

Hufcor, Inc. Monthly Operating Review

Month Ended November 30, 2019

December 16, 2019

Executive summary

- 1. Overall focus remains on executing the operational turnaround of Hufcor, with a focus on building the team, improving production capacity of the Janesville facility and preparing for increased commercial opportunities in 2020.
- 2. While backlog still lower than prior months, it remains in line with current capacity and does not account for expectations for increased commercial opportunities once lead times are reduced (goal of Q2 2020).
- 3. Financial performance in-line with expectations in context of the entire quarter.
 - Bank-Adjusted EBITDA of \$0.9mm (reported EBITDA \$0.5mm) for the month of November on \$11.4mm of revenue.
 - When combined with October performance (ahead of expectations), Q4 forecast unchanged with tempered expectations for the rest of the year (holidays & planned Janesville production shutdowns for physical inventory).
 - Maintaining forecast for Bank EBITDA > \$10 mm & covenant compliance as of December 2019.
- 4. International operations remain in focus as well. Review of China/Malaysia facilities and teams indicate significant opportunity via a global manufacturing strategy, and commercial expansion in China.

Human Capital	Janesville Productivity	Commercial Initiatives
<p>Accelerate key hiring, and manage consulting/3rd party expenses</p> <ul style="list-style-type: none">• Hiring: 14 roles have been prioritized for hiring, with 6 roles filled and 4 in vetting process.• Consultants: Current consulting spend remains elevated, with plans to ramp down in Q1 2020.	<p>Drive operational turn around to increase productivity and lower lead times</p> <ul style="list-style-type: none">• Commercial: Bookings has been soft in Q3, feedback from customers has indicated this is due to our quality and lead time performance.• Production: Planned addition of 603 line to create 80 units of capacity daily & reduce lead times.	<p>Pivot to commercial growth in 2020 with operations stabilized</p> <ul style="list-style-type: none">• Targeted 8-week lead times in the US will open Hufcor to numerous opportunities where we are currently unable to bid.• Renewed focus on international growth through strategic re-alignment following senior executives’ travels abroad.

Janesville Labor Productivity & Capacity Improvement

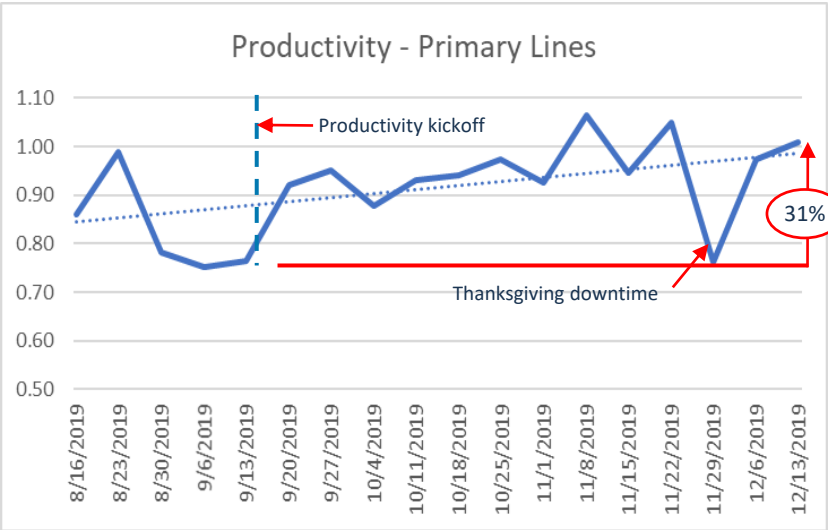
Implementation of 2-week frozen schedules has reduced production variation and improved output. New 603 Line, which will improve output capacity by ~25% is now being installed, completion mid-January. Lead times are now at 10 weeks, down from 18 weeks in September.

Objective:	Increase Janesville productivity via waste reduction (lean) and reduction in process variation (six sigma) while significantly increasing capacity to boost Hufcor's market competitiveness		
Critical KPI:	Units per Labor Hour (Units/Hour)		
	Baseline: 0.89 (2018 avg)	Target: 1.11 (+25%)	Annualized Impact: \$1.5mm

Problem Statement – Baseline

- Productivity performance has been hampered by poor production scheduling, equipment downtime, material availability, employee turnover, data integrity and quality defects

Current State – Performance Data



Current State – Results

- Overall productivity now at 1.01 units per manhour
- Lead time for primary products now at 10 weeks

Key Activities – Underway

- 1. Improve Scheduling Process**
 - New “Secured to Ship” process has been highly effective
 - Implementation of 2-week frozen schedule has reduced output variation
 - Evolving KPI dashboard validating improved performance and assigns ownership of key supporting processes
 - Improved SIOP business planning is providing more-optimal structure for order promising and delivery
- 2. Reduce Lead Times**
 - Implementation of new 603 line adds 25% of additional capacity and will promote on-going lead time reduction
 - Projecting 8-week lead times by end of Q1 for all panel types when 603 installation is complete and a 10% efficiency improvement for Loose Face panels is realized
- 3. Conduct Kaizen events in critical production areas**
 - Nine Kaizen events are planned for Q1 that focus on the three primary assembly lines and will encompass a new, formal 5S rollout plan for each area.
- 4. Associate Training**
 - ‘Introduction to Lean Business Process Improvement’ classes for all associates begins in January; more robust yellow and green belt courses to be provided to select associates

Next Steps

- 1. Continue to Improve Productivity**
 - Two temporary manufacturing engineers will be here in January to help speed improvement project implementation
 - A new preventative maintenance software system which will eliminate machine downtime will be operational in mid-January
 - New Quality Director started 12/11; upstream quality fixes will also help to eliminate panel assembly downtime
- 2. Increase Production Capacity**
 - When 603 is complete a plan of action to improve output and efficiency of 600 line will be put into place
 - Second site potential is still being reviewed as Athens winds down (full withdrawal planned for December)
- 3. VP of Domestic Operations hired**
 - New VP selected and starting effective Jan 1; focus will be on fixing Janesville and maximizing domestic throughput with exceptional service and quality performance

Hufcor Team Hiring

Hiring has been prioritized to key operational roles and required G&A positions which are filled by 3rd party acting managers.

OVERALL SUMMARY

STATUS	#
Positions	17
Positions Filled	6
Offer Extended (Disposition Outstanding)	0
Offers Rejected	1
Vetting	4

HIGH PRIORITY STAFF REQUIREMENTS

STATUS	POSITIONS
Filled	EHS&F Director, Production Supervisors (2), Executive Asst., Quality Director, Innovation Engineer
Offer Extended	None
Late Stage Vetting	Corporate Controller, VP Operations, VP Human Resources, Product Design Engineer

#	Position	Date Opened	Days Open	Target Hire Date	Source	Status	Sourced	Screened	On-Site Interviewed	Offers Extended	Notes
1	Corporate Controller	9/23/2019	79	12/15/2019	Beckway	On-Target	18	3	3	1	Extension of offer to J. Franz pending S. Dobak approval
2	VP Operations	10/9/2019	63	12/1/2019	Beckway	On-Target	30	0	2	0	Extension of offer to K. Patterson pending S. Dobak approval
3	Quality Director	9/25/2019	77	12/16/2019	Beckway	Closed	11	1	2	1	N. Ackley joined Hufcor 12/11/2019
4	HSE&F Director	9/25/2019	77	11/15/2019	Beckway	Closed	6	5	6	1	J. Bahr joined Hufcor 11/18/2019
5	VP Human Resources	10/15/2019	57	12/15/2019	Beckway	On-Target	7	0	3	0	S. Madden and T. Schramm scheduled to meet S. Dobak 12/16 and 12/17, respectively.
6	Cost Accountant	9/26/2019	76	11/15/2019	R. Half	Hold	4	4	1	0	Hold Pending Corporate Controller hire.
7	Production Supervisor (1)	9/24/2019	78	11/1/2019	Job Boards	Closed	14	9	4	1	T. Trumpy joined Hufcor 10/2019
8	Production Supervisor (2)	9/24/2019	78	11/1/2019	Job Boards	Closed	14	9	4	1	J. Lange joined Hufcor 11/2019
9	Production Supervisor (3)	11/10/2019	31	12/15/2019	Job Boards / QPS	On-Target	15	12	9	0	Actively engaged interviewing candidates
10	Production Supervisor (4)	11/11/2019	30	12/15/2019	Job Boards / QPS	On-Target	15	12	9	0	Actively engaged interviewing candidates
11	Executive Assistant	9/23/2019	79	9/23/2019	Job Boards	Closed	1	1	1	1	P. Schluter transfer 10/4
12	Project Design Engineer	10/2/2019	70	12/1/2019	Job Boards	On-Target	4	2	2	0	Status update pending input from G. Southern
13	Systems Administrator	NA	NA	NA	NA	Hold	NA	NA	NA	NA	Hold pending input from R. Andrews
14	Technical Support Specialist	11/18/2019	23	1/6/2020	Job Boards	On-Target	12	12	4	0	Four (4) candidates interviewed by R. Andrews
15	Innovation Engineer	10/2/2019	70	12/1/2019	Job Boards	Closed	5	5	2	1	K. Kroczyński joined Hufcor 12/4
16	Shipping Manager	12/3/2019	8	1/15/2020	Job Boards	On-Target	0	0	0	0	Job description approved and posted 12/13
17	Manufacturing Engineer	12/10/2019	NA	1/31/2020	Job Boards	Hold	0	0	0	0	Pending final approval to staff position.

Month 11

Financials – November 2019

November 2019 P&L: Reported

\$'000	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	%	Act	%	
Gross Revenue	\$ 11,388	\$ 10,898	\$ 490	4.5%	\$ 11,633	\$ (244)	(2.1%)	\$ 138,369	\$ 132,216	4.7%	\$ 125,123	10.6%	
Net Revenue	11,388	10,898	490	4.5%	11,633	(244)	(2.1%)	138,369	132,216	4.7%	125,123	10.6%	
Material	3,551	3,617	(66)	(1.8%)	4,281	(730)	(17.0%)	48,984	46,116	6.2%	43,383	12.9%	
Labor	3,495	3,322	173	5.2%	3,886	(391)	(10.1%)	40,934	38,127	7.4%	38,966	5.1%	
Other COGS	1,174	955	218	22.8%	912	261	28.6%	13,160	10,796	21.9%	11,616	13.3%	
Total COGS	8,219	7,895	325	4.1%	9,079	(860)	(9.5%)	103,077	95,039	8.5%	93,965	9.7%	
Gross Margin	3,169	3,003	165	5.5%	2,553	615	24.1%	35,291	37,177	(5.1%)	31,158	13.3%	
Gross Margin %	27.8%	27.6%			21.9%			25.5%	28.1%		24.9%		
R&D	—	—	—	N/A	—	—	N/A	—	—	N/A	—	N/A	
Sales & Marketing	1,190	1,267	(77)	(6.1%)	1,236	(46)	(3.7%)	12,973	13,934	(6.9%)	13,573	(4.4%)	
Administrative	1,500	995	505	50.7%	684	816	119.3%	16,182	10,944	47.9%	11,727	38.0%	
Other Opex	(7)	(3)	(3)	101.2%	(28)	21	(75.2%)	(309)	(38)	715.2%	(259)	19.1%	
Total Opex	2,683	2,258	424	18.8%	1,892	791	41.8%	28,845	24,841	16.1%	25,041	15.2%	
EBITDA	486	745	(259)	34.8%	662	(176)	(26.5%)	6,446	12,336	47.7%	6,117	5.4%	
EBITDA %	4.3%	6.8%			5.7%			4.7%	9.3%		4.9%		
Net Income (Loss)	\$ (131)	\$ (143)	\$ 12	8.1%	\$ (249)	\$ 118	47.3%	\$ (5,146)	\$ 1,478	448.1%	\$ (5,510)	6.6%	
Capex	\$ 608	\$ —	\$ 608		\$ 323	\$ 285		\$ 4,731	\$ —		\$ 1,374	244.3%	

\$'000	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	%	Act	%	
Opex Overview:													
Payroll	\$ 1,150	\$ 1,194	\$ (44)	(3.7%)	\$ 875	\$ 276	31.5%	\$ 11,609	\$ 13,135	(11.6%)	\$ 12,812	(9.4%)	
Benefits	260	250	9	3.7%	227	33	14.4%	2,103	2,754	(23.6%)	2,626	(19.9%)	
Bonus	47	112	(65)	(57.8%)	(33)	80	(244.0%)	1,010	1,231	(17.9%)	135	649.7%	
Marketing	34	28	7	23.4%	75	(40)	(54.0%)	368	306	20.0%	598	(38.5%)	
Commissions	133	191	(58)	(30.3%)	213	(80)	(37.4%)	1,982	2,102	(5.7%)	1,768	12.1%	
Travel and Entertainment	171	87	84	97.2%	102	69	67.9%	1,212	952	27.3%	1,161	4.5%	
Rent and Facilities	75	65	10	15.3%	67	7	10.9%	776	714	8.8%	723	7.3%	
Insurance	65	32	33	105.5%	(89)	154	(173.0%)	492	349	41.2%	210	134.3%	
Professional Fees	57	69	(12)	(16.9%)	79	(21)	(27.1%)	921	760	21.1%	1,112	(17.2%)	
Utl., Repair, Maint., & Sec.	36	34	1	4.2%	29	7	25.7%	389	378	2.9%	383	1.8%	
Office Expenses	8	6	2	30.6%	6	2	32.2%	74	65	13.8%	67	10.4%	
IT	137	48	89	187.8%	47	89	188.1%	713	523	36.5%	567	25.8%	
Bad Debts	(51)	12	(63)	(527.7%)	42	(93)	(221.0%)	2,949	131	2147.9%	45	6417.6%	
Supplies	27	18	10	54.3%	17	10	54.5%	197	193	2.4%	234	(15.9%)	
FX	—	—	—	N/A	—	—	N/A	—	—	N/A	—	N/A	
Other Expenses	534	114	420	370.0%	235	299	127.0%	4,049	1,249	224.2%	2,602	55.6%	
Total Opex	\$ 2,683	\$ 2,258	\$ 424	18.8%	\$ 1,892	\$ 791	41.8%	\$ 28,845	\$ 24,841	16.1%	\$ 25,041	15.2%	

Management Discussion:

Revenue

- Approximately \$500k below billing forecast (\$11.9 mm),, but merely a timing issue & no change forecasted for Nov/Dec combined forecast of \$22.8 mm.

Gross Margin

- MTD Gross Margin slightly impacted by inventory / cycle count write downs in anticipation of Physical Inventory in December – will be restated upon completion of Physical Inventory.

OPEX

- Opex burdened by one-time expenses (\$365k domestically / \$40k internationally) in allowable add-backs (excess travel, consultants, severance & loss of disposition of fixed assets, net of reversals of specific reserves taken in September).

EBITDA

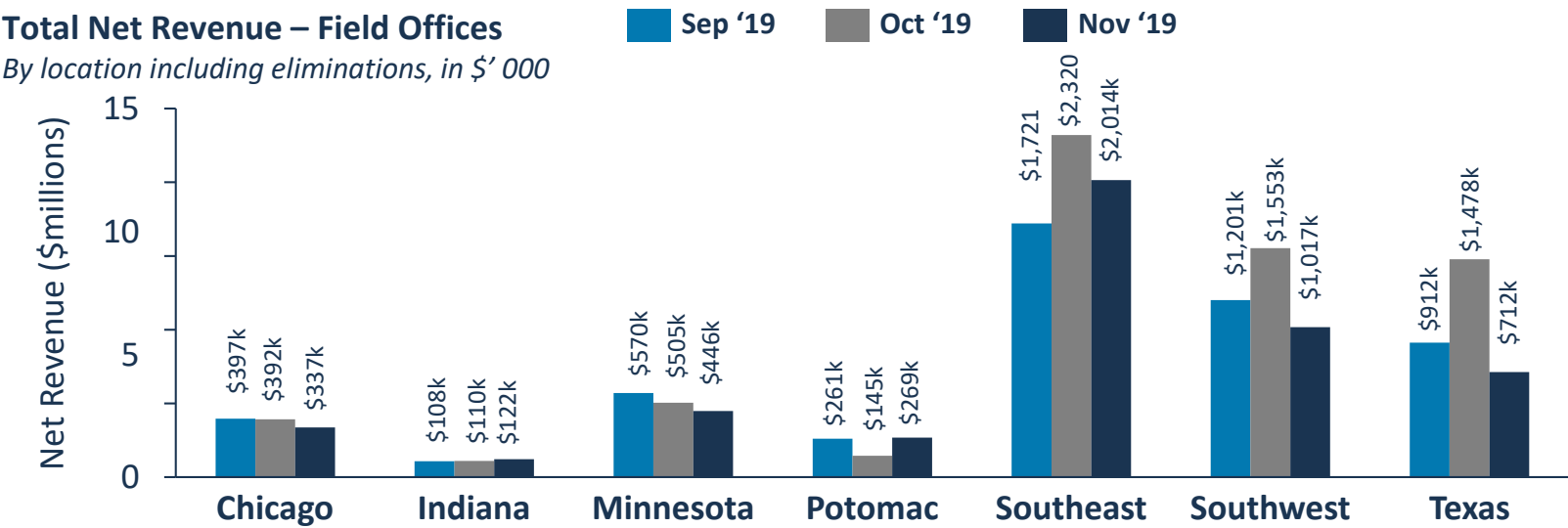
- \$486k Reported EBITDA
 - International = \$198k
 - Domestic = \$288k
- As adjusted for one-time expenses, \$891k Bank EBITDA
 - International = \$0.238k
 - Domestic = \$654k

Hufcor Field Office Contribution Detail – Last 3 Month Comparison

Overall field office revenue

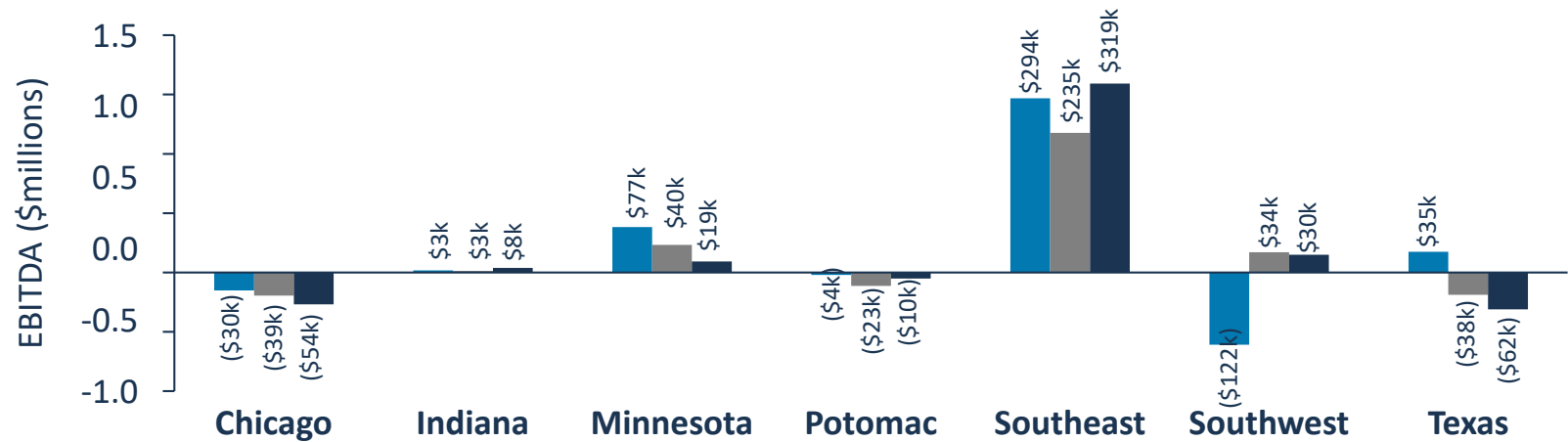
Total Net Revenue – Field Offices

By location including eliminations, in \$' 000



Total EBITDA – Field Offices

By location including eliminations, in \$'s 000



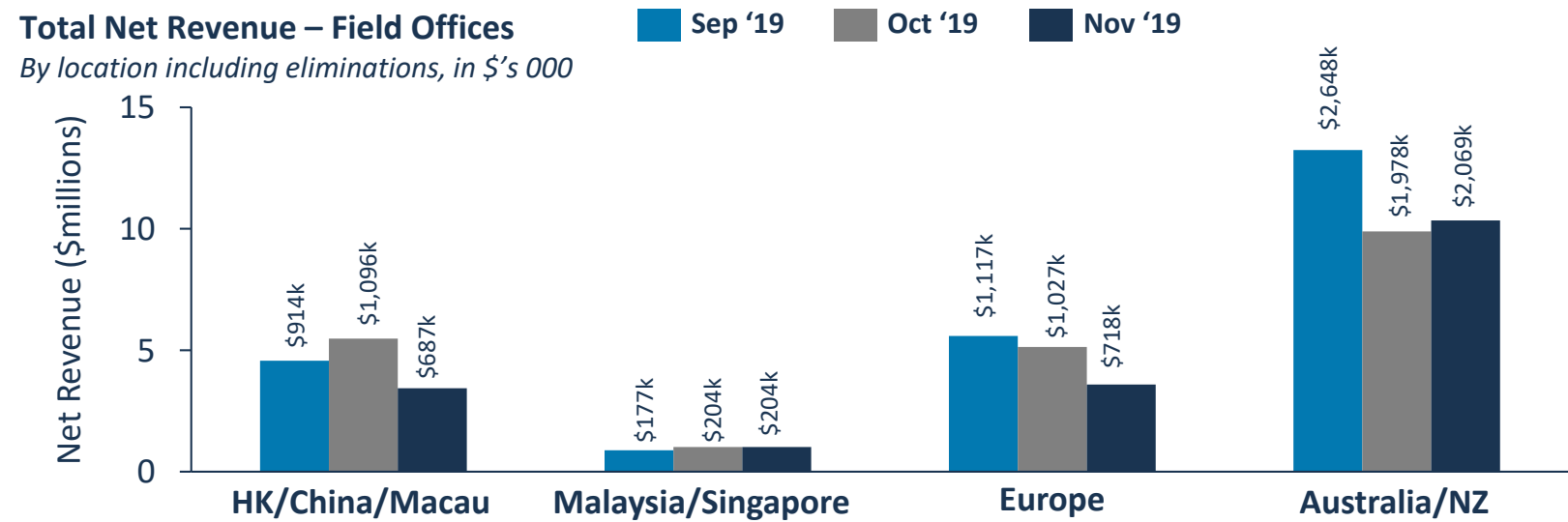
- November 2019 service center revenue of \$4.9mm, down 24% from \$6.5mm in October and down 5% from \$5.2mm in September.
- \$0.2mm of EBITDA in November, slightly up from \$0.2mm in October.
- SW strong service month driven by large recover project. Expecting to finish year \$60K over 2019 EBITDA goal.
- Texas ~\$700k of revenue push out of Nov and Dec due to weather and jobsite delays.
- Texas needs \$1m+ revenue to generate positive EBITDA (with no major project issues). Jan '20 thru Apr '20 all forecasting to be \$1m+ months.
- Moving Hufcor MO to Independent Distribution due to retirements and lack of sales growth. New model will remove a competitor, increase revenue/margin, and maintain Hufcor presence.
- Still in search for sales replacement in Chicago region to increase sales revenue.
- 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 – Last 3 Month Comparison

Overall field office revenue

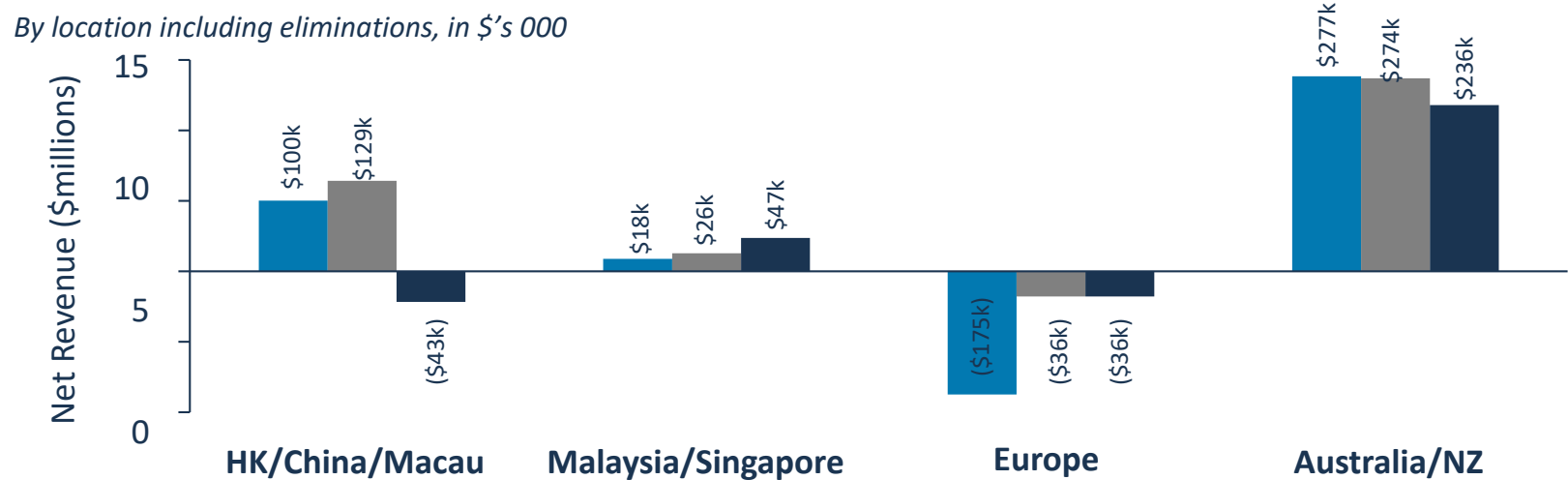
Total Net Revenue – Field Offices

By location including eliminations, in \$'s 000



Total EBITDA – Field Offices

By location including eliminations, in \$'s 000



- November 2019 international revenue declined 15% from October – from \$4.3mm to \$3.7 mm.
- EBITDA declined from \$0.4mm in October to \$0.2 mm in November, with largest variance coming from losses in Asia.
- HK projects delayed due to recent civil unrest & other projects (Macau Athletic Training Center, Hong Kong Science Park) have incurred higher COS due to sub-contracting – on top of \$40k in severance cost for former China GM.
- Malaysia/Singapore: Unfavorable sales due to delays in the Grand Mercure project (\$70K) pushed to Dec; favorable EBITDA due to controlling SG&A expense (\$22K vs budget) and favorable FX of \$3K.
- Europe: Unfavorable revenue due to several projects pushed into Dec/Jan; additional burden from consultant expenses & FX losses (\$60k combined).
- Continued strong performance in Australia / NZ driven by large projects. Increase is due to Queensland invoice \$136K better than plan. Decline in EBITDA vs October is due to higher COGS 1.4% (\$79K), net of SG&A \$15K favorable.

Covenants Projections

	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	FCST	
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ 37	\$ (231)	\$ 197	\$ 510	\$ 680	\$ (5,031)	\$ 311	\$ (131)	\$ (140)	\$ (5,286)
Bank EBITDA Calculation:													
Interest and amortization	344	347	358	349	371	365	373	355	396	342	310	258	4,169
Taxes	(7)	43	19	36	88	36	146	85	99	94	75	(46)	669
Depreciation and amortization	494	495	495	569	507	507	510	510	240	239	240	577	5,383
Monitoring fees (including expenses)	250	18	-	250	-	-	-	250	-	250	-	96	1,114
Gain/loss on disposition of assets	-	-	-	-	-	-	-	10	1	-	64	-	75
Losses (Gains) from Discontinued Operations	-	-	-	-	-	-	-	-	-	17	17	17	51
FX gain/loss	(6)	16	48	2	58	(44)	61	(4)	60	(65)	28	-	153
Severance	-	-	-	-	-	423	-	-	652	-	(59)	-	1,016
Extraordinary charges	-	-	-	-	-	-	-	-	-	197	359	-	556
Other non-cash charges or non-cash gains	-	-	51	-	-	-	-	-	-	-	(10)	-	41
Other non-recurring fees and expenses < \$6.5mm in total	-	-	-	-	-	-	-	-	491	-	-	-	491
Non-recurring items:													
Inventory write-offs < \$320k in total	-	-	-	-	-	-	-	-	320	-	-	-	320
A/R write-offs < \$1.3mm in total	64	127	98	78	81	84	25	28	714	-	-	-	1,300
Warranty claim payments: Mystic Lake < 400k	-	-	-	-	-	-	-	-	75	-	-	-	75
Warranty claim payments: Non- Mystic Lake < 625k	-	-	-	-	-	-	-	-	561	-	-	-	561
Total non-recurring items	64	127	98	78	81	84	25	28	1,670	-	-	-	2,256
Bank EBITDA	\$ 178	\$ 399	\$ 1,189	\$ 1,321	\$ 873	\$ 1,568	\$ 1,626	\$ 1,915	\$ (1,420)	\$ 1,386	\$ 891	\$ 762	\$ 10,687
Less:													
Unfinanced CAPEX	238	256	175	250	117	125	289	91	134	132	46	50	1,904
Cash income and franchise taxes	(7)	43	19	36	88	36	146	85	99	94	75	(46)	669
Numerator	\$ (52)	\$ 100	\$ 994	\$ 1,035	\$ 668	\$ 1,407	\$ 1,190	\$ 1,738	\$ (1,654)	\$ 1,160	\$ 770	\$ 758	\$ 8,114
Fixed Charges:													
Cash Interest	300	301	311	349	371	365	373	301	343	289	256	258	3,816
Regularly scheduled principal payments	209	-	-	209	-	-	209	-	-	209	-	-	836
Capital Lease payments	3	3	3	-	-	-	-	-	-	-	-	-	9
Total Fixed Charges	\$ 512	\$ 304	\$ 314	\$ 558	\$ 371	\$ 365	\$ 582	\$ 301	\$ 343	\$ 497	\$ 256	\$ 258	\$ 4,661
TTM Numerator	4,397	5,197	5,955	7,472	8,535	7,249	8,353	8,996	6,308	6,886	7,343	8,114	8,114
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	4,661	4,661
Fixed Charge Covenant Ratio	1.00	1.16	1.33	1.64	1.83	1.52	1.72	1.85	1.28	1.44	1.55	1.74	1.74
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	\$ 40,794	\$ 40,794
TTM Bank EBITDA	\$ 7,009	\$ 7,986	\$ 8,871	\$ 10,417	\$ 11,461	\$ 10,216	\$ 11,406	\$ 12,093	\$ 9,625	\$ 9,793	\$ 10,023	\$ 10,687	\$ 10,687
Leverage Ratio	6.13	5.48	4.71	4.01	3.62	4.18	3.75	3.40	4.23	4.11	4.07	3.82	3.82
Required	*NR			*NR			*NR			4.75 x			

Management Discussion:

Path to Covenant Compliance

- Assumptions outlined in the forecast reflect expectations as of today, whereby we have met the increased production goals and avoided liquidated damages.
- Along with meeting production goals, other key assumptions which need to materialize are:
 - Receiving payment on time from large projects completed in Q3 (Gibca in particular),
 - Successfully managing AP at year end, and
 - Confirming the ability to add-back any additional items identified and written off in September close.
- Meetings with LBC and JPM went well. Lenders understand that additional add-backs and extraordinary charges for prior periods to be presented with 2019 restatement.

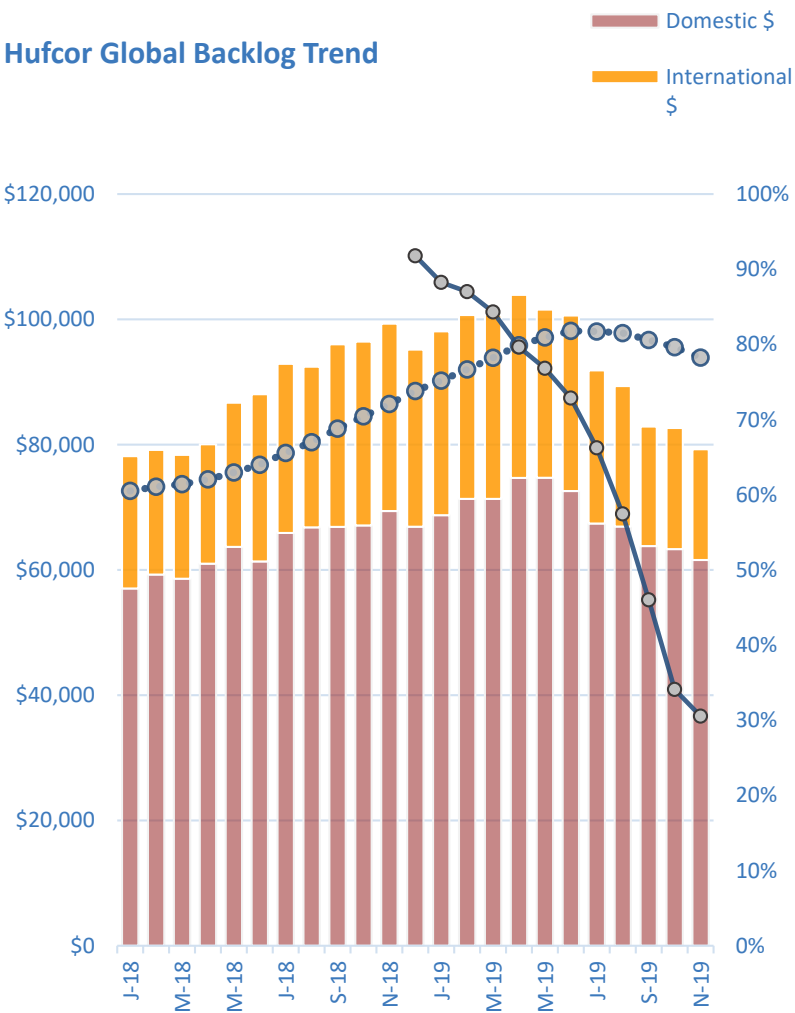
Backlog

Overall, the 11/30/19 backlog decreased by \$4.8M from November 15, 2019 (\$2.9M Domestic, \$1.8M International).

Historical backlog

Thousands USD; 11/30

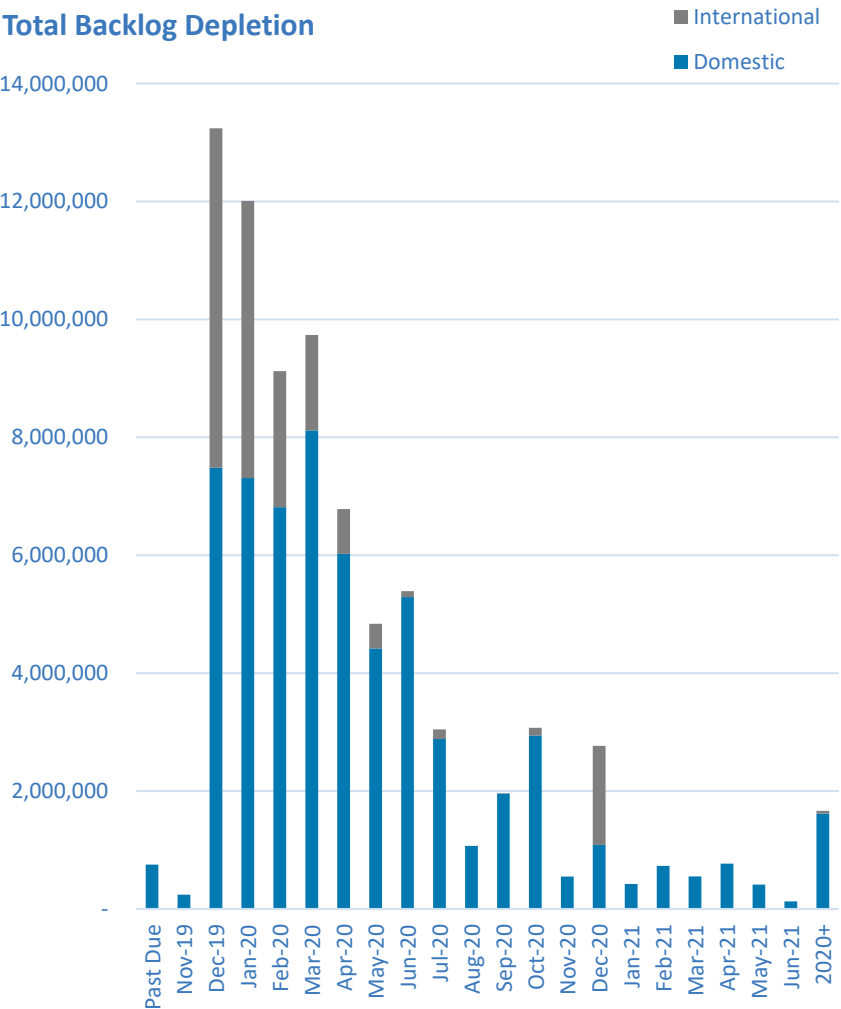
Hufcor Global Backlog Trend



Backlog roll-off

Millions USD; 11/30

Total Backlog Depletion



Management Discussion:

- Completion of three major domestic projects contributed to the decrease, and fewer major projects currently slated for 2020.
- Given legacy issues with quality & lead times that have only recently begun to be tackled, we expect the opportunity to build the backlog beginning next year in Q2.
 - Critical success factor in securing additional jobs is sustaining quality improvements & moving lead times under 10 weeks ASAP.
 - If able to hold quality & lead time to these standards into the peak summer months, this should allow our salesmen to bid on & secure jobs we currently cannot even attempt to secure.
- Please note: Current 2020 AOP Snapshot **does not** assume reduction in lead times below 10 weeks, which represents meaningful upside to the forecast if we can achieve the targets.

Forecasted 13-Week Cashflow – Hufcor Consolidated

Focus on cashflow prior to year end – will revisit Jan/Feb cashflow as part of the AOP process.

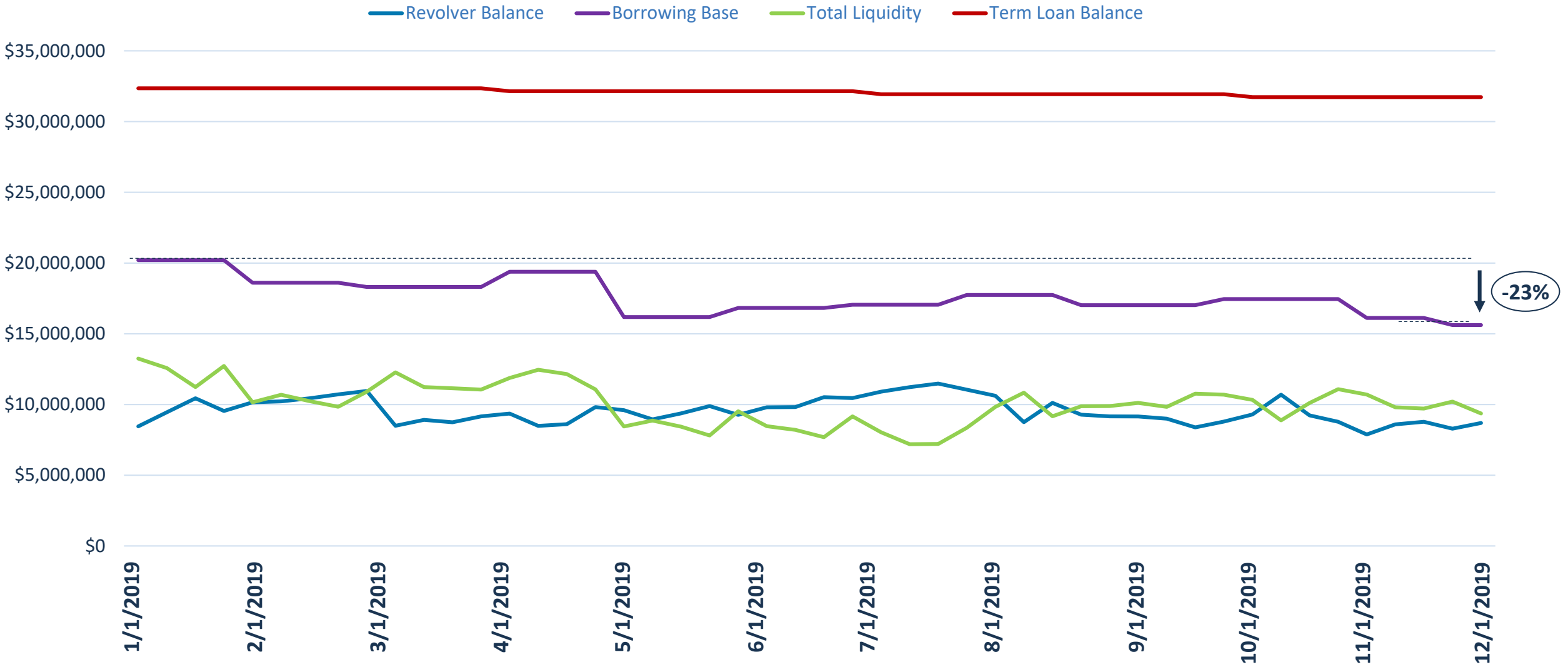
Hufcor Inc. Global Consolidated 13 Week Cash Flow Forecast

\$ 000's

Week Ending:	6-Dec	13-Dec	20-Dec	27-Dec	3-Jan	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb	14-Feb	21-Feb	28-Feb	Total
Total Inflows	2,894	3,186	3,065	2,911	2,545	2,661	2,489	2,288	2,259	2,510	2,420	2,658	2,097	33,983
Total Operating Disbursements	(2,934)	(2,365)	(2,956)	(2,483)	(2,727)	(2,206)	(2,617)	(2,061)	(2,860)	(2,302)	(2,704)	(2,082)	(3,073)	(33,370)
Net Operating Cash Flow	(40)	821	109	428	(182)	455	(128)	227	(601)	207	(284)	576	(975)	613
Interest Expense/Principal	39	-	-	-	1,096	-	-	-	-	49	-	-	-	1,184
Taxes	19	31	153	77	18	33	-	198	-	19	31	54	-	634
CapEx	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Op	6	11	6	6	125	10	6	6	6	10	6	6	6	206
Total Non-Operating Disbursements	64	42	159	83	1,238	43	6	204	6	78	37	60	6	2,023
Total Net Cash Flow	(104)	779	(50)	345	(1,419)	412	(133)	23	(606)	129	(321)	516	(981)	(1,411)
Beginning Bank Cash	2,285	2,257	2,061	2,049	1,808	1,939	1,833	1,974	1,766	1,556	1,438	1,346	1,631	2,285
Net Global Cash Flow	(104)	779	(50)	345	(1,419)	412	(133)	23	(606)	129	(321)	516	(981)	(1,411)
Transfers In / (Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Draw / Sweep	75	(975)	38	(586)	1,550	(518)	274	(232)	396	(247)	229	(231)	494	269
Ending Bank Cash	2,257	2,061	2,049	1,808	1,939	1,833	1,974	1,766	1,556	1,438	1,346	1,631	1,144	1,144
Term Loan Balance	31,730	31,730	31,730	31,730	31,438	31,438	31,438	31,438	31,438	31,438	31,438	31,438	31,438	31,438
Beginning Revolver Balance	8,682	8,841	7,867	7,905	7,319	8,896	8,378	8,653	8,421	8,817	8,598	8,827	8,596	8,682
Domestic PIK Interest	-	-	-	-	27	-	-	-	-	27	-	-	-	54
Draw / Sweep	75	(975)	38	(586)	1,550	(518)	274	(232)	396	(247)	229	(231)	494	269
Ending Revolver Balance	8,757	7,867	7,905	7,319	8,896	8,378	8,653	8,421	8,817	8,598	8,827	8,596	9,089	9,089
Borrowing Base	20,794	20,343	20,312	20,479	20,330	19,964	19,784	19,887	20,364	20,122	20,106	20,337	21,318	21,318
Total Debt	40,487	39,597	39,635	39,049	40,334	39,816	40,090	39,859	40,255	40,036	40,265	40,034	40,527	40,527

Treasury

Total liquidity (availability + cash) is down 23% based on average in November vs 1/1/19; in the process of discussing borrowing base calculations following field audit with JPM.



A | Appendix

YTD November 2019 Income Statement – Reported & Pro Forma

HUFCOR HOLDINGS, INC.

INCOME STATEMENT	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Adj.	Pro Forma	Act	Act
	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	Entries in Sept To Restate		9/30/2019	10/31/2019	11/30/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M		1M	1M	1M
Gross Revenue	\$ 10,051	\$ 11,098	\$ 11,865	\$ 10,751	\$ 13,113	\$ 12,407	\$ 16,532	\$ 14,005	\$ 13,171			\$ 13,171	\$ 13,988	\$ 11,388
Discounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Returns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Net Revenue	\$ 10,051	\$ 11,098	\$ 11,865	\$ 10,751	\$ 13,113	\$ 12,407	\$ 16,532	\$ 14,005	\$ 13,171			\$ 13,171	\$ 13,988	\$ 11,388
Material	\$ 3,191	\$ 4,159	\$ 3,724	\$ 3,056	\$ 5,461	\$ 3,611	\$ 7,172	\$ 4,535	\$ 6,049	\$ (1,321)		\$ 4,728	\$ 4,474	\$ 3,551
Labor	\$ 3,460	\$ 3,335	\$ 3,733	\$ 3,255	\$ 3,746	\$ 3,935	\$ 4,259	\$ 3,924	\$ 3,799	\$ -		\$ 3,799	\$ 3,993	\$ 3,495
Other COGS	\$ 1,119	\$ 1,118	\$ 1,118	\$ 981	\$ 1,075	\$ 1,027	\$ 880	\$ 1,191	\$ 2,100	\$ (636)		\$ 1,464	\$ 1,378	\$ 1,174
Total COGS	\$ 7,770	\$ 8,612	\$ 8,576	\$ 7,292	\$ 10,282	\$ 8,573	\$ 12,311	\$ 9,650	\$ 11,948	\$ (1,957)		\$ 9,991	\$ 9,845	\$ 8,219
Gross Margin	\$ 2,281	\$ 2,486	\$ 3,289	\$ 3,459	\$ 2,831	\$ 3,834	\$ 4,221	\$ 4,355	\$ 1,224	\$ 1,957		\$ 3,181	\$ 4,143	\$ 3,169
<i>Gross Margin %</i>	22.7%	22.4%	27.7%	32.2%	21.6%	30.9%	25.5%	31.1%	9.3%			24.1%	29.6%	27.8%
R&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Sales & marketing	\$ 1,068	\$ 1,085	\$ 1,132	\$ 1,192	\$ 1,162	\$ 1,160	\$ 1,233	\$ 1,176	\$ 1,259			\$ 1,259	\$ 1,315	\$ 1,190
Administrative	\$ 1,115	\$ 1,136	\$ 1,136	\$ 1,063	\$ 1,197	\$ 1,198	\$ 1,222	\$ 1,315	\$ 3,627	\$ (2,036)		\$ 1,591	\$ 1,672	\$ 1,500
Other Opex	\$ (16)	\$ (7)	\$ (71)	\$ (39)	\$ (49)	\$ 6	\$ (7)	\$ (24)	\$ (79)			\$ (79)	\$ (16)	\$ (7)
Total OPEX (excl D&A)	\$ 2,167	\$ 2,215	\$ 2,198	\$ 2,215	\$ 2,310	\$ 2,364	\$ 2,449	\$ 2,468	\$ 4,806	\$ (2,036)		\$ 2,770	\$ 2,972	\$ 2,683
EBITDA	\$ 114	\$ 272	\$ 1,091	\$ 1,244	\$ 521	\$ 1,470	\$ 1,772	\$ 1,887	\$ (3,583)	\$ 3,993		\$ 411	\$ 1,171	\$ 486
<i>EBITDA Margin %</i>	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	10.7%	13.5%	-27.2%			3.1%	8.4%	4.3%

YTD November 2019 Income Statement – Reported & Pro Forma

HUFCOR HOLDINGS, INC.

INCOME STATEMENT	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Adj.	Pro Forma	Act	Act
	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	Entries in Sept To Restate		9/30/2019	10/31/2019	11/30/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M		1M	1M	1M
Opex Overview														
Payroll	\$ 1,057	\$ 1,023	\$ 1,004	\$ 863	\$ 971	\$ 1,128	\$ 1,146	\$ 1,147	\$ 993	\$ 30		\$ 1,023	\$ 1,126	\$ 1,150
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Benefits	\$ 239	\$ 209	\$ 232	\$ 247	\$ 216	\$ 224	\$ 224	\$ 211	\$ (252)	\$ 480		\$ 228	\$ 294	\$ 260
Bonus	\$ 96	\$ 96	\$ 93	\$ 139	\$ 98	\$ 75	\$ 97	\$ 99	\$ 138	\$ (35)		\$ 103	\$ 31	\$ 47
Severance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Marketing	\$ 15	\$ 22	\$ 19	\$ 56	\$ 72	\$ (24)	\$ 51	\$ 28	\$ 29	\$ -		\$ 29	\$ 65	\$ 34
Commissions	\$ 134	\$ 159	\$ 187	\$ 174	\$ 189	\$ 180	\$ 195	\$ 175	\$ 246	\$ -		\$ 246	\$ 210	\$ 133
Travel and Entertainment	\$ 80	\$ 82	\$ 85	\$ 120	\$ 99	\$ 87	\$ 88	\$ 109	\$ 112	\$ -		\$ 112	\$ 180	\$ 171
Rent and Facilities	\$ 68	\$ 69	\$ 67	\$ 75	\$ 72	\$ 75	\$ 71	\$ 63	\$ 68	\$ -		\$ 68	\$ 72	\$ 75
Insurance	\$ 35	\$ 43	\$ 35	\$ 35	\$ 34	\$ 33	\$ 33	\$ 37	\$ 82	\$ -		\$ 82	\$ 59	\$ 65
Professional Fees	\$ 78	\$ 76	\$ 110	\$ 100	\$ 80	\$ 60	\$ 108	\$ 106	\$ 90	\$ -		\$ 90	\$ 56	\$ 57
Utl., Repair, Maint., & Sec.	\$ 28	\$ 38	\$ 38	\$ 38	\$ 35	\$ 33	\$ 36	\$ 37	\$ 35	\$ -		\$ 35	\$ 36	\$ 36
Office Expenses	\$ 5	\$ 4	\$ 5	\$ 8	\$ 6	\$ 5	\$ 5	\$ 5	\$ 9	\$ -		\$ 9	\$ 13	\$ 8
Safety and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
IT	\$ 55	\$ 58	\$ 58	\$ 91	\$ 72	\$ 67	\$ 62	\$ 61	\$ 34	\$ -		\$ 34	\$ 18	\$ 137
Bad Debt	\$ 64	\$ 127	\$ 98	\$ 78	\$ 81	\$ 84	\$ 25	\$ 28	\$ 2,370	\$ (2,021)		\$ 350	\$ 43	\$ (51)
Supplies	\$ 25	\$ 10	\$ 17	\$ 17	\$ 22	\$ 13	\$ 20	\$ 17	\$ 12	\$ -		\$ 12	\$ 17	\$ 27
FX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
JV Loss (Income)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Other Expenses	\$ 188	\$ 198	\$ 147	\$ 172	\$ 264	\$ 324	\$ 288	\$ 343	\$ 842	\$ (491)		\$ 351	\$ 751	\$ 534
Total OPEX (excl D&A)	\$ 2,167	\$ 2,215	\$ 2,198	\$ 2,215	\$ 2,310	\$ 2,364	\$ 2,449	\$ 2,468	\$ 4,806	\$ (2,036)		\$ 2,770	\$ 2,972	\$ 2,683
EBITDA	\$ 114	\$ 272	\$ 1,091	\$ 1,244	\$ 521	\$ 1,470	\$ 1,772	\$ 1,887	\$ (3,583)	\$ 3,993		\$ 411	\$ 1,171	\$ 486
EBITDA Margin %	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	10.7%	13.5%	-27.2%			3.1%	8.4%	4.3%
Depreciation	\$ 148	\$ 150	\$ 150	\$ 224	\$ 162	\$ 161	\$ 164	\$ 165	\$ 157			\$ 157	\$ 155	\$ 157
Amortization	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 83			\$ 83	\$ 83	\$ 83
Less: D&A	\$ 494	\$ 495	\$ 495	\$ 569	\$ 507	\$ 507	\$ 510	\$ 510	\$ 240			\$ 240	\$ 239	\$ 240
EBIT, reported	\$ (380)	\$ (224)	\$ 596	\$ 675	\$ 14	\$ 963	\$ 1,262	\$ 1,376	\$ (3,823)	\$ 3,993		\$ 170	\$ 933	\$ 246
Interest and financial amortization	\$ 344	\$ 347	\$ 358	\$ 349	\$ 98	\$ 465	\$ 546	\$ 355	\$ 396			\$ 396	\$ 342	\$ 310
Other financial income/expense (e.g. fx)	\$ (6)	\$ 16	\$ 48	\$ 2	\$ 58	\$ (44)	\$ 61	\$ 6	\$ 60			\$ 60	\$ (65)	\$ 91
Non-financial income/expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Monitoring fees	\$ 250	\$ 18	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 250	\$ -			\$ -	\$ 250	\$ -
Restructuring costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Non-recurring items	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ 308	\$ -	\$ -	\$ 652			\$ 652	\$ -	\$ (99)
EBT, reported	\$ (968)	\$ (604)	\$ 139	\$ 73	\$ (143)	\$ 234	\$ 656	\$ 765	\$ (4,931)	\$ 3,993		\$ (938)	\$ 405	\$ (56)
Taxes	\$ (7)	\$ 43	\$ 19	\$ 36	\$ 88	\$ 36	\$ 146	\$ 85	\$ 99	\$ -		\$ 99	\$ 94	\$ 75
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ 37	\$ (231)	\$ 197	\$ 510	\$ 680	\$ (5,031)	\$ 3,993		\$ (1,037)	\$ 311	\$ (131)
Net Income (Loss) %	-9.6%	-5.8%	1.0%	0.3%	-1.8%	1.6%	3.1%	4.9%	-38.2%			-7.9%	2.2%	-1.2%
										Bank Add-Backs		\$ 1,074	\$ 1,022	
										Bank EBITDA		\$ 1,386	\$ 891	

YTD November 2019 Balance Sheet – Reported (1/2)

HUFCOR HOLDINGS, INC.

Month Ending 11/30/2019

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
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M
Current Assets												
Cash and cash equivalents	\$ 2,668	\$ 2,930	\$ 2,754	\$ 1,577	\$ 1,521	\$ 1,561	\$ 3,263	\$ 5,174	\$ 1,253	\$ 2,322	\$ 3,773	\$ 2,765
Short term investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Accounts receivable, gross</i>	\$ 36,879	\$ 35,130	\$ 36,910	\$ 34,436	\$ 33,243	\$ 34,172	\$ 36,345	\$ 40,607	\$ 40,275	\$ 39,568	\$ 39,373	\$ 39,275
<i>Accounts receivable, reserves</i>	\$ (1,407)	\$ (1,455)	\$ (1,545)	\$ (1,629)	\$ (1,679)	\$ (1,746)	\$ (1,836)	\$ (1,851)	\$ (1,854)	\$ (4,238)	\$ (4,257)	\$ (4,171)
Accounts receivable, net	\$ 35,472	\$ 33,675	\$ 35,365	\$ 32,807	\$ 31,564	\$ 32,426	\$ 34,509	\$ 38,755	\$ 38,421	\$ 35,330	\$ 35,116	\$ 35,104
<i>Inventory, gross</i>	\$ 13,393	\$ 14,553	\$ 15,308	\$ 15,388	\$ 16,303	\$ 16,774	\$ 18,889	\$ 16,352	\$ 16,262	\$ 16,457	\$ 16,911	\$ 16,569
<i>Inventory, reserves</i>	\$ (298)	\$ (243)	\$ (253)	\$ (264)	\$ (274)	\$ (282)	\$ (195)	\$ (203)	\$ (209)	\$ (1,534)	\$ (1,584)	\$ (1,134)
Inventory, net	\$ 13,095	\$ 14,310	\$ 15,055	\$ 15,124	\$ 16,028	\$ 16,493	\$ 18,695	\$ 16,149	\$ 16,053	\$ 14,923	\$ 15,328	\$ 15,436
Prepaid expenses and other current assets	\$ 1,666	\$ 1,832	\$ 1,728	\$ 1,591	\$ 1,529	\$ 1,476	\$ 1,338	\$ 1,256	\$ 1,400	\$ 1,678	\$ 1,506	\$ 1,540
Current portion of deferred taxes	\$ 5,559	\$ 5,612	\$ 5,579	\$ 5,583	\$ 5,568	\$ 5,263	\$ 5,280	\$ 5,254	\$ 5,227	\$ 5,229	\$ 5,256	\$ 5,232
Revenue in excess of billings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current assets	\$ 261	\$ 285	\$ 331	\$ 222	\$ 318	\$ 323	\$ 397	\$ 365	\$ 374	\$ 407	\$ 429	\$ 450
Total Current Assets	\$ 58,721	\$ 58,644	\$ 60,813	\$ 56,904	\$ 56,528	\$ 57,542	\$ 63,482	\$ 66,954	\$ 62,729	\$ 59,889	\$ 61,407	\$ 60,526
Non-Current Assets												
<i>Property, plant & equipment, gross</i>	\$ 36,262	\$ 36,688	\$ 37,895	\$ 38,006	\$ 38,147	\$ 38,088	\$ 38,362	\$ 38,604	\$ 38,643	\$ 39,466	\$ 40,023	\$ 40,159
<i>Accumulated depreciation</i>	\$ (22,835)	\$ (23,108)	\$ (23,208)	\$ (23,334)	\$ (23,515)	\$ (23,601)	\$ (23,838)	\$ (23,927)	\$ (23,934)	\$ (24,057)	\$ (24,312)	\$ (24,097)
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
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Identifiable intangible assets, gross</i>	\$ 15,231	\$ 15,247	\$ 15,236	\$ 15,238	\$ 15,233	\$ 15,227	\$ 15,233	\$ 15,225	\$ 15,216	\$ 15,217	\$ 15,225	\$ 15,218
<i>Accumulated amortization</i>	\$ (5,523)	\$ (5,870)	\$ (6,215)	\$ (6,561)	\$ (6,906)	\$ (7,251)	\$ (7,597)	\$ (7,942)	\$ (8,287)	\$ (8,370)	\$ (8,454)	\$ (8,537)
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
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
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
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
Total Assets	\$ 87,524	\$ 87,230	\$ 89,181	\$ 84,864	\$ 84,046	\$ 84,648	\$ 90,238	\$ 93,461	\$ 88,710	\$ 85,680	\$ 87,130	\$ 85,894

YTD November 2019 Balance Sheet – Reported (2/2)

HUFCOR HOLDINGS, INC.

Month Ending 11/30/2019

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
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M
<u>Current Liabilities</u>												
Current portion of long-term debt	\$ 835	\$ 1,250	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835
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
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
Accrued liabilities	\$ 6,224	\$ 6,054	\$ 6,682	\$ 6,363	\$ 962	\$ 2,508	\$ 5,564	\$ 5,231	\$ 9,961	\$ 10,405	\$ 10,005	\$ 9,801
Accrued compensation	\$ 2,121	\$ 1,508	\$ 1,551	\$ 1,662	\$ 1,461	\$ 1,364	\$ 1,970	\$ 2,254	\$ 1,598	\$ 2,187	\$ 2,424	\$ 1,950
Income taxes payable	\$ 129	\$ 83	\$ 113	\$ 129	\$ 146	\$ 188	\$ 246	\$ 384	\$ 375	\$ 442	\$ 538	\$ 582
Short-term unearned revenue	\$ -	\$ -	\$ 861	\$ 456	\$ 79	\$ 79	\$ 66	\$ 66	\$ 66	\$ -	\$ -	\$ -
Other current liabilities	\$ 2,721	\$ 2,630	\$ 2,911	\$ 2,895	\$ 2,905	\$ 2,957	\$ 3,075	\$ 2,963	\$ 2,648	\$ 3,657	\$ 3,676	\$ 3,633
Total Current Liabilities	\$ 33,389	\$ 34,112	\$ 36,789	\$ 32,416	\$ 31,895	\$ 33,037	\$ 38,965	\$ 41,207	\$ 35,988	\$ 38,034	\$ 39,355	\$ 38,333
<u>Long-term liabilities</u>												
Long-term debt less current maturities	\$ 31,730	\$ 31,521	\$ 31,521	\$ 31,521	\$ 31,313	\$ 31,313	\$ 31,313	\$ 31,104	\$ 31,104	\$ 31,104	\$ 30,895	\$ 30,895
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt owing to OpenGate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income taxes	\$ 46	\$ 47	\$ 68	\$ 96	\$ 95	\$ 94	\$ 95	\$ 95	\$ 93	\$ 30	\$ 30	\$ 30
Long-term unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current liabilities	\$ 46	\$ 48	\$ 47	\$ (111)	\$ 46	\$ 46	\$ (653)	\$ 45	\$ 44	\$ 44	\$ 45	\$ 45
Total Long-Term Liabilities	\$ 31,822	\$ 31,616	\$ 31,636	\$ 31,507	\$ 31,454	\$ 31,452	\$ 30,755	\$ 31,244	\$ 31,241	\$ 31,178	\$ 30,970	\$ 30,970
Total Liabilities	\$ 65,211	\$ 65,728	\$ 68,425	\$ 63,923	\$ 63,349	\$ 64,489	\$ 69,720	\$ 72,452	\$ 67,229	\$ 69,212	\$ 70,325	\$ 69,303
Commitments and contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Shareholders' Equity</u>												
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
Retained earnings	\$ (14,038)	\$ (14,999)	\$ (15,646)	\$ (15,377)	\$ (15,544)	\$ (16,069)	\$ (15,872)	\$ (15,362)	\$ (14,682)	\$ (19,713)	\$ (19,402)	\$ (19,533)
Accumulated other comprehensive income	\$ 47	\$ 512	\$ 512	\$ 521	\$ 518	\$ 519	\$ 522	\$ 521	\$ 516	\$ 517	\$ 520	\$ 520
Other equity transactions	\$ (46)	\$ (361)	\$ (460)	\$ (553)	\$ (627)	\$ (641)	\$ (482)	\$ (499)	\$ (704)	\$ (686)	\$ (664)	\$ (747)
Total Shareholders' Equity	\$ 22,313	\$ 21,501	\$ 20,756	\$ 20,942	\$ 20,697	\$ 20,158	\$ 20,518	\$ 21,009	\$ 21,480	\$ 16,469	\$ 16,805	\$ 16,591

YTD November 2019 Cashflow Statement - Reported

HUFCOR HOLDINGS, INC.

Month Ending 11/30/2019

CASHFLOW STATEMENT	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act
	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
	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M
Cash flow from operations														
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ (1,489)	\$ 37	\$ (231)	\$ 197	\$ 3	\$ 510	\$ 680	\$ (5,031)	\$ (3,840)	\$ 311	\$ (131)
Depreciation, amortization and other	\$ 494	\$ 495	\$ 495	\$ 1,484	\$ 569	\$ 507	\$ 507	\$ 1,583	\$ 510	\$ 510	\$ 240	\$ 1,261	\$ 239	\$ 240
Capitalized fees & expenses	\$ (44)	\$ 49	\$ (47)	\$ (42)	\$ (47)	\$ 88	\$ (50)	\$ (8)	\$ (50)	\$ 85	\$ 42	\$ 77	\$ 54	\$ 54
Gain (loss) on sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 1	\$ 11	\$ -	\$ 64
Non-cash interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ (2)	\$ (63)	\$ (65)	\$ 0	\$ 0
<i>Change in operating assets and liabilities:</i>														
Accounts receivable	\$ 1,774	\$ (1,737)	\$ 2,667	\$ 2,704	\$ 1,147	\$ (867)	\$ (2,157)	\$ (1,876)	\$ (4,215)	\$ 326	\$ 3,058	\$ (831)	\$ 192	\$ (8)
Inventory	\$ (1,216)	\$ (745)	\$ (69)	\$ (2,029)	\$ (905)	\$ (464)	\$ (2,202)	\$ (3,571)	\$ 2,546	\$ 95	\$ 1,130	\$ 3,772	\$ (404)	\$ (108)
Prepaid expenses and other current assets	\$ (123)	\$ 119	\$ 140	\$ 135	\$ 27	\$ 233	\$ 35	\$ 295	\$ 104	\$ (296)	\$ (228)	\$ (420)	\$ 99	\$ 6
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)
Accrued expenses	\$ (806)	\$ 1,596	\$ (550)	\$ 239	\$ (5,936)	\$ 1,594	\$ 3,714	\$ (628)	\$ (312)	\$ 4,036	\$ 1,941	\$ 5,665	\$ (25)	\$ (686)
Accrued income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other changes in operating assets and liabilities	\$ (142)	\$ (89)	\$ 107	\$ (124)	\$ 65	\$ (424)	\$ (577)	\$ (936)	\$ 690	\$ 364	\$ 726	\$ 1,780	\$ 319	\$ 550
Other cash flow from operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow from Operations	\$ (2,238)	\$ (636)	\$ 943	\$ (1,932)	\$ 200	\$ 302	\$ 356	\$ 859	\$ 2,132	\$ (1,880)	\$ 2,395	\$ 2,648	\$ 2,331	\$ (906)
Cash flow from investing														
Additions to property, plant and equipment	\$ (245)	\$ (186)	\$ (111)	\$ (542)	\$ (141)	\$ 59	\$ (274)	\$ (356)	\$ (242)	\$ (39)	\$ (858)	\$ (1,139)	\$ (457)	\$ (668)
Acquisitions of companies, net of cash acquired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment in intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnout payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from investing (goodwill)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow from Investing	\$ (245)	\$ (186)	\$ (111)	\$ (542)	\$ (141)	\$ 59	\$ (274)	\$ (356)	\$ (242)	\$ (39)	\$ (858)	\$ (1,139)	\$ (457)	\$ (668)
Cash flow from financing														
Proceeds from the issuance (repayment) of debt	\$ 2,786	\$ 764	\$ (1,925)	\$ 1,625	\$ 166	\$ (315)	\$ 1,288	\$ 1,138	\$ 210	\$ (1,571)	\$ (485)	\$ (1,846)	\$ (239)	\$ 553
Proceeds from the issuance of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of debt	\$ (209)	\$ -	\$ -	\$ (209)	\$ (209)	\$ -	\$ -	\$ (209)	\$ (209)	\$ -	\$ -	\$ (209)	\$ (209)	\$ -
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock cash dividends paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from financing costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (19)	\$ (208)	\$ (2)	\$ (229)	\$ 0	\$ (10)
Total Cash Flow from Financing	\$ 2,577	\$ 764	\$ (1,925)	\$ 1,416	\$ (43)	\$ (315)	\$ 1,288	\$ 930	\$ (18)	\$ (1,779)	\$ (487)	\$ (2,284)	\$ (448)	\$ 543
Effect of FX rates on cash and cash equivalents	\$ 80	\$ (117)	\$ (85)	\$ (122)	\$ (73)	\$ (8)	\$ 332	\$ 251	\$ (32)	\$ (223)	\$ 19	\$ (236)	\$ 26	\$ (74)
Net change in cash	\$ 173	\$ (175)	\$ (1,178)	\$ (1,179)	\$ (57)	\$ 38	\$ 1,702	\$ 1,684	\$ 1,840	\$ (3,920)	\$ 1,070	\$ (1,010)	\$ 1,451	\$ (1,106)
Beginning cash	\$ 2,668	\$ 2,930	\$ 2,754	\$ 2,668	\$ 1,577	\$ 1,521	\$ 1,561	\$ 1,577	\$ 3,263	\$ 5,174	\$ 1,253	\$ 3,263	\$ 2,322	\$ 3,773
Change in cash	\$ 173	\$ (175)	\$ (1,178)	\$ (1,179)	\$ (57)	\$ 38	\$ 1,702	\$ 1,684	\$ 1,840	\$ (3,920)	\$ 1,070	\$ (1,010)	\$ 1,451	\$ (1,106)
Ending cash	\$ 2,841	\$ 2,755	\$ 1,577	\$ 1,488	\$ 1,520	\$ 1,559	\$ 3,263	\$ 3,261	\$ 5,103	\$ 1,254	\$ 2,323	\$ 2,253	\$ 3,773	\$ 2,667

AP/AR aging

\$ '000

AR Aging									
Days	Dec-18	%	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	%
0-30	\$ 16,376	44.4%	\$ 19,756	\$ 23,462	\$ 23,278	\$ 22,168	\$ 20,757	\$ 20,760	53.0%
31-60	5,342	14.5%	2,911	3,482	3,880	4,460	4,886	3,473	8.9%
61-90	3,176	8.6%	2,606	2,308	2,131	2,430	2,752	3,627	9.3%
>90	11,985	32.5%	11,072	11,355	10,986	10,375	10,944	11,331	28.9%
Total Gross AR	\$ 36,879	100.0%	\$ 36,345	\$ 40,607	\$ 40,275	\$ 39,432	\$ 39,340	\$ 39,192	100.0%
Reserves	(1,407)		(1,836)	(1,851)	(1,854)	(4,238)	(4,257)	(4,171)	
Total Net AR	\$ 35,472		\$ 34,509	\$ 38,756	\$ 38,421	\$ 35,194	\$ 35,083	\$ 35,020	
Change in AR Reserve			(90)	(15)	(2)	(2,385)	(19)	85	
Actual Bad Debt P&L Charge			84	25	28	2,370	43	(51)	
LTM Bad Debt P&L Charge			\$ 776	\$ 780	\$ 785	\$ 3,335	\$ 3,337	\$ 3,244	

AP Aging									
Days	Dec-18	%	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	%
0-30	\$ 10,682	79.0%	\$ 14,225	\$ 15,061	\$ 8,107	\$ 9,621	\$ 10,944	\$ 10,185	73.7%
31-60	1,234	9.1%	936	1,291	695	1,119	1,569	1,011	7.3%
61-90	343	2.5%	435	268	145	33	(161)	340	2.5%
>90	1,268	9.4%	1,018	2,048	2,322	2,296	2,196	2,288	16.6%
Total	\$ 13,527	100.0%	\$ 16,614	\$ 18,668	\$ 11,269	\$ 13,069	\$ 14,548	\$ 13,824	100.0%

Management Discussion:

Accounts Receivable

- Increase in current AR through Sept driven by billings for Dubai & New Zealand
- Retainage listed at \$5.7 mm
 - \$3.7 mm of Domestic Retainage
 - \$1.9 mm of International Retainage
- Reserves of \$2.314 mm taken in September (of which \$2.0 considered one-time)

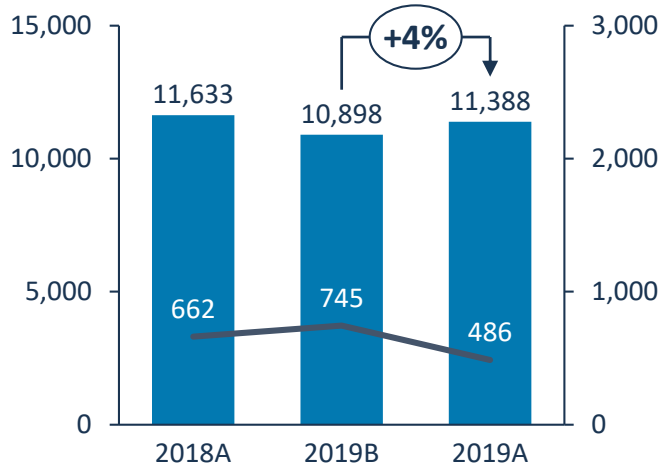
Accounts Payable

- \$5.2 mm adjusting entry made in August to correct multiple errors made in the intercompany accounts that had incorrectly over-stated AP by \$5.2 mm from April - July
- A/P > 90 consists of OpenGate management fees and other legal fees received late

HUFCOR Monthly financial metrics

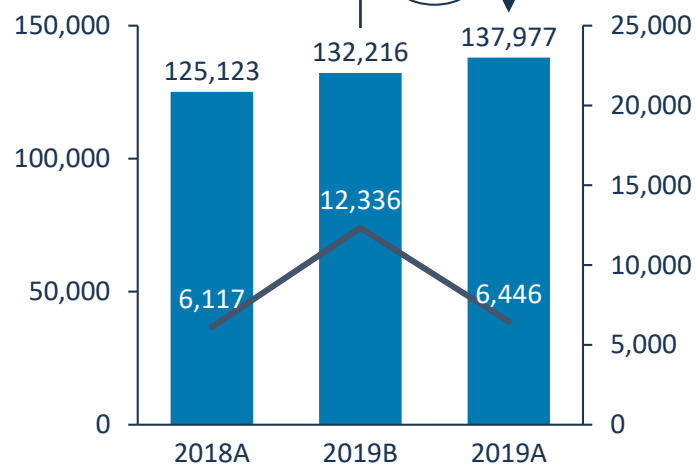
November MTD

\$000s



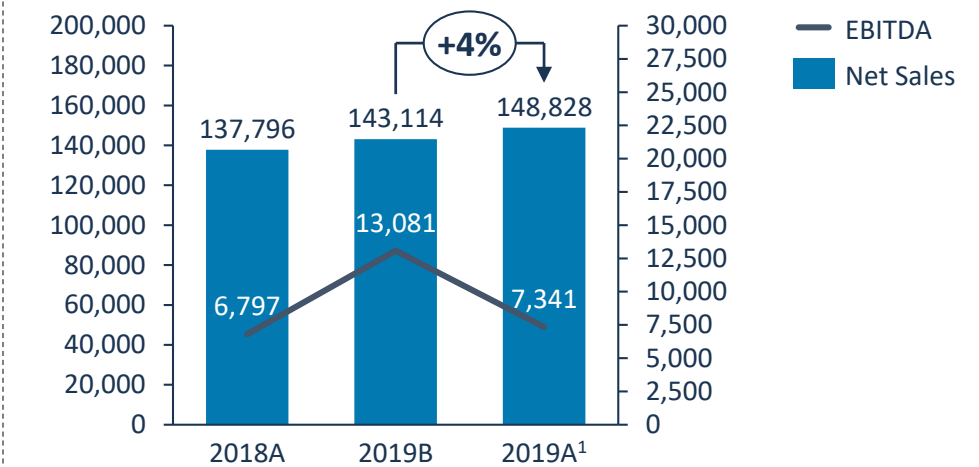
November YTD

\$000s



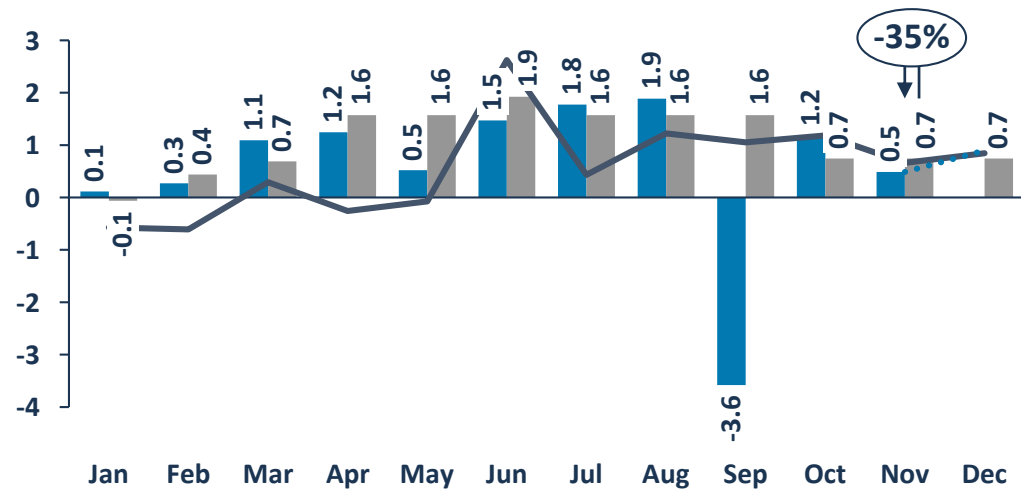
Full Year

\$000s



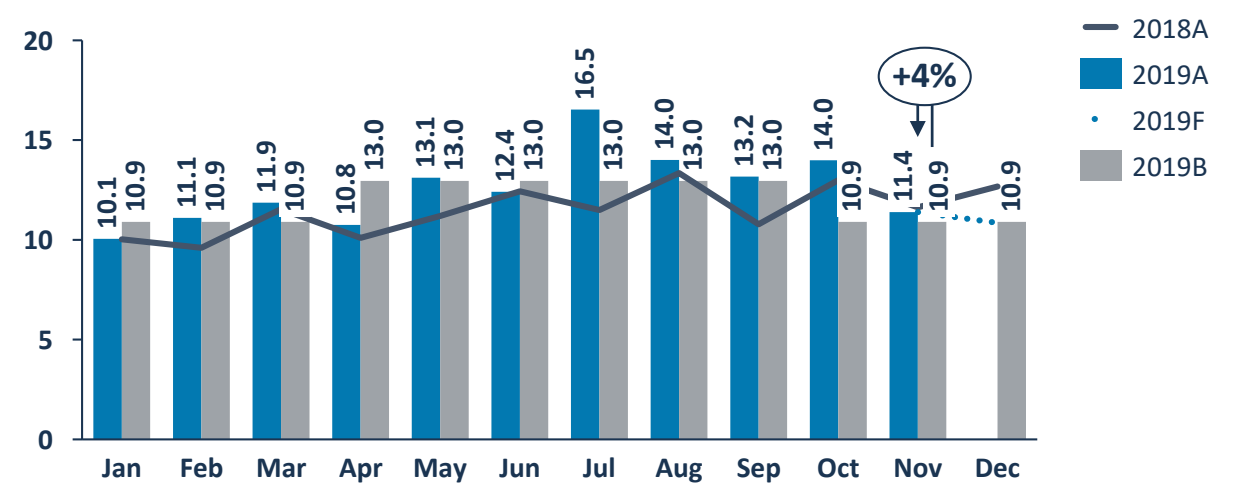
Monthly EBITDA

\$ millions



Monthly Net Revenue

\$ millions



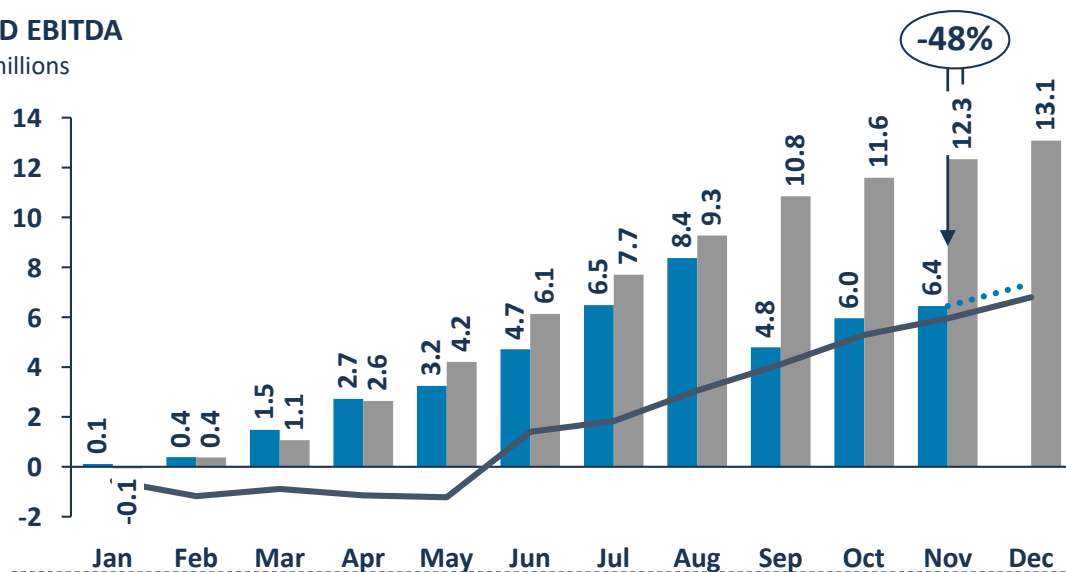
1. YTD actuals + remaining year forecast



HUF COR Monthly financial metrics

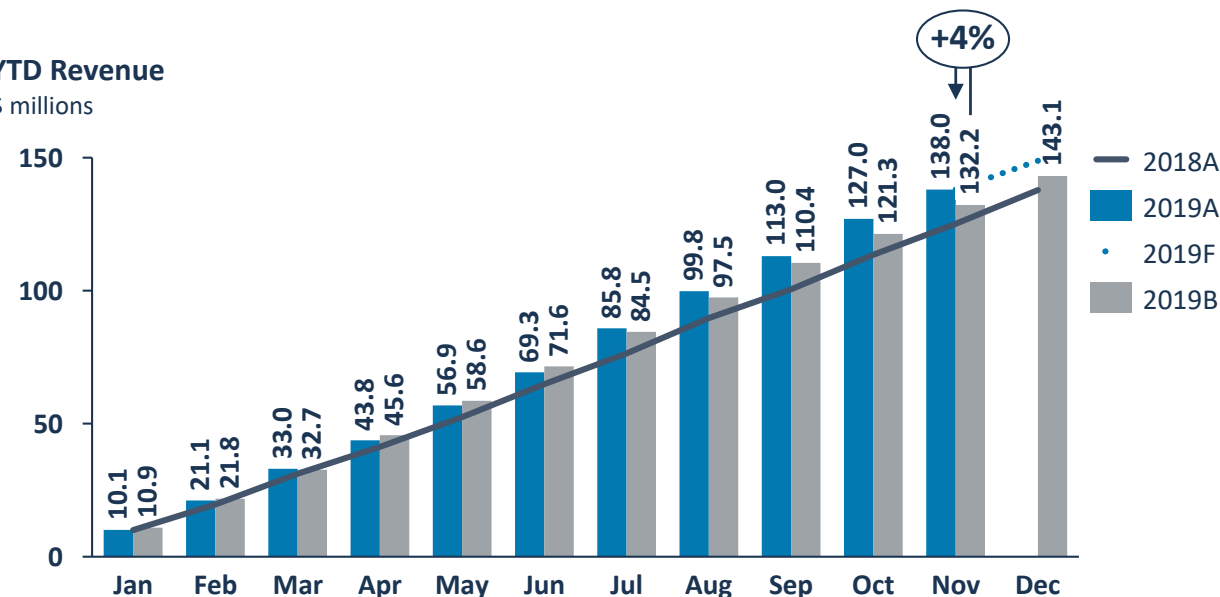
YTD EBITDA

\$ millions



YTD Revenue

\$ millions



	Actual											FCST	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	10.1	11.1	11.9	10.8	13.1	12.4	16.5	14.0	13.2	14.0	11.4	10.9	149.2
Material	3.2	4.2	3.7	3.1	5.5	3.6	7.2	4.5	6.0	4.5	3.6	3.6	52.5
Labor	3.5	3.3	3.7	3.3	3.7	3.9	4.3	3.9	3.8	4.0	3.5	3.4	44.3
Other COGS	1.1	1.1	1.1	1.0	1.1	1.0	0.9	1.2	2.1	1.4	1.2	0.9	14.1
Total COGS	7.8	8.6	8.6	7.3	10.3	8.6	12.3	9.7	11.9	9.8	8.2	7.8	110.9
Gross Margin	2.3	2.5	3.3	3.5	2.8	3.8	4.2	4.4	1.2	4.1	3.2	3.0	38.3
Gross Margin %	22.7%	22.4%	27.7%	32.2%	21.6%	30.9%	25.5%	31.1%	9.3%	29.6%	27.8%	27.9%	25.7%
Sales & marketing	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.2	1.0	14.0
Administrative	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	3.6	1.7	1.5	1.1	17.3
Other Opex	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	0.0	(0.3)
Total OPEX (excl D&A)	2.2	2.2	2.2	2.2	2.3	2.4	2.4	2.5	4.8	3.0	2.7	2.1	31.0
EBITDA	0.1	0.3	1.1	1.2	0.5	1.5	1.8	1.9	(3.6)	1.2	0.5	0.9	7.3
EBITDA Margin %	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	10.7%	13.5%	-27.2%	8.4%	4.3%	8.3%	4.9%
Depreciation	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.0
Amortization	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	3.1
EBIT	(0.4)	(0.2)	0.6	0.7	0.0	1.0	1.3	1.4	(3.8)	0.9	0.2	0.6	2.3
Interest	0.3	0.3	0.4	0.3	0.1	0.5	0.5	0.4	0.4	0.3	0.31	0.3	4.2
Other Non Ops	0.2	0.0	0.1	0.3	0.1	0.3	0.1	0.3	0.7	0.2	(0.01)	-	2.2
Taxes	(0.0)	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.07	0.3	1.0
Net Income	(1.0)	(0.6)	0.1	0.0	(0.2)	0.2	0.5	0.7	(5.0)	0.3	(0.1)	0.1	(5.1)
Net Income (Loss) %	-9.6%	-5.8%	1.0%	0.3%	-1.8%	1.6%	3.1%	4.9%	-38.2%	2.2%	-1.2%	0.5%	-3.4%

Management Discussion:

- Financial performance in-line with expectations.
 - Bank-Adjusted EBITDA of \$0.9mm & Reported EBITDA of \$0.5mm for the month on \$11.4 mm of revenue.
 - Original Forecast of \$11.9 mm was elevated due to a “top-side entry” to shift revenue from Dec. to Nov. in anticipation of an originally planned week-long plant shutdown in December; shutdown no longer scheduled for this year.
- When combined with October performance (ahead of expectations) and November performance (slightly below expectation), maintaining the Q4 forecast with tempered expectations for the rest of the year (holidays & planned Janesville production shutdowns for physical inventory).
- Expectation for final write-offs (inventory, capital-in-process) & other adjustments associated with restatement to be taken in December & will qualify as add-backs for Bank EBITDA.