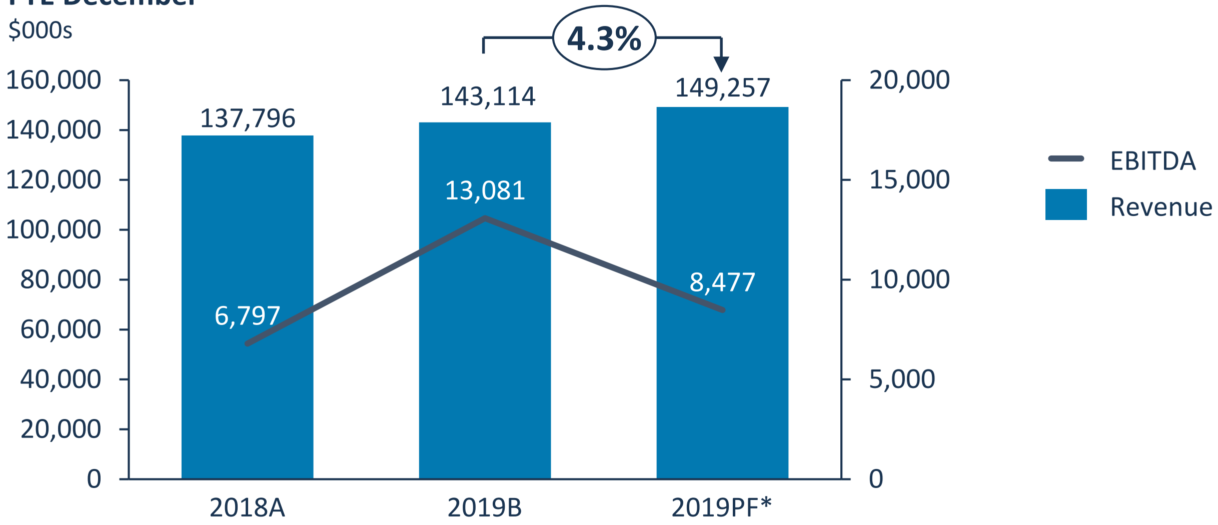
Financials – December 2019

Monthly financial metrics

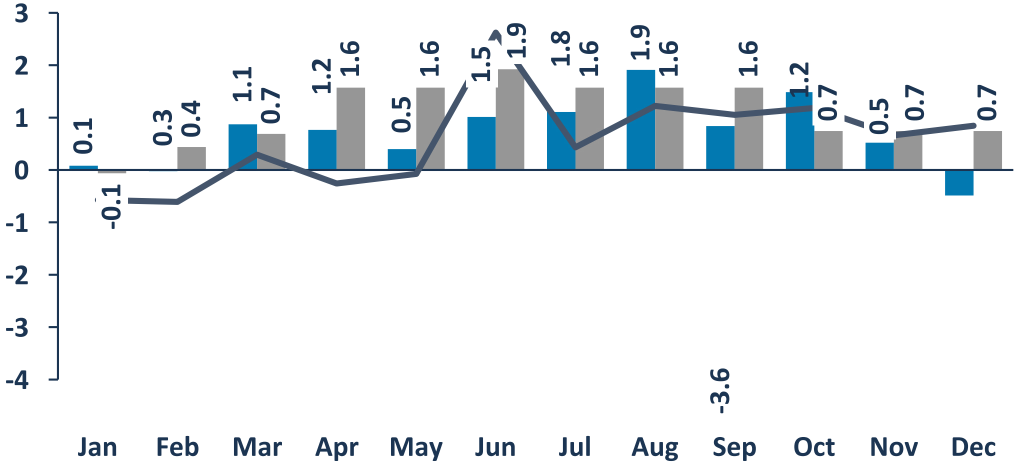
December MTD
$000s



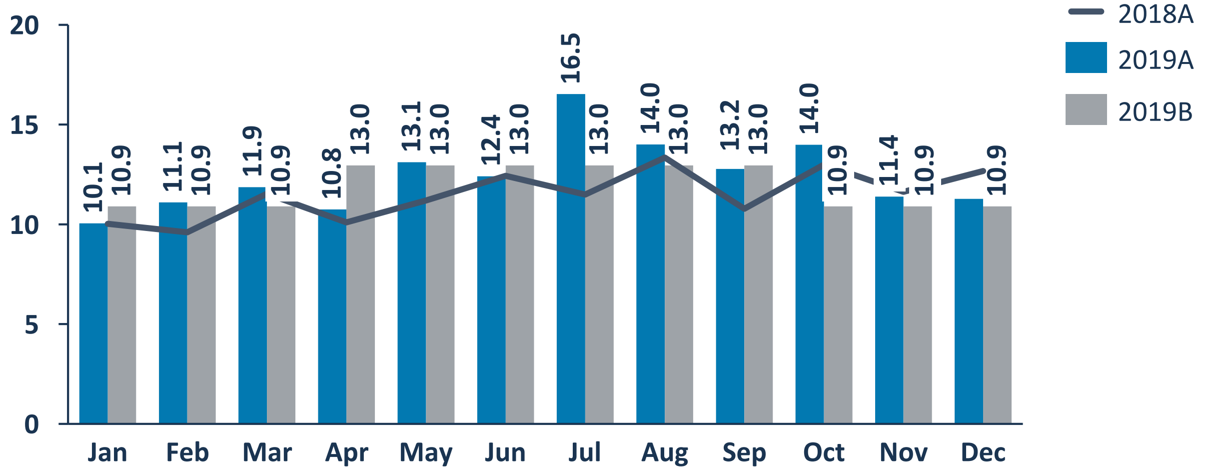
FYE December
$000s



Monthly EBITDA
$ millions

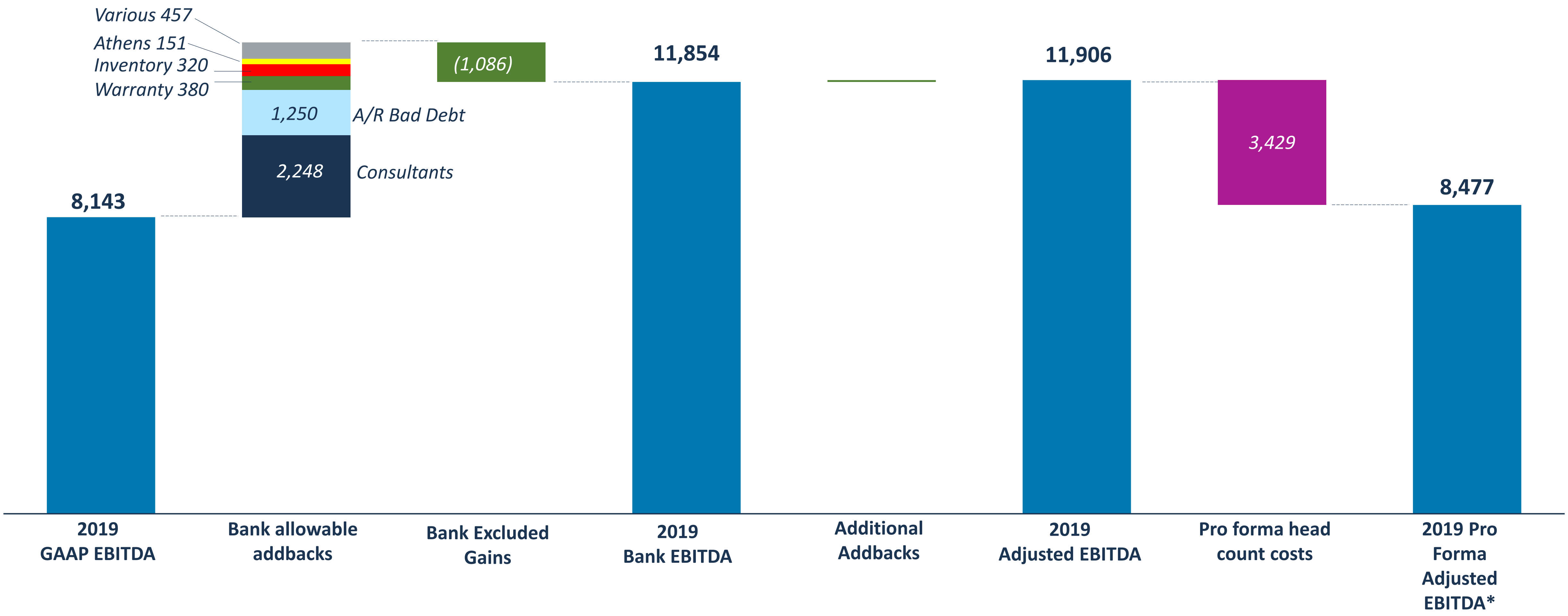


Monthly Net Revenue
$ millions



1)Pro Forma Adj. EBITDA normalizes 2019 for all consultant expenses & 1-time write-offs & layers in $3.4 mm of OpEx required to properly staff the business (i.e. same headcount assumptions as 2020 AOP).

EBITDA Bridge: 2019 GAAP to 2019 Pro Forma Adjusted EBITDA*

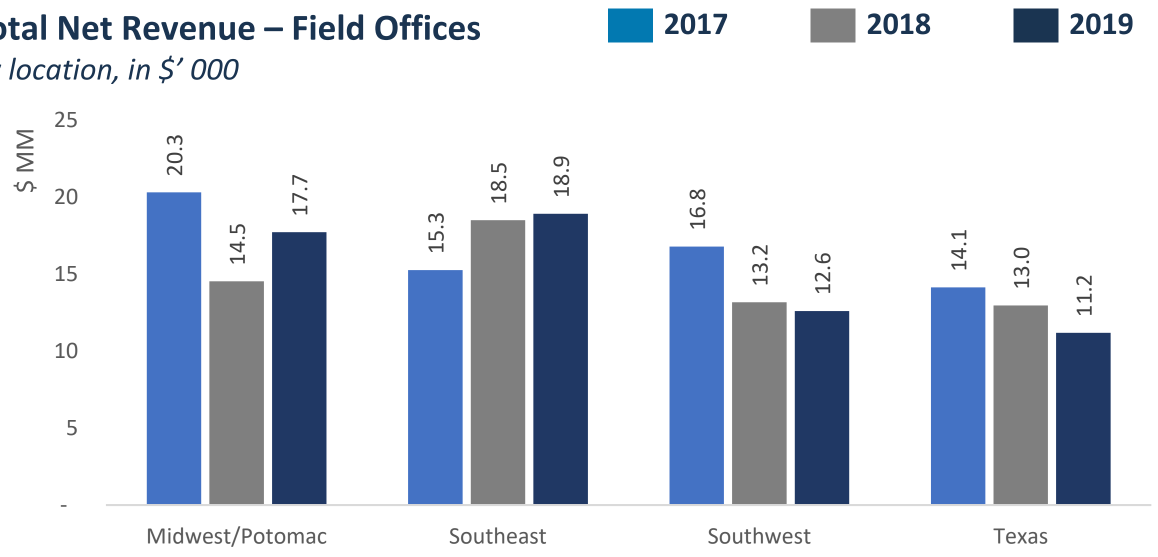


**2019 Pro Forma Adjusted EBITDA represents Hufcor performance, inclusive of all 1-time add-backs (regardless of limits imposed for bank covenant calculations) as adjusted for headcount additions that will be made in 2020 to properly staff the business and position Hufcor for future growth.*

Hufcor Domestic Office Contribution Detail

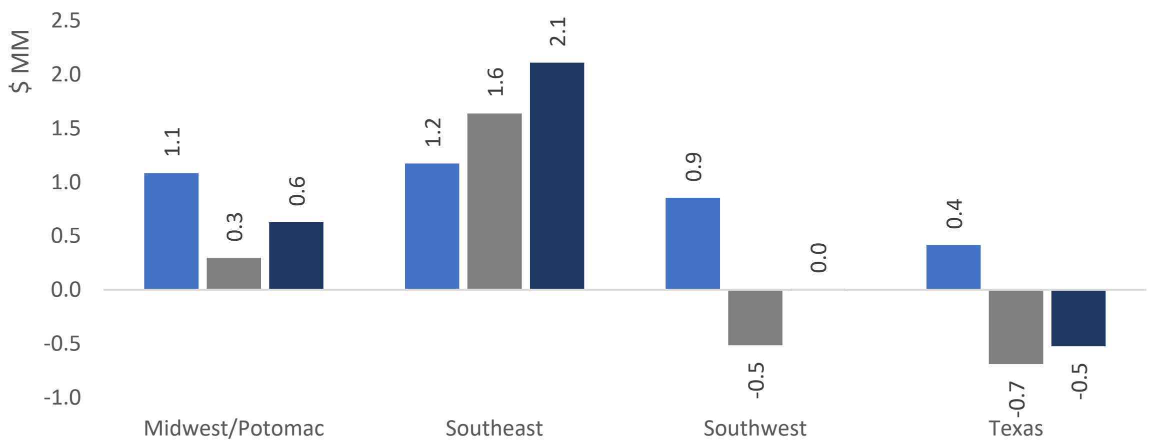
Total Net Revenue – Field Offices

By location, in $' 000



Total EBITDA – Field Offices

By location, in $'s 000



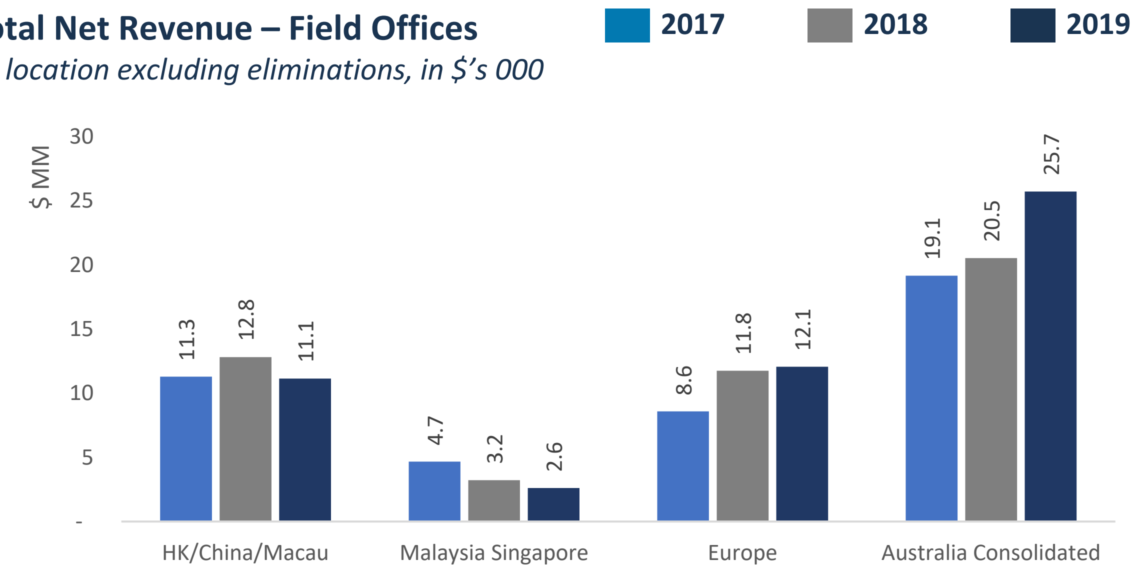
Management Discussion:

- December 2019 service center revenue of $5.3mm, up 8% from $4.9mm in November and down 23% from $6.5mm in October.
- $0.2mm of EBITDA in December, with no change vs $0.2mm in November.
- Chicago pulled in large service project ($242k revenue) which drove majority of $66k EBITDA.
- Southeast had a very strong December with $262k EBITDA making it an all time high for the region.
- Texas posted a lower than expected month at <$125k> EBITDA driven by sub $1mm revenue.
- St. Louis location now converted to Independent Distribution, expected sales goal for 2020 $800K
- Still in search for sales replacement in Chicago region to increase sales revenue. Started new search using Beckway Group Recruiting.
- A&D Sales are beginning to show impact where they have been in place for last 12 months resulting in an increase of Hufcor specifications.

Hufcor International Office Contribution Detail

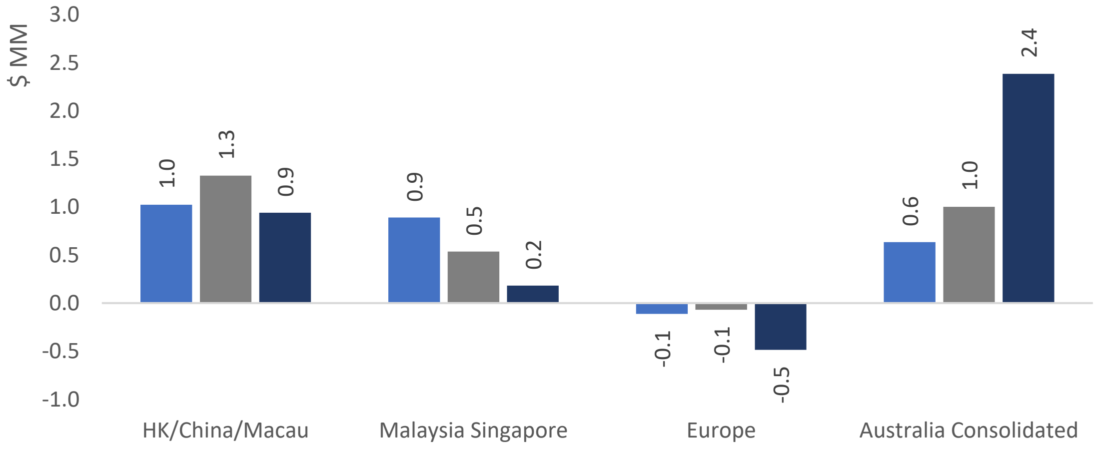
Total Net Revenue – Field Offices

By location excluding eliminations, in $'s 000



Total EBITDA – Field Offices

By location excluding eliminations, in $'s 000



Management Discussion:

- December 2019 international revenue increased 1.2% from November – from $3.7mm to $3.8 mm.
- EBITDA increased from $0.2mm in November to $0.3 mm in December, with largest favorable variance coming from Australia.
- HK-China revenue fav $209K, EBITDA $108K fav due to reversal of Bonus Accrual of $111K,
- Malaysia/Singapore: December shipments flat vs November unfavorable EBITDA, $10K due to higher material costs.
- Europe: Unfavorable revenue due to several projects pushed into February; EBITDA is $41K unfavorable due to bad debt reserves of $100K offset by $50K in FX gains.
- Continued strong performance in Australia / NZ as revenue is up $23K. Decline in EBITDA vs November of 433K is due to bonus accrual of $154K.

2019 Financial Restatement

HUFCOR

Preliminary restatement properly allocated revenue & expense in proper quarterly periods.

Final restatement to be completed in conjunction with audit work throughout Q1.

****Reminder: Balance Sheet Issues Presented in Hufcor Q3 Financial Review****

- In reviewing close processes, 15 balance sheet accounts were not properly reconciled following the termination of the previous CFO
- Team has completed a review of major accounts that required immediate attention (Cash, Accounts Receivable, Inventory, Prepaids, Intangibles, Unearned Billings, Accounts Payable and numerous Accrued Liabilities).
- Major issues identified and addressed in the September Close:
  - Accounts Receivable: $2.2 mm of bad debt reserved for in the month, with $2.0 mm of that amount one-time in nature
    - Reserve for 100% of non-retainage billings > 1 year old
    - Specific reserve for at-risk accounts (EOLE in France, Arista de Panama, others)
  - Inventory: $1.3 mm of bad debt reserved for in the month, all of which considered one-time in nature
    - Cycle count accuracy was ≈50% and numerous areas identified as scrap and slow moving
    - Patti Jordan from Beckway leading process to improve cycle count accuracy and to complete physical inventory
  - Warranty: $0.877 mm of warrant/re-work reserved for in the month, with $0.636 mm of that amount one-time in nature
    - Correction of warranty reversal in prior months by prior management
    - Current balances now account for specific reserves totaling $0.9 mm where known issues will cause additional costs to be incurred
  - Intercompany / Elimination companies: various issues due to inexperienced / unqualified staff making entries over the past few months; largely addressed
  - Domestic Subsidiaries (on QuickBooks): various issues, including A/R and Inventory (some of these have not been reconciled for years); largely addressed in items above

Preliminary Restatement of Balance Sheet & Income Statement Completed

- Confirmed Net impact = $0 on P&L results for FYE 2019
- Final review of all Balance Sheet accounts plus self-insured health plan, COGS, Warranty & Bad Debt to be completed with audit

HUFCOR 2019 Financial Restatement

Preliminary restatement properly allocated revenue & expense in proper quarterly periods.

Final restatement to be completed in conjunction with audit work throughout Q1.

HUFCOR HOLDINGS, INC.

INCOME STATEMENT

	Pre-Restatement					After Restatement					Difference					
	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2019	
Net Revenue	**$ 33,014**	**$ 36,271**	**$ 43,709**	**$ 36,656**	**$ 149,649**	**$ 33,014**	**$ 36,271**	**$ 43,317**	**$ 36,656**	**$ 149,257**	**$ -**	**$ -**	**$ (392)**	**$ -**	**$ (392)**	*Corrected intercompany Revenue/COGS*
Material	$ 11,075	$ 12,128	$ 17,756	$ 10,693	$ 51,651	$ 11,075	$ 12,228	$ 16,617	$ 11,339	$ 51,259	$ -	$ 100	$ (1,138)	$ 646	$ (392)	*Inventory adjustments*
Labor	$ 10,528	$ 10,936	$ 11,982	$ 11,549	$ 44,995	$ 10,528	$ 10,936	$ 11,982	$ 11,549	$ 44,995	$ -	$ -	$ -	$ -	$ -	
Other COGS	$ 3,355	$ 3,083	$ 4,171	$ 3,674	$ 14,282	$ 3,584	$ 3,002	$ 4,029	$ 3,667	$ 14,282	$ 229	$ (81)	$ (142)	$ (6)	$ 0	*Warranty accrual corrected*
Total COGS	**$ 24,958**	**$ 26,147**	**$ 33,909**	**$ 25,915**	**$ 110,929**	**$ 25,187**	**$ 26,166**	**$ 32,629**	**$ 26,555**	**$ 110,537**	**$ 229**	**$ 19**	**$ (1,280)**	**$ 640**	**$ (392)**	
Gross Margin	**$ 8,056**	**$ 10,124**	**$ 9,800**	**$ 10,740**	**$ 38,720**	**$ 7,827**	**$ 10,105**	**$ 10,688**	**$ 10,100**	**$ 38,720**	**$ (229)**	**$ (19)**	**$ 888**	**$ (640)**	**$ (0)**	
Gross Margin %	24.4%	27.9%	22.4%	29.3%	25.9%	23.7%	27.9%	24.7%	27.6%	25.9%						
R&D	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Sales & marketing	$ 3,285	$ 3,514	$ 3,668	$ 3,634	$ 14,101	$ 3,181	$ 3,619	$ 3,668	$ 3,634	$ 14,101	$ (105)	$ 105	$ -	$ -	$ (0)	*Write-off allocated to proper period*
Administrative	$ 3,388	$ 3,458	$ 6,164	$ 3,890	$ 16,900	$ 3,582	$ 3,163	$ 5,815	$ 4,340	$ 16,900	$ 195	$ (295)	$ (350)	$ 450	$ 0	*Self-insured health plan, Bad Debt & Insurance accrual corrected*
Other Opex	$ (94)	$ (83)	$ (109)	$ (139)	$ (425)	$ (94)	$ (83)	$ (109)	$ (139)	$ (425)	$ -	$ -	$ -	$ -	$ -	
Total OPEX (excl D&A)	**$ 6,579**	**$ 6,889**	**$ 9,723**	**$ 7,385**	**$ 30,577**	**$ 6,669**	**$ 6,698**	**$ 9,374**	**$ 7,835**	**$ 30,577**	**$ 90**	**$ (190)**	**$ (350)**	**$ 450**	**$ 0**	
EBITDA	**$ 1,477**	**$ 3,235**	**$ 77**	**$ 3,355**	**$ 8,143**	**$ 1,158**	**$ 3,407**	**$ 1,314**	**$ 2,265**	**$ 8,143**	**$ (319)**	**$ 171**	**$ 1,238**	**$ (1,090)**	**$ (0)**	
EBITDA Margin %	4.5%	8.9%	0.2%	9.2%	5.4%	3.5%	9.4%	3.0%	6.2%	5.5%						
Depreciation	$ 447	$ 546	$ 486	$ 478	$ 1,958	$ 447	$ 546	$ 486	$ 478	$ 1,958	$ -	$ -	$ -	$ -	$ -	
Amortization	$ 1,037	$ 1,037	$ 774	$ 333	$ 3,181	$ 1,037	$ 1,037	$ 774	$ 333	$ 3,181	$ -	$ -	$ -	$ -	$ -	
Less: D&A	**$ 1,484**	**$ 1,583**	**$ 1,261**	**$ 811**	**$ 5,139**	**$ 1,484**	**$ 1,583**	**$ 1,261**	**$ 811**	**$ 5,139**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
EBIT, reported	**$ (8)**	**$ 1,652**	**$ (1,184)**	**$ 2,544**	**$ 3,005**	**$ (327)**	**$ 1,823**	**$ 53**	**$ 1,455**	**$ 3,005**	**$ (319)**	**$ 171**	**$ 1,238**	**$ (1,090)**	**$ (0)**	
Interest and financial amortization	$ 1,049	$ 913	$ 1,297	$ 994	$ 4,253	$ 1,049	$ 1,102	$ 1,073	$ 1,029	$ 4,253	$ -	$ 189	$ (224)	$ 35	$ 0	*Interest expense corrected to actual*
Financial income/expense (e.g. fx, hedging)	$ 57	$ 17	$ 126	$ 79	$ 279	$ 57	$ 17	$ 126	$ 79	$ 279	$ -	$ -	$ -	$ -	$ -	
Non-financial income/expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Monitoring fees	$ 268	$ 250	$ 250	$ 250	$ 1,018	$ 268	$ 250	$ 250	$ 250	$ 1,018	$ -	$ -	$ -	$ -	$ -	
Restructuring costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Non-recurring items	$ 51	$ 371	$ 652	$ (99)	$ 976	$ -	$ 423	$ 732	$ (179)	$ 976	$ (51)	$ 51	$ 80	$ (80)	$ (0)	*Correct severance accruals*
EBT, reported	**$ (1,433)**	**$ 101**	**$ (3,510)**	**$ 1,321**	**$ (3,521)**	**$ (1,701)**	**$ 31**	**$ (2,129)**	**$ 277**	**$ (3,521)**	**$ (268)**	**$ (70)**	**$ 1,381**	**$ (1,044)**	**$ (0)**	
Taxes	$ 56	$ 161	$ 331	$ 256	$ 803	$ 56	$ 161	$ 331	$ 256	$ 803	$ -	$ -	$ -	$ -	$ -	
Net Income (Loss)	**$ (1,489)**	**$ (60)**	**$ (3,840)**	**$ 1,065**	**$ (4,324)**	**$ (1,756)**	**$ (129)**	**$ (2,459)**	**$ 21**	**$ (4,324)**	**$ (268)**	**$ (70)**	**$ 1,381**	**$ (1,044)**	**$ (0)**	
Net Income (Loss) %	-4.5%	-0.2%	-8.8%	2.9%	-2.9%	-5.3%	-0.4%	-5.7%	0.1%	-2.9%						

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Covenant Levels 4Q 2019 in Compliance

Covenant Analysis- JPMC and LBC Credit Partners													
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	2019
$'000	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	**$ (360)**	**$ (647)**	**$ (749)**	**$ 37**	**$ (381)**	**$ 215**	**$ 634**	**$ 680**	**$ (3,773)**	**$ 351**	**$ (297)**	**$ (33)**	**$ (4,324)**
Bank EBITDA Calculation:													
Interest Expense	344	347	358	349	371	365	373	355	396	342	310	342	4,253
Income and Franchise Tax Expense	(7)	43	19	36	88	36	146	85	99	94	75	87	802
Depreciation and Amortization Expense	494	495	495	569	507	507	510	510	240	239	240	332	5,138
Losses (Gains) from Dispositions	-	-	-	-	-	-	-	10	1	-	64	10	85
Management Agreement fees and expenses	250	18	-	250	-	-	-	250	-	250	-	-	1,018
Losses (Gains) from Discontinued Operations	-	-	-	-	-	-	-	-	-	17	17	117	151
Non-cash FX, transaction, translation losses (gains)	(6)	16	48	2	58	(44)	61	6	60	(65)	91	52	279
Severance costs, subject to ABL	-	-	-	-	-	423	-	-	732	-	(139)	-	1,016
Other non-cash charges or non-cash gains	-	-	-	-	-	-	-	-	-	-	-	120	120
Other non-recurring fees and expenses - Consultants	-	-	2	21	45	65	19	289	418	424	526	438	2,248
Other non-recurring fees and expenses - All Other	-	-	-	-	-	-	-	-	7	47	-	189	242
Non-recurring inventory write-offs < $320k in total	-	-	-	-	-	-	-	-	498	-	-	(178)	320
Non-recurring A/R write-offs < $1.3mm in total	-	-	753	-	-	(233)	-	-	1,737	(31)	(98)	(879)	1,250
Non-recurring warranty claim payments: Mystic Lake < 4(	-	-	-	-	-	-	-	-	75	-	-	-	75
Non-recurring warranty claim payments: Non- Mystic Lal	-	-	268	-	108	(92)	(421)	(37)	686	(2)	(59)	(147)	305
Less Extraordinary gains and non-cash income	(496)	-	-	-	-	-	-	-	-	-	-	(628)	(1,124)
Bank EBITDA	**$ 219**	**$ 272**	**$ 1,194**	**$ 1,264**	**$ 797**	**$ 1,242**	**$ 1,322**	**$ 2,150**	**$ 1,177**	**$ 1,667**	**$ 730**	**$ (178)**	**$ 11,854**
Less:													
Unfinanced CAPEX	238	256	175	250	117	125	289	91	134	132	46	80	1,933
Cash income and franchise taxes	(7)	43	19	36	88	36	146	85	99	94	75	87	802
Cash Monitoring fees (including expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Numerator	**$ (12)**	**$ (28)**	**$ 999**	**$ 978**	**$ 591**	**$ 1,081**	**$ 887**	**$ 1,974**	**$ 943**	**$ 1,441**	**$ 609**	**$ (345)**	**$ 9,118**
Fixed Charges:													
Cash Interest	300	301	311	349	371	365	373	301	343	289	256	288	3,846
Regularly scheduled principal payments	209	-	-	209	-	-	209	-	-	209	-	84	919
Capital Lease payments	3	3	3	-	-	-	-	-	-	-	-	-	9
Total Fixed Charges	**$ 512**	**$ 304**	**$ 314**	**$ 558**	**$ 371**	**$ 365**	**$ 582**	**$ 301**	**$ 343**	**$ 497**	**$ 256**	**$ 371**	**$ 4,775**
TTM Numerator	4,438	5,110	5,873	7,333	8,320	6,707	7,508	8,386	8,295	9,154	9,450	9,118	9,118
TTM Fixed Charges	4,410	4,464	4,480	4,565	4,660	4,762	4,859	4,870	4,940	4,788	4,733	4,775	4,775
Fixed Charge Covenant Ratio	**1.01**	**1.14**	**1.31**	**1.61**	**1.79**	**1.41**	**1.55**	**1.72**	**1.68**	**1.91**	**2.00**	**1.91**	**1.91**
Required			**1.00 x**			**1.00 x**			**1.00 x**			**1.15 x**	
Leverage Ratio (LBC Credit Partners- Quarterly)													
Total Debt for Leverage Calculation	**$ 42,975**	**$ 43,739**	**$ 41,814**	**$ 41,771**	**$ 41,456**	**$ 42,744**	**$ 42,745**	**$ 41,174**	**$ 40,689**	**$ 40,241**	**$ 40,794**	**$ 37,361**	**$ 37,361**
TTM Bank EBITDA	**$ 7,050**	**$ 7,899**	**$ 8,789**	**$ 10,278**	**$ 11,245**	**$ 9,674**	**$ 10,561**	**$ 11,483**	**$ 11,612**	**$ 12,061**	**$ 12,129**	**$ 11,854**	**$ 11,854**
Leverage Ratio	**6.10**	**5.54**	**4.76**	**4.06**	**3.69**	**4.42**	**4.05**	**3.59**	**3.50**	**3.34**	**3.36**	**3.15**	**3.15**
Required			*NR			*NR			*NR			**4.75 x**	

Management Discussion:

Covenant Compliance FYE 2019

- Along with meeting production goals, other areas yielded better results than expected.
  - Successfully managed AP at year end to maximize cash on hand & pay down revolver.
  - Inventory write offs in particular came in less than originally anticipated.
  - Other addbacks in historical periods were identified and entered.
- Will submit compliance certificates at month end with notation that numbers may improve once 2019 audit adjustments are completed.

Section 2

Key Initiatives

3-Year Strategic Vision

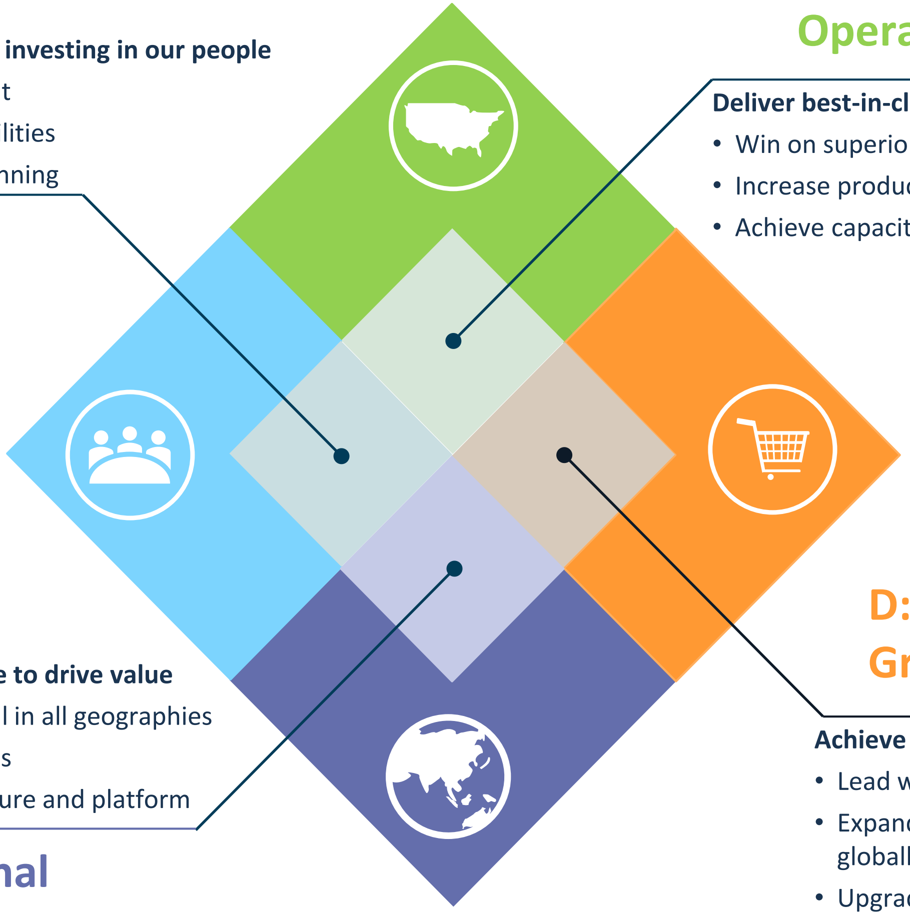
Four strategic pillars will shape Hufcor's success in the next 3 years

Upgrade the organization by investing in our people
- Attract and retain top talent
- Enhance HR support capabilities
- Systematize succession planning

A: Team Success

B: Domestic Operations

Deliver best-in-class product and service
- Win on superior quality
- Increase production efficiency
- Achieve capacity flexibility



Leverage our global presence to drive value
- Unlock full market potential in all geographies
- Utilize China to reduce costs
- Create common infrastructure and platform

C: International Operations

D: Commercial Growth

Achieve profitable revenue growth
- Lead with product innovation
- Expand in existing and new markets globally
- Upgrade tools to manage profitability

By 2023, we aim to…

1. Be the market leader by sales in the US and most of our international markets*
2. Achieve annual revenue of $250+ mm and EBITDA of $20+ mm through organic & acquisition initiatives
3. Boast a tenured, high-performing leadership team across all functions and geographies
4. Attain high levels of customer satisfaction and net promoter score

*Management estimates the current worldwide market is [$x – y] mm.

HUFCOR Initiative: Implement Cost Accounting Solution in Janesville

Business Case / Opportunity Statement

Business case:
Cost accounting is a function that collects all input costs associated with production and is used internally by management to analyze financial performance to make fully informed business decisions.

Goal statement:
Provide management with a solution that tracks project-specific costs as they move through the manufacturing & installation process. This solution will measure efficiency, help control & reduce costs, and definitively identify the profit of each project.

Opportunity:
Identify margins on job manufactured where the costs will be measured and documented to bring visibility on profit. Through this increased visibility, management will be able to reduce cost, better manage the throughput of the plant, and improve EBITDA. Also, once fully implemented, the sales team commission structure can be based upon total Hufcor margin (as opposed to only the field office profit margin), thus ensuring alignment of incentives between the commercial team and the overall corporation.

Projected Annual EBITDA Impact (Steady State): ~$750k

Risks/Considerations:
- Information is only as good as the inputs: required accurate data input by operations & and accurate BOM's from engineering.
- Time to implement: given the gap in data and competing priorities in all groups, full implementation will likely take longer than normal (expecting 6 months) with another 3-6 months after that required to glean valuable information.

KPI's:
- **Gross Profit Margin:** Expectation to drive profit margin improvement
- **Inventory Scrap / E&O:** Reduction in scrap rates and E&O on a consistent basis

Implementation Working Team

Name	Role
Tom Gioia / Jared Franz	**Exec / Lead**
Sherri Harris	**Cost Accountant**
General resources in Engineering, IT and Operations	

Implementation Scope & Resources Required

Start: February 2020
Estimated length: 6 months
FTE: 2.75
- 0.25 – Executive oversight & hands-on involvement
- 0.5 – 50% of resource time in engineering
- 0.5 – 50% of resource time in IT
- 0.5 – 50% of resource time in operations
- 1 – dedicated resource in accounting

CAPEX: $0.0 mm

On-Going Resources Required

FTE: 1.0
- Plant Controller : 0.5 full-time equivalent
- Engineering Support: 0.25 full-time equivalent
- Operations Support: 0.25 full-time equivalent

Annual Vendor Cost: $0.0 mm

HUFCOR

Initiative: Restructure Field Sales Incentive & Commission Plans / Processes

Business Case / Opportunity Statement

Business case:
Commission plans in field offices are not uniform in structure. Some are based on revenue, and some on profit. All are based on field office profitability, and not total corporate profit. Finally, field offices currently possess manage all details on the calculation of the salesman's profit on jobs, which raises concerns about internal controls and errors.

Goal statement:

Simplify, standardize and centralize the commission plans. Sales should be compensated on total Hufcor profit per job, calculated by the central shared service center.

Opportunity:
This plan would ensure all salesmen are compensated on total Hufcor margin (as opposed to only the field office profit margin), thus ensuring alignment of incentives between the commercial team and the overall corporation.

Projected Annual EBITDA Impact (Steady State): ~$290K (Additional EBITDA or Reduced Commission of 10% of 2020 AOP commission)

Risks/Considerations:
- Ability to execute this plan is contingent on the successful completion of the Cost Accounting and Shared Service initiatives, thus delaying the roll-out until FYE 2021 (announcement in July 2020).
- Changing long-standing commission plans could potentially upset legacy salesmen, who may not react kindly to a change, particularly if they believe the change will negatively impact their annual commissions.

KPI's:
- **Annual Commission vs Product Sales:** Improve the ratio of commission:profit.
- **Increased Glass/High-Value Sales:** Based upon the initiatives set by the commercial team, commission structures that drive desired sales should improve overall profitability.

Implementation Working Team

Name	Role
Mike Kontranowski	**Exec / Lead**
Jared Franz	**Finance**
General resources in Sales & all field locations	

Implementation Scope & Resources Required

Start: July 2020
Estimated length: 6 months
FTE: 0.50
- 0.25 – Executive oversight and hands-on involvement
- 0.25 – VP of HR
- TBD utilization of 3rd Party Consultants

CAPEX: $0.0 mm

On-Going Resources Required

Executive Oversight of Team

Initiative: Domestic Net Working Capital & Cash Conversion

Business Case / Opportunity Statement

Business case:
Improvements to the cash conversion cycle through working capital has significant impacts on the balance sheet and cash position of the company. Areas of focus include Accounts Receivable, Inventory and Accounts Payable. A strategic plan built on decreasing days sales outstanding (DSO), and days of inventory on hand (DIO), while selectively increasing days payable outstanding (DPO) will enhance the financial health and operational success of the business.

Goal statement:

Strengthen relationships with customers/vendors in the near-term to repair any damage done by the prior team while improving the cash flow of the business as we grow throughout 2020. Improved inventory management over the same time frame will open capacity & improve efficiency on the shop floor, as well as enabling us to use our financial resources most efficiently.

Opportunity:
Improving each of these areas by 5% will have a $3 million impact on cash.

Projected Annual EBITDA Impact (Steady State): ~$0

Risks/Considerations:
- Straining relationships with customers already frustrated with quality & delivery issues under prior regime while initiating price increases. Requires strategic targeting of customers for improvement.
- Reputational risk and unnecessarily working vendors about Hufcor acting as a going concern if the market perception / reaction is one that interprets the move as necessity for solvency.

KPI's:
- **Decrease DSO:** Reduce the number of days to collect. **Goal = DSO of < 80 days**
- **Decrease DIO:** Increase the number of days of inventory on hand. **Goal = DIO < 50 days**
- **Increase DPO:** Increase the number of days payables outstanding. **Goal = DPO > 45 days**

Implementation Working Team

Name	Role
Tom Gioia / Jared Franz	**Exec / Lead**
Supply Chain Lead	**Vendor**
General resources in Sales & Operations	

Implementation Scope & Resources Required

Start: January 2020
Estimated length: Initial blitz 6 weeks, then on-going
FTE: 0.75
- 0.25 – Executive oversight and hands-on involvement
- 0.5 – Supply Chain Lean / Operations Support
- TBD utilization of 3rd Party Consultants

CAPEX: $0.0 mm

On-Going Resources Required

FTE: 1.0
- Supply Chain Lead: 0.5 full-time equivalent
- A/R Sales Support: 0.5 full-time equivalent

HUFCOR

Initiative: Standard Operating Procedures in Accounting & Finance Group

Business Case / Opportunity Statement

Business case:
Implementation of best practices, internal controls, and standard operating procedures within the global Accounting and Finance functions will streamline processes, increase efficiency, and improve the accuracy and timeliness of the information provided.

Goal statement:

Create and document standard operating procedures for day to day responsibilities, month end close tasks, and post close reconciliations. Establish internal controls to provide consistency and assurance that financial information is reliable and financial operations are performed with in applicable standards.

Opportunity:
For financial reporting purposes, the time to close will be reduced, accounting errors & omissions will also be reduced, and the accuracy of the financial statements will be improved.

Projected Annual EBITDA Impact (Steady State): ~$20K in cost/time avoidance for other purposes

Risks/Considerations:
- Systems constraints, and the number of systems involved, will add complexity – especially outside the US.
- Implementation beyond initial blitz may require more time on the front that could delay other initiatives.

KPI's:
- **Time to Close:** length of time it takes to close the books. **Goal = 2 days (Reduction in days)**
- **Manual Entries per Close:** Number of manual entries made during month end close. **<u>Goal = TBD</u>**
- **Costs through PO vs Non-PO**: Number of costs tied to a PO compared to costs posted through invoices or other means.

Implementation Working Team

Name	Role
Tom Gioia / Jared Franz	**Exec / Lead**
Nancy Schmidt	**Senior Accountant**
General resources in all locations & functional groups	

Implementation Scope & Resources Required

Start: January 2020
Estimated length: Initial blitz 12 weeks, then on-going process improvements
FTE: 0.75
- 0.25 – Executive oversight and hands-on involvement
- 0.5 – Senior Accountant Time
- TBD utilization of 3rd Party Consultants

CAPEX: $0.0 mm

On-Going Resources Required

Executive Oversight of Team

HUFCOR Initiative: Build Virtual Shared Service Center for Accounting & Finance

Business Case / Opportunity Statement

Business case:
Current responsibilities for accounting and finance are shared by the corporate resources in Janesville and the location-level admins in each domestic/international location. By centralizing the functions in a "Virtual Shared Service Center" we will be able to monitor adherence to SOP's and keep tighter controls on all accounting entries without the necessary investment of a complete, new corporate shared service center.

Goal statement:

Build the accounting and finance team to position Hufcor for long-term success. Eliminate redundant actions and unnecessary accounting work completed in the field locations. Centralize decision making and major accounting activities to CFO/Controller.

Opportunity:
Free-up field office admins to work more on customer-facing and human capital-related issues in their offices, streamlining the close process and improving overall field office operations.

Projected Annual EBITDA Impact (Steady State): ~$150K from reduction of 2 FTE's across the system

Risks/Considerations:
- Will require moving all domestic field offices off of QB's and onto Infor, which could be met with challenges.
- Success largely dependent on system initiative in the field offices to be completed in conjunction with the centralization activities (i.e. PSA).

KPI's:
- **Time to Close:** Will aid in the speed and accuracy of monthly close. **Goal = 2 days (Reduction in days)**
- **Manual Entries per Close:** Will aid in reduction of manual entries made during month end close. **Goal = TBD**

Implementation Working Team

Name	Role
• **Tom Gioia / Jared Franz**	**Exec / Lead**
• **General accounting resources in all locations**	

Implementation Scope & Resources Required

Start: January 2020
Estimated length: Initial blitz 12 weeks, then on-going process improvements
FTE: 1.25
- 0.25 – Executive oversight
- 1.0 – Dedicated time from whichever field offices undergoing transition
- TBD utilization of 3rd Party Consultants

CAPEX: $0.0 mm

On-Going Resources Required

Executive Oversight of Team

Initiative: US Domestic PSA

Business Case / Opportunity Statement

Business case:
US domestic field offices do not utilize any standard project management tools, workflows procedures, or software platform to manage costs, schedules, resources, or materials for installation and repair work performed by employees and contractors.

Goal statement:
Deploy a cloud based commercially off the shelf professional automation services software platform with defined workflows, guided operating procedures, and training for end users; with backend data integration to Partition Studio, CRM Dynamics, Payroll, and Financials.

Opportunity:

Standardize project management procedures and workflows for field office management of installations and repair work. Closely and accurately manage all costs at the project level. Improve delivery schedules to achieve efficient and effective results with visibility, organization, and ease of access to project level details.

Projected Annual EBITDA Impact: EBITDA Neutral

Risks/Considerations:
- No existing procedural workflows exist. Definition and alignment with system will be required.
- Speed of deployment (Phase II & III) may be impacted by technical complexity with backend integrations.
- Data retention policies would assist in archival and destruction requirements.

KPI's:
- **Adoption Rate:** percent of field offices using the PSA Platform for PM by end of 2Q20 **<u>Goal = 100%</u>**
- **Financial Integration:** integration for quote and invoice by end of 3Q20 **<u>Goal = 100%</u>**
- **System Integration:** PS5 & CRM integration by end 4Q20 **<u>Goal = 100%</u>**

Implementation Working Team

Name	Role
Roger Andrews	IT Lead
TBD (FTE)	IT BA/PM
David Kimble	PS Lead
Ben Edgren	CRM Lead
Neal Berens	Project SME
Jared Franz	FP&A Team

Implementation Scope & Resources Required

Start: February 2019
Estimated length: 6-9 Months
FTE: 1.50 - 2.00 per phase
- 2.00 – Phase I, PM Software Module
- 2.00 – Phase II, FP&A Integration
- 1.50 – Phase III,PS5 & Dynamics Integration

CAPEX: ~$60K

On-Going Resources Required

Vendor Cost: ~$50K
- Annual License Fees

Appendix

Preliminary FYE 2019 Financial Statements

Appendix 1) YTD December 2019 Income Statement

HUFCOR HOLDINGS, INC. *Month Ending* 12/31/2019

INCOME STATEMENT	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst
				Quarter Ending				*Quarter Ending*				*Quarter Ending*				*Quarter Ending*	
	1/31/2019	2/28/2019	3/31/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	9/30/2019	10/31/2019	11/30/2019	12/31/2019	12/31/2019	FY 2019
	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	
Net Revenue	**$ 10,051**	**$ 11,098**	**$ 11,865**	**$ 33,014**	**$ 10,751**	**$ 13,113**	**$ 12,407**	**$ 36,271**	**$ 16,532**	**$ 14,005**	**$ 12,780**	**$ 43,317**	**$ 13,988**	**$ 11,388**	**$ 11,280**	**$ 36,656**	**$ 149,257**
Material	$ 3,191	$ 4,159	$ 3,724	$ 11,075	$ 3,056	$ 5,611	$ 3,561	$ 12,228	$ 7,172	$ 4,535	$ 4,911	$ 16,617	$ 4,474	$ 3,551	$ 3,314	$ 11,339	$ 51,259
Labor	$ 3,460	$ 3,335	$ 3,733	$ 10,528	$ 3,255	$ 3,746	$ 3,935	$ 10,936	$ 4,259	$ 3,924	$ 3,799	$ 11,982	$ 3,993	$ 3,718	$ 3,838	$ 11,549	$ 44,995
Other COGS	$ 1,119	$ 1,118	$ 1,347	$ 3,584	$ 981	$ 1,075	$ 946	$ 3,002	$ 880	$ 1,191	$ 1,959	$ 4,029	$ 1,384	$ 1,174	$ 1,110	$ 3,667	$ 14,282
Total COGS	**$ 7,770**	**$ 8,612**	**$ 8,805**	**$ 25,187**	**$ 7,292**	**$ 10,432**	**$ 8,442**	**$ 26,166**	**$ 12,311**	**$ 9,650**	**$ 10,668**	**$ 32,629**	**$ 9,851**	**$ 8,442**	**$ 8,262**	**$ 26,555**	**$ 110,537**
Gross Margin	**$ 2,281**	**$ 2,486**	**$ 3,060**	**$ 7,827**	**$ 3,459**	**$ 2,681**	**$ 3,965**	**$ 10,105**	**$ 4,221**	**$ 4,355**	**$ 2,112**	**$ 10,688**	**$ 4,136**	**$ 2,946**	**$ 3,018**	**$ 10,100**	**$ 38,720**
Gross Margin %	22.7%	22.4%	25.8%	23.7%	32.2%	20.4%	32.0%	27.9%	25.5%	31.1%	16.5%	24.7%	29.6%	25.9%	26.8%	27.6%	25.9%
R&D	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales & marketing	$ 963	$ 1,085	$ 1,132	$ 3,181	$ 1,192	$ 1,162	$ 1,265	$ 3,619	$ 1,233	$ 1,176	$ 1,259	$ 3,668	$ 1,315	$ 1,190	$ 1,129	$ 3,634	$ 14,101
Administrative	$ 619	$ 1,136	$ 1,827	$ 3,582	$ 1,063	$ 1,197	$ 903	$ 3,163	$ 1,288	$ 1,315	$ 3,212	$ 5,815	$ 1,626	$ 1,488	$ 1,226	$ 4,340	$ 16,900
Other Opex	$ (16)	$ (7)	$ (71)	$ (94)	$ (39)	$ (49)	$ 6	$ (83)	$ (7)	$ (24)	$ (79)	$ (109)	$ (16)	$ (7)	$ (116)	$ (139)	$ (425)
Total OPEX (excl D&A)	**$ 1,566**	**$ 2,215**	**$ 2,889**	**$ 6,669**	**$ 2,215**	**$ 2,310**	**$ 2,173**	**$ 6,698**	**$ 2,514**	**$ 2,468**	**$ 4,391**	**$ 9,374**	**$ 2,925**	**$ 2,671**	**$ 2,239**	**$ 7,835**	**$ 30,577**
																	20.5%
Opex Overview																	
Payroll	$ 1,057	$ 1,023	$ 1,004	$ 3,084	$ 863	$ 971	$ 1,128	$ 2,962	$ 1,146	$ 1,147	$ 993	$ 3,286	$ 1,126	$ 1,150	$ 1,050	$ 3,327	$ 12,659
Overtime	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Benefits	$ (257)	$ 209	$ 232	$ 184	$ 247	$ 216	$ 224	$ 686	$ 224	$ 211	$ (252)	$ 183	$ 294	$ 260	$ (406)	$ 147	$ 1,201
Bonus	$ 96	$ 96	$ 93	$ 285	$ 139	$ 98	$ 75	$ 312	$ 97	$ 99	$ 138	$ 334	$ 31	$ 47	$ 374	$ 452	$ 1,384
Severance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Marketing	$ (90)	$ 22	$ 19	$ (48)	$ 56	$ 72	$ 81	$ 209	$ 51	$ 28	$ 29	$ 108	$ 65	$ 34	$ 56	$ 155	$ 423
Commissions	$ 134	$ 159	$ 187	$ 480	$ 174	$ 189	$ 180	$ 543	$ 195	$ 175	$ 246	$ 616	$ 210	$ 133	$ 181	$ 524	$ 2,163
Travel and Entertainment	$ 80	$ 82	$ 85	$ 247	$ 120	$ 99	$ 87	$ 306	$ 88	$ 109	$ 112	$ 308	$ 180	$ 171	$ 90	$ 441	$ 1,303
Rent and Facilities	$ 68	$ 69	$ 67	$ 204	$ 75	$ 72	$ 75	$ 222	$ 71	$ 63	$ 68	$ 203	$ 72	$ 75	$ 59	$ 206	$ 836
Insurance	$ 35	$ 43	$ 35	$ 113	$ 35	$ 34	$ 33	$ 103	$ 99	$ 37	$ 63	$ 198	$ 13	$ 54	$ 76	$ 143	$ 557
Professional Fees	$ 78	$ 76	$ 110	$ 264	$ 100	$ 80	$ 60	$ 239	$ 108	$ 106	$ 90	$ 304	$ 56	$ 57	$ 25	$ 139	$ 946
Utl., Repair, Maint., & Sec.	$ 28	$ 38	$ 38	$ 104	$ 38	$ 35	$ 33	$ 106	$ 36	$ 37	$ 35	$ 108	$ 36	$ 36	$ 11	$ 82	$ 400
Office Expenses	$ 5	$ 4	$ 5	$ 14	$ 8	$ 6	$ 5	$ 19	$ 5	$ 5	$ 9	$ 20	$ 13	$ 8	$ 6	$ 26	$ 79
Safety and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
IT	$ 55	$ 58	$ 58	$ 171	$ 91	$ 72	$ 67	$ 230	$ 62	$ 61	$ 34	$ 157	$ 18	$ 137	$ 69	$ 224	$ 782
Bad Debt	$ 64	$ 127	$ 789	$ 981	$ 78	$ 81	$ (211)	$ (52)	$ 25	$ 28	$ 1,974	$ 2,027	$ 43	$ (51)	$ (211)	$ (218)	$ 2,738
Supplies	$ 25	$ 10	$ 17	$ 52	$ 17	$ 22	$ 13	$ 52	$ 20	$ 17	$ 12	$ 49	$ 17	$ 27	$ 18	$ 62	$ 215
FX	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
JV Loss (Income)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Expenses	$ 188	$ 198	$ 147	$ 533	$ 172	$ 264	$ 324	$ 759	$ 288	$ 343	$ 842	$ 1,473	$ 751	$ 534	$ 840	$ 2,125	$ 4,890
Total OPEX (excl D&A)	**$ 1,566**	**$ 2,215**	**$ 2,889**	**$ 6,669**	**$ 2,215**	**$ 2,310**	**$ 2,173**	**$ 6,698**	**$ 2,514**	**$ 2,468**	**$ 4,391**	**$ 9,374**	**$ 2,925**	**$ 2,671**	**$ 2,239**	**$ 7,835**	**$ 30,577**
EBITDA	**$ 715**	**$ 272**	**$ 171**	**$ 1,158**	**$ 1,244**	**$ 371**	**$ 1,791**	**$ 3,407**	**$ 1,707**	**$ 1,887**	**$ (2,280)**	**$ 1,314**	**$ 1,211**	**$ 274**	**$ 780**	**$ 2,265**	**$ 8,143**
EBITDA Margin %	7.1%	2.4%	1.4%	3.5%	11.6%	2.8%	14.4%	9.4%	10.3%	13.5%	-17.8%	3.0%	8.7%	2.4%	6.9%	6.2%	5.5%

HUFCOR

Appendix 1) YTD December 2019 Income Statement

HUFCOR HOLDINGS, INC. *Month Ending* 12/31/2019

INCOME STATEMENT	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst
				Quarter Ending				*Quarter Ending*				*Quarter Ending*				*Quarter Ending*	
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	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	
Net Revenue	**$ 10,051**	**$ 11,098**	**$ 11,865**	**$ 33,014**	**$ 10,751**	**$ 13,113**	**$ 12,407**	**$ 36,271**	**$ 16,532**	**$ 14,005**	**$ 12,780**	**$ 43,317**	**$ 13,988**	**$ 11,388**	**$ 11,280**	**$ 36,656**	**$ 149,257**
Material	$ 3,191	$ 4,159	$ 3,724	$ 11,075	$ 3,056	$ 5,611	$ 3,561	$ 12,228	$ 7,172	$ 4,535	$ 4,911	$ 16,617	$ 4,474	$ 3,551	$ 3,314	$ 11,339	$ 51,259
Labor	$ 3,460	$ 3,335	$ 3,733	$ 10,528	$ 3,255	$ 3,746	$ 3,935	$ 10,936	$ 4,259	$ 3,924	$ 3,799	$ 11,982	$ 3,993	$ 3,718	$ 3,838	$ 11,549	$ 44,995
Other COGS	$ 1,119	$ 1,118	$ 1,347	$ 3,584	$ 981	$ 1,075	$ 946	$ 3,002	$ 880	$ 1,191	$ 1,959	$ 4,029	$ 1,384	$ 1,174	$ 1,110	$ 3,667	$ 14,282
Total COGS	**$ 7,770**	**$ 8,612**	**$ 8,805**	**$ 25,187**	**$ 7,292**	**$ 10,432**	**$ 8,442**	**$ 26,166**	**$ 12,311**	**$ 9,650**	**$ 10,668**	**$ 32,629**	**$ 9,851**	**$ 8,442**	**$ 8,262**	**$ 26,555**	**$ 110,537**
Gross Margin	**$ 2,281**	**$ 2,486**	**$ 3,060**	**$ 7,827**	**$ 3,459**	**$ 2,681**	**$ 3,965**	**$ 10,105**	**$ 4,221**	**$ 4,355**	**$ 2,112**	**$ 10,688**	**$ 4,136**	**$ 2,946**	**$ 3,018**	**$ 10,100**	**$ 38,720**
Gross Margin %	22.7%	22.4%	25.8%	23.7%	32.2%	20.4%	32.0%	27.9%	25.5%	31.1%	16.5%	24.7%	29.6%	25.9%	26.8%	27.6%	25.9%
R&D	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales & marketing	$ 963	$ 1,085	$ 1,132	$ 3,181	$ 1,192	$ 1,162	$ 1,265	$ 3,619	$ 1,233	$ 1,176	$ 1,259	$ 3,668	$ 1,315	$ 1,190	$ 1,129	$ 3,634	$ 14,101
Administrative	$ 619	$ 1,136	$ 1,827	$ 3,582	$ 1,063	$ 1,197	$ 903	$ 3,163	$ 1,288	$ 1,315	$ 3,212	$ 5,815	$ 1,626	$ 1,488	$ 1,226	$ 4,340	$ 16,900
Other Opex	$ (16)	$ (7)	$ (71)	$ (94)	$ (39)	$ (49)	$ 6	$ (83)	$ (7)	$ (24)	$ (79)	$ (109)	$ (16)	$ (7)	$ (116)	$ (139)	$ (425)
Total OPEX (excl D&A)	**$ 1,566**	**$ 2,215**	**$ 2,889**	**$ 6,669**	**$ 2,215**	**$ 2,310**	**$ 2,173**	**$ 6,698**	**$ 2,514**	**$ 2,468**	**$ 4,391**	**$ 9,374**	**$ 2,925**	**$ 2,671**	**$ 2,239**	**$ 7,835**	**$ 30,577**
																	20.5%
EBITDA	**$ 715**	**$ 272**	**$ 171**	**$ 1,158**	**$ 1,244**	**$ 371**	**$ 1,791**	**$ 3,407**	**$ 1,707**	**$ 1,887**	**$ (2,280)**	**$ 1,314**	**$ 1,211**	**$ 274**	**$ 780**	**$ 2,265**	**$ 8,143**
EBITDA Margin %	7.1%	2.4%	1.4%	3.5%	11.6%	2.8%	14.4%	9.4%	10.3%	13.5%	-17.8%	3.0%	8.7%	2.4%	6.9%	6.2%	5.5%
Depreciation	$ 148	$ 150	$ 150	$ 447	$ 224	$ 162	$ 161	$ 546	$ 164	$ 165	$ 157	$ 486	$ 155	$ 157	$ 166	$ 478	$ 1,958
Amortization	$ 346	$ 346	$ 346	$ 1,037	$ 346	$ 346	$ 346	$ 1,037	$ 346	$ 346	$ 83	$ 774	$ 83	$ 83	$ 166	$ 333	$ 3,181
Less: D&A	**$ 494**	**$ 495**	**$ 495**	**$ 1,484**	**$ 569**	**$ 507**	**$ 507**	**$ 1,583**	**$ 510**	**$ 510**	**$ 240**	**$ 1,261**	**$ 239**	**$ 240**	**$ 332**	**$ 811**	**$ 5,139**
EBIT, reported	**$ 222**	**$ (224)**	**$ (324)**	**$ (327)**	**$ 675**	**$ (136)**	**$ 1,284**	**$ 1,823**	**$ 1,197**	**$ 1,376**	**$ (2,520)**	**$ 53**	**$ 973**	**$ 35**	**$ 447**	**$ 1,455**	**$ 3,005**
Interest and financial amortization	$ 344	$ 347	$ 358	$ 1,049	$ 349	$ 98	$ 655	$ 1,102	$ 356	$ 355	$ 362	$ 1,073	$ 342	$ 344	$ 342	$ 1,029	$ 4,253
Other financial income/expense (e.g. fx	$ (6)	$ 16	$ 48	$ 57	$ 2	$ 58	$ (44)	$ 17	$ 61	$ 6	$ 60	$ 126	$ (65)	$ 91	$ 52	$ 79	$ 279
Non-financial income/expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Monitoring fees	$ 250	$ 18	$ -	$ 268	$ 250	$ -	$ -	$ 250	$ -	$ 250	$ -	$ 250	$ 250	$ -	$ -	$ 250	$ 1,018
Restructuring costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-recurring items	$ -	$ -	$ -	$ -	$ -	$ -	$ 423	$ 423	$ -	$ -	$ 732	$ 732	$ -	$ (179)	$ -	$ (179)	$ 976
EBT, reported	**$ (367)**	**$ (604)**	**$ (730)**	**$ (1,701)**	**$ 73**	**$ (293)**	**$ 251**	**$ 31**	**$ 780**	**$ 765**	**$ (3,674)**	**$ (2,129)**	**$ 445**	**$ (222)**	**$ 54**	**$ 277**	**$ (3,521)**
Taxes	$ (7)	$ 43	$ 19	$ 56	$ 36	$ 88	$ 36	$ 161	$ 146	$ 85	$ 99	$ 331	$ 94	$ 75	$ 87	$ 256	$ 803
Net Income (Loss)	**$ (360)**	**$ (647)**	**$ (749)**	**$ (1,756)**	**$ 37**	**$ (381)**	**$ 215**	**$ (129)**	**$ 634**	**$ 680**	**$ (3,773)**	**$ (2,459)**	**$ 351**	**$ (297)**	**$ (33)**	**$ 21**	**$ (4,324)**
Net Income (Loss) %	-3.6%	-5.8%	-6.3%	-5.3%	0.3%	-2.9%	1.7%	-0.4%	3.8%	4.9%	-29.5%	-5.7%	2.5%	-2.6%	-0.3%	0.1%	-2.9%
Bank allowable EBITDA add-backs	$ 578	$ 919	$ 1,943	$ 3,441	$ 1,227	$ 1,178	$ 1,027	$ 3,432	$ 688	$ 1,470	$ 4,950	$ 7,108	$ 1,316	$ 1,027	$ (145)	$ 2,198	$ 16,178
Bank EBITDA	**$ 219**	**$ 272**	**$ 1,194**	**$ 1,684**	**$ 1,264**	**$ 797**	**$ 1,242**	**$ 3,302**	**$ 1,322**	**$ 2,150**	**$ 1,177**	**$ 4,649**	**$ 1,667**	**$ 730**	**$ (178)**	**$ 2,218**	**$ 11,854**
Adjustments	$ (137)	$ (293)	$ (323)	$ (754)	$ (500)	$ (398)	$ (230)	$ (1,129)	$ (215)	$ (240)	$ (339)	$ (794)	$ (181)	$ (210)	$ (309)	$ (701)	$ (3,377)
Pro Forma Adjusted EBITDA	**81**	**(22)**	**871**	**$ 931**	**764**	**398**	**1,011**	**$ 2,173**	**1,108**	**1,910**	**838**	**$ 3,855**	**1,485**	**520**	**(488)**	**$ 1,518**	**$ 8,477**
Adjusted EBITDA % sales	0.8%	-0.2%	7.3%	2.8%	7.1%	3.0%	8.2%	6.0%	6.7%	13.6%	6.6%	8.9%	10.6%	4.6%	-4.3%	4.1%	5.7%

Appendix 1) YTD December 2019 Balance Sheet – Reported (1 of 2)

HUFCOR HOLDINGS, INC. *Month Ending* 12/31/2019

BALANCE SHEET

	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019	11/30/2019	12/31/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M
Current Assets													
Cash and cash equivalents	$ 2,668	$ 2,930	$ 2,754	$ 1,443	$ 1,521	$ 1,561	$ 3,263	$ 5,174	$ 1,253	$ 2,322	$ 3,773	$ 2,765	$ 3,066
Short term investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable, gross	$ 36,879	$ 35,130	$ 36,910	$ 34,436	$ 33,243	$ 34,172	$ 36,345	$ 40,607	$ 40,275	$ 39,568	$ 39,373	$ 39,275	$ 37,343
Accounts receivable, reserves	$ (1,407)	$ (1,455)	$ (1,545)	$ (2,320)	$ (2,371)	$ (2,437)	$ (2,232)	$ (2,247)	$ (2,250)	$ (4,238)	$ (4,257)	$ (4,171)	$ (3,256)
Accounts receivable, net	$ 35,472	$ 33,675	$ 35,365	$ 32,116	$ 30,873	$ 31,735	$ 34,113	$ 38,359	$ 38,025	$ 35,330	$ 35,116	$ 35,104	$ 34,086
Inventory, gross	$ 13,393	$ 14,553	$ 15,308	$ 15,388	$ 16,303	$ 16,774	$ 18,889	$ 16,352	$ 16,262	$ 16,457	$ 16,911	$ 16,569	$ 16,329
Inventory, reserves	$ (298)	$ (243)	$ (253)	$ (264)	$ (274)	$ (282)	$ (295)	$ (304)	$ (309)	$ (887)	$ (937)	$ (487)	$ (314)
Inventory, net	$ 13,095	$ 14,310	$ 15,055	$ 15,124	$ 16,028	$ 16,493	$ 18,594	$ 16,049	$ 15,953	$ 15,569	$ 15,974	$ 16,082	$ 16,015
Prepaid expenses and other current assets	$ 1,666	$ 1,832	$ 1,728	$ 1,591	$ 1,529	$ 1,326	$ 1,338	$ 1,190	$ 1,335	$ 1,625	$ 1,493	$ 1,538	$ 1,445
Current portion of deferred taxes	$ 5,274	$ 5,327	$ 5,293	$ 5,297	$ 5,283	$ 5,263	$ 5,280	$ 5,254	$ 5,227	$ 5,229	$ 5,256	$ 5,232	$ 5,281
Revenue in excess of billings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other current assets	$ 261	$ 285	$ 331	$ 214	$ 309	$ 323	$ 397	$ 365	$ 374	$ 407	$ 429	$ 450	$ 546
Total Current Assets	**$ 58,435**	**$ 58,359**	**$ 60,528**	**$ 55,785**	**$ 55,542**	**$ 56,701**	**$ 62,985**	**$ 66,392**	**$ 62,167**	**$ 60,483**	**$ 62,041**	**$ 61,171**	**$ 60,439**
Non-Current Assets													
Property, plant & equipment, gross	$ 36,262	$ 36,688	$ 37,895	$ 38,006	$ 38,147	$ 38,088	$ 38,362	$ 38,604	$ 38,643	$ 39,466	$ 40,023	$ 40,159	$ 40,450
Accumulated depreciation	$ (22,835)	$ (23,108)	$ (23,208)	$ (23,334)	$ (23,515)	$ (23,601)	$ (23,838)	$ (23,927)	$ (23,934)	$ (24,057)	$ (24,312)	$ (24,097)	$ (24,382)
Property, plant & equipment, net	$ 13,427	$ 13,580	$ 14,687	$ 14,673	$ 14,632	$ 14,487	$ 14,524	$ 14,677	$ 14,708	$ 15,409	$ 15,711	$ 16,062	$ 16,068
Goodwill	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Identifiable intangible assets, gross	$ 15,231	$ 15,247	$ 15,236	$ 15,238	$ 15,233	$ 15,227	$ 15,233	$ 15,225	$ 15,216	$ 15,217	$ 15,225	$ 15,218	$ 15,148
Accumulated amortization	$ (5,523)	$ (5,870)	$ (6,215)	$ (6,561)	$ (6,906)	$ (7,251)	$ (7,597)	$ (7,942)	$ (8,287)	$ (8,370)	$ (8,454)	$ (8,537)	$ (8,753)
Identifiable intangible assets, net	$ 9,707	$ 9,377	$ 9,022	$ 8,677	$ 8,327	$ 7,976	$ 7,636	$ 7,283	$ 6,929	$ 6,847	$ 6,771	$ 6,681	$ 6,395
Deferred financing cost	$ 1,950	$ 1,906	$ 1,955	$ 1,908	$ 1,862	$ 1,950	$ 1,900	$ 1,850	$ 1,935	$ 1,893	$ 1,839	$ 1,786	$ 1,745
Deferred tax asset	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other non-current assets	$ 3,719	$ 3,723	$ 2,705	$ 2,703	$ 2,697	$ 2,693	$ 2,697	$ 2,697	$ 2,409	$ 1,642	$ 1,401	$ 839	$ 1,156
Total Non-Current Assets	**$ 28,804**	**$ 28,585**	**$ 28,368**	**$ 27,961**	**$ 27,518**	**$ 27,106**	**$ 26,756**	**$ 26,507**	**$ 25,981**	**$ 25,791**	**$ 25,723**	**$ 25,368**	**$ 25,364**
Total Assets	**$ 87,239**	**$ 86,944**	**$ 88,896**	**$ 83,746**	**$ 83,060**	**$ 83,807**	**$ 89,742**	**$ 92,899**	**$ 88,148**	**$ 86,274**	**$ 87,764**	**$ 86,539**	**$ 85,803**

Appendix 1) YTD December 2019 Balance Sheet – Reported (2 of 2)

HUFCOR HOLDINGS, INC. *Month Ending* 12/31/2019

BALANCE SHEET

	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019	11/30/2019	12/31/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M
Current Liabilities													
Current portion of long-term debt	$ 835	$ 1,250	$ 835	$ 919	$ 919	$ 919	$ 1,002	$ 1,002	$ 1,002	$ 1,086	$ 1,086	$ 1,086	$ 1,349
Line of Credit	$ 7,832	$ 10,203	$ 11,382	$ 9,458	$ 9,623	$ 9,308	$ 10,596	$ 10,806	$ 9,235	$ 8,750	$ 8,511	$ 9,064	$ 5,625
Accounts payable	$ 13,527	$ 12,385	$ 12,453	$ 10,618	$ 15,884	$ 15,798	$ 16,614	$ 18,668	$ 11,269	$ 11,758	$ 13,366	$ 12,469	$ 10,677
Accrued liabilities	$ 6,224	$ 5,452	$ 6,081	$ 5,770	$ 361	$ 1,907	$ 5,257	$ 4,735	$ 9,465	$ 9,874	$ 9,474	$ 9,528	$ 13,495
Accrued compensation	$ 2,121	$ 1,508	$ 1,551	$ 1,612	$ 1,346	$ 1,250	$ 1,970	$ 2,254	$ 1,598	$ 2,267	$ 2,504	$ 1,950	$ 2,237
Income taxes payable	$ 129	$ 83	$ 113	$ 129	$ 146	$ 188	$ 246	$ 384	$ 375	$ 442	$ 538	$ 582	$ 632
Short-term unearned revenue	$ -	$ -	$ 861	$ 456	$ 79	$ 79	$ 66	$ 66	$ 66	$ -	$ -	$ -	$ -
Other current liabilities	$ 2,721	$ 2,630	$ 2,911	$ 3,124	$ 3,134	$ 3,186	$ 3,223	$ 3,111	$ 2,796	$ 3,657	$ 3,676	$ 3,633	$ 3,493
Total Current Liabilities	**$ 33,389**	**$ 33,511**	**$ 36,188**	**$ 32,084**	**$ 31,492**	**$ 32,634**	**$ 38,973**	**$ 41,026**	**$ 35,807**	**$ 37,833**	**$ 39,154**	**$ 38,310**	**$ 37,507**
Long-term liabilities													
Long-term debt less current maturities	$ 31,730	$ 31,521	$ 31,521	$ 31,438	$ 31,229	$ 31,229	$ 31,146	$ 30,937	$ 30,937	$ 30,853	$ 30,645	$ 30,645	$ 30,728
Capital lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt owing to OpenGate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deferred income taxes	$ 46	$ 47	$ 68	$ 96	$ 95	$ 94	$ 95	$ 95	$ 93	$ 30	$ 30	$ 30	$ 31
Long-term unearned revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deferred liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other non-current liabilities	$ 46	$ 48	$ 47	$ (111)	$ 46	$ 46	$ (653)	$ 45	$ 44	$ 44	$ 45	$ 45	$ 46
Total Long-Term Liabilities	**$ 31,822**	**$ 31,616**	**$ 31,636**	**$ 31,423**	**$ 31,370**	**$ 31,369**	**$ 30,588**	**$ 31,077**	**$ 31,074**	**$ 30,928**	**$ 30,720**	**$ 30,719**	**$ 30,805**
Total Liabilities	**$ 65,211**	**$ 65,127**	**$ 67,824**	**$ 63,508**	**$ 62,862**	**$ 64,003**	**$ 69,561**	**$ 72,103**	**$ 66,881**	**$ 68,761**	**$ 69,874**	**$ 69,029**	**$ 68,312**
Commitments and contingencies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Shareholders' Equity													
Common stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Preferred stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital in excess of stated value	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350	$ 36,350
Retained earnings	$ (14,324)	$ (14,683)	$ (15,331)	$ (16,080)	$ (16,043)	$ (16,424)	$ (16,209)	$ (15,575)	$ (14,895)	$ (18,669)	$ (18,318)	$ (18,614)	$ (18,648)
Accumulated other comprehensive income	$ 47	$ 512	$ 512	$ 521	$ 518	$ 519	$ 522	$ 521	$ 516	$ 517	$ 520	$ 520	$ 523
Other equity transactions	$ (46)	$ (361)	$ (460)	$ (553)	$ (627)	$ (641)	$ (482)	$ (499)	$ (704)	$ (686)	$ (664)	$ (747)	$ (734)
Total Shareholders' Equity	**$ 22,028**	**$ 21,817**	**$ 21,072**	**$ 20,238**	**$ 20,198**	**$ 19,804**	**$ 20,181**	**$ 20,796**	**$ 21,267**	**$ 17,513**	**$ 17,889**	**$ 17,509**	**$ 17,491**
Total Liabilities and Shareholders' Equity	**$ 87,239**	**$ 86,944**	**$ 88,896**	**$ 83,746**	**$ 83,060**	**$ 83,807**	**$ 89,742**	**$ 92,899**	**$ 88,148**	**$ 86,274**	**$ 87,764**	**$ 86,539**	**$ 85,803**

Appendix 1) YTD December 2019 Cashflow Statement

HUFCOR HOLDINGS, INC. *Month Ending* 12/31/2019

CASHFLOW STATEMENT

	1/31/2019	2/28/2019	3/31/2019	*Quarter Ending* 3/31/2019	4/30/2019	5/31/2019	6/30/2019	*Quarter Ending* 6/30/2019	7/31/2019	8/31/2019	9/30/2019	*Quarter Ending* 9/30/2019	10/31/2019	11/30/2019	12/31/2019	*Quarter Ending* 12/31/2019	FY 2019
	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	
Cash flow from operations																	
Net Income (Loss)	$ (360)	$ (647)	$ (749)	$ (1,756)	$ 37	$ (381)	$ 215	$ (129)	$ 634	$ 680	$ (3,773)	$ (2,459)	$ 351	$ (297)	$ (33)	$ 21	$ (4,324)
Depreciation, amortization and other	$ 494	$ 495	$ 495	$ 1,484	$ 569	$ 507	$ 507	$ 1,583	$ 510	$ 510	$ 240	$ 1,261	$ 239	$ 240	$ 332	$ 811	$ 5,139
Capitalized fees & expenses	$ 44	$ 49	$ 47	$ 140	$ 47	$ (88)	$ 50	$ 8	$ 50	$ (85)	$ 42	$ 7	$ 54	$ 54	$ 40	$ 148	$ 303
Gain (loss) on sale of fixed assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10	$ 10	$ 10
Non-cash interest expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-cash dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deferred income tax	$ -	$ -	$ 28	$ 28	$ (1)	$ (1)	$ 1	$ (1)	$ 0	$ (2)	$ (63)	$ (65)	$ 0	$ 0	$ 1	$ 1	$ (38)
Change in operating assets and liabilities:																	
Accounts receivable	$ 1,774	$ (1,737)	$ 3,367	$ 3,404	$ 1,148	$ (876)	$ (2,452)	$ (2,180)	$ (4,215)	$ 326	$ 2,662	$ (1,227)	$ 192	$ (8)	$ 921	$ 1,105	$ 1,101
Inventory	$ (1,216)	$ (745)	$ (69)	$ (2,029)	$ (905)	$ (464)	$ (2,102)	$ (3,471)	$ 2,546	$ 95	$ 384	$ 3,025	$ (404)	$ (108)	$ 67	$ (445)	$ (2,920)
Prepaid expenses and other current assets	$ (123)	$ 119	$ 140	$ 135	$ 27	$ 233	$ 35	$ 295	$ 170	$ (296)	$ (241)	$ (367)	$ 59	$ (5)	$ 123	$ 177	$ 239
Accounts payable	$ (1,213)	$ 322	$ (1,920)	$ (2,810)	$ 5,242	$ (134)	$ 889	$ 5,997	$ 2,348	$ (7,688)	$ 579	$ (4,761)	$ 1,547	$ (886)	$ (1,735)	$ (1,075)	$ (2,649)
Accrued expenses	$ (1,408)	$ 1,596	$ (365)	$ (176)	$ (6,008)	$ 1,594	$ 4,042	$ (371)	$ (501)	$ 4,036	$ 1,839	$ 5,374	$ (25)	$ (508)	$ 4,114	$ 3,580	$ 8,406
Accrued income taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other changes in operating assets and liał	$ (142)	$ (89)	$ 17	$ (215)	$ 224	$ (4)	$ (734)	$ (514)	$ 690	$ 479	$ 726	$ 1,895	$ 319	$ 550	$ (280)	$ 589	$ 1,755
Other cash flow from operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Cash Flow from Operations	**$ (2,149)**	**$ (636)**	**$ 990**	**$ (1,795)**	**$ 381**	**$ 386**	**$ 450**	**$ 1,217**	**$ 2,232**	**$ (1,945)**	**$ 2,394**	**$ 2,681**	**$ 2,331**	**$ (970)**	**$ 3,559**	**$ 4,920**	**$ 7,023**
Cash flow from investing																	
Additions to property, plant and equipment	$ (245)	$ (186)	$ (208)	$ (639)	$ (182)	$ (16)	$ (198)	$ (396)	$ (301)	$ (191)	$ (777)	$ (1,269)	$ (456)	$ (506)	$ (181)	$ (1,144)	$ (3,449)
Acquisitions of companies, net of cash acqu	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investment in intangibles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Earnout payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other cash flow from investing (goodwill)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Cash Flow from Investing	**$ (245)**	**$ (186)**	**$ (208)**	**$ (639)**	**$ (182)**	**$ (16)**	**$ (198)**	**$ (396)**	**$ (301)**	**$ (191)**	**$ (777)**	**$ (1,269)**	**$ (456)**	**$ (506)**	**$ (181)**	**$ (1,144)**	**$ (3,449)**
Cash flow from financing																	
Proceeds from the issuance (repayment) of s	$ 2,786	$ 764	$ (1,925)	$ 1,625	$ 166	$ (315)	$ 1,288	$ 1,138	$ 210	$ (1,571)	$ (485)	$ (1,846)	$ (239)	$ 553	$ (3,438)	$ (3,125)	$ (2,207)
Proceeds from the issuance of debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repayment of debt	$ (209)	$ -	$ (84)	$ (292)	$ (209)	$ -	$ -	$ (209)	$ (209)	$ -	$ (84)	$ (292)	$ (209)	$ -	$ 347	$ 138	$ (655)
Capital lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Common stock issued (repurchased)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Common stock cash dividends paid	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Preferred stock issued (repurchased)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other cash flow from financing costs	$ -	$ -	$ 8	$ 8	$ (8)	$ (6)	$ (21)	$ (34)	$ 11	$ 8	$ (2)	$ 18	$ 0	$ (10)	$ (34)	$ (44)	$ (53)
Total Cash Flow from Financing	**$ 2,577**	**$ 764**	**$ (2,001)**	**$ 1,341**	**$ (50)**	**$ (321)**	**$ 1,266**	**$ 895**	**$ 12**	**$ (1,562)**	**$ (570)**	**$ (2,120)**	**$ (448)**	**$ 543**	**$ (3,126)**	**$ (3,031)**	**$ (2,915)**
Effect of FX rates on cash and cash equivalents	**$ 80**	**$ (117)**	**$ (93)**	**$ (130)**	**$ (70)**	**$ (9)**	**$ 184**	**$ 104**	**$ (32)**	**$ (223)**	**$ 21**	**$ (234)**	**$ 24**	**$ (74)**	**$ 48**	**$ (2)**	**$ (261)**
Net change in cash	$ 262	$ (175)	$ (1,311)	$ (1,225)	$ 78	$ 40	$ 1,702	$ 1,820	$ 1,911	$ (3,921)	$ 1,068	$ (942)	$ 1,451	$ (1,008)	$ 301	$ 744	$ 398
Beginning cash	$ 2,668	$ 2,930	$ 2,754	$ 2,668	$ 1,443	$ 1,521	$ 1,561	$ 1,443	$ 3,263	$ 5,174	$ 1,253	$ 3,263	$ 2,322	$ 3,773	$ 2,765	$ 2,322	$ 2,668
Change in cash	$ 262	$ (175)	$ (1,311)	$ (1,225)	$ 78	$ 40	$ 1,702	$ 1,820	$ 1,911	$ (3,921)	$ 1,068	$ (942)	$ 1,451	$ (1,008)	$ 301	$ 744	$ 398
Ending cash	**$ 2,930**	**$ 2,755**	**$ 1,443**	**$ 1,443**	**$ 1,521**	**$ 1,561**	**$ 3,263**	**$ 3,263**	**$ 5,174**	**$ 1,253**	**$ 2,322**	**$ 2,321**	**$ 3,773**	**$ 2,765**	**$ 3,066**	**$ 3,066**	**$ 3,065**

Appendix 1) Janesville Distributor Revenue Breakdown