



Monthly Operating Review – May

JUNE 25, 2020

Executive Summary

Executive Summary

Good news / positives to business and plan

- Transit Packaging grew 82% to Plan; Ampac and TMS up 114% & 20% to Plan, new accounts Bluff City Packaging and Holpack Corp starting to grow
- Wall Hangings up 620% supported by PlanetArt and Mixtiles, working to finalize new program with Adventa in July
- Essentra lead the growth of the Distribution segment; Ningbo invoiced from March shipments; new agreement is ExWorks
- VP Sales – Martha Sloboda starting June 29th
- Infinity Revenue and EBITDA were on Plan.

Risks / challenges to business and plan

- Duraco revenue was \$762k less than plan and \$698k less than PY.
- Despite significant cost savings actions, PF EBITDA was negatively impacted by volume and ended the month \$109k below plan
- POP and Appliance segment off Plan by 35% & 34%; economic weakness from COVID-19 challenging both segments
 - POP key customers continue to be slow due to lack of projects, Hatteras Press shipped face shield order \$66k
 - Whirlpool and GE down to Plan by 44% & 30%, both planning for significant recovery by July
- Industrial sales continue to underperform, Stay at Home order limiting ability expand customer base

Other material items

- 0 safety incidents in May



Consolidated Financial Metrics

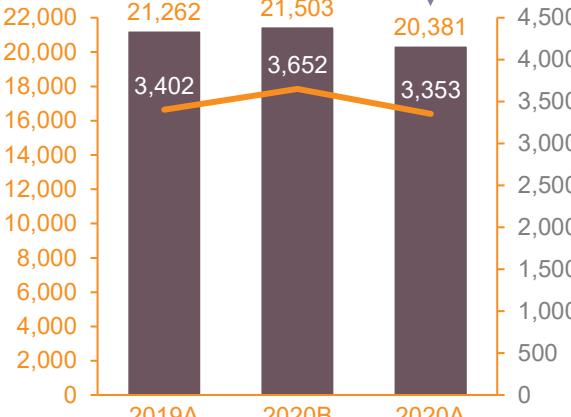
May MTD

\$000s



May YTD

\$000s



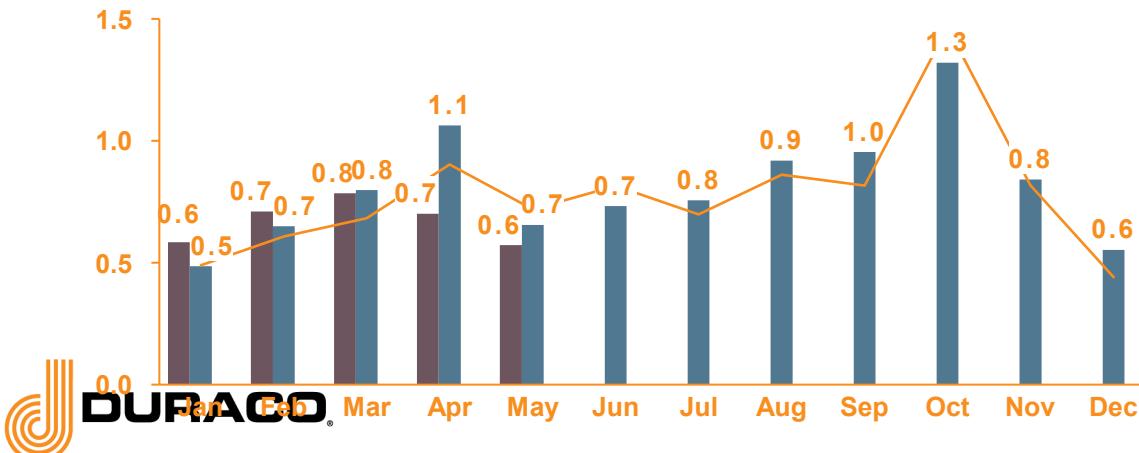
FY (5+7)

\$000s



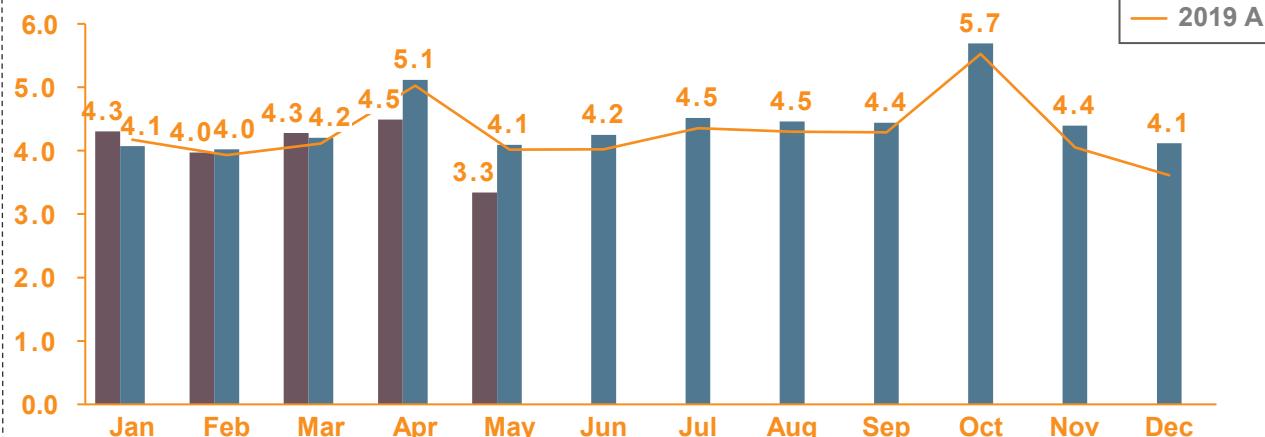
Monthly EBITDA

\$ millions

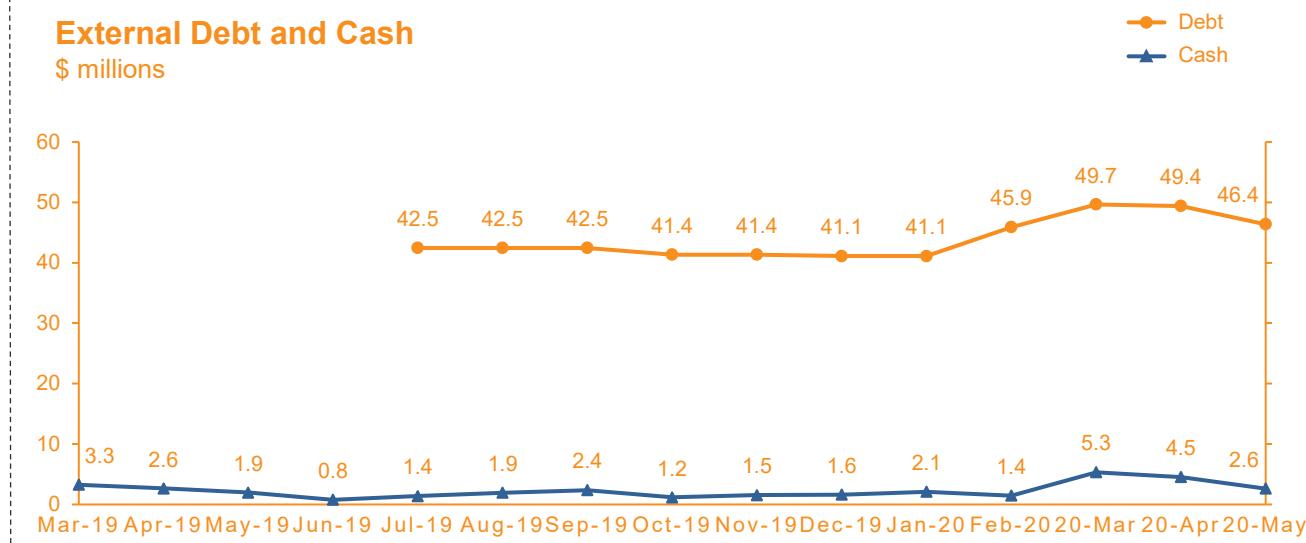
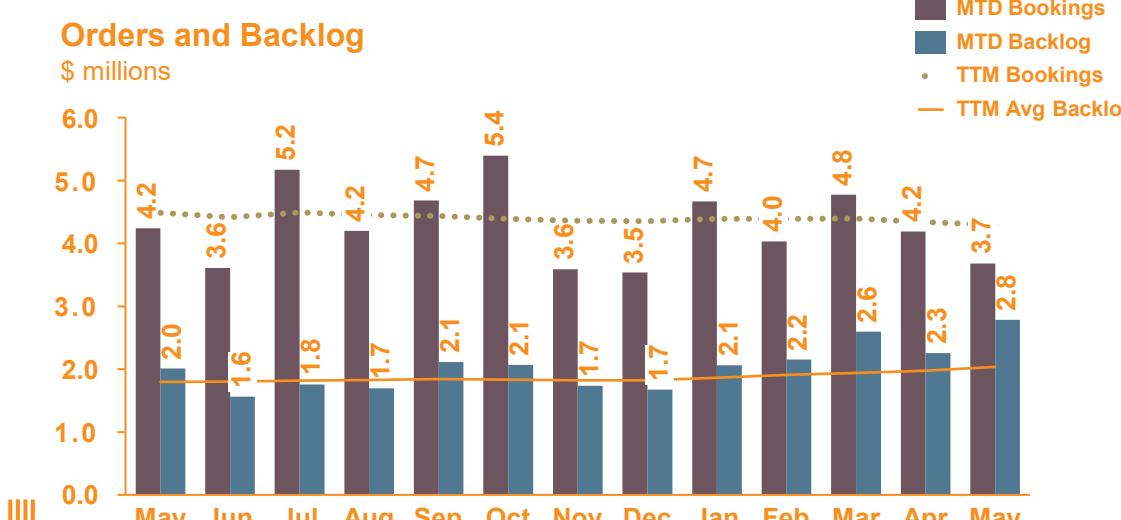
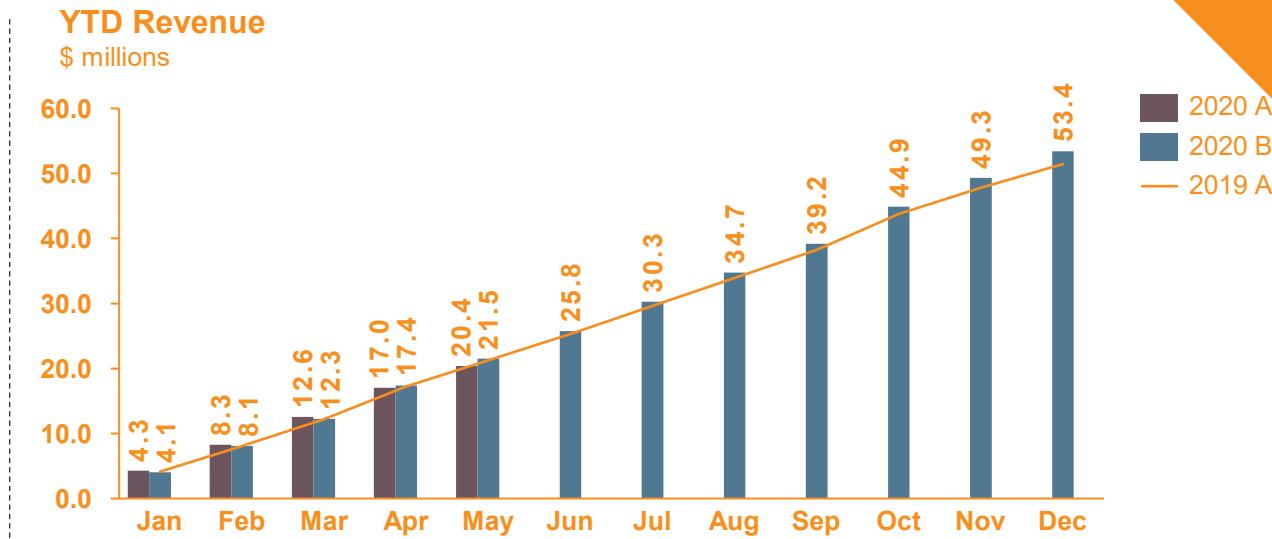
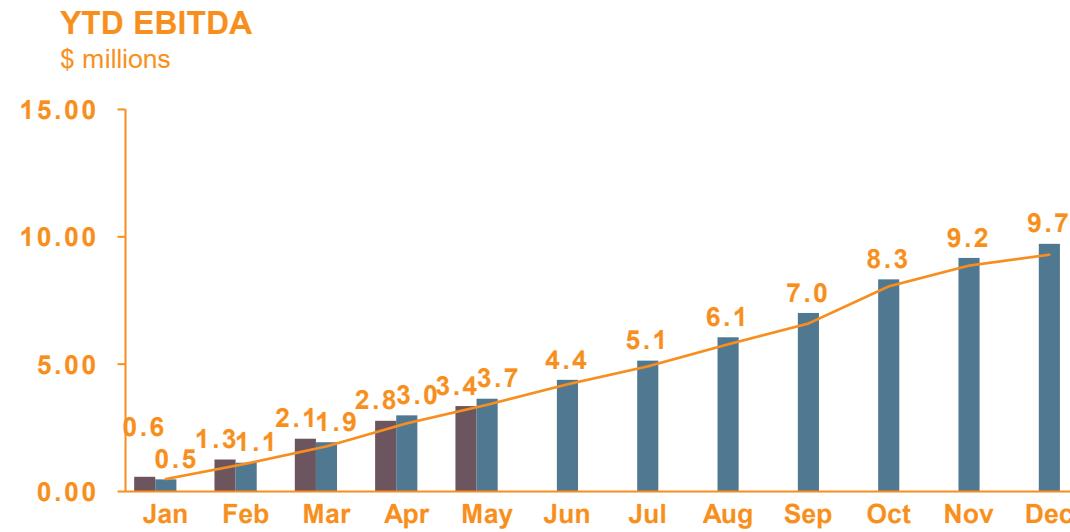


Monthly Net Revenue

\$ millions



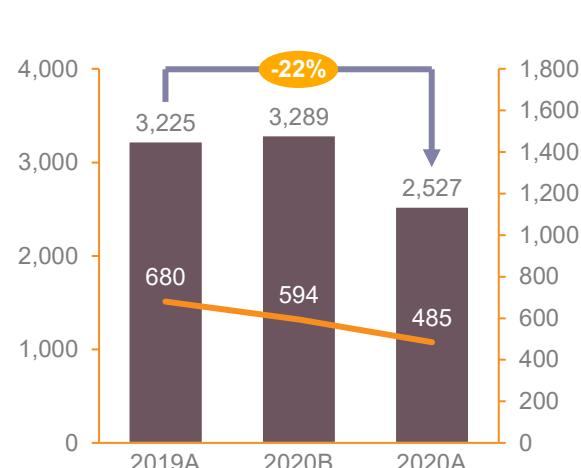
Consolidated Financial Metrics – con't



Duraco Financial Metrics

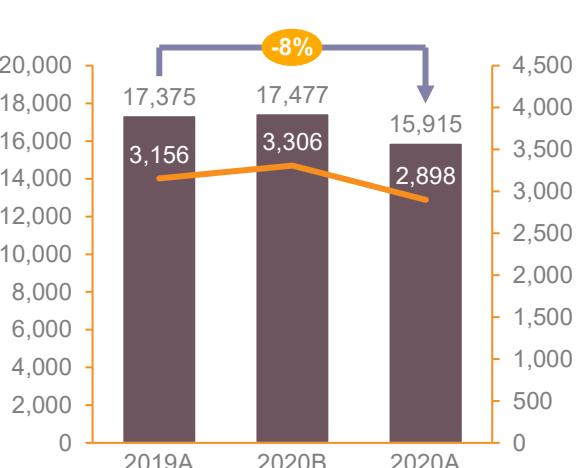
May MTD

\$000s



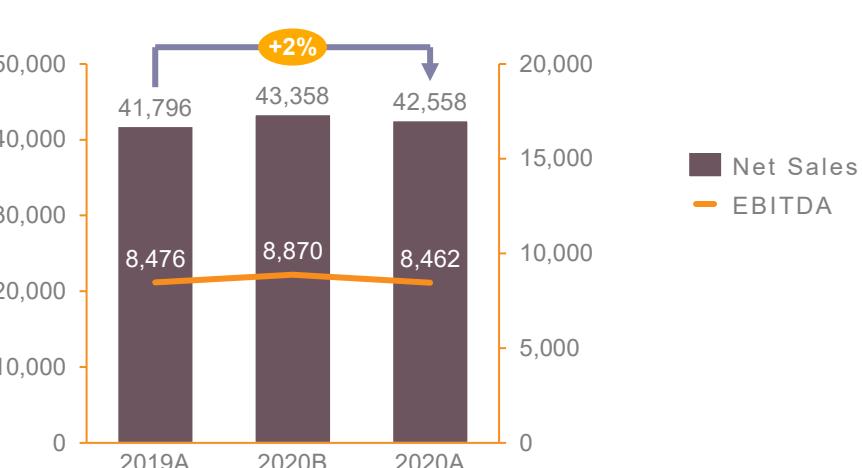
May YTD

\$000s



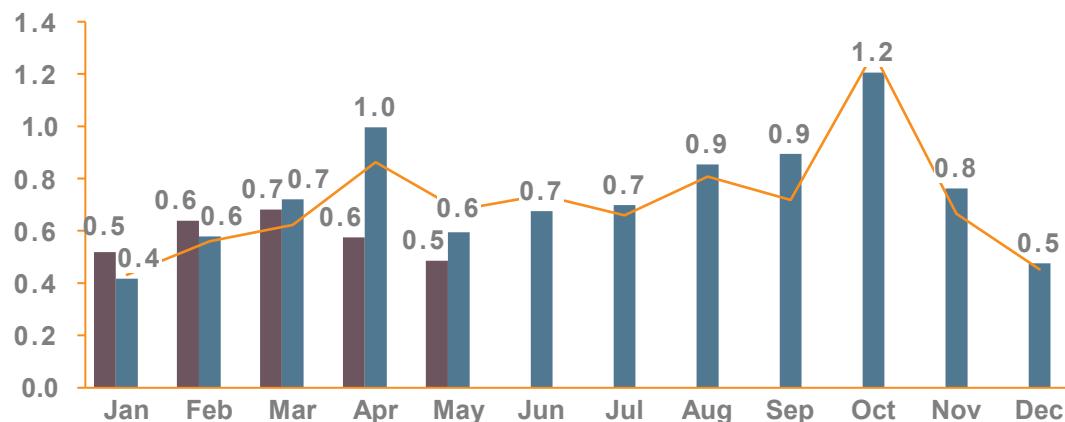
FY (5+7)

\$000s



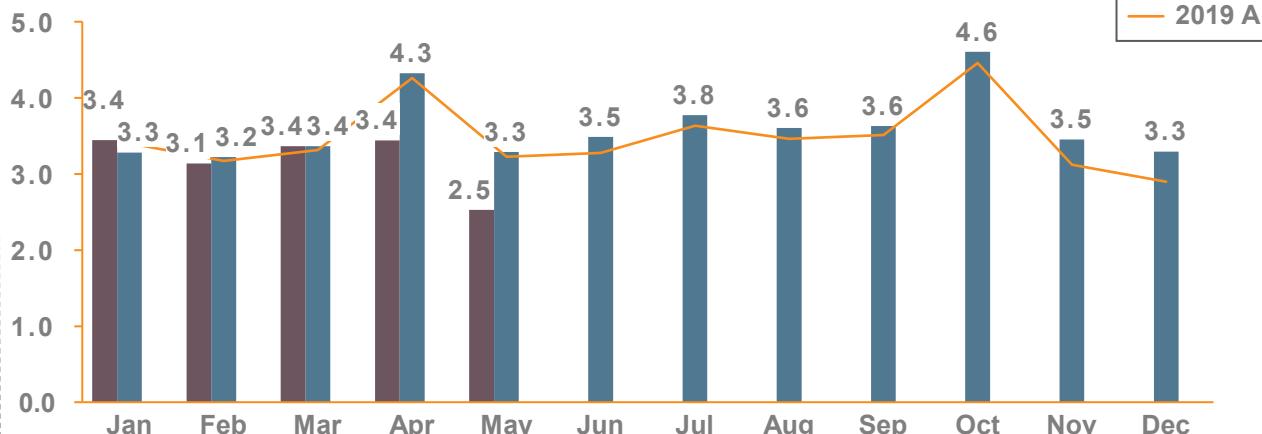
Monthly EBITDA

\$ millions



Monthly Net Revenue

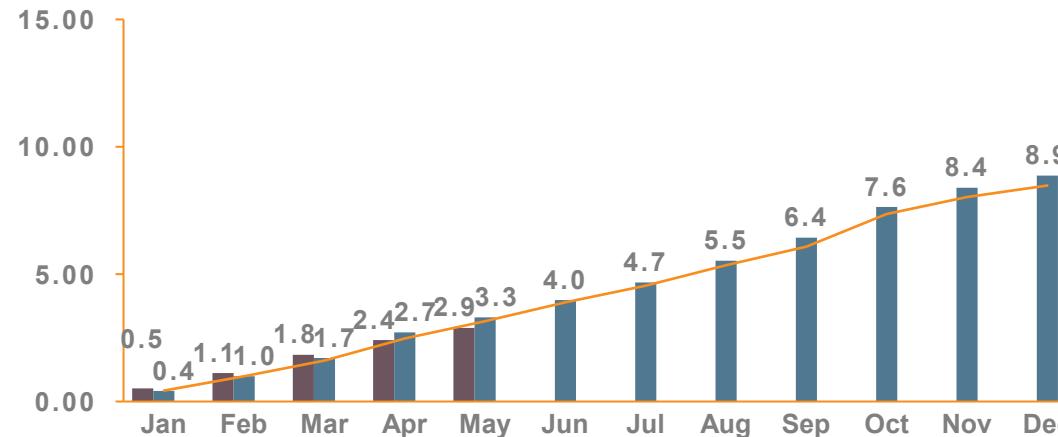
\$ millions



Duraco Financial Metrics – con't

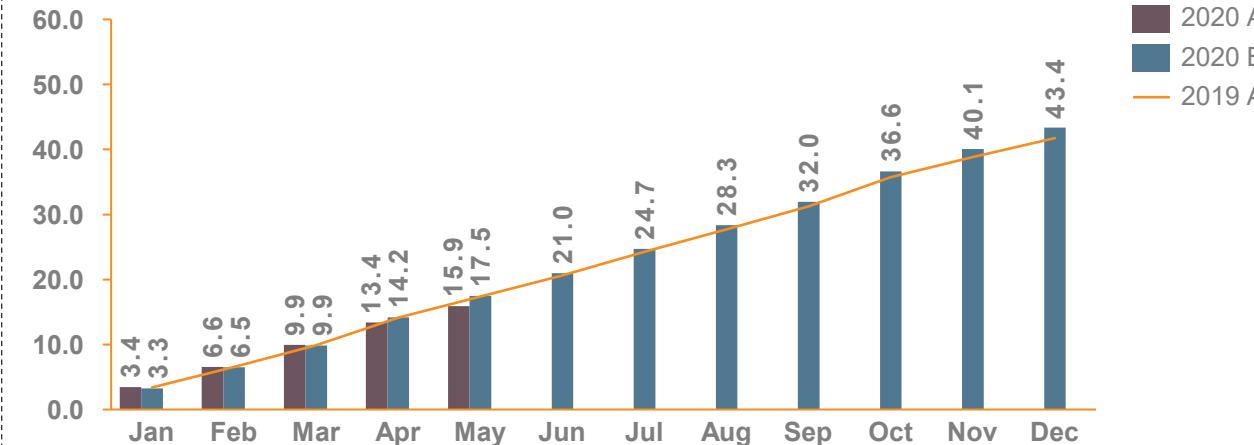
YTD EBITDA

\$ millions



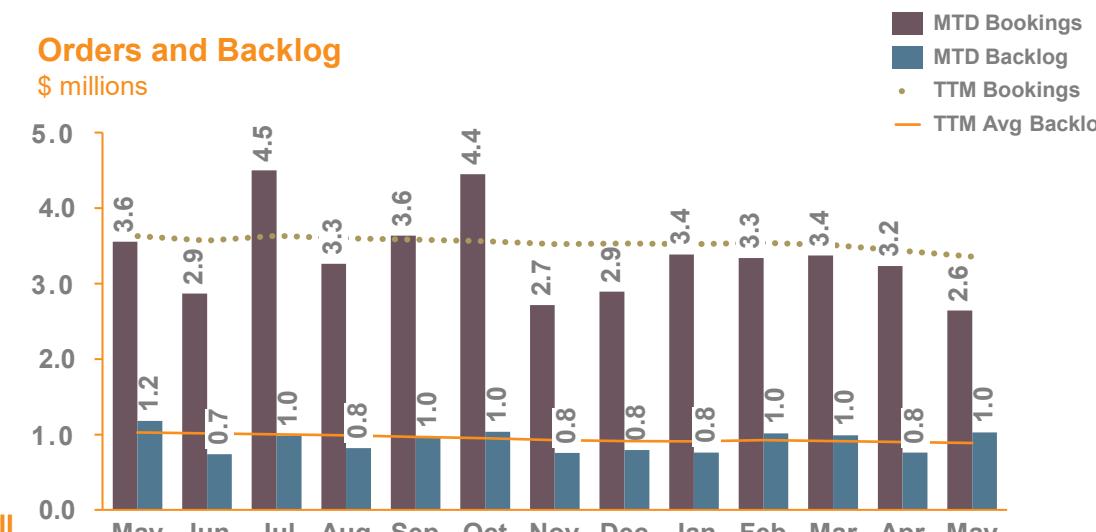
YTD Revenue

\$ millions



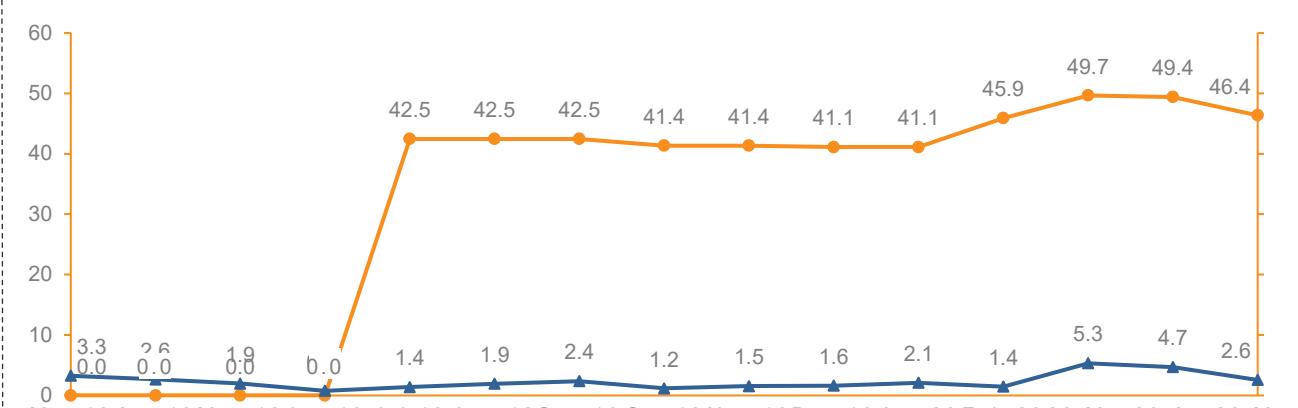
Orders and Backlog

\$ millions



External Debt and Cash

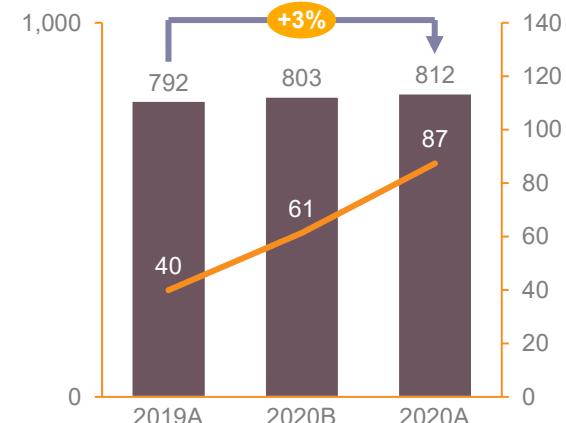
\$ millions



Infinity Financial Metrics

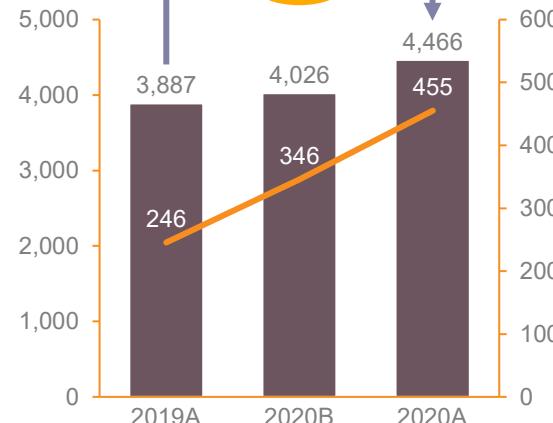
May MTD

\$000s



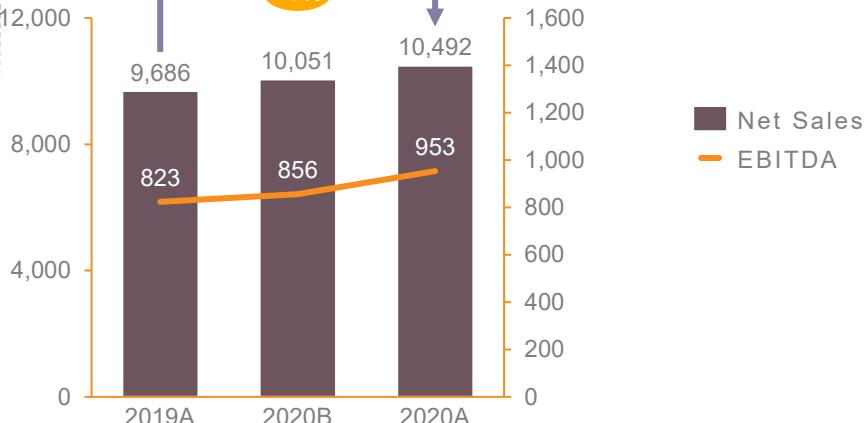
May YTD

\$000s



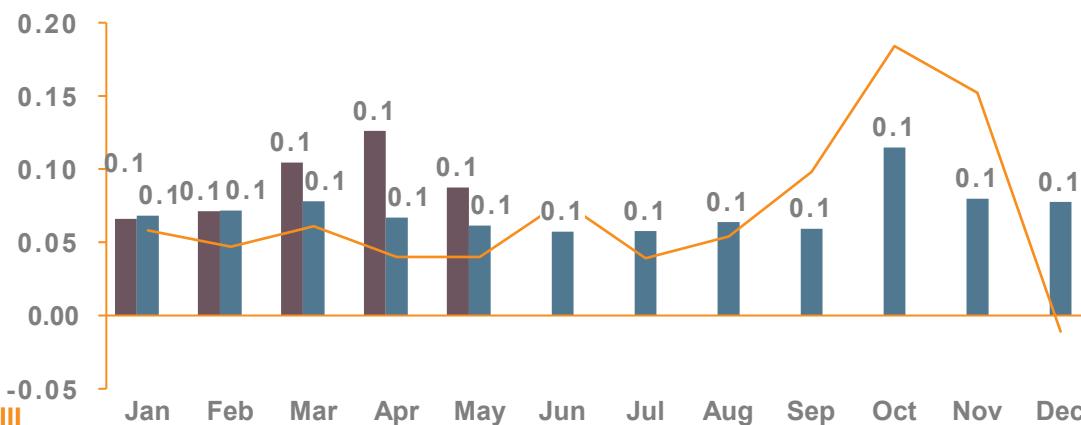
FY (5+7)

\$000s



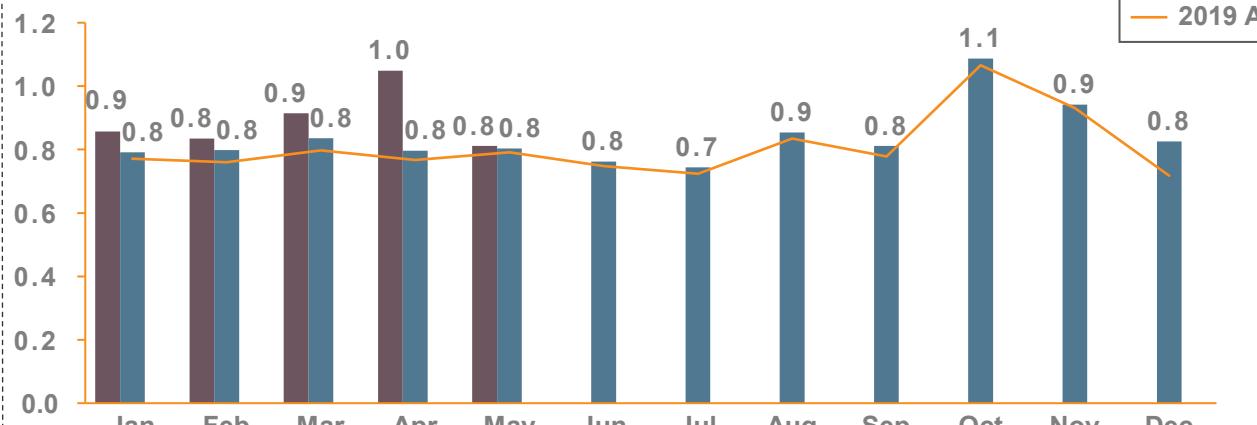
Monthly EBITDA

\$ millions



Monthly Net Revenue

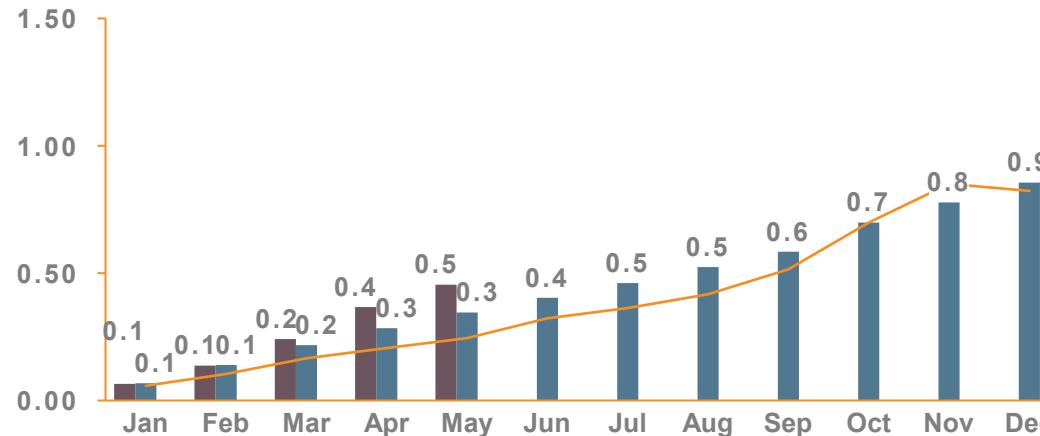
\$ millions



Infinity Financial Metrics – con't

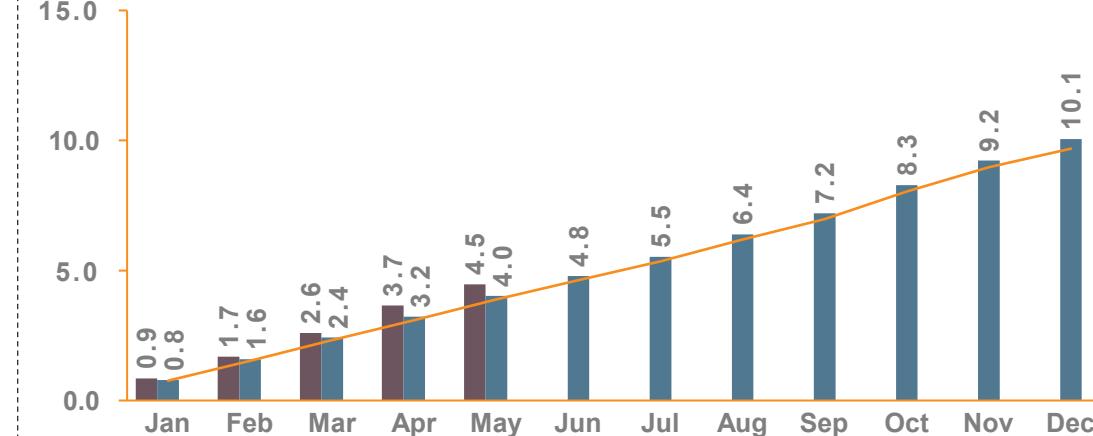
YTD EBITDA

\$ millions



YTD Revenue

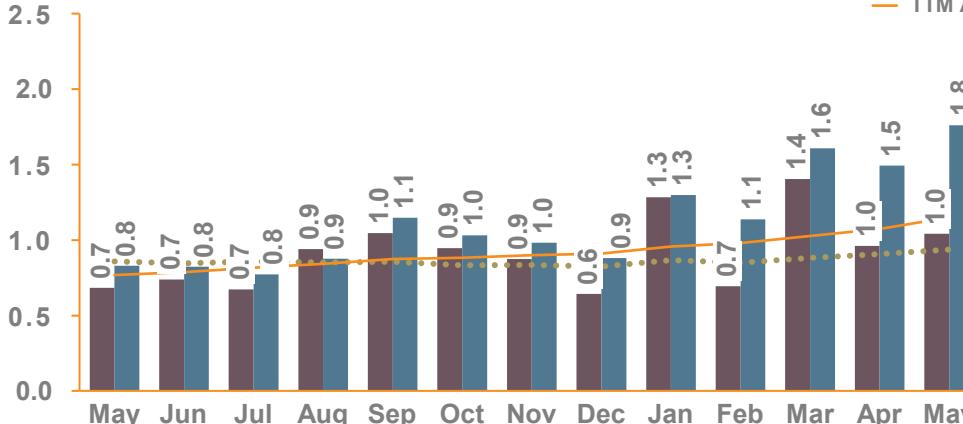
\$ millions



Orders and Backlog

\$ millions

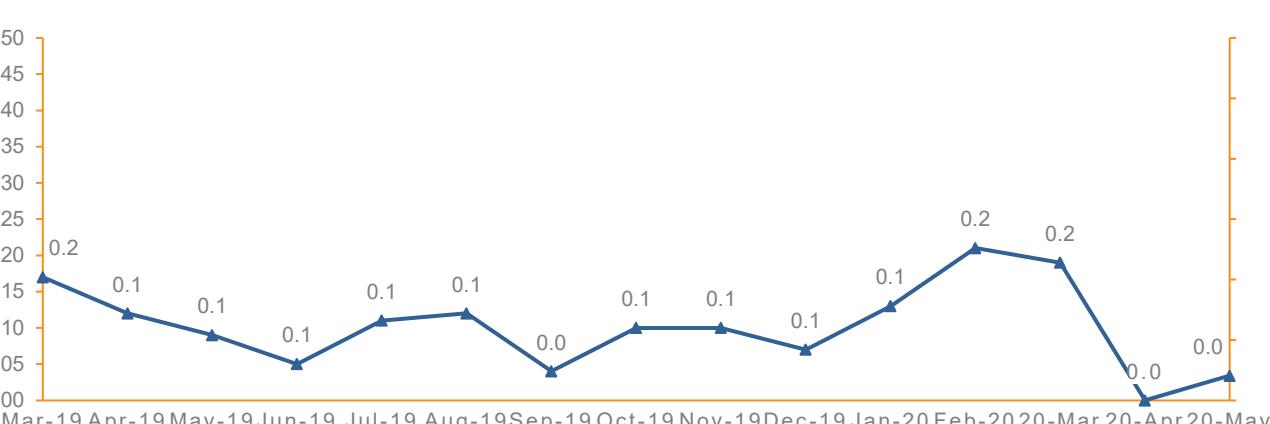
- MTD Bookings
- MTD Backlog
- TTM Bookings
- TTM Avg Backlog



External Debt and Cash

\$ millions

- Debt
- ▲ Cash



Forecast (v1) – May performance

	Actual			Forecast			Variance		
	Duraco	Infinity	Cons	Duraco	Infinity	Cons	Duraco	Infinity	Cons
Revenue	2,527	812	3,339	2,058	803	2,861	469	9	477
PF EBITDA	485	87	572	105	61	167	380	26	405

- Duraco revenue was better than forecast due to \$200k higher POP (includes face shield orders), \$130k higher distribution (Essentra Ningbo), \$100k higher wall hangings, and \$70k higher white goods revenue. Transit packaging and Industrial were in line with expectations.
- Higher revenue, better underlying mix, substantially better Direct Labor savings, and higher cash containment savings were the main drivers for the PF EBITDA improvement compared to forecast.
- May was largely in line with forecast for Infinity, although their plant operating costs were lower than what was forecast.

Forecast (v1) – Updated Bank Covenants

Jan 20 Feb 20 Mar 20 Apr 20 May 20 Jun 20 Jul 20 Aug 20 Sep 20 Oct 20 Nov 20 Dec 20

Bank EBITDA Calculation

Bank EBITDA	\$713	\$825	\$864	\$832	\$699	\$144	\$50	\$442	\$660	\$1,077	\$692	\$494
Consolidated TTM Bank EBITDA	\$10,796	\$10,995	\$11,172	\$11,019	\$10,940	\$10,216	\$9,321	\$8,701	\$8,362	\$7,810	\$7,530	\$7,492
Fixed Charge Coverage Ratio (Section 6.1)												
Bank EBITDA	\$713	\$825	\$864	\$832	\$699	\$144	\$50	\$442	\$660	\$1,077	\$692	\$494
i - Unfinanced Capital Expenditures	\$ 39	\$ 330	\$ 42	\$ 38	\$ 55	\$ 201	\$ 97	\$ 75	\$ -	\$ -	\$ -	\$ -
ii - Management Fees paid or incurred	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
iii - Income/franchise taxes paid or incurred	-	-	-	-	-	-	-	-	-	-	-	-
iv - Restricted Distributions paid in cash	-	-	-	-	-	-	-	-	-	-	-	-
v - Contingent Purchase Price Obligations paid in cash	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow (Numerator)	\$591	\$411	\$739	\$710	\$561	(\$141)	(\$130)	\$284	\$577	\$993	\$608	\$411
Interest Expense Less: Interest Received	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285
a Net Cash Interest	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285
b Regularly scheduled principal payments	\$ -	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ 278
Fixed Charges (Denominator)	\$ 285	\$ 285	\$ 563	\$ 285	\$ 285	\$ 563	\$ 285	\$ 285	\$ 563	\$ 285	\$ 285	\$ 563
TTM Numerator	\$ 8,943	\$ 8,900	\$ 9,123	\$ 9,033	\$ 8,930	\$ 8,038	\$ 7,060	\$ 6,378	\$ 6,102	\$ 5,630	\$ 5,593	\$ 5,614
TTM Denominator	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,808	\$ 4,530	\$ 4,530	\$ 4,530
Fixed Charge Coverage Ratio	1.97	1.96	2.01	1.99	1.97	1.77	1.56	1.41	1.27	1.24	1.23	1.24
Covenant Status	1.10 Pass	1.10 Pass	1.10 Pass									
Total Debt to EBITDA Ratio (Section 6.2)												
+ Outstanding amount of Revolving Loans	\$ -	\$ 4,200	\$ 7,000	\$ 7,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 3,750	\$ 3,750	\$ 4,000
+ Outstanding Principal Balance - Term Loan	\$41,099	\$43,099	\$42,679	\$42,397	\$42,397	\$42,123	\$42,123	\$42,123	\$42,123	\$41,849	\$41,849	\$41,575
+ Outstanding Principal Balance - Other Debt	\$ -	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
- Qualified Cash	(2,078)	(1,445)	(3,000)	(3,000)	(2,605)	(1,768)	(1,102)	(663)	(939)	(94)	(725)	(926)
Bank Debt	\$39,021	\$47,155	\$47,979	\$47,697	\$45,092	\$45,654	\$46,320	\$46,759	\$46,484	\$46,804	\$46,173	\$45,949
Consolidated TTM Bank EBITDA	\$10,796	\$10,995	\$11,172	\$11,019	\$10,940	\$10,216	\$9,321	\$8,701	\$8,362	\$7,810	\$7,530	\$7,492
Leverage Ratio	3.61	4.29	4.29	4.33	4.12	4.47	4.97	5.37	5.56	5.99	6.13	6.13
Maximum Permitted Total Debt to EBITDA Ratio for the defined period.	6.00 Pass				5.75 Pass		5.50 Fail		5.25 Fail			

Management Discussion:

- May Bank EBITDA significantly improves the Q3 Leverage ratio (from 5.86 to 5.56).
- June will be better than the revised forecast and will possibly bring the Q3 leverage ratio into compliance with the credit agreement.

Carveout

STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
IT Carveout	Behind Schedule	<ul style="list-style-type: none"> Network carveout was completed in March. Work on ERP is ongoing. Go-Live is now August 3rd. BPCS has been extended by one month through the end of August. Phone system implementation is scheduled to be completed in June, although delays from Essentra porting our phone numbers may push completion into July. 	Q2 2020	N/A	N/A
Ceridian/HR	On Track	<ul style="list-style-type: none"> Go live by the end of June 	Q2 2020	N/A	N/A
Service Centers	On Track	<ul style="list-style-type: none"> Have exited NJ Closing LA Service Center and open LA 3PL by the end of June 	Q2 2020	N/A	N/A
Treasury	On Track	<ul style="list-style-type: none"> Complete 	Q1 2020	N/A	N/A
Finance Shared Services	On Track	<ul style="list-style-type: none"> On schedule for end of June when TSA expires A/R and A/P roles have been hired All other financial services have been terminated 	Q2 2020	N/A	N/A

- All remaining TSAs expire at the end of June 2020.

 Complete
  Just started
  On Track
  At Risk
  Behind Schedule

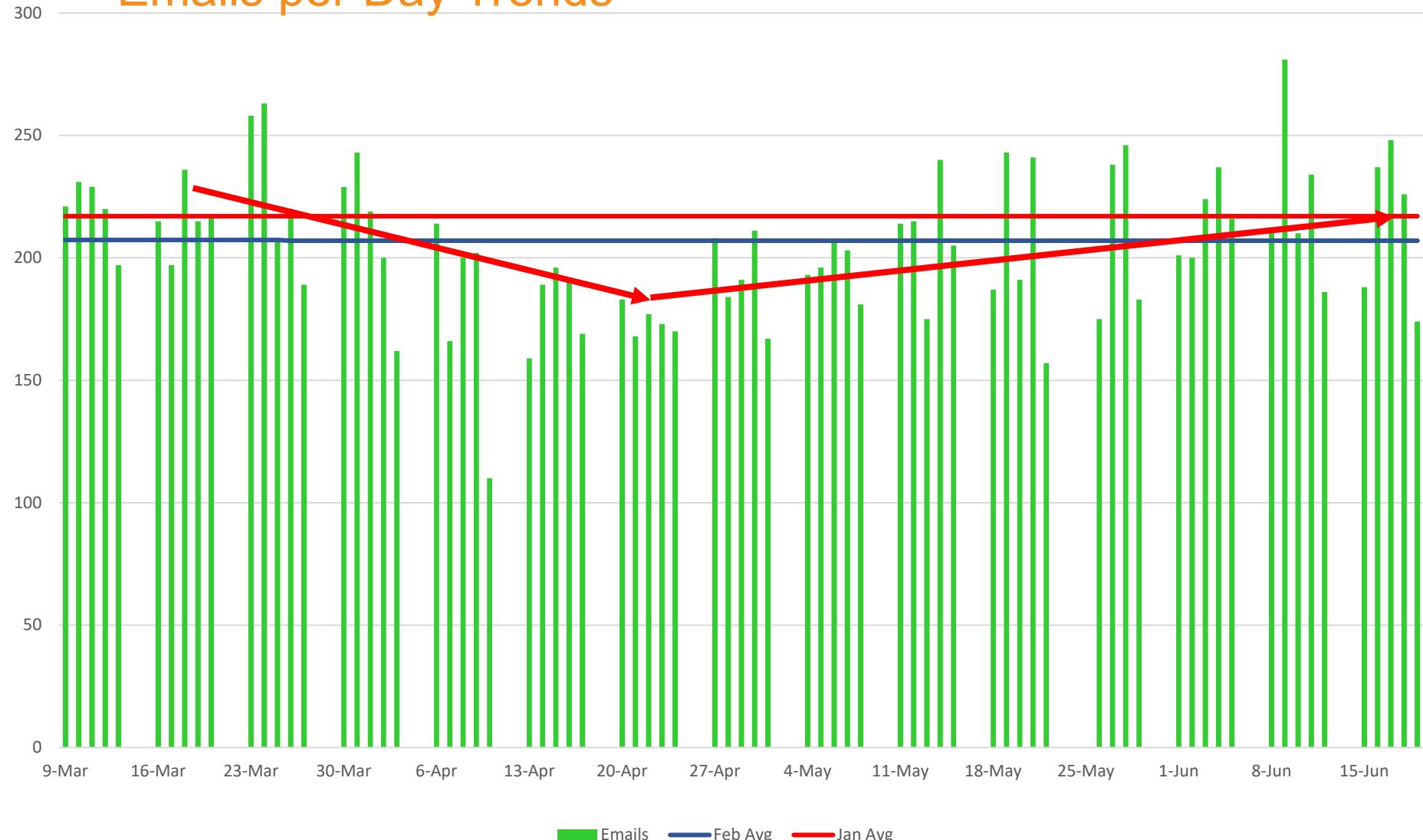
ERP Delay – go live now August 3rd

The ERP is delayed by a month for several reasons:

- Data – cleansing, mapping, and loading the data has been a significant task, larger and more difficult than what was anticipated. We are still working through some issues here.
- Covid-19 has certainly slowed down what is normally a very collaborative process. Not having the team together has caused delays.
- Not having our implementation partner on site during key phases of the project due to Covid-19.
- A key piece of software was not developed in time for our original go live date. When INFOR sold it to us, they did not tell us that it needed to be uplifted to the current version of the ERP.
 - Gray and Brad will be addressing this point directly with INFOR
- Scheduling/job prioritization has been challenging. Work is ongoing here. The team is confident that we are near the end on this, but it has been a very significant lift. Part of our DNA is our ability to respond to our customers and we need to make sure we can schedule the plant to deliver on our service proposition.

Driver / Trends by Segment

Emails per Day Trends



Management Discussion:

- Week of Feb 3 – 227
- Week of Feb 10 – 220
- Week of Feb 17 – 189
- Week of Feb 24 – 194
- Week of Mar 2 – 215
- Week of Mar 9 – 220
- Week of Mar 16 – 216

(Started Working Remotely)

- Week of Mar 23 – 227
- Week of Mar 30 – 211
- Week of Apr 6 – 179
- Week of Apr 13 – 181
- Week of Apr 20 – 174
- Week of Apr 27 – 192
- Week of May 4 – 196
- Week of May 11 – 210
- Week of May 18 – 204
- Week of May 26 – 211
- Week of Jun 1 – 216
- Week of Jun 8 – 225
- Week of Jun 15 – 215

Commercial Outlook – Industry Segments (May update)

CURRENT ORDER BOOK IS SAFE, NOT EXPECTING ANY CANCELLATIONS, SOME ORDERS GETTING PUSHED OUT

INDUSTRY SEGMENTS	SHORT TERM	CURRENT STATUS & NEXT STEPS
POP	●	<ul style="list-style-type: none"> WestRock has seen a significant decline in their project activities as retailer are cutting back on display programs. In their 3rd month of furloughs (150+ people) Menasha very slow with project managers and designer rotating home / office schedules. Recently received a lead for Tear Tape in their packaging business Siffron received 2 large orders, otherwise their business is soft RRD Div President, Steady stream of COVID-19 signage jobs for HD and Cricket, but still down 30% overall mostly due to key accounts. Q3 should be up a bit, but optimistic that the holiday will be big Imagine Print – POP continuing to struggle, graphics supporting social distancing picking up Duraco is being asked to support longer terms
Transit Packaging	●	<ul style="list-style-type: none"> Ampac volume increasing and Duraco working on efficiencies to increase capacity TMS & Amazon mailers stays strong as new Georgia Pacific location (Phoenix) comes online Bluff City – new account, packaging for record albums \$100k / year; placed \$9k order in May Transit Packaging focus by inside and outside sales teams
Appliance	●	<ul style="list-style-type: none"> WP demand has begun to increase in June and WP is telling us that they expect to be back to normal production levels by July. Working to complete 3 PPAPs (\$80k) GE demand began to increase mid-June and is nearing pre-COVID levels over the course of July. Laundry is expected to increase dramatically beginning in Aug/Sept and GE is looking to add a 3rd production shift. Alliance Laundry has presented us with 3 new projects which is great news. They have been shut down on and off for numerous weeks and are back for good now LaFrance has presented us with a new WP badge project. They are testing DK and DHB. It is in the initial testing phase and no quotes have been produced yet
Industrial	●	<ul style="list-style-type: none"> RV / Trailer – Elkhart, IN starting to open, expecting a strong H2 & 2021; Airstream shutdown 3 weeks in May, 6 weeks total <ul style="list-style-type: none"> Working on cost savings initiative from Winnebago for Duraco High Bond, "on-hold until plant gets to near normal" Industrial accounts still dealing with plant closures and slow ramp ups in production Automotive hurt by closure of large OEM's and lack of people driving; Hennessy Bada & Extang did not place and order in May versus \$46k last year
Wall Hanging	●	<ul style="list-style-type: none"> Mixtiles shipped \$80k in May and shipping \$90k in June, more orders for July and August PlanetArt strong month in May; \$96k Circle Graphic business is increasing during normally slow summer months Adventa – new account, similar to other Wall Hanging customers, expecting to finalize program in July
Other	●	<ul style="list-style-type: none"> New Customer acquisition is slow – feedback from potential new customers is they want to stay where they are, for now Inside Sales focused on churn accounts – many were 1x buys or reclassification of accounts





Share of Wallet: New Customers

Date Range

1/1/2020

5/30/2020

Sales Tier Filter

All

Industry

All

Territory

All

Account Classification

All

As of
05/30

MTD Sales 2020 New
\$50.30K

2019 MTD New Cust Sales
\$52.89K

-5%

YTD Sales 2020 New
\$556.52K

2019 YTD New Cust Sales
\$227.11K

145%

MTD New Accounts
66

2019 MTD New Accounts
120

-45%

YTD New Accounts
525

2019 YTD New Accounts
841

-38%

2020 New Customer Sales vs 2019



2020 New Customer Accounts vs 2019



Customer Name	Acct Number	Industry	Sales Tier
Key Interiors	61007015	Other	8: New C
TMS TECHNICAL MACHINERY SOLUTIONS	61006789	Transit Packaging	7: New C
TEMA NORTH AMERICA LLC	66003306	Industrial	7: New C
GP Corrugated Tolleson AZ	61006967	Transit Packaging	8: New C
RAMCEL	61007020	Other	8: New C
EI Paso Paper Box	67001129	Transit Packaging	7: New C
HSC	61006860	Distribution	7: New C
Cellofoam North America Inc	66003130	Industrial	7: New C
Metallon	61006851	Industrial	7: New C
KD Services	61006798	Transit Packaging	7: New C
Pergo Medikal ve Ilac Sanayi A.S.	61006807	Other	7: New C
ApplnApp - Israel	61006846	Wall Hangings	7: New C
GREAT PRODUCTS INC.	62013034	Appliance	7: New C
COLORTECH GRAPHICS	61006892	POP	8: New C
RC FASTENERS	64002645	Distribution	7: New C
Total			



Website Key Delays

CONTENT DEVELOPMENT

- More content development than we thought we needed
- Detailed review process with Chris, Brittany and Greg

INTERNAL TEAM ADDITIONAL REVIEW TIME

- Team needed more time to review, gave them an extra week to turn in feedback
- New design requests by team after development and review process

PAYEEZY (PAYMENT GATEWAY)

- Needed to switch from CenPos to Payeezy due to oversight on Avenue's side
- Delay in getting Payeezy setup with delayed getting the website over to Duraco to review and test as Avenue could not setup the eCommerce portion
- As it turns out, Avenue did not need to wait on PayEezy because they could have setup a free PayEezy demo account

New Market Growth

Commercial Growth & Industry Segment Strategy

MARKET & SEGMENT SUMMARY

Transit Packaging

SECTOR OVERVIEW

Transit Packaging

SEGMENT SIZING

Transit Packaging

PURCHASING BEHAVIOR

Value Chain

- Design
- Converter
- Packing
- Assembly
- Shipping Client

WHERE DO THEY PURCHASE

- Large players in high volume (Udu, Avary)
- Tier one converters typically used for specialty alternatives - Innovations in packaging have opened up the space to smaller players
- Contract packagers primarily use larger players for consumers
- Custom players will often use a distributor or buy direct

APPLICATIONS / NEEDS

- Improved unboxing experience (frustration free packaging)
- Branding opportunities
- Focus on the cost of tape, ability to provide long term sustainable supply at a cheap price
- Ability to work with custom applicators on specialist packages
- Value improvements on speed / standardization of machinery
- Size of rolls creates less turnover, and greater output
- Reduce time to assemble for "tamper evident" packaging
- Specialist solutions e.g. - temperature monitoring, tamper-proof tapes etc.

WHERE TO PLAY / HOW TO WIN

- Buyer and/or User
- User Only

Priority Customers

- Custom box makers require more specific finger lift / adhesive transfer applications, that can be better served by niche players:
 - Supply chain reliability becomes a bigger issue for manufacturers without storage capacity
- Tamper evident packaging offers white space for a variety of consumer packaging
- Food transit packaging presents an opportunity to own a new tamper evident transit space with deep technical expertise
- Specialty mailers, while a more competitive space can be analyzed with custom applications (e.g. returnable mailers)
- Larger players have been best approached

30 / 60 / 90 day Implementation Plan

TRANSIT PACKAGING

CATEGORY	CURRENT ACTIONS & NEXT STEPS	OWNER	Dates	
			Start	End
SALES	+ Action or next step	Owner	+ TBD	+ TBD
Marketing	+ Action or next step	Owner	+ TBD	+ TBD
Product	+ Action or next step	Owner	+ TBD	+ TBD
Operations	+ Action or next step	Owner	+ TBD	+ TBD

30/60/90 DAY PLAN

DURACO

GO-TO-MARKET & REQUIREMENTS

Transit Packaging – SWOT

FROM THE VIEW OF DURACO

STRENGTHS

- Xxx
- Xxx

OPPORTUNITY

- Xxx
- Xxx

Sales Goals

- Quota:
- # of Accounts:
- # of New Accounts:

Duraco

Transit Packaging

EXECUTIVE SUMMARY

An executive summary provides an overview of a larger document or research and is usually the first thing your reader will action in a much more depth due to its brevity.

Transit Packaging

CAPABILITIES REQUIREMENTS SUMMARY

Sales Capabilities & Channel Requirements	Product, Technical, & Engineering
<ul style="list-style-type: none"> What is our channel strategy? Direct? Distribution? Agents? What is the role of each sales roles (i.e., BD, RSM, IS) play? 	<ul style="list-style-type: none"> What product, technical and engineering resources are required? What applications do we need to solve for? Does this exist in-house or do we need to partner / sources outside?
Marketing Requirements	Operational Requirements
<ul style="list-style-type: none"> What market capabilities are critical to execute? <ul style="list-style-type: none"> What specific digital content and campaigns? Industry events & associations? What sales collateral are required? 	<ul style="list-style-type: none"> What service level requirements are required? Do these exist? If not, what improvements are required?

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Strategic Industry Segment Launch by Prospect

Transit Packaging Customers	Locations
• Assemblies Unlimited	27
• Cogent Solutions & Supplies	2
• DS Smith Packaging	17
• Green Bay Packaging (Midland Pkg)	33
• Insulated Products Corp	1 Mfg; 2 Dist
• Lamb and Associates	1 Mfg; 2 Dist
• Orora Group (Packaging Solutions)	6
• Summit Packaging Solutions	3 Mfg; 2 Offices
• Rusken Packaging	12
• The Visual Pak Companies	5

Industrial Customers	Locations
Appliance	
• Samsung Electronics	2
• Conair Corporation	2
• Helmer Scientific	1
• Glastender Inc	1
• True Manufacturing Co	1
RV/Trailer	
• Winnebago	5
• American Cargo Group	11
Fenestration	
• Boral	5
• Mi Windows and Doors	6
• Amesbury Truth Co	2
Automotive Aftermarket	
• Truck Hero	13

Industry Segment Tracking Document

Account	Parent Company	City	State	Country	Website	Products																																																																								
		Tijuana	MX	MX	https://www.assemblies.com/	Contract Packaging																																																																								
		Inside Sales	Outside Sales	Assigned Salesperson	Account #	Date of First Contact	Date of First Meeting	Main Contact Name	Main Contact Title	Location of Purchasing	Location of Engineering																																																																			
Assemblies Unlimited	Assemblies Unlimited																																																																													
Green Bay Packaging - Coated Products Div.	Green Bay Packaging																																																																													
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Marketing Assets by Segment

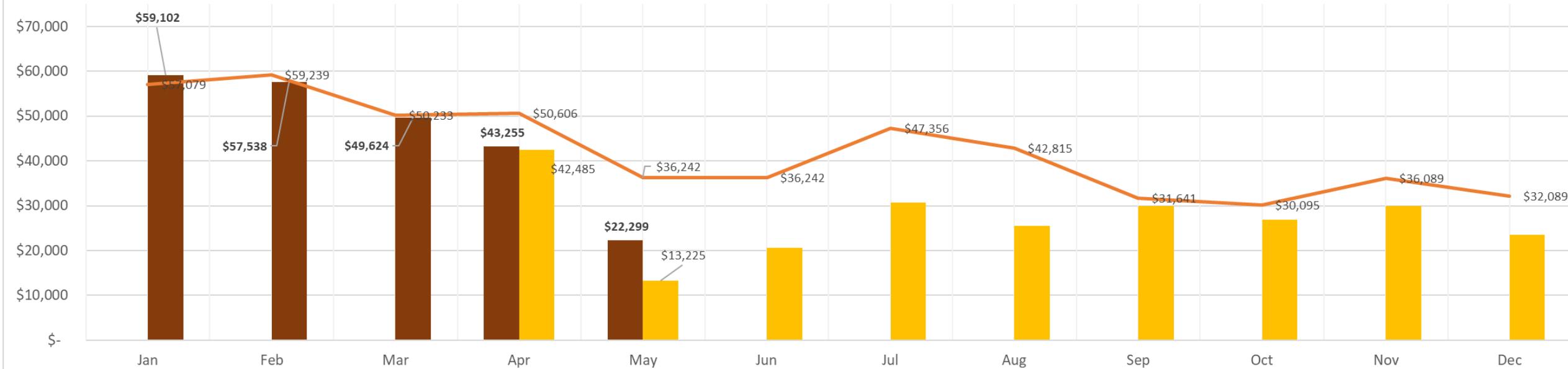
BROCHURES & SELL SHEETS



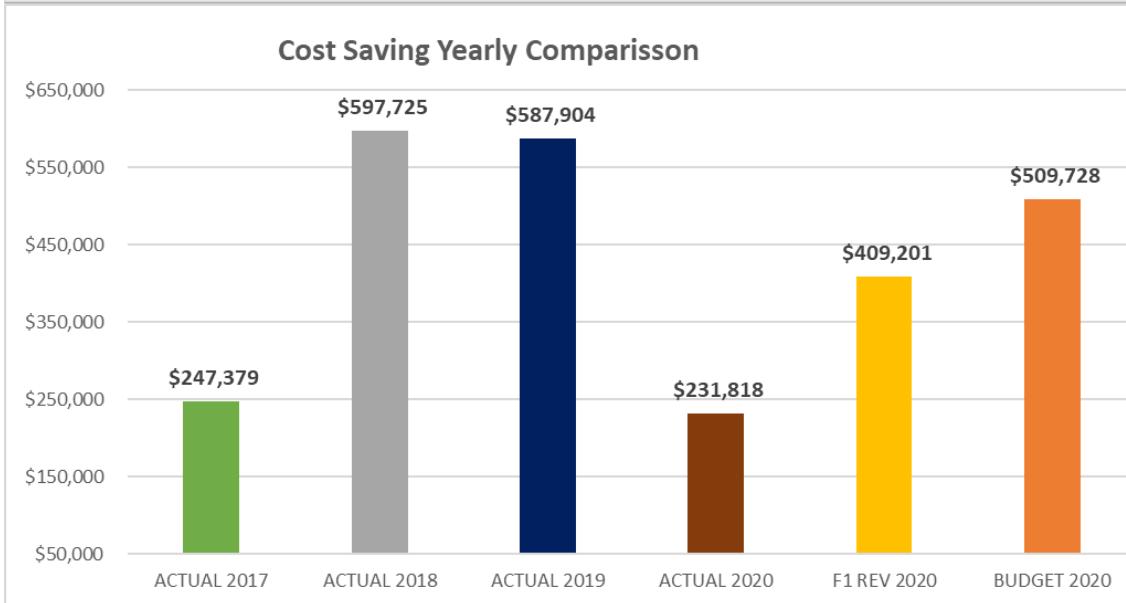
Operations and Manufacturing

Cost Savings Monthly Results

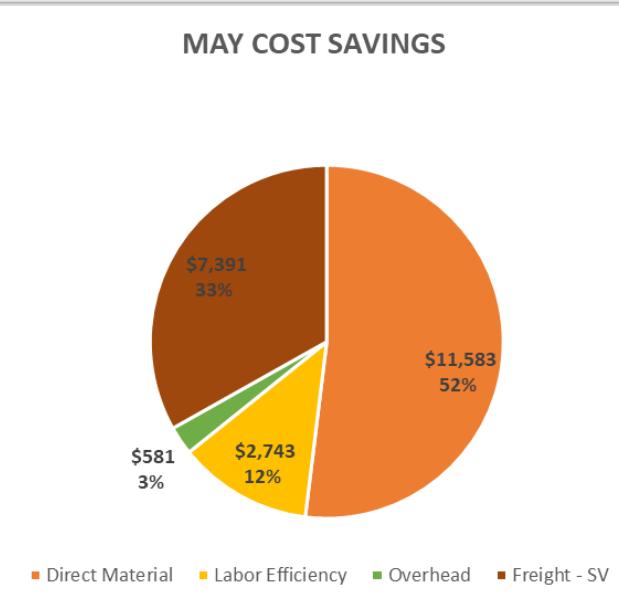
■ ACTUAL 2020 ■ F1 REV 2020 ■ BUDGET 2020



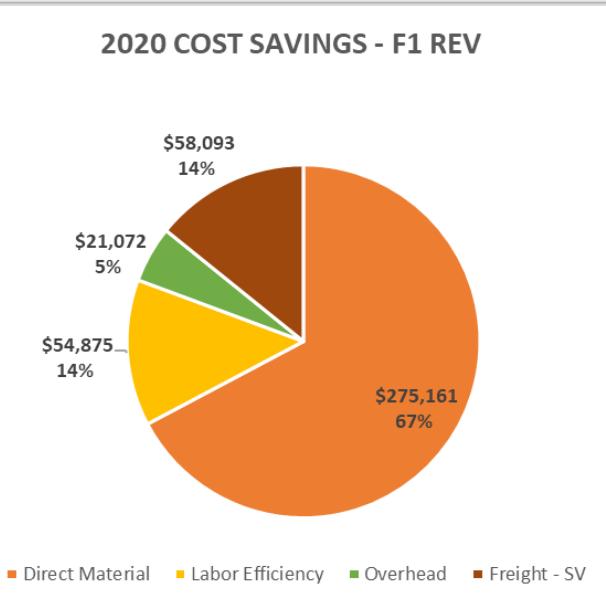
Cost Saving Yearly Comparison



MAY COST SAVINGS



2020 COST SAVINGS - F1 REV



Cost Savings Miss to Plan

MAY BUDGET VS ACTUAL GAP REASONS

BUDGET	\$36K	ACTUAL	\$22K
--------	-------	--------	-------

• 4 Volume related projects	\$5.7k
– Mondi liner	\$0.5k
– Avery Denison Hot Melt	\$2.5k
– Elastapro	\$1.6k
– RFQ Mylar	\$1.1k
• 3 Project launch delay / forecast	\$11.5k
– Mondi liner	\$4.5k
– 10" Rotary upgrade to 20"	\$2.5k
– Converter Mod – Labor & Scrap	\$4.5k
• 2 Projects removed	\$2k

MAY NEW PROJECTS

• UPS Agreement	\$6.5k
• Foam Vendor change	\$0.5k

Quad Analysis Project

Completed Items	Key Open Items	Next Steps
<ul style="list-style-type: none">• Established Steering Committee• Determined PMO Co-Leads (Infinity and Duraco)• Identified major workstreams and workstream Co-Leads (Infinity and Duraco)• Established Reporting cadence• Completed End-State Visioning Workshop• Established action log to gather information necessary to validate business case	<ul style="list-style-type: none">• Determine a path forward with data:<ul style="list-style-type: none">• Lift and Shift• Move and leverage redundancy• New or Modified Silicone coater / Hot melt coater / Printer• Business Case Validation• Identify project plan elements: Tasks, timelines, accountabilities• Address Infinity President open concerns about the consolidation	<ul style="list-style-type: none">• Workshop to determine path forward with data (6-23 and 6-24)• Brad to develop business case for path forward options• Craig Allard & Matt Edison – Duraco plant tour and discussion of path forward plan (6-29 and 6-30)• Develop High Level Project plan and timeline in Smartsheet (7-2)• Develop detailed project plan and timeline in Smartsheet (7-10)

Appendix

Agenda

- Executive Summary
- Operational Review
 - 2020 Sales Alignment, Growth Program & Commercial KPIs
 - Commercial and Sales
 - Operations and Manufacturing
- Financial Review
- Information Systems & Technology
- Acquisitions and Other Transactions
- Management and Governance
- Appendix

Status of Key Initiatives

STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
Commercial Growth (Inside Sales)	●	<ul style="list-style-type: none"> Inside Sales Manager set up daily call tracking and targets Launched new dashboards giving visibility to sales and churn accounts 	Jan 2020	TBD	TBD
Commercial Growth (Outside Sales)	●	<ul style="list-style-type: none"> Restructured Outside Team to deliver new account growth and support for current customers Developed and implemented Industrial product training to Outside and Inside Sales Launched new dashboards giving visibility to regional sales and pipeline data 	Feb 2020	TBD	TBD
Sales Compensation Model	●	<ul style="list-style-type: none"> New compensation model to be deployed in February 2020. In addition, working with management team to develop re-occurring sales incentives plans (i.e., SPIFFs) for outside / inside team; outside team to focus on growth and inside team to focus on churn reduction 	Feb 2020	TBD	TBD
New Market Entry	●	<ul style="list-style-type: none"> Phase I seven sector review in-progress – phase I focused on identifying high-level market overview and fit for seven priority target markets Beckway developed and implementing VOC on top 5 segments 	Feb 2020	TBD	TBD
Sourcing	●	<ul style="list-style-type: none"> Supply Chain Manager focused on de-risking business; liners, film, adhesives, foam, mylar and corrugate. Strong emphasis to reduce inventory, risk mitigation, building strategic partnerships and cost savings 	XXX 2020	\$345K	TBD
Continuous Improvement	●	<ul style="list-style-type: none"> Yellow and Green belt training scheduled for 2020 Kaizen's events scheduled for multiple work centers that we have identified as constraints 10 New 5S+ Events scheduled for 2020 	XXX 2020	TBD	TBD



Complete



Just started



On Track



At Risk



Behind Schedule

Duraco 2020 Open Roles

ROLE	STATUS
VP SALES	<i>Start Date: June 29, 2020</i>
REGIONAL SALES MANAGER MIDWEST	<i>Active recruiting effort</i>
REGIONAL SALES MANAGER SOUTHEAST	<i>Active recruiting effort</i>
A/R SPECIALIST	<i>Filled – Start date 5/4</i>
A/P SPECIALIST	<i>Filled Internally – Start date 4/27</i>
CUSTOMER SERVICE SUPERVISOR	<i>Indefinitely deferred</i>
ASSOCIATE PRODUCT MANAGER	<i>Indefinitely deferred</i>
MATERIALS SCIENTIST	<i>Indefinitely deferred</i>
SENIOR PROCESS ENGINEER	<i>Indefinitely deferred</i>
MACHINE OPERATOR	<i>Indefinitely deferred</i>
MACHINE OPERATOR	<i>Indefinitely deferred</i>

Operational Review

Commercial and Sales

Duraco 2020 Growth Program

THE BELOW ACTIVITIES – ORIENTED AROUND BUILDING THE DURACO SALES ENGINE – ARE OCCURRING OVER THE NEXT QUARTER TO IMPROVE OUR SALES CAPABILITIES

	Phase I: Territory Re-alignment & New Compensation Model	Phase II: Territory Education & Coverage Transition	Phase III: Regional Territory Planning	Phase IV+: Increased Salesforce Effectiveness
Objective	Institute regional focus and incentivize salesforce with new 'favorable' comp model (downside protection + upside carrot)	Enable RSMs to develop understanding and relationships of new territories	Translate new coverage model into tangible, granular growth plans / go-do's by region	Increase effectiveness of salesforce (i.e., larger pipelines, higher win rate, etc.)
Key Activities	<ul style="list-style-type: none"> Implementation of new comp model Implementation of new coverage model 	<ul style="list-style-type: none"> Complete visits to new accounts and/or transitioned accounts Complete Industrial training to 'learn to sell' to industrial accounts (for legacy PoP reps) Leverage new sales tools that bring account-level visibility into new territories 	<ul style="list-style-type: none"> Develop highly granular / actionable account-level territory growth plans (w/external support) 	<ul style="list-style-type: none"> Sales process training? Sales coaching / Ride-alongs? Increased sales tools? Sales motivations / contests?
Owner	David Danelz	David Danelz	David Danelz	VP Sales
Timing	February 2020	March 2020	April 2020	June 2020+
Outside Resources	SmartVentures	TBD	BeckWay Group (TBD)	BeckWay Group (TBD), Sales Training Consultants e.g., Miller-Heiman

Commercial Bowling Chart by Industry Segment

PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
GROWTH															
Plan Totals	\$17,410	PY	\$3,411	\$3,179	\$3,322	\$4,266	\$3,232	\$3,282	\$3,638	\$3,470	\$3,517	\$4,463	\$3,128	\$2,892	\$41,801
	\$17,525	Plan	\$3,290	\$3,231	\$3,374	\$4,332	\$3,298	\$3,496	\$3,784	\$3,614	\$3,637	\$4,654	\$3,461	\$3,302	\$43,473
	\$15,940	Fcst/Act	\$3,449	\$3,141	\$3,372	\$3,453	\$2,525	\$3,496	\$3,784	\$3,614	\$3,637	\$4,654	\$3,461	\$3,302	\$41,888
Point of Purchase	\$10,845	PY	\$2,077	\$1,947	\$2,078	\$2,646	\$2,096	\$1,913	\$2,300	\$1,980	\$2,158	\$2,913	\$1,971	\$1,714	\$25,795
	\$10,618	Plan	\$1,926	\$1,924	\$2,114	\$2,616	\$2,038	\$2,083	\$2,293	\$2,111	\$2,323	\$2,963	\$2,034	\$1,912	\$26,337
	\$8,848	Fcst/Act	\$2,080	\$1,883	\$1,662	\$1,904	\$1,319	\$2,083	\$2,293	\$2,111	\$2,323	\$2,963	\$2,034	\$1,912	\$24,567
Transit Packaging	\$164	PY	\$26	\$24	\$27	\$36	\$51	\$53	\$24	\$119	\$106	\$127	\$85	\$47	\$725
	\$415	Plan	\$79	\$83	\$81	\$90	\$82	\$116	\$83	\$96	\$94	\$101	\$97	\$113	\$1,115
	\$938	Fcst/Act	\$201	\$135	\$263	\$190	\$149	\$116	\$83	\$96	\$94	\$101	\$97	\$113	\$1,639
White Goods	\$1,889	PY	\$419	\$352	\$303	\$467	\$348	\$491	\$470	\$384	\$382	\$421	\$370	\$276	\$4,684
	\$2,025	Plan	\$378	\$349	\$354	\$518	\$425	\$494	\$495	\$415	\$392	\$500	\$404	\$439	\$5,164
	\$1,680	Fcst/Act	\$371	\$303	\$448	\$275	\$283	\$494	\$495	\$415	\$392	\$500	\$404	\$439	\$4,820
Industrials	\$2,384	PY	\$444	\$440	\$501	\$583	\$416	\$461	\$561	\$440	\$419	\$473	\$319	\$409	\$5,466
	\$2,413	Plan	\$497	\$491	\$471	\$525	\$429	\$473	\$524	\$486	\$441	\$519	\$409	\$457	\$5,723
	\$1,895	Fcst/Act	\$364	\$340	\$397	\$491	\$303	\$473	\$524	\$486	\$441	\$519	\$409	\$457	\$5,205
Distributors	\$928	PY	\$131	\$183	\$137	\$300	\$177	\$140	\$125	\$231	\$227	\$160	\$95	\$124	\$2,030
	\$843	Plan	\$112	\$153	\$130	\$276	\$171	\$121	\$125	\$223	\$148	\$237	\$145	\$131	\$1,972
	\$929	Fcst/Act	\$219	\$141	\$184	\$156	\$228	\$121	\$125	\$223	\$148	\$237	\$145	\$131	\$2,059
Wall Hangings	\$259	PY	\$110	\$35	\$84	\$27	\$2	\$11	\$24	\$73	\$67	\$147	\$137	\$156	\$875
	\$317	Plan	\$89	\$57	\$46	\$100	\$25	\$30	\$35	\$95	\$77	\$141	\$163	\$67	\$925
	\$765	Fcst/Act	\$41	\$221	\$290	\$36	\$177	\$30	\$35	\$95	\$77	\$141	\$163	\$67	\$1,373
Other	\$596	PY	\$127	\$121	\$130	\$123	\$95	\$149	\$85	\$170	\$104	\$146	\$110	\$113	\$1,473
	\$563	Plan	\$131	\$111	\$115	\$126	\$80	\$111	\$154	\$125	\$108	\$137	\$154	\$151	\$1,503
	\$429	Fcst/Act	\$128	\$66	\$93	\$92	\$51	\$111	\$154	\$125	\$108	\$137	\$154	\$151	\$1,368
Unknown	\$345	PY	\$75	\$76	\$62	\$84	\$48	\$62	\$50	\$72	\$55	\$76	\$41	\$52	\$754
	\$332	Plan	\$78	\$62	\$63	\$80	\$49	\$68	\$75	\$63	\$54	\$54	\$56	\$32	\$734
	\$463	Fcst/Act	\$46	\$51	\$35	\$309	\$22	\$68	\$75	\$63	\$54	\$54	\$56	\$32	\$865



Commercial Bowling Chart by Region

PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
GROWTH															
Plan Totals	\$17,410	PY	\$3,411	\$3,179	\$3,322	\$4,266	\$3,232	\$3,282	\$3,638	\$3,470	\$3,517	\$4,463	\$3,128	\$2,892	\$41,801
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	\$15,947	Fcst/Act	\$3,449	\$3,141	\$3,372	\$3,453	\$2,532	\$3,496	\$3,784	\$3,614	\$3,637	\$4,654	\$3,461	\$3,302	\$41,895
Northeast	\$2,076	PY	\$455	\$318	\$364	\$551	\$388	\$349	\$448	\$330	\$364	\$393	\$337	\$268	\$4,565
	\$2,007	Plan	\$446	\$324	\$382	\$480	\$375	\$370	\$426	\$332	\$380	\$388	\$389	\$320	\$4,612
	\$1,744	Fcst/Act	\$385	\$316	\$309	\$385	\$348	\$370	\$426	\$332	\$380	\$388	\$389	\$320	\$4,349
Southeast	\$1,926	PY	\$367	\$355	\$393	\$465	\$347	\$279	\$390	\$393	\$370	\$498	\$391	\$247	\$4,495
	\$1,939	Plan	\$368	\$355	\$394	\$466	\$357	\$279	\$399	\$393	\$370	\$498	\$391	\$250	\$4,520
	\$1,831	Fcst/Act	\$338	\$383	\$312	\$516	\$281	\$279	\$399	\$393	\$370	\$498	\$391	\$250	\$4,412
East Central	\$2,620	PY	\$485	\$452	\$497	\$651	\$534	\$555	\$536	\$501	\$489	\$673	\$437	\$456	\$6,266
	\$2,691	Plan	\$477	\$487	\$528	\$665	\$534	\$570	\$595	\$492	\$509	\$684	\$472	\$586	\$6,599
	\$2,668	Fcst/Act	\$609	\$565	\$645	\$503	\$345	\$570	\$595	\$492	\$509	\$684	\$472	\$586	\$6,576
Central	\$4,299	PY	\$787	\$828	\$797	\$996	\$890	\$846	\$892	\$921	\$930	\$1,275	\$820	\$953	\$10,937
	\$4,575	Plan	\$813	\$857	\$872	\$1,163	\$870	\$959	\$972	\$956	\$983	\$1,286	\$814	\$850	\$11,396
	\$3,845	Fcst/Act	\$918	\$710	\$771	\$907	\$538	\$959	\$972	\$956	\$983	\$1,286	\$814	\$850	\$10,665
Southwest	\$1,166	PY	\$216	\$247	\$271	\$260	\$172	\$185	\$232	\$251	\$272	\$305	\$206	\$191	\$2,808
	\$1,146	Plan	\$214	\$240	\$233	\$267	\$193	\$244	\$262	\$251	\$282	\$299	\$215	\$228	\$2,929
	\$918	Fcst/Act	\$199	\$203	\$213	\$171	\$133	\$244	\$262	\$251	\$282	\$299	\$215	\$228	\$2,701
West	\$1,404	PY	\$326	\$239	\$269	\$329	\$242	\$272	\$318	\$251	\$323	\$472	\$295	\$234	\$3,568
	\$1,318	Plan	\$247	\$251	\$264	\$282	\$273	\$279	\$324	\$328	\$370	\$445	\$369	\$319	\$3,751
	\$1,140	Fcst/Act	\$319	\$236	\$164	\$167	\$254	\$279	\$324	\$328	\$370	\$445	\$369	\$319	\$3,573
Canada	\$414	PY	\$69	\$96	\$108	\$90	\$50	\$73	\$89	\$59	\$53	\$109	\$37	\$26	\$860
	\$466	Plan	\$76	\$103	\$124	\$101	\$63	\$90	\$96	\$72	\$67	\$126	\$58	\$45	\$1,020
	\$289	Fcst/Act	\$83	\$52	\$75	\$46	\$33	\$90	\$96	\$72	\$67	\$126	\$58	\$45	\$843
Mexico	\$153	PY	\$21	\$28	\$24	\$28	\$52	\$29	\$37	\$24	\$22	\$20	\$15	\$19	\$319
	\$139	Plan	\$28	\$23	\$25	\$27	\$37	\$31	\$40	\$32	\$26	\$28	\$23	\$23	\$341
	\$156	Fcst/Act	\$23	\$19	\$37	\$46	\$30	\$31	\$40	\$32	\$26	\$28	\$23	\$23	\$358
Appliance - WP, Tiers & RV	\$2,005	PY	\$456	\$361	\$338	\$507	\$342	\$517	\$495	\$401	\$396	\$442	\$384	\$291	\$4,930
	\$1,999	Plan	\$417	\$359	\$367	\$482	\$375	\$462	\$445	\$381	\$340	\$449	\$369	\$399	\$4,844
	\$1,651	Fcst/Act	\$371	\$325	\$461	\$247	\$247	\$462	\$445	\$381	\$340	\$449	\$369	\$399	\$4,496
Appliance - GE	\$77	PY	\$13	\$14	\$10	\$14	\$26	\$13	\$15	\$20	\$14	\$19	\$12	\$13	\$185
	\$222	Plan	\$19	\$15	\$23	\$92	\$74	\$74	\$92	\$74	\$92	\$74	\$74	\$74	\$774
	\$133	Fcst/Act	\$15	\$14	\$12	\$40	\$52	\$74	\$92	\$74	\$92	\$74	\$74	\$74	\$685
House / International	\$1,156	PY	\$193	\$218	\$233	\$346	\$166	\$139	\$131	\$271	\$264	\$233	\$181	\$177	\$2,552
	\$894	Plan	\$164	\$184	\$139	\$274	\$134	\$102	\$107	\$238	\$168	\$342	\$285	\$175	\$2,311
	\$1,509	Fcst/Act	\$168	\$300	\$357	\$422	\$262	\$102	\$107	\$238	\$168	\$342	\$285	\$175	\$2,926
Teachers Tape	\$101	PY	\$21	\$22	\$17	\$27	\$13	\$24	\$47	\$48	\$20	\$24	\$13	\$14	\$292
	\$102	Plan	\$28	\$19	\$16	\$28	\$11	\$19	\$45	\$41	\$25	\$22	\$22	\$19	\$296
	\$65	Fcst/Act	\$21	\$17	\$15	\$4	\$8	\$19	\$45	\$41	\$25	\$22	\$22	\$19	\$259



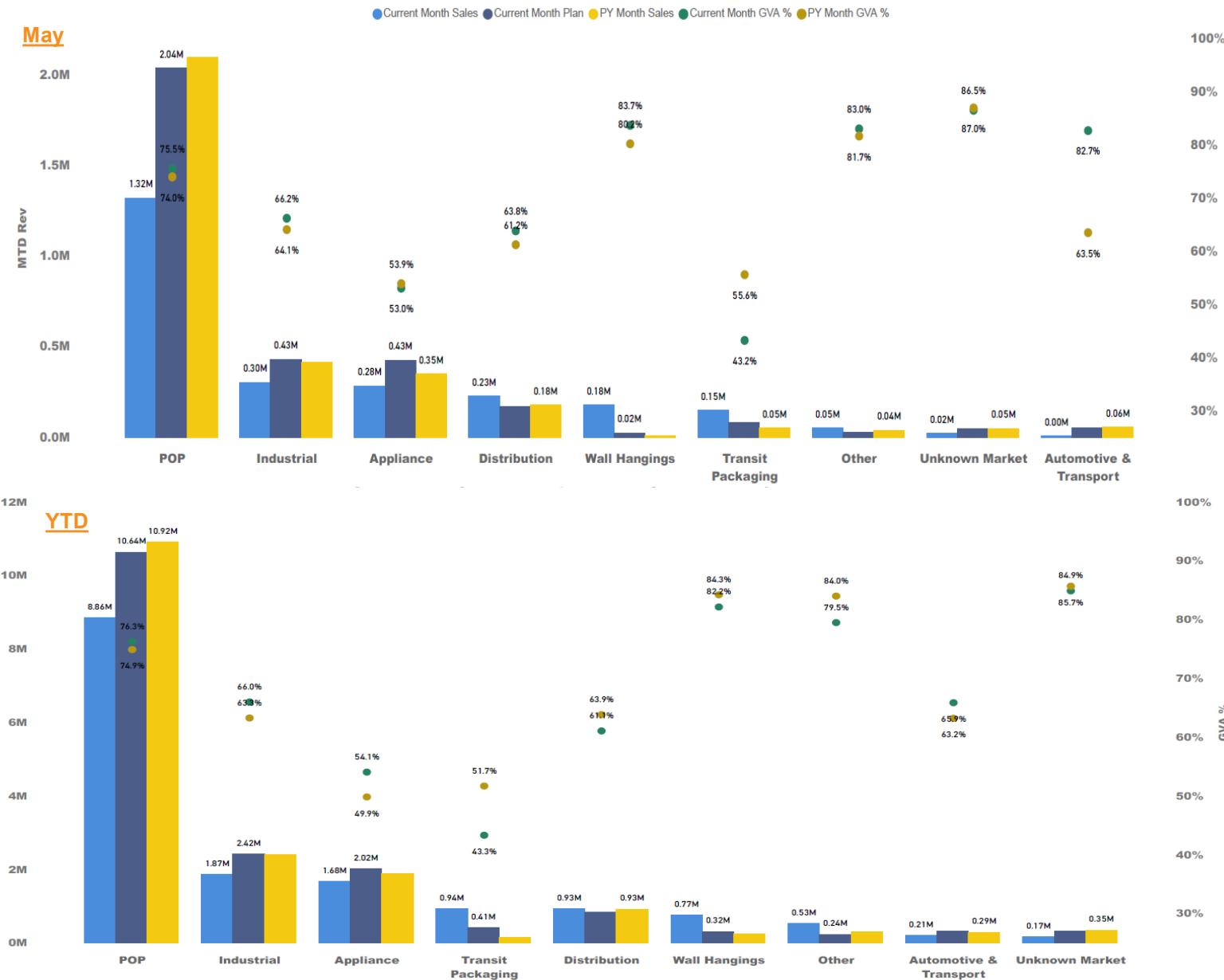
Top Customers by MTD and YTD Sales and GVA

Parent Customer (Industry)	Current Month Sales	Current Month Plan	Month % of Plan	PY Month Sales	MoM % Change	Current Month GVA %	PY Month GVA %	Current Year Sales	Current Year Plan	YTD % of Plan	Prior Year Sales	YoY % Change	Current Year GVA %	Prior Year GVA %
Essentra (Distribution)	147,587	59,750	247%	74,939	96.9%	58.7%	49.8%	522,688	381,823	123%	467,769	11.7%	54.3%	53.8%
Whirlpool (Appliance)	117,637	208,728	56%	208,359	-43.5%	47.2%	45.5%	897,542	1,166,535	102%	1,191,178	-24.7%	48.3%	42.7%
PlanetArt (Wall Hangings)	95,940	17,677	543%	0	Infinity	86.7%	NaN	170,010	88,385	71%	62,854	170.5%	87.3%	89.1%
Ampac (Transit Packaging)	82,521	38,500	214%	46,859	76.1%	40.2%	57.2%	571,598	192,500	62%	119,443	378.6%	40.8%	56.2%
Menasha (POP)	81,049	95,372	85%	112,420	-27.9%	74.9%	73.4%	351,616	477,821	97%	463,848	-24.2%	73.9%	72.6%
Mixtiles (Wall Hangings)	79,754	5,394	1479%	2,338	3311.4%	80.1%	80.2%	586,381	221,167	89%	196,367	198.6%	80.6%	82.7%
Circle Graphics (POP)	70,281	26,449	266%	23,582	198.0%	70.1%	74.1%	264,794	87,617	78%	68,550	286.3%	72.5%	73.2%
Hatteras Press (POP)	66,168	150	44112%	151	43583.8%	70.4%	83.8%	113,988	25,536	101%	25,914	339.9%	71.8%	77.8%
Sifftron (POP)	65,941	24,000	275%	22,346	195.1%	86.9%	89.5%	297,703	183,999	99%	181,277	64.2%	74.5%	71.6%
La France Corporation (Appliance)	58,723	35,000	168%	30,364	93.4%	70.5%	69.4%	265,076	105,000	101%	105,579	151.1%	70.4%	68.5%
GE Appliances (Appliance)	51,548	73,590	70%	25,846	99.4%	39.6%	70.7%	132,642	222,261	35%	77,461	71.2%	37.6%	49.1%
Veritiv - St Louis (POP)	49,438	7,093	697%	7,142	592.2%	51.2%	85.5%	111,195	22,619	101%	22,940	384.7%	53.9%	84.9%
WestRock (POP)	44,385	70,308	63%	64,666	-31.4%	79.0%	73.5%	479,839	374,644	99%	372,234	28.9%	76.7%	74.3%
TMS TECHNICAL MACHINERY SOLUTIONS (Transit Packaging)	36,042	30,000	120%	0	Infinity	43.6%	NaN	195,371	150,000	0%	0	Infinity	43.7%	NaN
Flower City Printing Company (POP)	27,831	32,000	87%	24,259	14.7%	70.1%	73.7%	150,483	160,000	85%	136,301	10.4%	74.8%	75.9%
Imagine Print Solutions (POP)	27,588	66,941	41%	63,201	-56.3%	81.7%	82.4%	243,131	384,143	100%	385,683	-37.0%	81.1%	81.0%
TEPEL BROTHERS (POP)	24,119	1,776	1358%	1,788	1248.9%	69.0%	68.2%	44,491	3,591	101%	3,612	1131.7%	74.5%	65.6%
SCHNEIDER ELECTRIC MEXICO S.A. de C.V. (Industrial)	22,612	17,711	128%	36,611	-38.2%	66.3%	64.5%	125,568	97,409	114%	110,842	13.3%	65.2%	64.1%
Serigraph Incorporated (POP)	22,465	36,214	62%	32,639	-31.2%	78.2%	77.0%	103,229	139,682	96%	134,102	-23.0%	77.2%	77.0%
PCA Corporation (POP)	22,230	52,507	42%	56,846	-60.9%	85.2%	83.3%	130,311	205,195	136%	278,077	-53.1%	85.0%	84.3%
Donaldson (Industrial)	22,163	27,080	82%	24,861	-10.9%	64.8%	63.4%	153,561	148,941	100%	148,409	3.5%	59.5%	57.5%
Plastic Products Company Incorporated (Appliance)	22,070	22,000	100%	14,921	47.9%	47.0%	48.7%	102,012	123,000	90%	110,487	-7.7%	45.9%	47.4%
Semicolon Inc (POP)	21,183	4,241	499%	3,876	446.5%	70.3%	84.6%	43,680	42,410	131%	55,441	-21.2%	69.4%	73.1%
RR Donnelley (POP)	20,245	86,528	23%	60,796	-66.7%	72.9%	74.5%	228,008	341,024	92%	315,151	-27.7%	73.4%	71.8%
PRESSURE SENSITIVE NETWORK (POP)	19,001	17,595	108%	23,092	-17.7%	57.9%	63.8%	76,653	67,275	189%	127,232	-39.8%	60.7%	54.7%
Pratt Visual Solutions (POP)	18,674	17,113	109%	17,524	6.6%	87.1%	78.5%	45,353	66,550	103%	68,589	-33.9%	85.0%	82.5%
Rapid Display (POP)	18,294	30,861	59%	29,415	-37.8%	79.5%	78.2%	136,155	198,537	98%	195,076	-30.2%	82.7%	76.0%
QUAD GRAPHICS NEW BERLIN (POP)	16,247	23,326	70%	16,633	-2.3%	81.0%	80.0%	167,285	94,598	75%	70,511	137.2%	75.2%	82.2%
Miller Studio (POP)	16,078	11,960	134%	12,042	33.5%	67.7%	74.7%	57,813	80,901	102%	82,200	-29.7%	69.2%	70.8%
ATLANTIC PACKAGING (Distribution)	15,550	33,730	46%	30,473	-49.0%	72.9%	68.3%	93,245	188,933	91%	171,552	-45.6%	75.1%	73.3%
Gemco (Industrial)	15,526	9,607	162%	8,872	75.0%	35.9%	40.2%	47,707	44,142	92%	40,742	17.1%	36.1%	37.8%
Key Interiors (Other)	15,049		Infinity	0	Infinity	78.1%	NaN	296,898		NaN	0	Infinity	79.4%	NaN
Peg Displays LLC (POP)	14,944	2,008	744%	2,022	639.0%	80.0%	72.1%	29,232	44,541	103%	45,662	-36.0%	81.0%	77.6%
CANPLEX PROFILES (POP)	14,714	-285	-5163%	-248	-6034.4%	72.9%	67.4%	70,082	63,095	94%	59,474	17.8%	62.4%	53.9%
Stoughton Trailers Incorporated (Industrial)	14,624	21,112	69%	18,256	-19.9%	37.6%	41.5%	72,249	116,116	103%	119,066	-39.3%	39.0%	41.4%
Bravo Pack (POP)	13,337	12,779	104%	11,786	13.2%	54.2%	52.6%	38,877	53,778	91%	48,679	-20.1%	52.9%	52.5%
Total	2,531,796	3,298,115	77%	3,231,934	-21.7%	69.8%	69.7%	15,950,760	17,557,918	100%	17,506,819	-8.9%	70.3%	70.2%



Revenue by Customer Segment

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

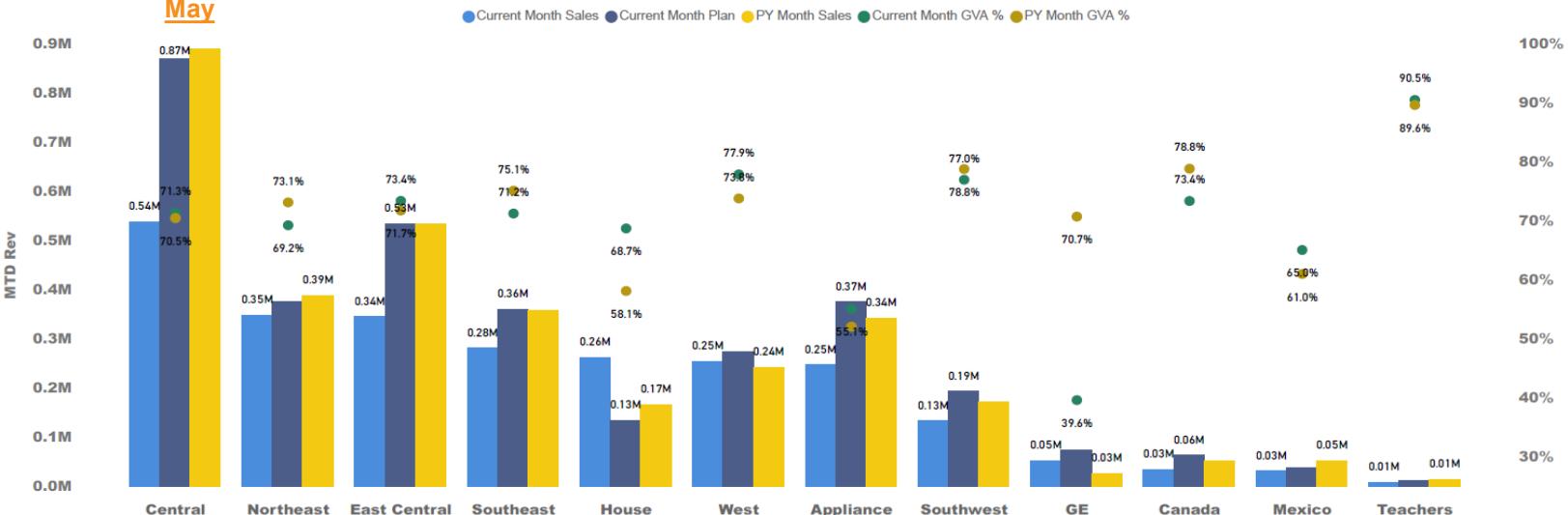


Management Discussion:

Revenue by Region

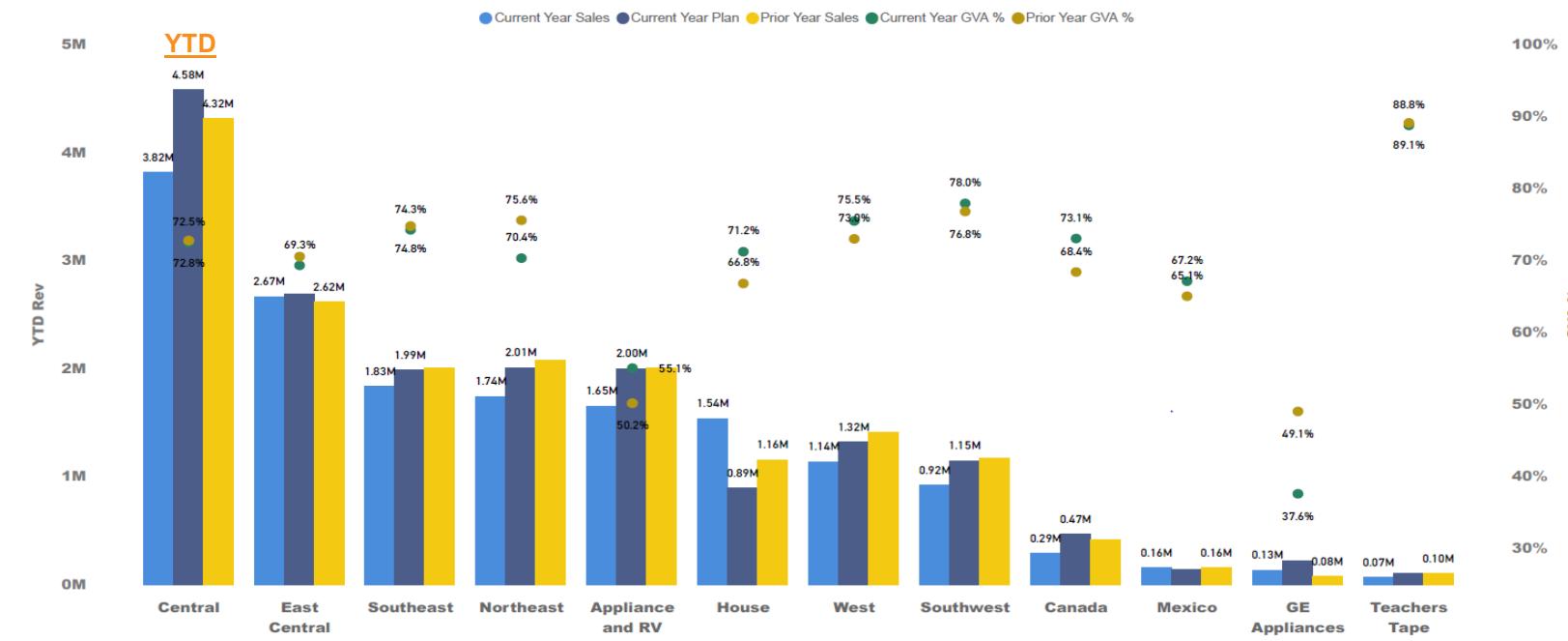
NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

May



Management Discussion:

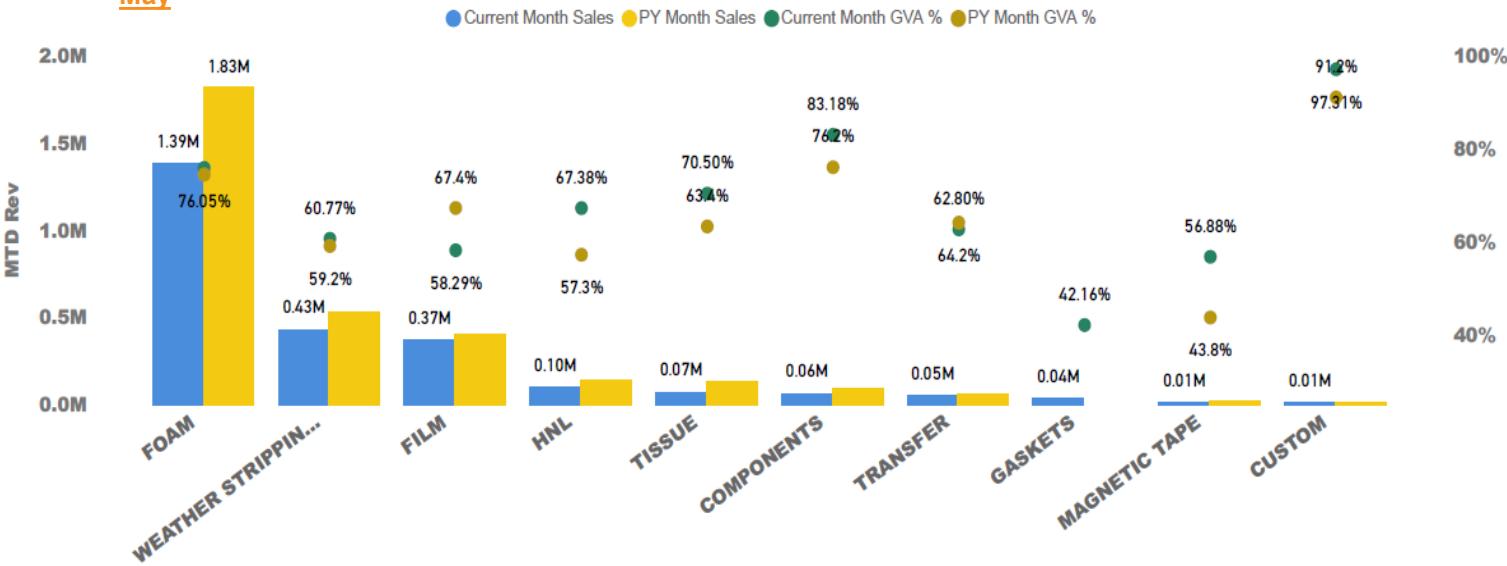
YTD



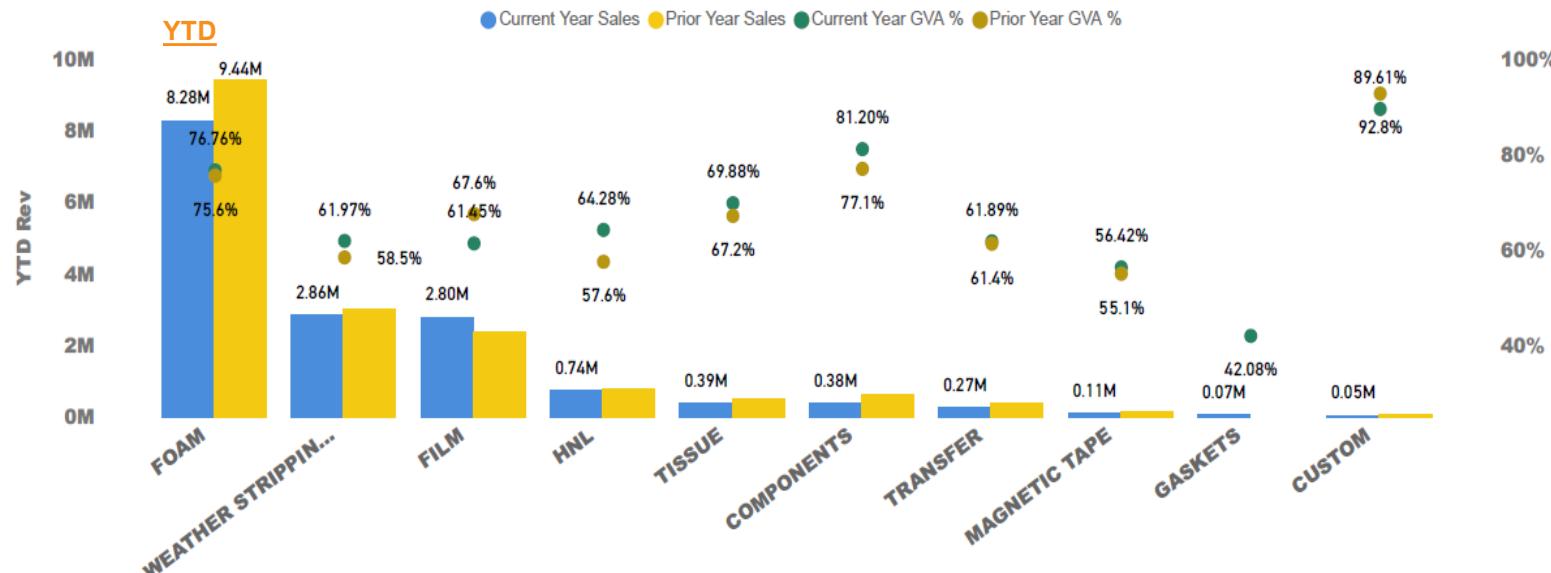
Revenue by Product Category

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

May



YTD



Management Discussion:

May was obviously a difficult month with overall product sales being down 21.7%, MoM. There were some bright spots, though.

While Foam was down 24.2% for the month, Remo One saw an increase of 65.4% (\$139k). This was led by the wall hanging market:

- Planet Art – Up \$100k
- Mixtiles – Up \$76k
 - We are currently also working on new opportunities with Adventa and Shutterfly.

Duraco High Bond also saw MoM growth of 56.0% (\$54k). This was led by:

- LaFrance – Up \$38k
 - Growth led by return of work in China
- New England Wire – Up \$11k
- Jifram Extrusion – Up \$7k
- More growth expected in this product with growth at GE Appliance and new emphasis on leveraging supplier's full product lines and knowledge.

The Film product line did see a MoM decrease of 8.6% (-\$35k). This was led by the DK Film 2.0 line which saw a decrease of 77.0% (-\$73k). Decrease was led by:

- Paroc – Down \$42k
- Covert Industries – Down \$8k
- Westrock – Down \$5k

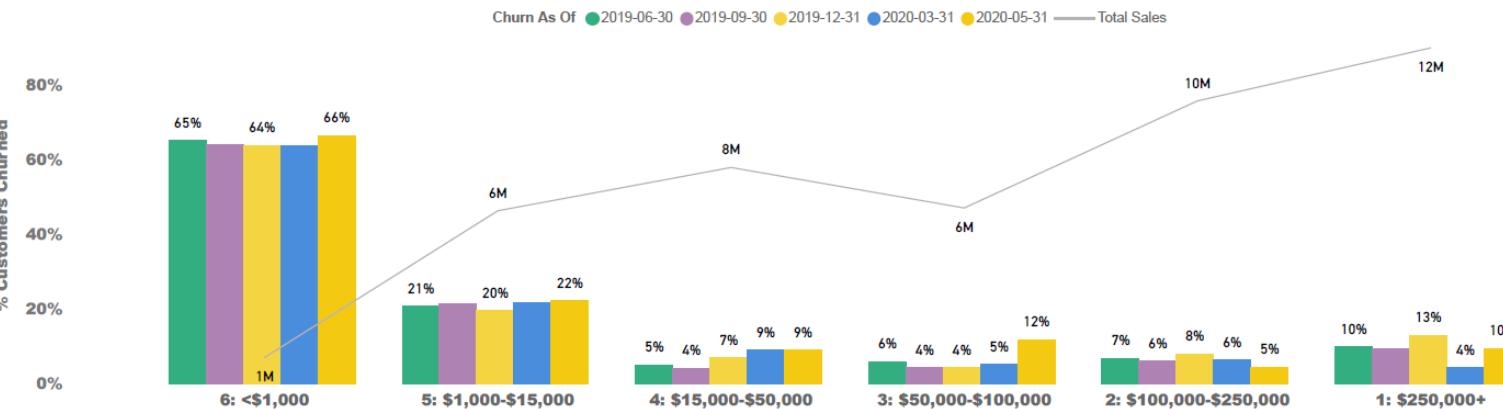
The Film product line did see increases in the products that factors in the Transit Packaging initiative. We saw growth in:

- Tear Tape – Up \$52k
- 4581 – Up \$16k
 - All new business.
- 4481 – Up \$14k

Customer Churn

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

% of Customers Churned



Management Discussion:

Strategic initiative, working to improve churn rate for <\$50k accounts

- Duraco to improve our online ordering process with a new website
- Marketing building reengagement campaign to incent customers back to Duraco, through combination of digital and direct mail campaigns
- Inside Sales to directly engage with Churn to win back business
- Outside sales to support Inside Sales when larger opportunities are identified, or to win back customers
- Tracking month activities (Bowler)

Details:

Customers \$250k+ (2 accounts)

- Essentra Nottingham - ceased operations end of 2019
- Paroc – stopped ordering due to tape specifications

Customers \$100k - \$250k (3 accounts)

- Chung Lam - end of life part for Target Store
- Halstead - lack of programs and low demand for their decorative wall planks
- Undercover – foam tape business lost to competitor

Customers \$50k - \$100k (11 accounts)

- ARI Packaging – Glue dot project for Nestle did not repeat
- Contractors Wardrobe – low margin business. Quoted again by RSM.
- MD Building Products – inside sales engaged. Needs a visit.
- Robin Enterprises Company – RSM is actively engaged
- Summit Manufacturing - RSM is actively engaged
- Menasha Hartford - account now bills to Neenah location
- Rapid Ink – closed
- PCA of America – large Duraco Red project not repeat
- 3 Canadian duplicate accounts also show as churned

Customers \$15k - \$50k (25 accounts)

- All churn customers \$1-50k are sent to inside sales for immediate action. This is now actively managed on the new executive and sales report

Customers \$1k - \$15k (321 accounts)

- All churn customers \$1-50k are sent to inside sales for immediate action. This is now actively managed on the new executive and sales report

Customers under \$1k (2982 accounts)

- Churn is relatively flat and will be reduced with focused digital marketing campaigns and user-friendly website

YTD Sales and YTD GVA

Industry	Current Year Sales	Prior Year Sales	YoY \$ Change	YoY % Change	Current Year Plan	YTD Plan % Change	Current Year GVA	Prior Year GVA	YoY Change in GVA	Current Year GVA %	Prior Year GVA %	YoY GVA % Change
Appliance	1.68M	1.89M	(\$0.21M)	-11.0%	2.02M	-6.7%	0.91M	0.94M	(\$0.03M)	54.1%	49.9%	4.2%
Industrial	1.87M	2.40M	(\$0.53M)	-22.2%	2.42M	-0.8%	1.23M	1.52M	(\$0.29M)	66.0%	63.3%	2.7%
Automotive & Transport	0.21M	0.29M	(\$0.08M)	-27.3%	0.33M	-10.5%	0.14M	0.18M	(\$0.04M)	65.9%	63.2%	2.7%
POP	8.86M	10.92M	(\$2.06M)	-18.9%	10.64M	2.6%	6.76M	8.18M	(\$1.42M)	76.3%	74.9%	1.4%
Unknown Market	0.17M	0.35M	(\$0.18M)	-51.7%	0.33M	5.9%	0.14M	0.30M	(\$0.16M)	84.9%	85.7%	-0.8%
Wall Hangings	0.77M	0.26M	\$0.51M	195.2%	0.32M	-18.1%	0.63M	0.22M	\$0.41M	82.2%	84.3%	-2.1%
Distribution	0.93M	0.93M	\$0.00M	0.2%	0.84M	10.1%	0.57M	0.59M	(\$0.02M)	61.1%	63.9%	-2.8%
Other	0.53M	0.30M	\$0.23M	74.1%	0.24M	28.3%	0.42M	0.26M	\$0.17M	79.5%	84.0%	-4.5%
Transit Packaging	0.94M	0.16M	\$0.77M	472.8%	0.41M	-60.5%	0.41M	0.08M	\$0.32M	43.3%	51.7%	-8.4%
Total	15.95M	17.51M	(\$1.56M)	-8.9%	17.56M	-0.3%	11.21M	12.28M	(\$1.07M)	70.3%	70.2%	0.1%

2020 Commercial KPIs

Sales Dashboard		Date Range	Industry	Territory	Sales Tier	Account Classification	
As of	% of Month	MTD Sales	PY MTD Sales	Month Plan	YTD Sales	PY YTD Sales	YTD Plan
05/30	100%	\$2.53M	\$3.23M	\$3.30M	\$15.95M	\$17.44M	\$17.52M
		-698....-21.6%	-764....-23.2%		-1.5M -8.6%	-1.6M -9.0%	

Segment

Industry	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %	YTD Sales	MTD Δ %
POP	\$1,318,971.09	\$2,037,512	-35.3%	\$2,096,172.26	-37.1%	\$8,854,586.	-27.1%
Industrial	\$301,670.35	\$416,303	-27.5%	\$416,161.84	-27.5%	\$1,867,178.	-33.1%
Appliance	\$284,413.95	\$425,276	-33.1%	\$347,884.77	-18.2%	\$1,681,328.	-39.0%
Distribution	\$227,822.34	\$159,738	42.6%	\$176,554.14	29.0%	\$929,711.	-35.6%
Wall Hangings	\$176,790.08	\$24,571	619.5%	\$2,337.89	7462.0%	\$765,140.	99.1%
Transit Packaging	\$148,949.67	\$95,100	56.6%	\$50,514.60	194.9%	\$938,432.	58.1%
Other	\$51,166.85	\$25,948	97.2%	\$38,646.07	32.4%	\$530,342.	-34.0%
Unknown Market	\$21,808.40	\$59,686	-63.5%	\$47,709.30	-54.3%	\$170,640.	-10.1%
Total	\$2,533,332.63	\$3,298,115	-23.2%	\$3,231,933.88	-21.6%	\$15,949,196.	-21.1%

Territory

Territory	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales	MTD Δ %
Appliance and RV	\$248,458.35	\$373,761	-33.5%	\$342,234.10	-27.1%
Canada	\$33,294.93	\$60,614	-45.1%	\$50,332.77	-33.1%
Central	\$538,250.82	\$843,202	-36.2%	\$890,152.87	-39.0%
East Central	\$344,898.65	\$535,265	-35.6%	\$534,057.94	-35.1%
GE Appliances	\$51,548.37	\$73,590	-30.0%	\$25,846.06	99.1%
House	\$261,920.33	\$136,868	91.4%	\$165,592.45	58.1%
Mexico	\$30,474.86	\$19,312	57.8%	\$46,282.47	-34.0%
Northeast	\$348,318.26	\$368,107	-5.4%	\$388,275.77	-10.1%
Total	\$2,533,332.63	\$3,298,115	-23.2%	\$3,231,933.88	-21.1%

Customers

Customer Name	Acct Number	MTD Sales	Month Plan	MTD Plan Δ %	PY MTD Sales
Plastic Power Extrusions Corporation	1	\$705.60	\$110,786	-99.4%	
Whirlpool Corporation - Clyde	1	\$54,285.08	\$87,845	-38.2%	
GE Appliances	1	\$51,548.37	\$73,590	-30.0%	
Westrock Merchandising Displays	2	\$43,963.68	\$69,403	-36.7%	
Whirlpool Corporation - Marion	1	\$32,341.62	\$62,336	-48.1%	
Neenah Complex Division Of Menasha Pkg	1	\$34,443.82	\$58,700	-41.3%	
RR DONNELLEY - CUDAHY	1	\$14,715.80	\$55,136	-73.3%	
Total	31932	\$2,533,332.63	\$3,298,115	-23.2%	\$15,949,196.

Products

Product Family	MTD Sales	PY MTD	MTD Δ %	YTD
FOAM	\$1,385,628.61	\$1,828,491.62	-24.2%	\$8,277,370.2
WEATHER STRIPPING & GASKET	\$433,964.76	\$534,068.76	-18.7%	\$2,863,466.3
FILM	\$370,829.13	\$405,663.89	-8.6%	\$2,798,904.5
HNL	\$98,521.16	\$143,901.29	-31.5%	\$742,682.5
TISSUE	\$72,410.80	\$133,590.31	-45.8%	\$387,538.5
COMPONENTS	\$64,297.50	\$90,383.37	-28.9%	\$382,837.4
TRANSFER	\$51,729.06	\$59,492.73	-13.0%	\$268,032.0
Total	\$2,533,332.63	\$3,231,933.88	-21.6%	\$15,949,196.3



DURACO Historical Pipeline Analysis

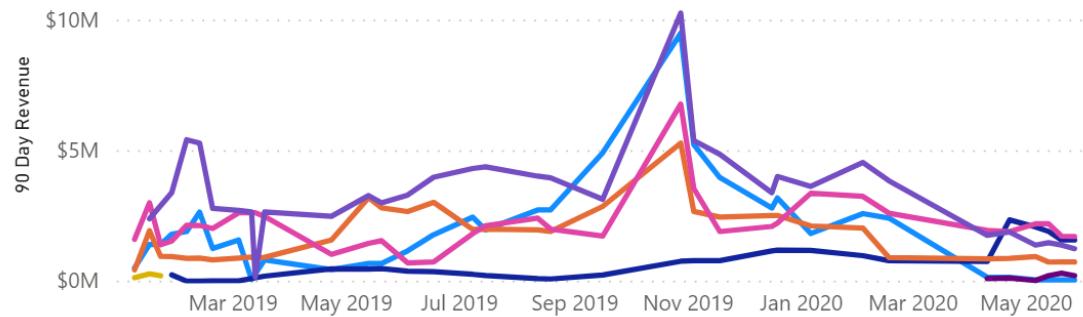
Date Range

1/1/2019

5/30/2020

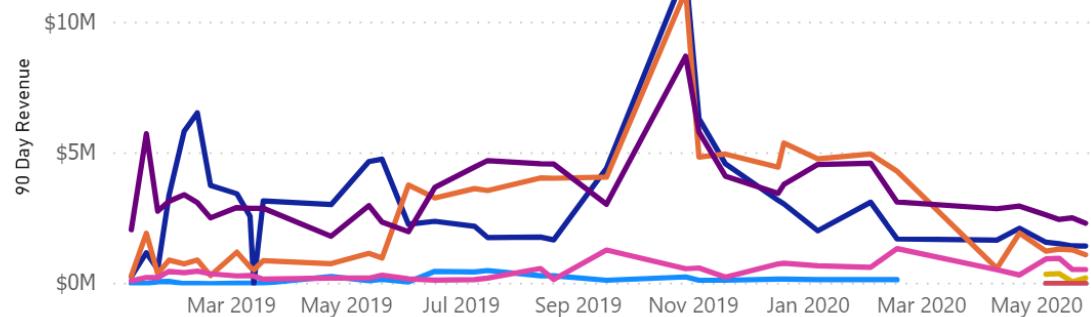
90 Day Revenue by Date and Opp Owner

Opp Owner ● Greg Pre... ● Jake Sch... ● Kevin Fierro ● Nick Darling ● Rick Mucino ● Todd Co... ● Walter Kl...



90 Day Revenue by Date and Stage

Stage ● 1 - Defini... ● 2 - Propo... ● 3 - Prese... ● 4 - Com... ● 5 - Imple... ● 6 - Close... ● 6 - Close



Date	Greg Precup	Jake Schoch	Kevin Fierro	Nick Darling	Rick Mucino	Todd Compton	Walter Klein	Total
1/7/19	\$522,648.00		\$448,000.00		\$1,620,000.00		\$147,400.00	\$2,738,048.00
1/15/19	\$1,415,648.00		\$1,948,000.00		\$3,020,000.00	\$2,409,000.00	\$294,800.00	\$9,087,448.00
1/21/19	\$1,418,748.00		\$964,000.00		\$1,410,000.00		\$222,400.00	\$4,015,148.00
1/27/19	\$1,816,968.00	\$254,000.00	\$954,000.00		\$1,555,000.00	\$3,405,500.00		\$7,985,468.00
2/4/19	\$1,915,575.00	\$18,000.00	\$889,000.00		\$2,155,000.00	\$5,430,000.00		\$10,407,575.00
2/11/19	\$2,658,891.00	\$18,000.00	\$899,000.00		\$2,148,000.00	\$5,300,000.00		\$11,023,891.00
2/18/19	\$1,268,866.00	\$26,000.00	\$830,000.00		\$2,035,000.00	\$2,800,000.00		\$6,959,866.00
3/4/19	\$1,589,964.00	\$26,000.00	\$896,000.00		\$2,634,500.00	\$2,725,500.00		\$7,871,964.00
3/11/19	\$79,465.00	\$116,000.00	\$934,000.00		\$2,634,500.00	\$2,665,000.00		\$6,428,965.00
3/13/19			\$919,000.00		\$2,634,500.00	\$165,000.00		\$3,718,500.00
3/18/19	\$830,041.00	\$206,500.00	\$928,000.00		\$2,496,500.00	\$2,665,000.00		\$7,126,041.00
4/23/19	\$458,783.00	\$484,500.00	\$1,592,000.00		\$1,045,000.00	\$2,500,000.00		\$6,080,283.00
5/13/19	\$694,390.00	\$474,500.00	\$3,213,000.00		\$1,465,000.00	\$3,293,830.00		\$9,140,720.00
Total	\$65,416,455.00	\$21,927,022.00	\$60,319,000.00	\$1,057,500.00	\$77,699,000.00	\$112,838,250.60	\$664,600.00	\$339,921,827.60





Inside Sales: Manager Report

Date Range

1/1/2020

5/30/2020

Inside Sales Rep

All

Avg Customer Actions

34.9

Target: 50/week

% Outbound Actions

47.0%

Target: 50%

Avg Samples Sent

2.7

Target: 3/week

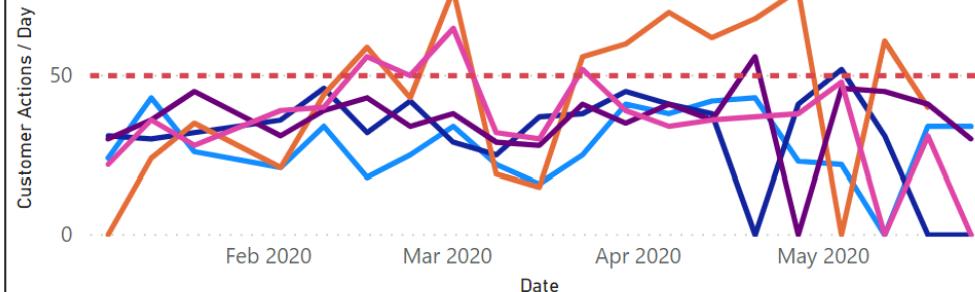
Avg RSM Engagements

2.0

Target: 1/week

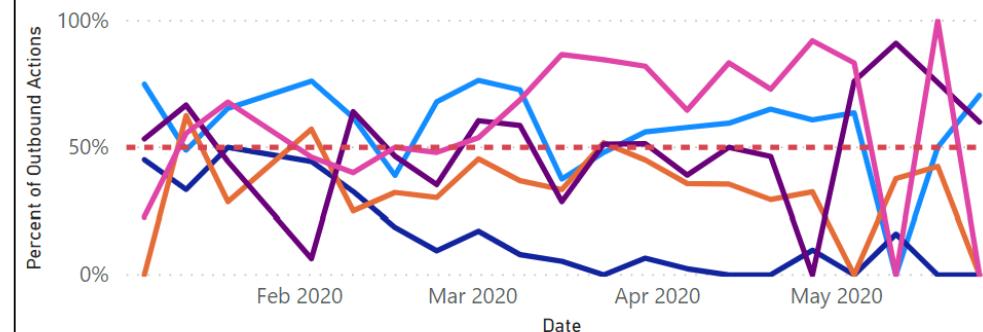
Customer Actions

Team Member ● Joe ● Rachel ● Renee ● Rob ● Walt



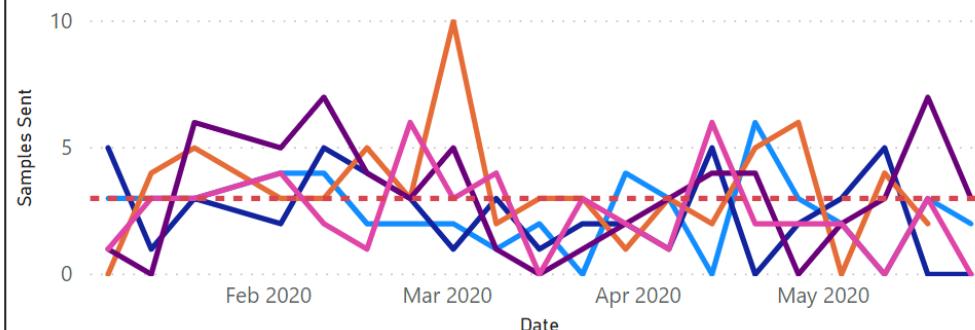
Percent of Outbound Actions

Team Member ● Joe ● Rachel ● Renee ● Rob ● Walt



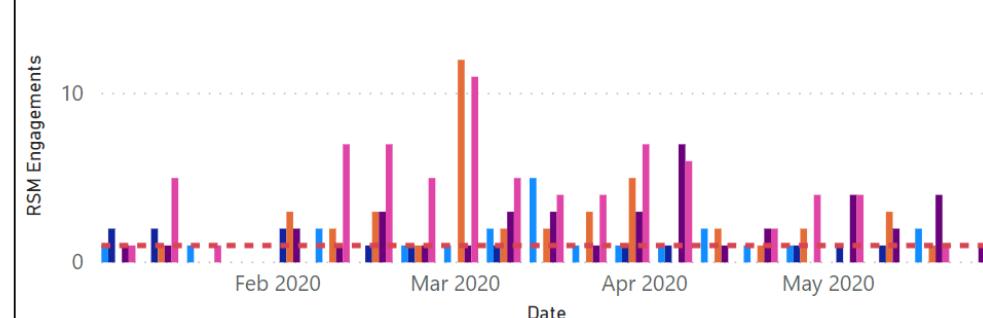
Samples Sent

Team Member ● Joe ● Rachel ● Renee ● Rob ● Walt



RSM Engagements

Team Member ● Joe ● Rachel ● Renee ● Rob ● Walt





Inside Sales: Executive Summary

Date Range

1/1/2020

5/2/2020

Avg Customer Actions

36.8

Target: 50/week

% Outbound Actions

45.2%

Target: 50%

Avg Samples Sent

2.9

Target: 3/week

Avg RSM Engagements

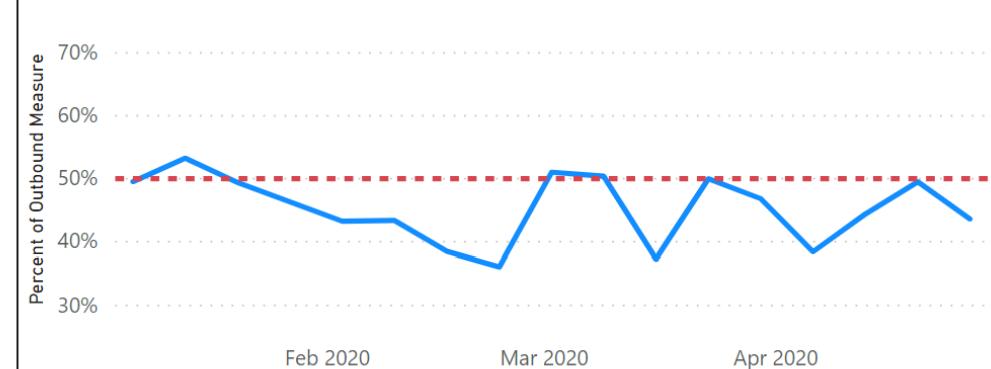
2.2

Target: 1/week

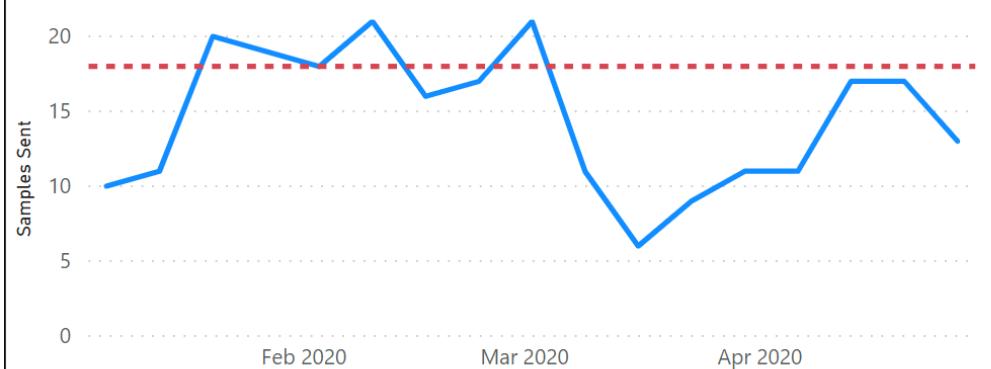
Customer Actions



Percent Outbound Actions



Samples Sent



RSM Engagements



Churned Customers		Date Range	Industry	Territory	Sales Tier	Account Classification		
As of	MTD All Churners	YTD All Churners	2019 Sales	2018 Sales	2019 Churned Sales	2020 Target	2020 Quota	Savings to Quota
05/30	\$40.83K	\$138.37K	\$16.96K	\$1.56M	(\$1.54M)	\$140K	\$157K	(\$19K)

Sales From Churners

● 2019 Sales from Churned List ● 2020 Sales from Churned List ● 2020 Sales All Churners



Churn Cohort	Customer Name	Acct Number	Previous Sales Tier	2020 Sales	2019 Churned Sales	2019 Sales	2018 Sales	2017 Sales
Apr	RAPID INK	68000396	4: \$15,000-\$50,000	\$2,582.84	\$15,134.80	\$77,811.52	\$62,676.72	\$47,713.20
Mar	RAPID INK	68000396	4: \$15,000-\$50,000	\$2,582.84	\$15,134.80	\$77,811.52	\$62,676.72	\$47,713.20
Mar	Metelix Products Inc	61006674	4: \$15,000-\$50,000		\$22,629.14	\$23,856.39	\$1,227.25	
Feb	G And C Equipment Manufacturing	64001765	4: \$15,000-\$50,000		\$0.00	\$23,443.70	\$23,443.70	\$31,966.60
Apr	Essentra Components Louisville	611	4: \$15,000-\$50,000		(\$21,785.79)	\$22,986.84	\$44,772.64	\$102,158.67
Apr	Innovative Office Solutions	62007661	5: \$1,000-\$15,000		\$739.24	\$22,967.72	\$22,228.48	\$22,228.48
Mar	Innovative Office Solutions	62007661	5: \$1,000-\$15,000		\$739.24	\$22,967.72	\$22,228.48	\$22,228.48
May	Rand Whitney Container - Northeast LLC	66001630	4: \$15,000-\$50,000		(\$15,588.33)	\$19,878.96	\$35,467.29	\$20,030.00
May	WestRock Healthcare Packaging - Ireland Ltd.	61006689	4: \$15,000-\$50,000		\$17,365.00	\$17,365.00	\$0.00	
Total		34560985597		\$138,367.74	(\$1,847,756.34)	\$968,665.71	\$2,816,422.05	\$3,284,895.25



Strategic Industry Segment Launch – Transit Packaging (Box & Bag)

Transit Packaging; Bag Tape – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none">Vertical manufacturing: adhesive coating, printing and silicone coatingSolvent, hot melt, water-based adhesivesMultiple put ups/tape presentationsOne stop shop – closure and tear tapeCustom convertedMultiple liner assyQuick ship stock pClose partnershipTransit Pkg>POPInhouse MarketingTamper evident ta	<ul style="list-style-type: none">Box closure limited to one adhesive coating thicknessDuraco does not manufacture tear tapeHot melt coater capacity questionsRelative high labor and overheadKnowledge and ability of Inside Sales

Transit Packaging; Box Closure – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none">Vertical manufacturing: inhouse adhesive coatingSolvent, hot melt, water-based adhesivesMultiple put ups/tape presentationsOne stop shop – closure and tear tapeCustom converted solutionsQuick ship stock programClose partnership with Straub designTransit Pkg>POP InterrelationshipsInhouse Marketing and Commercial TeamsLeverage partnership with Infinity and their bag tape businessTamper evident tape solutions through Infinity	<ul style="list-style-type: none">Box closure limited to one adhesive coating thicknessDuraco does not manufacture tear tapeHot melt coater capacity questionsSpoiler capacityRelative high labor and overheadKnowledge and ability of Inside SalesUnderstanding market universe
OPPORTUNITIES	THREAT
<ul style="list-style-type: none">eCommerce driving market growthUnderstand and develop distributor relationshipsExpand tear tape marketImprovement in emulsion adhesive offeringRelationships with equipment manufacturers such as Straub to help meet the increasing need to automate tape application	<ul style="list-style-type: none">Inline gluing systems providing lower cost solutionsImproved quality/ease of use of non-tape adhesiveCompetitors selling at low marginsLow cost product from Asia



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Questions to identify box closer tape opportunities

- Do you produce ecommerce/overnight boxes or mailers?
- What are the key markets that drive demand for your boxes/mailers?
- Do you distribute as well as manufacture?
- Do you apply pressure sensitive tape, similar to the type of tape used to close a FedEx box or UPS envelope?
- Do you have a tape specification?
- Who is your current supplier?
- How is your current supplier quality record?
- Are you familiar with box closer tape options, ie Finger lift, Dry edge, or Offset dry edge?
- Do you also apply tear tape?
- Are there any special packaging requirements, ie pallet pack, no boxes?
- Do you use pancake rolls or traverse wound spools?
- What type of automated process do you use to apply tape: standalone application machine, or tape head on a folder glue line?
- Are you satisfied with the automated method/equipment?
- What size roll or spool would you need to test and are there diameter limitations?
- How will our tape be tested/evaluated?
- Can you share the volume of tape used? Quarterly, annual?
- Can you share an estimate of your annual spend on tape?
- Can we quote on your current tape requirements?
- Can you share a price point or tell me where we need to be to earn your business?
- When would be the best time to follow up?
- Which packaging trade associations does your company belong to?

Strategic Industry Segment Launch – RV/Trailer, Construction, Appliance

RV/Trailer/Specialty Vehicle – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> KAM dedicated to Elkhart County and surrounding area Manufacturing near the heaviest concentration of manufacturers Technical Expertise Vertical integration Coating capabilities systems Extensive die 	<ul style="list-style-type: none"> DHB brand recognition Material diversification, limited foams, electrical barrier, heat deflection and insulation materials

OPPORTUNITY
<ul style="list-style-type: none"> Work with key Develop an alliance Establish DHB



Construction / Fenestration – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> Product offering with a good range of foam and adhesive options Technical Expertise, in-house testing capabilities Vertical integration Coating capabilities systems 	<ul style="list-style-type: none"> Do not have AAMA certified glazing tape Poly liner for DK or single sided XLPE DHB brand recognition

OPPORTUNITY
<ul style="list-style-type: none"> Establish DHB as a Expanding DHB line options (AFTC) Introducing HATS (commercial door seals)



Appliance – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> Direct sales structure from an adhesive tape manufacturer providing knowledgeable support to engineering Consistent quality Product offering with a good range of foam and adhesive options Technical Expertise, in-house testing capabilities Vertical integration Coating capabilities, ability to create multiple adhesive systems 	<ul style="list-style-type: none"> DHB brand recognition Material diversification, limited foams, electrical barrier, heat deflection and insulation materials Water based coating Inability to blend custom adhesives Material sourcing for product development and secondary/tertiary sources

OPPORTUNITIES	THREAT
<ul style="list-style-type: none"> Establish DHB as a viable alternative to 3M VHB Expanding offering to include insulation solutions Protective film manufacturing and/or converting Expansion into Mexico 	<ul style="list-style-type: none"> Low cost off-shore materials Pricing pressure from die cutters in low labor areas including Mexico



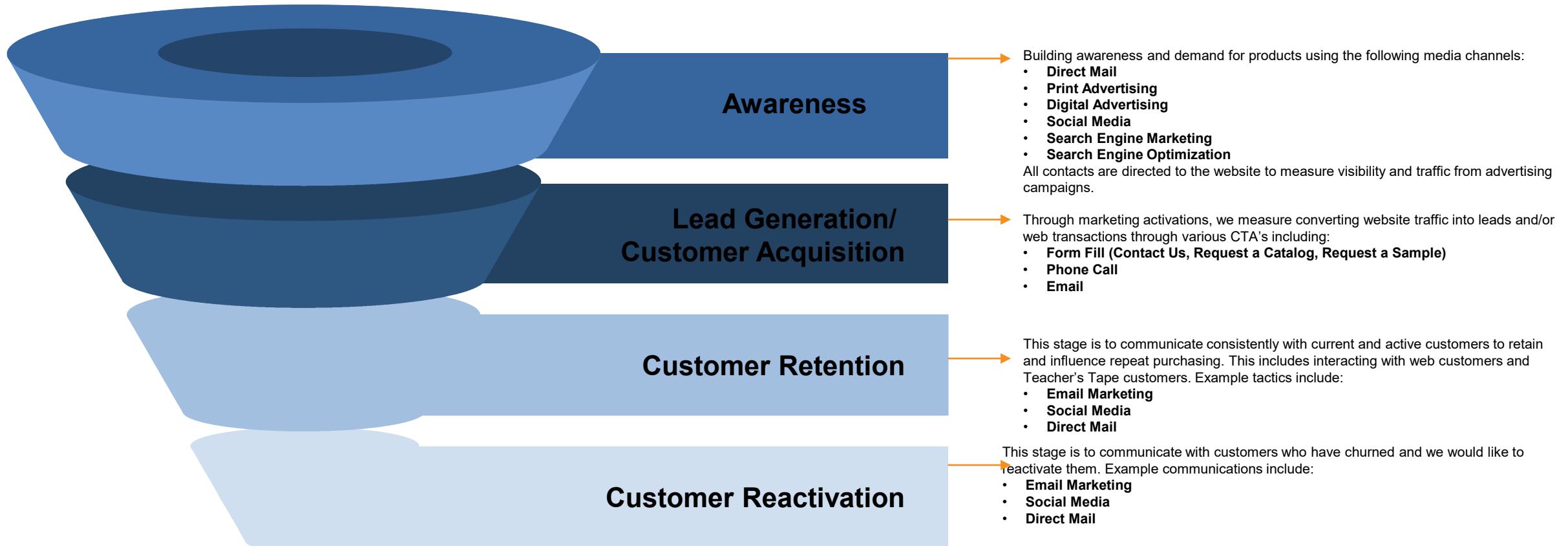
Questions to identify Industrial tape opportunities

- Verify all manufacturing locations and what each specifically makes (products, models, etc.)
- What is the decision making process?
- Who are the key decision makers? (corp vs. local)
- Are commodities managed at a corporate level?
- Who handles tapes and gaskets?
- Is engineering centralized or localized?
- If centralized, who is the Engineering Manager and where are they based?
- Who is in charge of cost and quality?
- What tapes and gaskets are currently used.
- Are there any compliance requirements? (i.e. UL94, AAMA, FMVSS, etc)
- Who do they purchase from today?
- What is their total spend on tapes and/or gaskets?
- What is the supplier on-boarding process and who manages it?

Marketing & Product Management Overview

Marketing Impact

KEY STAGES WHERE MARKETING HELPS TO DRIVE BUSINESS GROWTH



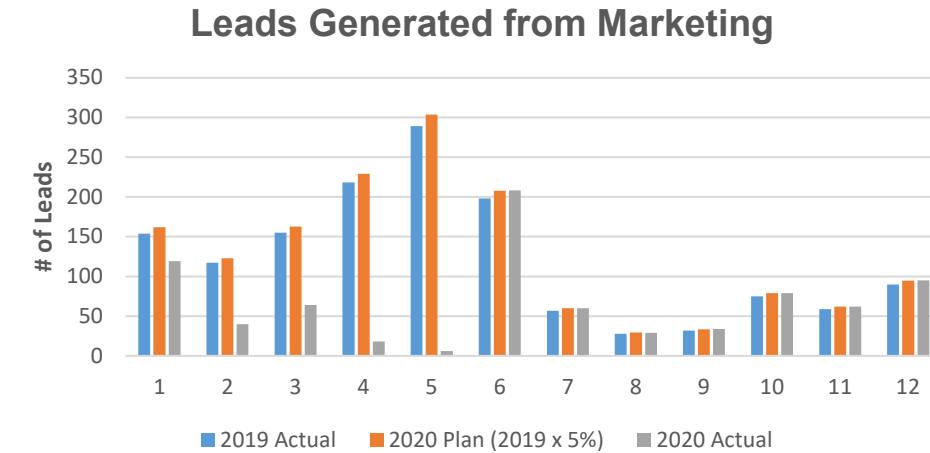
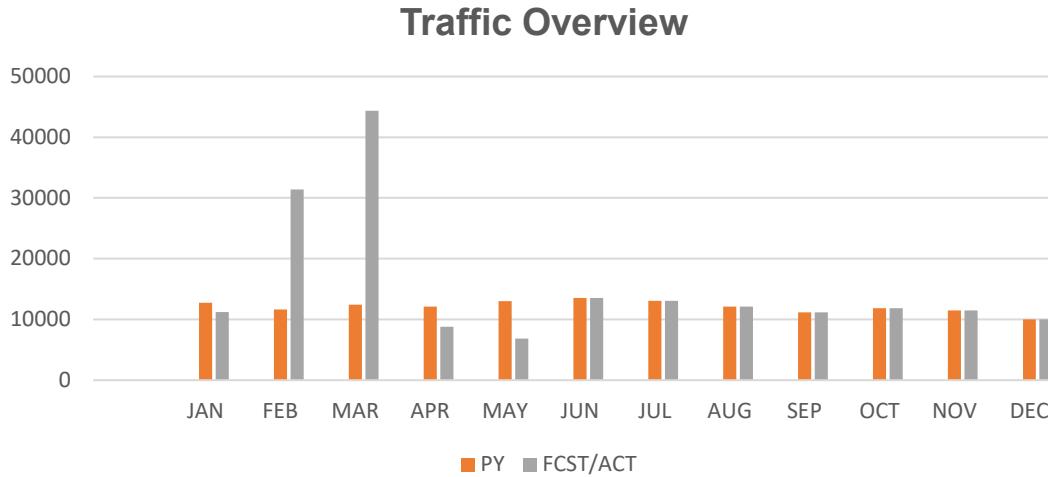
Marketing Measurement

KEY ELEMENTS/STAGES WHERE MARKETING HELPS TO DRIVE BUSINESS/REVENUE

	# of Days	22	20	20	24	19	22	22	20	19	25	18	22	253	
Top Level Bowling Chart															
KPI															
Awareness															
Total Website Visitors	PY	12,767	11,645	12,418	12,118	13,021	13,560	13,040	12,110	11,160	11,867	11,478	10,000	145,184	
	Fcst/Act	11,237	31,369	44,341	8,777	6,870	13,560	13,040	12,110	11,160	11,867	11,478	10,000	185,809	
New Website Users	PY	11,863	10,645	11,380	11,150	12,031	12,691	12,190	11,159	10,249	10,902	10,696	5,869	130,825	
	Fcst/Act	9,549	11,275	39,494	8,391	5,148	12,691	12,190	11,159	10,249	10,902	10,696	5,869	147,613	
Web Pages Visited Per Session	PY	4	4	4	4	4	3	4	4	4	4	3	4	3.72	
	Fcst/Act	4	4	4	4	4	3	4	4	4	4	3	4	3.77	
Average Website Session	PY	113	124	113	108	111	100	105	110	116	123	100	132	112.91	
	Fcst/Act	120	108	115	137	145	100	105	110	116	123	100	132	117.36	
Website Bounce Rate	PY	51%	47%	48%	48%	45%	50%	47%	46%	51%	49%	55%	49%	49%	
	Fcst/Act	51%	54%	56%	54%	48%	50%	47%	46%	51%	49%	55%	49%	51%	
Website Abandoned Cart Rate	PY	74%	75%	71%	72%	72%	71%	76%	74%	74%	83%	71%	73%	74%	
	Fcst/Act	72%	76%	79%	81%	80%	71%	76%	74%	74%	83%	71%	73%	76%	
Lead Generation/Customer Acquisition															
CTR (Impressions/Clicks)	PY	N/A													
	Fcst/Act	4%	4%	5%	3%	3%									
Total Leads	PY	154	117	155	218	289	198	57	28	32	75	59	90	1,472	
	Plan	162	123	163	229	303	208	60	29	34	79	62	95	1,546	
	Fcst/Act	119	46	64	18	6	208	60	29	34	79	62	95	819	
Total Prospects	Avg.	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
	Plan	7.14	2.76	3.84	1.08	0.36	12.474	3.591	1.764	2.016	4.725	3.717	5.67	49	
	Fcst/Act	2	4	0	4	3								13	
Total New Customers Acquired	PY	N/A													
	Fcst/Act	0	0	0	0										
ROAS (Google Ads Only)	PY	N/A	\$0												
	Fcst/Act	0	0	0	0	0								\$0	
Customer Retention															
1K - 50K Customers Emailed (Non-Churn)	PY	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Fcst/Act	0	50,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	
Customer Reactivation															
Customers Emailed (Churn)	PY	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Fcst/Act	0	890	890	1020	1180	1180	1180	1180	1180	1180	1180	1180	1180	
1K - 50K Customer Actions (Churn)	PY	0	0	0	0	0									
	Plan	287	51	41	55	53									
	Fcst/Act	287	51	41	55	0									

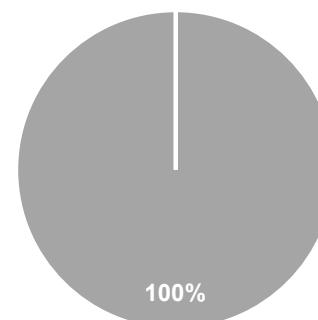
Marketing Measurement

SMALL SET OF MARKETING KPI'S ALIGNING WITH KEY STAGES OF BUSINESS GROWTH



Breakdown of Ad Spend (May 2020)

■ Print ■ Direct Mail ■ Digital ■ Social Media ■ SEM



Marketing Measurement

SMALL SET OF MARKETING KPI'S ALIGNING WITH KEY STAGES OF BUSINESS GROWTH

- For social media, the Marketing team developed a total of 17 posts in May resulting in over 400 engagements and over 30 new followers in the last 30 days, with the majority of traction on LinkedIn.



May Measurement Key Takeaways

• Traffic + User Overview

- Overall web traffic was down by 7% compared to last month
- Overall web traffic was down by 56% compared to the same month last year due to the reduction in demand and budgets from customers and prospects caused by the COVID-19 pandemic.
- Returning visitor traffic is down by 50% compared to the same month last year which means less active customers are coming to the website to purchase product.
- Returning visitor purchases are down by 79% compared to the same month last year
- Returning visitor purchases are down by 33% compared to last month.
- New visitor traffic makes up for 83% of total traffic in May.
- New customers made up 57% of ecommerce sales in May which is an 18% increase compared to April
- Desktop traffic is down by 10% compared to last month
- Phone and tablet traffic is up by 6% compared to last month which suggests because more people are at home or in remote offices, they are utilize the website through mobile or tablet devices.
- We have seen longer engagement periods with visitors probably attributing to that they are new and exploring the website

• eCommerce

- If you look at the top 10 sold products on the website in May, you will notice they all had an increase in sales in May compared to the previous month.

- These are all products that circulate around PPE and recent campaigns we have been promoting.
- Even though overall revenue is down, # of transactions, eCommerce conversion rate and the quantity of purchases have increased. People must be buying larger quantities of lower priced products.

• Ad Spend

- The May marketing budget was decreased by 86% compared to the original May marketing budget.
- The May marketing budget was decreased by 77% compared to the May marketing budget last year.

Q3 Marketing Communications Focus

Market/Industry	Product/Event Focus	Application Focus	Product/Event Messaging	Campaign Ideation
Prospects				
POP	- Twin Stick - Dubl Kote	- Retail Displays - Signage - Exhibits	- Reliability - Fast shipping - Strength - Removable - Easy to use and apply	- Two of a kind. - Original Duo. - #discoverthe duo
Display POP	- Hook and Loop Tape - 2lb Poly - VNN Material - Polyolefin - DHB	- Face Shields - Testing Tents - Sneeze Guards	- Tout applications + capabilities - Helping with PPE (Personal Protective Equipment) - Tout the quality and reliable service and our recognition from Twin Stick, Dubl Kote	- Solutions to Keep People Safe
Print POP	- Remo Products - Twin Stick - Fingerlift Tape	- Government Signage - Medical Signage - Workplace Dividers	- Tout applications + capabilities - Helping with PPE (Personal Protective Equipment) - Tout the quality and reliable service and our recognition from Twin Stick, Dubl Kote - Think Jessup	- Solutions to Keep People Safe
Industrial (Trailer + RV)	- DHB - Gasket + Weather Stripping - Dubl Kote ("Double-sided foam tape")	- Trailers - Bond Skin to Frame, - seal skins, roofs, side rails - Gaskets to seal side rails, flooring and roofing, gaskets for door brackets, - DK for floor and side panels before mechanical fastens are added - Outside/indoor panel sealing (DHB or DK; similar to the trailer skin sealing); - vanity adhesion (DHB or DK); light fixture gaskets (gasket material); bath systems adhesion	- Industry looking for savings in regards to weight of trailer - Continued drivers of lower weight, noise reduction and convenience pushing the shift from conventional fasteners - Large commercial trailers, while a more competitive space are in the process of shifting from more fasteners to double sided foam mounting tape - Millennial focus - Smaller, more highly specified RV's driving revenue for a younger generation	- (Trailer) Smooth Sides. Light Load - (RV) Seal and Secure.
Appliance	- DHB - Gasket + Weather Stripping - Dubl Kote "Double-sided foam tape" - Hook and Loop	- Sealing motor box assemblies - Bonding residential oven doors - Bonding commercial oven doors	- Innovative products focused on cost savings for appliance manufacturers. Price is extremely important - Hands on sales team and knowledgeable about the technical aspect - Having an approved lab is helpful, not critical	- TBD
Fenestration	- DHB - Gasket + Weather Stripping		- Running caulk in a frame where it's invisible and looks good is very difficult; using tape minimizes variability in application and has a more seamless look - Tape suppliers can differentiate themselves by drawing on their experience in other industries, or tapes that have similar applications, to help window manufacturers think outside the box and provide options and help use technology effectively	- TBD
Packaging	- 4581 Dry Edge - DSTF Finger Lift - 2461 Finger Lift - Tear Tape - 4853 DE - 4873 DE - 4513	- Box Closure Tapes - Bag Sealing Tapes - Food Packaging	Sustainability is important but supply will meet demand when buyers choose to pay for it Transit packaging increasing focus on size customization – tailored packages means lower transit costs, more storage, less material used. Automation is more prevalent in transit packaging – quality control is critical – tout our quality measures	- A Quick and Secure Stick
Education (Teacher's Tape)	- Teacher's Tape	- Art - Educational Signage	- Ease of use - No residue and mess left on the walls - Janitor and custodian approved	- New Branding + New Website

Media Mix

A LOOK AHEAD AT Q3 2020 CHANNEL PARTNERS

- **Key Goals:**

- Generate brand and product awareness
- Generate leads

POP	Packaging	Trailer + RV	Appliance	Fenestration	Education
<ul style="list-style-type: none">• Sponsored Social Media• Direct Mail• Social Media• Email Marketing• Google Ads	<ul style="list-style-type: none">• Packaging Impressions• Packaging Strategies• AICC Boxescore• Packaging World• Social Media• Email Marketing• Google Ads	<ul style="list-style-type: none">• Truck Body Builder• RVIA• Gasket and Seal Fabricators• Social Media• Email Marketing• Google Ads	<ul style="list-style-type: none">• Association of Home Appliance Manufacturers• Social Media• Email Marketing• Google Ads	<ul style="list-style-type: none">• Social Media• Email Marketing• Google Ads	<ul style="list-style-type: none">• The Education Center• Social Media• Email Marketing• Google Ads

Q3 Customer Communications

A LOOK AHEAD AT THE Q3 CUSTOMER COMMUNICATION SCHEDULE

Customer Type	Jul-20	Aug-20	Sep-20
All Customers	•Monthly Newsletter (7/28/20)	•Monthly Newsletter (8/25/20)	•Monthly Newsletter (9/29/20)
New Customers	•Ongoing Welcome Email	•Ongoing Welcome Email	•Ongoing Welcome Email
Churn Customers	•Bi-weekly Email 1 (7/9) •Bi-weekly Email 2 (7/23)	•Bi-weekly Email 1 (8/6) •Bi-weekly Email 2 (8/20)	•Bi-weekly Email 1 (9/10) •Bi-weekly Email 2 (9/24)
Web Customers	•Bi-weekly Email 1 (7/9) •Bi-weekly Email 2 (7/23)	•Bi-weekly Email 1 (8/6) •Bi-weekly Email 2 (8/20)	•Bi-weekly Email 1 (9/10) •Bi-weekly Email 2 (9/24)
Teacher's Tape Customers	•Bi-weekly Email 1 (7/9) •Bi-weekly Email 2 (7/23)	•Bi-weekly Email 1 (8/6) •Bi-weekly Email 2 (8/20)	•Bi-weekly Email 1 (9/10) •Bi-weekly Email 2 (9/24)

New Website Project

OVERVIEW OF PROJECT

- **Remaining Dates + Milestones (May be subject to change):**

- Week of 6/15: Greg, Andy, Rosann to review and provide feedback
- Week of 6/15: Send all updates by the EOW
- Week of 6/15 – Week of 6/22: Bug Fixes and Launch Prep
- Week of 6/29: Commercial Training Session
- Week of 6/29: Customer Service Manual Process Session
- Week of 7/13: Go Live
- Week of 7/13: Communications released
- Week of 8/3 or later: Website will be integrated to the ERP

- **Training Plan:**

- We will be conducting training sessions with any employees who directly use the website when interacting with customers.
- There will be a backend training for the marketing team

- **Communication Plan:**

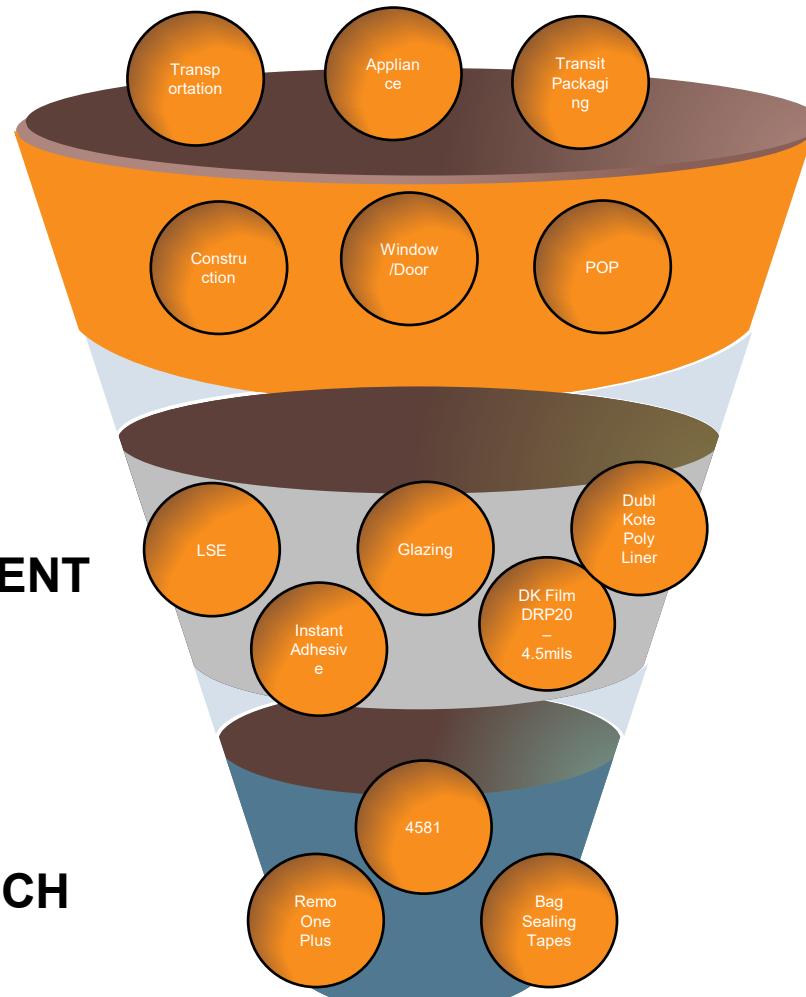
- We will be sending a series of communications out via email around the new website launch. Audiences include:
 - Internal Employees
 - All Customers
 - Web Customers
 - Teacher's Tape Customers

Product Development

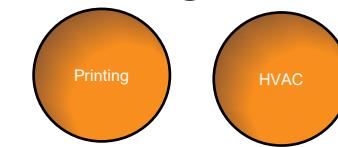
IDEATION

DEVELOPMENT

LAUNCH



REMOVED

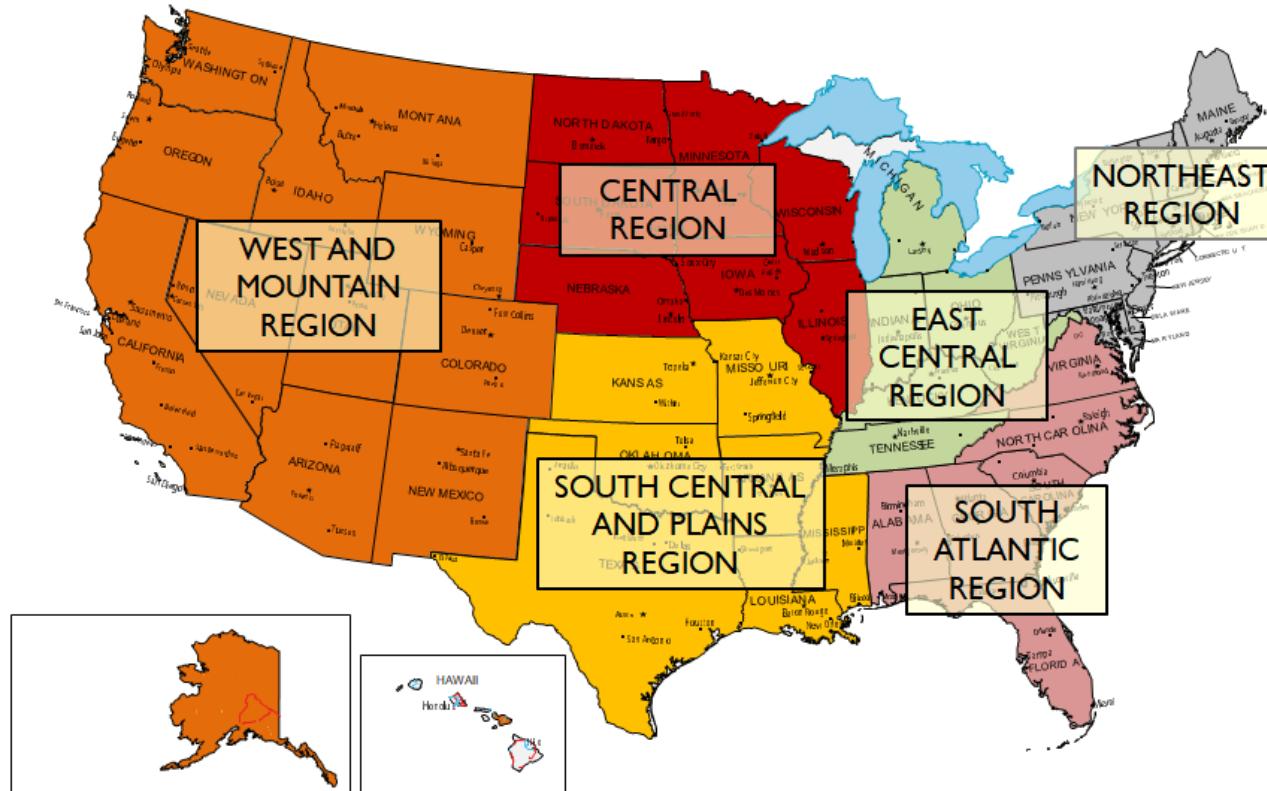


MARKETS	POTENTIAL NEW PRODUCTS	EXPECTED REVENUE	LAUNCH
Transit Packaging	Tamper Proof Tape	TBD	TBD
Appliance	Aluminum Foil Tape, EPDM, Fiberglass, various	TBD	TBD
HVAC	Aluminum Foil Tape, Butyl Tape	TBD	TBD
Window / Door	Glazing Tape, Aluminum Foil Tape, Butyl Tape	TBD	TBD
Construction	Butyl Tape, Foil Tape, Various single sided	TBD	TBD
Transportation	Foil Tape, Insulation	TBD	TBD
Printing	Banner Tape, Wide Format	TBD	TBD
PRODUCTS	DESCRIPTION	MARKETS / USAGE	
Instant Adhesives	Cyanoacrylate adhesive that is bottled – similar to Krazy Glue or Loctite.	POP industry – For assembly of plastic parts where a tape is not practical.	
Dubl Kote Poly Liner	Our standard Dubl Kote product line, provided with a Polypropylene or Polyethylene liner.	POP / Window – Replacing our paper protective liner with a plastic film that allows for easier release, without tearing.	
DK Film DRP20 – 4.5 mils thick	DK Film with a hi-tack acrylic adhesive.	Industrial – Competing against 3M 200 and 300 adhesives.	

2020 Sales Restructuring

2020 Sales Alignment, Growth Program & Commercial KPIs

New Territory Alignment



Management Discussion:

Organize Sales Regions based on:

- Existing customers and potential new customers
- Using the Fredonia Report to understand past volume of Tape / Gaskets
- Geographic footprint and logical travel patterns for better account coverage
- Regional Sales Manager owns all accounts within the region
- Each Region (except NE) will have an outside & inside sales person

Regional Sales Teams:

- Northeast – Todd Compton, Robert Burke
- E. Central & Canada – Todd Compton, Walter Klein
- Central – Rick Mucino, Rachel Englram
- Southeast – Open, Renee Owens
- Southwest – Nick Darling, Elena Esparza
- West – Kevin Fierro, Joe Morrison

Business Develop Team

- Move Rick and Greg P into Business Development Manager roles
 - Own the greater strategic growth of their segments
 - Manage and own the relationships with key account's senior leadership
 - Support local RSM's in critical applications and closing business
- Rick Mucino – POP, Transit Packaging, & Wall Hangings
- Greg Precup – Appliance & Industrial
- Jake Schoch – Segment Account Manager, Appliance & RV/Trailer segment
- Doug Mulay – Mulay Sales, responsible for GE Appliance

Duraco 2020 Growth Program

THE BELOW ACTIVITIES – ORIENTED AROUND BUILDING THE DURACO SALES ENGINE - ARE OCCURRING OVER THE NEXT QUARTER TO IMPROVE OUR SALES CAPABILITIES

	Phase I: Territory Re-alignment & New Compensation Model	Phase II: Territory Education & Coverage Transition	Phase III: Regional Territory Planning	Phase IV+: Increased Salesforce Effectiveness
Objective	Institute regional focus and incentivize salesforce with new 'favorable' comp model (downside protection + upside carrot)	Enable RSMs to develop understanding and relationships of new territories	Translate new coverage model into tangible, granular growth plans / go-do's by region	Increase effectiveness of salesforce (i.e., larger pipelines, higher win rate, etc.)
Key Activities	<ul style="list-style-type: none"> Implementation of new comp model Implementation of new coverage model 	<ul style="list-style-type: none"> Complete visits to new accounts and/or transitioned accounts Complete Industrial training to 'learn to sell' to industrial accounts (for legacy PoP reps) Leverage new sales tools that bring account-level visibility into new territories 	<ul style="list-style-type: none"> Develop highly granular / actionable account-level territory growth plans (w/external support) 	<ul style="list-style-type: none"> Sales process training? Sales coaching / Ride-alongs? Increased sales tools? Sales motivations / contests?
Owner	David Danelz	David Danelz	Matt Venezia	Matt Venezia
Timing	February 2020	March 2020	April 2020	June 2020+
Outside Resources	SmartVentures	TBD	BeckWay Group (TBD)	BeckWay Group (TBD), Sales Training Consultants e.g., Miller-Heiman

Duraco 2020 Growth Program

IN PARALLEL, WE ARE PURSUING MULTIPLE STRATEGIC INITIATIVES TO DRIVE IMPROVED SALES

2020 PRIORITY OBJECTIVES	KEY INITIATIVES	KPIs
Lead Generation	<ul style="list-style-type: none">• Digital / traditional marketing• Outbound calling	<ul style="list-style-type: none">• MQLs/SQLs• # of new accounts• Revenue from new accounts• ROAS
Churn Reduction	<ul style="list-style-type: none">• Digital / traditional marketing• Outbound calling focused on 290 customers	<ul style="list-style-type: none">• Churn %• TTM Revenue from 290 customer hit list over time
Customer Engagement (SOW Expansion)	<ul style="list-style-type: none">• Outbound calling• RSM visits• Increased marketing	<ul style="list-style-type: none">• Growth of PY / previous month new accounts
New Market	<ul style="list-style-type: none">• Transportation (RV/Trailer)• Window• Construction (Wall Hanging)	<ul style="list-style-type: none">• RSM weekly call log• # of New Products Developed• IS - # of engagements

Transit Packaging; Box Closure – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none">• Vertical manufacturing; inhouse adhesive coating• Solvent, hot melt, water-based adhesives• Multiple put ups/tape presentations• One stop shop – closure and tear tape• Custom converted solutions• Quick ship stock program• Close partnership with Straub design• Transit Pkg>POP interrelationships• Inhouse Marketing and Commercial Teams• Leverage partnership with Infinity and their bag tape business• Tamper evident tape solutions through Infinity	<ul style="list-style-type: none">• Box closure limited to one adhesive coating thickness• Duraco does not manufacture tear tape• Hot melt coater capacity questions• Spooler capacity• Relative high labor and overhead• Knowledge and ability of Inside Sales• Understanding market universe
OPPORTUNITIES	THREAT
<ul style="list-style-type: none">• eCommerce driving market growth• Understand and develop distributor relationships• Expand tear tape market• Improvement in emulsion adhesive offering• Relationships with equipment manufacturers such as Straub to help meet the increasing need to automate tape application	<ul style="list-style-type: none">• Inline gluing systems providing lower cost solutions• Improved quality/ease of use of non-tape adhesive• Competitors selling at low margins• Low cost product from Asia

Transit Packaging; Bag Tape – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none">Vertical manufacturing; adhesive coating, printing and silicone coatingSolvent, hot melt, water-based adhesivesMultiple put ups/tape presentationsOne stop shop – closure and tear tapeCustom converted solutions: rolls, spools, die cut piecesMultiple liner assortmentQuick ship stock programClose partnership with Straub designTransit Pkg>POP interrelationshipsInhouse Marketing and Commercial TeamsTamper evident tape	<ul style="list-style-type: none">Box closure limited to one adhesive coating thicknessDuraco does not manufacture tear tapeHot melt coater capacity questionsRelative high labor and overheadKnowledge and ability of Inside SalesUnderstanding market universe
OPPORTUNITIES	THREAT
<ul style="list-style-type: none">eCommerce driving market growthUnderstand and develop distributor relationshipsExpand tear tape marketImprovement in emulsion adhesive offeringRelationships with equipment manufacturers such as Straub to help meet the increasing need to automate tape application	<ul style="list-style-type: none">Inline gluing systems providing lower cost solutionsImproved quality/ease of use of non-tape adhesiveCompetitors selling at low marginsLow cost product from Asia

RV/Trailer/Specialty Vehicle – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none">• KAM dedicated to Elkhart County and surrounding area• Manufacturing near the heaviest concentration of manufacturers• Technical Expertise, in-house testing capabilities• Vertical integration• Coating capabilities, ability to create multiple adhesive systems• Extensive die cutting/slitting/skiving capabilities	<ul style="list-style-type: none">• DHB brand recognition• Material diversification, limited foams, electrical barrier, heat deflection and insulation materials• Water based coating• Inability to blend custom adhesives• Poly liner for DK or single sided XLPE• Relationship with suppliers
OPPORTUNITIES	THREAT
<ul style="list-style-type: none">• Work with key distributors servicing Elkhart County• Develop an alternative roof sealing tape• Establish DHB as a viable alternative to 3M VHB	<ul style="list-style-type: none">• The deep integration of distributors in the industry, specifically in Elkhart County, is a barrier to direct sales• Widespread use of, low cost, mastic tape for sealing applications

Construction – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none">Product offering with a good range of foam and adhesive optionsTechnical Expertise, in-house testing capabilitiesVertical integrationCoating capabilities, ability to create multiple adhesive systems	<ul style="list-style-type: none">Do not have AAMA certified glazing tapePoly liner for DK or single sided XLPEDHB brand recognitionLimited relationships within segment
OPPORTUNITIES	THREAT
<ul style="list-style-type: none">Establish DHB as a viable alternative to 3M VHBExpanding DHB line to include UL736 recognized options (AFTC)Introducing HATS (AFTC) for gasket extruders making commercial door seals	<ul style="list-style-type: none">3M “lifetime” warranty on DHB productsLow cost, off-shore glazing tapes

Appliance – SWOT

FROM THE VIEW OF DURACO

STRENGTH	WEAKNESS
<ul style="list-style-type: none">• Direct sales structure from an adhesive tape manufacturer providing knowledgeable support to engineering• Consistent quality• Product offering with a good range of foam and adhesive options• Technical Expertise, in-house testing capabilities• Vertical integration• Coating capabilities, ability to create multiple adhesive systems	<ul style="list-style-type: none">• DHB brand recognition• Material diversification, limited foams, electrical barrier, heat deflection and insulation materials• Water based coating• Inability to blend custom adhesives• Material sourcing for product development and secondary/tertiary sources
OPPORTUNITIES	THREAT
<ul style="list-style-type: none">• Establish DHB as a viable alternative to 3M VHB• Expanding offering to include insulation solutions• Protective film manufacturing and/or converting• Expansion into Mexico	<ul style="list-style-type: none">• Low cost off-shore materials• Pricing pressure from die cutters in low labor areas including Mexico

2020 Sales Restructuring

Additional Commercial Headcount

INVESTING IN HC TODAY TO CHANGE THE GROWTH TRAJECTORY

ROLES	2019	2020	2020 HC CHANGES
Vice President of Sales	0	1	1
Outside Sales	4	6	2
Rep Agencies	2	1	-1
Inside Sales Manager	0	1	1
Inside Sales	6	6	0
Business Development Manager	1	2	1
Customer Service Manager	0	1	1
Customer Service Representative	6	6	0
Sales / Ops Manager	1	1	0
Commercial Support Manager	1	0	-1
Marketing	2	2	0
Product Management	1	2	1
TOTAL	24	29	5

Management Discussion:

Customer Engagement Focus

- All aspects of the Customer engagement model needs more cohesion and structured with defined roles and responsibilities. A more overarching Customer engagement model needs to be established and implemented. The new Inside Sales team with new leadership (now in place) should help drive Customer engagement.
- Marketing efforts are becoming more coordinated; however without a CRM it is difficult to measure direct Customer on-boarding impact.

Commercial Headcount for 2020

- Hiring New Vice President of Sales
- 6 regions will be covered with 5 Regional Sale Managers
- Hired Phil Lejcar in December, manage Inside Sales Team
- Jake moving to Whirlpool Appliance Role, Kevin Philips retiring
- Move Rick Mucino from RSM to BD Manager role
- Hiring a Customer Service Supervisor role
- Greg Zyck hiring an Associate Product Manager role
- Pat Downs retiring in July

Customer Classification

CLASS	CRITERIA	SALES EXPECTATIONS	MARKETING EXPECTATIONS
A	<ul style="list-style-type: none"> \$100k+ EAU actual or potential 	<ul style="list-style-type: none"> Business Development Manager own senior level relationship RSM primary owner of the local relationship <ul style="list-style-type: none"> F2F visits per year – 4 Monthly contact Inside Sales support as needed Customer Service – “Just say Yes” 	<ul style="list-style-type: none"> Customer Council Involvement (gathering feedback to discuss price, product, user experience, customer experience) the main reasons for customer churn ABM + Customer Marketing Campaigns Customer Newsletter + Increased Email Blasts Customer Heartbeat Emails (NPS Surveys)
B	<ul style="list-style-type: none"> \$50k – \$100k EAU actual or potential Outside influencer/driver of significant business Significant competitor pressure 	<ul style="list-style-type: none"> RSM primary owner of the local relationship <ul style="list-style-type: none"> F2F visits per year – 2 Monthly contact as need to support customer needs Inside Sales support as needed Customer Service – focus on meeting customers needs 	<ul style="list-style-type: none"> Same as CLASS A classification
C	<ul style="list-style-type: none"> \$15k – \$50k EAU actual or potential Significant POP or Print segments 	<ul style="list-style-type: none"> Inside Sales primary owner of the relationship <ul style="list-style-type: none"> Quarterly contacts or as needed to support current customer needs RSM involvement as need by Inside Sales – F2F visit If POP / Print ensure Design contact Customer Service – support per standard T&C 	<ul style="list-style-type: none"> Customer Newsletter + Increased Email Blasts Customer Heartbeat Emails
D	<ul style="list-style-type: none"> \$1k – \$15k EAU No known potential to achieve above \$15k EAU Not POP or Print segments 	<ul style="list-style-type: none"> Inside Sales primary owner of the relationship <ul style="list-style-type: none"> Annual or bi-Annual contact Customer Service – support per standard T&C 	<ul style="list-style-type: none"> Customer Newsletter + Increased Email Blasts Website redesign – make it easy to do business
E	<ul style="list-style-type: none"> <\$1k No potential Not POP or Print segments 	<ul style="list-style-type: none"> Communication is through Marketing No active pursuit Customer Service – support per standard T&C 	<ul style="list-style-type: none"> Same as CLASS D classification

Infinity Tapes

UPDATE

- Overall increase in orders and demand stemming from medical and food segment users
 - Demand is seen across broad customer base producing plastic bags
 - Supply of plastic bags from China has reduced
- Not expecting any significant changes to the order book by customers
 - Classic Packaging has blanket orders out through August for Chick-fil-A Table Topper, April shipped \$50k / 350 spools, May releases pushed out two weeks
- As of 4/23, order bookings for May and June are already, 50% and 40% respectively, of the forecasted sales for the month
- Capacity concerns;
 - Printing Press is slow and requires 2 shifts primarily feeding the Silicone Coater. Plan is to implement an inexpensive upgrade to the oven increasing its run speed
 - Silicone Coater is running full utilization Monday through Friday, and initiating several actions to increase the machine speeds including formulation changes
 - Duraco to begin manufacturing paper liner tissue tape to offload capacity for higher volume plastic bag sealing tape





infinity tapes
infinite possibilities

Infinity Tapes

PRIORITY	2020 YTD ACT		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY2020
GROWTH															
Infinity Tapes Total Sales	\$3,935.3	PY	\$776.7	\$779.4	\$816.5	\$777.2	\$785.4	\$745.4	\$725.9	\$835.8	\$775.3	\$1,062.5	\$924.9	\$745.4	\$9,750.6
	\$4,112.0	Plan	\$812.0	\$814.0	\$853.0	\$812.0	\$821.0	\$779.0	\$799.0	\$873.0	\$810.0	\$1,100.0	\$966.0	\$779.0	\$10,218.0
	\$4,530.4	Fcst/Act	\$865.8	\$853.5	\$933.6	\$1,053.4	\$824.1	\$950.0	\$740.5	\$852.6	\$790.8	\$1,083.8	\$943.4	\$760.4	\$10,651.7
Bellepak	\$477.2	PY	\$75.9	\$130.6	\$124.1	\$78.9	\$67.8	\$84.8	\$113.1	\$103.1	\$64.2	\$125.8	\$139.1	\$66.1	\$1,173.4
	\$488.9	Plan	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$1,173.4
	\$536.3	Fcst/Act	\$121.7	\$96.0	\$116.4	\$105.9	\$96.3	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$97.8	\$1,220.8
Sealed Air: Nine locations	\$404.8	PY	\$79.5	\$49.7	\$94.0	\$71.2	\$110.4	\$50.5	\$71.4	\$72.6	\$72.9	\$90.4	\$79.5	\$78.2	\$920.3
	\$398.7	Plan	\$78.2	\$78.2	\$78.2	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$972.7
	\$434.8	Fcst/Act	\$78.7	\$92.0	\$81.1	\$103.0	\$80.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$82.0	\$1,008.8
Poly Pak Ind	\$196.7	PY	\$49.2	\$27.9	\$48.6	\$38.8	\$32.1	\$49.6	\$40.5	\$51.4	\$36.5	\$40.7	\$62.9	\$53.2	\$531.4
	\$196.7	Plan	\$49.2	\$27.9	\$48.6	\$38.8	\$32.1	\$49.6	\$40.5	\$51.4	\$36.5	\$40.7	\$62.9	\$53.2	\$531.4
	\$155.3	Fcst/Act	\$34.4	\$35.7	\$18.9	\$25.8	\$40.6	\$49.6	\$40.5	\$51.4	\$36.5	\$40.7	\$62.9	\$53.2	\$490.0
PAC WW: Three locations	\$203.8	PY	\$52.4	\$31.5	\$32.5	\$54.4	\$33.1	\$51.9	\$17.2	\$63.5	\$45.3	\$47.6	\$33.3	\$47.3	\$509.9
	\$216.7	Plan	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$520.1
	\$184.3	Fcst/Act	\$28.1	\$49.2	\$35.2	\$43.4	\$28.4	\$56.6	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$43.3	\$500.9
Nelmar	\$84.5	PY	\$32.7	\$15.2	\$6.0	\$23.4	\$7.2	\$40.7	\$43.1	\$73.4	\$7.8	\$94.7	\$81.0	\$19.5	\$444.8
	\$263.4	Plan	\$37.8	\$37.8	\$37.8	\$75.0	\$75.0	\$75.0	\$75.0	\$37.8	\$37.8	\$37.8	\$37.8	\$37.8	\$602.4
	\$252.3	Fcst/Act	\$22.9	\$73.0	\$75.8	\$76.1	\$4.6	\$69.1	\$7.0	\$70.0	\$70.0	\$7.0	\$7.0	\$7.0	\$489.4
Polybond	\$183.7	PY	\$40.1	\$28.4	\$30.8	\$41.3	\$43.1	\$28.8	\$39.1	\$50.7	\$55.0	\$32.3	\$40.2	\$0.0	\$429.9
	\$179.1	Plan	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$429.9
	\$176.2	Fcst/Act	\$41.7	\$28.3	\$58.0	\$22.4	\$25.7	\$42.7	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$35.8	\$433.8
Mercury Plastics/PPA CA	\$163.3	PY	\$14.6	\$18.1	\$35.9	\$47.9	\$46.8	\$18.0	\$33.6	\$35.4	\$18.7	\$63.8	\$32.5	\$51.1	\$416.4
	\$173.5	Plan	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$34.7	\$416.4
	\$202.8	Fcst/Act	\$0.0	\$37.8	\$54.8	\$50.5	\$59.8	\$129.4	\$36.0	\$36.0	\$36.0	\$36.0	\$36.0	\$36.0	\$548.0
Classic Pkg	\$126.6	PY	\$50.3	\$12.7	\$12.7	\$25.4	\$25.4	\$25.3	\$25.7	\$24.9	\$50.9	\$50.9	\$36.9	\$25.4	\$366.4
	\$139.3	Plan	\$50.3	\$12.7	\$25.4	\$25.4	\$25.4	\$25.4	\$25.4	\$25.4	\$50.9	\$50.9	\$25.4	\$50.3	\$393.0
	\$112.0	Fcst/Act	\$24.9	\$0.0	\$25.4	\$49.4	\$12.3	\$24.0	\$38.1	\$38.1	\$38.1	\$38.1	\$38.1	\$38.1	\$364.8
Zims Bagging	\$152.5	PY	\$8.7	\$92.8	\$8.3	\$9.4	\$33.3	\$28.8	\$7.1	\$9.1	\$23.7	\$15.3	\$49.3	\$45.7	\$331.4
	\$138.1	Plan	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$331.4
	\$176.9	Fcst/Act	\$23.5	\$5.7	\$28.3	\$77.9	\$41.5	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$27.6	\$370.2
Bron Tapes-5 of 10 locations buying	\$102.3	PY	\$11.4	\$29.9	\$28.5	\$19.5	\$13.0	\$41.1	\$48.3	\$32.8	\$17.4	\$15.9	\$15.3	\$16.8	\$289.7
	\$162.1	Plan	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$32.4	\$389.0
	\$227.2	Fcst/Act	\$32.5	\$93.0	\$7.4	\$34.0	\$60.2	\$8.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$385.2
North Coast Plastics	\$102.0	PY	\$19.0	\$33.0	\$25.0	\$7.5	\$17.5	\$7.5	\$15.0	\$17.5	\$26.7	\$42.5	\$32.5	\$7.5	\$251.2
	\$102.0	Plan	\$19.0	\$33.0	\$25.0	\$7.5	\$17.5	\$7.5	\$15.0	\$17.5	\$26.7	\$42.5	\$32.5	\$7.5	\$251.2
	\$88.0	Fcst/Act	\$25.0	\$17.5	\$7.5	\$23.0	\$15.0	\$15.0	\$22.4	\$22.4	\$22.4	\$22.4	\$22.4	\$22.4	\$237.1
Poly Air-Only one location buying now	* \$144.2	PY	\$32.8	\$24.1	\$22.8	\$35.5	\$28.9	\$16.6	\$10.3	\$10.3	\$14.0	\$14.0	\$14.0	\$10.3	\$233.9
	\$56.8	Plan	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$136.2
	\$58.1	Fcst/Act	\$7.0	\$14.0	\$14.0	\$16.0	\$7.0	\$14.0	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$140.2



Operations and Manufacturing

Operations Dashboard

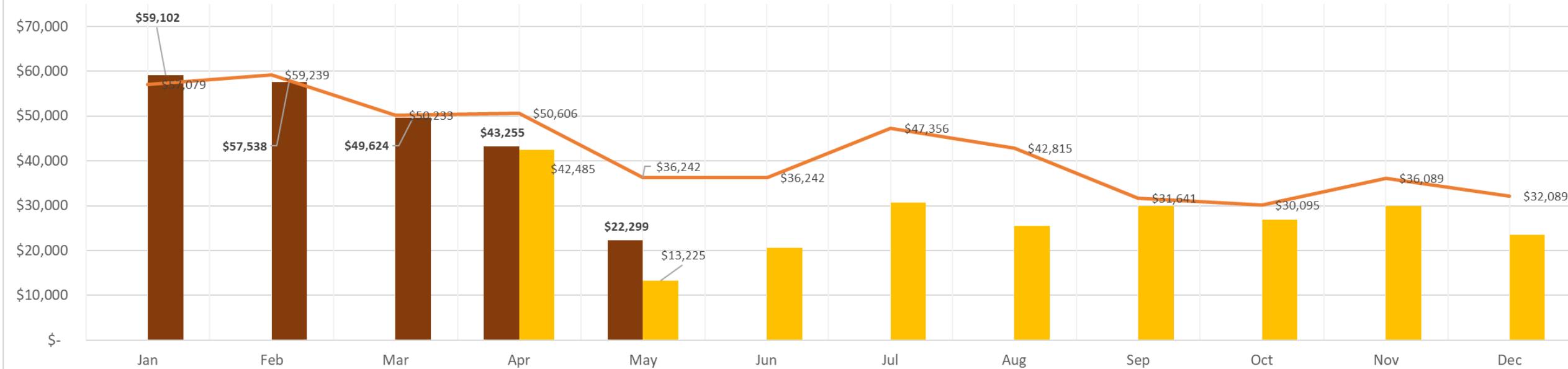
	PRIORITY	UOM		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Safety	Total Recordable Incident Rate (TRIR Rolling 12M)	#	PY	0	0	0	0	0	0	0	0.83	1.66	1.66	1.66	2.8	2.8
			Plan	2.3	2.3	2.3	2.3	2.3	2.3	2.3	1.66	0.83	0.83	0.83	0.83	0.83
			Actual	2.3	2.3	2.3	2.3	2.3	0	0	0	0	0	0	0	0
	DART Score	#	PY	0	0	0	0	0	0	0	0	0	0	0	0	0
			Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			Actual	0	0	0	0	0	0	0	0	0	0	0	0	0
	Step Completion %	%	PY	81%	80%	94%	96%	93%	94%	93%	93%	92%	93%	92%	94%	91%
			Plan	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
			Actual	93%	94%	71%	68%	92%								84%
	Landfill Diversion %	%	PY	34%	45%	31%	32%	33%	41%	28%	38%	31%	26%	21%	40%	33%
			Plan	50%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
			Actual	27%	42%	34%	26%	51%								36%
Quality	Customer EQDs	#	Reference Actual													
				23	13	7	20	4								67
	Percentage of EQDs/Lines shipped	#	PY	0.28%	0.22%	0.31%	0.30%	0.18%	0.28%	0.25%	0.28%	0.47%	0.43%	0.30%	0.40%	0.31%
			Plan	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
			Actual	0.63%	0.39%	0.22%	0.79%	0.19%								
	Cost of Poor Quality (COPQ)	\$	PY	\$40.82	\$51.77	\$42.99	\$46.85	\$35.23	\$33.49	\$47.88	\$36.13	\$48.33	\$44.43	\$35.43	\$32.02	\$495.37
			Plan	\$38.77	\$49.18	\$40.84	\$44.51	\$33.47	\$31.82	\$45.49	\$34.33	\$45.91	\$42.21	\$33.66	\$30.42	\$470.60
			Actual	\$26.13	\$37.55	\$39.92	\$42.05	\$28.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	174.34

Operations Dashboard Cont.

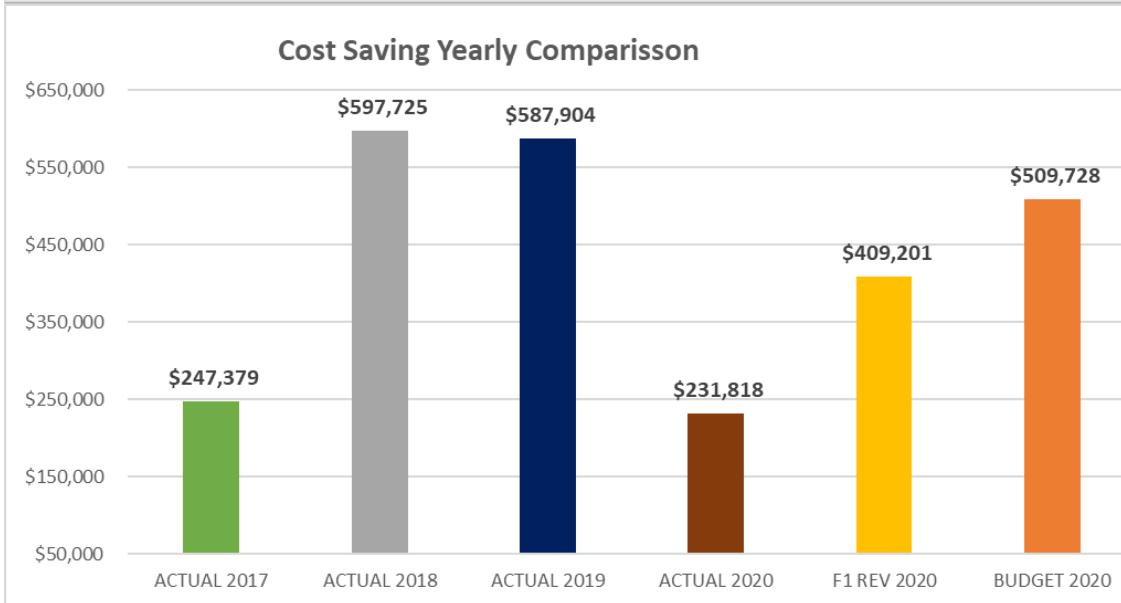
	PRIORITY	UOM		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD		
Delivery	Shipments Specialty Tapes (Consolidated)	\$	PY	\$3,320	\$3,081	\$3,255	\$4,065	\$3,154	\$3,218	\$3,710	\$3,460	\$3,503	\$4,961	\$3,119	\$2,897	\$41,743		
			Plan	\$3,290	\$3,222	\$3,365	\$4,321	\$3,289	\$3,487	\$3,774	\$3,605	\$3,627	\$4,643	\$3,452	\$3,293	\$43,368		
			Actual	\$3,387	\$3,143	\$3,365	\$3,231	\$2,641								\$15,767		
	Production Efficiency	%	PY	87.0%	89.9%	89.8%	90.6%	91.1%	89.6%	89.2%	89.0%	90.0%	92.0%	91.2%	87.3%	89.7%		
Cost			Plan	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%		
			Actual	90.2%	90.1%	90.5%	89.0%	90.0%										
OTDIF	%	PY	98.8%	98.8%	99.0%	98.5%	98.8%	98.2%	95.3%	98.3%	97.6%	98.7%	98.1%	98.3%	98.2%			
		Plan	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%			
		Actual	99.1%	98.6%	98.2%	95.3%	95.6%											
Cost Savings(w/o SmartVentures)	\$	PY	\$49,556	\$44,479	\$35,811	\$25,633	\$57,198	\$72,371	\$56,044	\$49,032	\$52,425	\$51,570	\$44,949	\$43,444		582,512		
		Plan	\$51,079	\$53,239	\$44,233	\$44,606	\$30,242	\$30,242	\$38,773	\$34,232	\$23,058	\$21,512	\$27,506	\$27,506		\$426,230		
		F1 Plan	\$51,079	\$53,239	\$44,233	\$42,485	\$13,225	\$20,597	\$30,714	\$25,470	\$29,980	\$26,921	\$29,998	\$23,547		\$391,489		
		Actual	\$51,469	\$50,772	\$39,533	\$43,255	\$14,907									\$199,936		
Consolidated Gross Inventory Dollars	\$000's	PY	\$6,460	\$6,540	\$6,458	\$6,235	\$6,079	\$5,932	\$5,942	\$5,920	\$5,649	\$5,869	\$5,796	\$6,198	\$6,198			
		Plan	\$6,176	\$6,253	\$6,174	\$5,961	\$5,811	\$5,671	\$5,680	\$5,659	\$5,401	\$5,611	\$5,541	\$5,925	\$5,822			
		Actual	\$6,377	\$6,179	\$5,802	\$6,011	\$5,949									\$0		
Reported EBITDA	\$000's	PY	\$714	\$836	\$1,048	\$1,168	\$886	\$996	-\$1,351	\$784	\$600	\$1,407	\$779	\$319	\$8,186			
		Plan	\$424	\$583	\$697	\$982	\$594	\$675	\$699	\$854	\$849	\$1,205	\$762	\$475	\$8,799			
		Actual	\$638	\$734	\$724	\$625	\$642									\$3,363		
HC	Total Production Headcount	#	PY	78	78	78	78	78	78	78	78	78	78	78	78	78		
			Plan	78	78	78	78	77	77	76	76	76	76	76	76	76		
			Actual	75	76	75	71	71								76		

Cost Savings Monthly Results

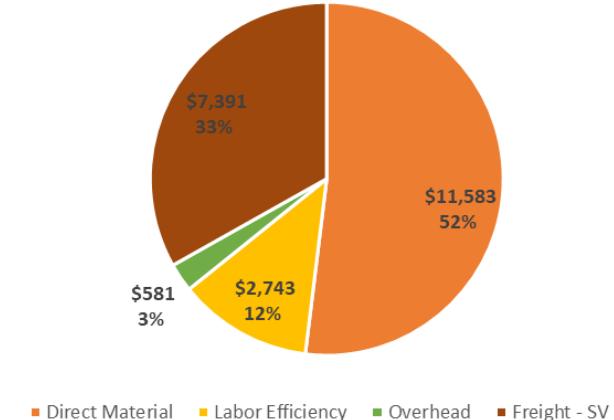
■ ACTUAL 2020 ■ F1 REV 2020 ■ BUDGET 2020



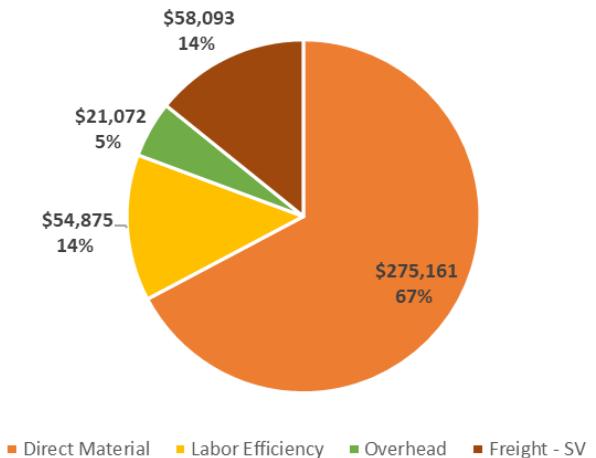
Cost Saving Yearly Comparison



MAY COST SAVINGS



2020 COST SAVINGS - F1 REV



Supply Chain – Vendors discussions around petroleum index

Supplier	Short Response
BeardowAdams	\$5,800
Avery Dennison	\$600
Stamar Packaging	\$405

No reduction seen at this time from our vendors

DOW Chemical Company/ Chemicals LLC	Rohm & HAAS	Channeled Resources Group	Transcendia
Henkel	Nagel Paper	FXI, Inc.	
WorldWide Foam	Accurate Felt & Gasket	Sekisui-Voltek	
ElastaPro	Badger Plug	Bow Tape	
Gaska Tape	Ashland Chemical	AFTC	
Rogers Corporation	Great Industries	Loparex	
	Rayven Inc.	Armacell	

Supplier	Response
DOW Chemical Company/ Rohm & HAAS Chemicals LLC	I have reviewed the raw material costs that go into the products you purchase, and we have not seen a decrease in raw material costs. The products you purchase from us are not dependent on oil prices. However, I do appreciate the need to find ways to reduce cost especially during a challenging time. I can look at creative ways to reduce cost if we can find other ways to work together. For example, Dow and Duraco have had previous discussions regarding LDPE that is currently purchased from another supplier. If I can understand what LDPE grade and target pricing I could possibly find a win-win from both companies. There also could be a match in our hot melt portfolio.
Henkel	Upfront, this is a complex triangulation including supply, demand, and all cost drivers (some of which have actually gone up) and therefore all technologies should be reviewed individually. For sure, Tony can walk through this with you. Based on our pricing agreements and index mechanisms, we are also anxiously awaiting how our costs and prices look at the end of Q2 once the numbers come in, still waiting to receive latest update.
WorldWide Foam	We are working with customers who need extended time to pay and would change our terms to Net 60. Easily return stock products to us that you no longer need.
ElastaPro	ElastaPro makes it a business practice of passing on cost savings to our customer partners. We've yet to experience any shifts in pricing on our silicone based materials and many of our purchases are based on large contract buys. We do this in order to provide price stability to our customer base and help assure a consistent supply and raw material availability. We believe our pricing remains extremely aggressive and we will continue to do all we can to help with cost mitigation.
Gaska Tape	We agree, this has been challenging over the past several months due to COVID-19 and now the protesting/riots. Changing the way we conduct business and keeping our employees working, while still providing the highest level of quality and service, has been our main focus. We are fortunate that Gaska Tape is a supplier to essential businesses and we have been able to keep manufacturing running and our doors open. We have witnessed a decline in business from our customers through this time period. We are confident that together our Nation will recover and we will continue to move forward and grow. Gaska Tape has not received price decreases on raw materials from our suppliers. Gaska Tape currently provides Duraco with special NET pricing based on overall sales volume.
Rogers Corporation Channeled Resources Group	Rogers does not have any plans to adjust our pricing structure (up or down) at this time. I've forwarded this email to Todd Schweigert - he's on vacation today and will be back tomorrow. I'll follow up with him when he returns and get right back to you.
Nagel Paper	Unfortunately, Covid-19 has had the opposite effect on paper prices. URB pricing has increased dramatically over the last few months. The integrated manufacturers have already announced an 8% increase on converted products. We are making every effort to minimize this effect and will keep you apprised if price changes are necessary. Please contact me if you have any questions.
Accurate Felt & Gasket	For the V-090 material you purchase, there has been no change in the price that would allow us to lower your cost. Let us know if there are any cost savings you can extend on the materials we purchase from Essentra / Duraco. I have attached a list of the materials we have purchased in 2020. We look forward to your review of these items.
Badger Plug	I forwarded this email to my supervisor.
Ashland Chemical	I hope all is well. Thank you very much for reaching out to me on this request. We also have been keeping close tabs on what the raw materials are doing in light of the Covid-19 era. At this time, we haven't seen any dramatic decreases to warrant a reduction in price for adhesives. I assure you that we are continuing to monitor what will happen in the next 3-6 months and communication any changes one way or another.
BeardowAdams	Pressen1725A - New Price \$2.02/lb (\$0.03/Per lb Saving) = \$5,800/Annually
Great Industries	Although oil prices have come down over the course of the past few months, many other costs, both at the factory in Taiwan and our offices/warehouse in Ontario have increased dramatically. These increases have actually been much larger than the offset oil price reduction. Hook and Loop supply and demand has been greatly effected by the need for much of our products in the PPE sector. Under normal circumstances we would have raised pricing, but due to the nature of where this product is going and intended we have kept our price stable. In addition to the supply and demand issue, many other things are attributing to cost increases. (IE), Ocean Freight is rising as there are less vessels sailing due to the decreased ocean freight out of Asia and space is becoming a premium. Also, labor costs have risen dramatically in the most recent months in Taiwan. We always continue to review our pricing structure and where we can, we offer reductions. At this time we are not able to offer any price decreases. I will continue to monitor the situation and if things change we will advise.
Transcendia	We have heard the same thing about raw materials. Unfortunately, our suppliers haven't given us any sort of cost savings. Right now we haven't initiated any costs related to our customers either. If we hear anything from our suppliers will definitely pass the information along will let you guys know.
FXI, Inc.	From what I know there hasn't been any price decreases from our raw material suppliers. Raw material prices are at an all-time low and chemical companies are reporting negative performance which are well below their standard expectations. With volumes and returns being so low, they will come to a critical decision point to determine if they will have to cut back capacity or increase pricing. I would expect that they are holding off on price increases due to the current economic conditions but from my perspective, I would expect raw material increases would be imminent sometime in the near future.
Sekisui-Voltex	Although we cannot offer a reduction at this time, we appreciate the partnership we have formed and we will continue to strive to meet the needs of Duraco to remain successful.
Bow Tape	We thoroughly reviewed this topic and here are the conclusions. First of all, whilst there is significant volatility in prices, due to numerous issues some raw materials became more scarce and expensive than before. Also, along with potential volatility in foreign exchange, unfortunately it is difficult for us to lower the prices at this stage. We understand your position and will constantly monitor the prices so that we can provide stable supply of quality products at reasonable prices.
AFTC	Unfortunately, AFTC USA is unable to offer any further cost reductions, at this time. The reasoning requires a slightly longer answer. You are correct, a number of the components used in the manufacture of acrylic foam tapes (AFT's) are petroleum based. However, the petroleum based materials used only represents one part of many, that goes into manufacture of AFT's. Furthermore, AFTC has already put in place pre-negotiated contracts with firm pricing for many of our raw materials (monomers and polymers etc.). This process normally takes place during the 4th quarter of the previous year. In addition, all supply contracts have floors and ceilings built in to protect not just AFTC, but also to protect the supplier(s) as well from exactly what we have seen transpire in 2020. Operating under this structure with pre-negotiated contracts allows us to be able to plan and these contracts allows us to control our costs. Again, these "essential" contracts are vital in ensuring that both parties are protected from major shifts in the market. AFTC and our suppliers continue to honor these agreements. AFTC's decision to work on a contract basis has proven to be most successful and this structure has been used for years. This is part of the reason why AFTC USA has not issued a price increase in over 8 years. Especially today, there is just too much volatility in the global petroleum markets to try and buy raw materials based on the present market conditions. It would be virtually/impossible to operate with a consistent and stable cost structure.
Avery Dennison	Please know we entirely recognize the challenges and pressures we are all facing in today's competitive environment. In an effort to support Duraco's business combined with our desire to continue to develop the relationship even further we are willing to reduce your prices. After reviewing the recent monomer movement we are able to reduce each of your products by \$.02/lb (E5500, E5600, E5700) with an effective date of June 15, 2020. With 2020 Volumes (Cost Savings): ZZA048 = \$94,00, ZZA049 = \$5279,60, ZZA050 = \$372,80
Loparex	At this time, Loparex is still seeing tight supply of Specialty Paper which we use for all of your products. We are seeing additional tightness in supply due to the Jay, Maine Paper Mill explosion. Pricing has been stable but may increase due to the mill being down and "The Amazon Effect" with packaging. The key ingredients for our Silicone coatings (Siloxane & Dimethyl) are still very tight. Even before COVID-19, manufacturers have been taking supply off line by 150-200,000MT. This will continue in the future. At this time, Loparex does not see any cost savings opportunities to pass along to Duraco.
Armacell	We currently do not have anything to offer that we could pass on to our customers. Armacell has been effected by the COV19. Our business has declined for the past 2-3 months. We believe that we have seen the bottom and that we will recover in the coming months. Sorry for the inconvenience.
Stamar Packaging	Attached is an updated list of supplies with price adjustments. Just fyi, resin prices are starting to trend upwards and a stretch film price increase has been announced (letter attached). I greatly appreciate your business and if there are any other items I can quote for you, please advise. Also attached is a current inventory of our COVID-19 related supplies that we have in stock.
Rayven Inc.	Thanks for your email. Rayven Inc. has been very fortunate as well during this unprecedented time to continue to operate fully in production and keep everyone safe. We reviewed our raw materials for the products that we currently manufacture for Duraco, and we have not experienced any price decreases at this time on our PET films and silicone coatings. We will always continue to look at pricing and offer any cost savings that we can, and on the opposite side, we always do everything not to give any price increases even when increases are passed along to us from our suppliers.

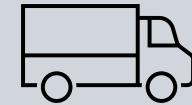




Current Inventory

Greenbelt Project focused on:

- Aged /obsolete/slow moving Inventory for RAWs, WIP and FG's.
- Mins and Lot levels
- Clear out old samples expensed, and poor-quality items.

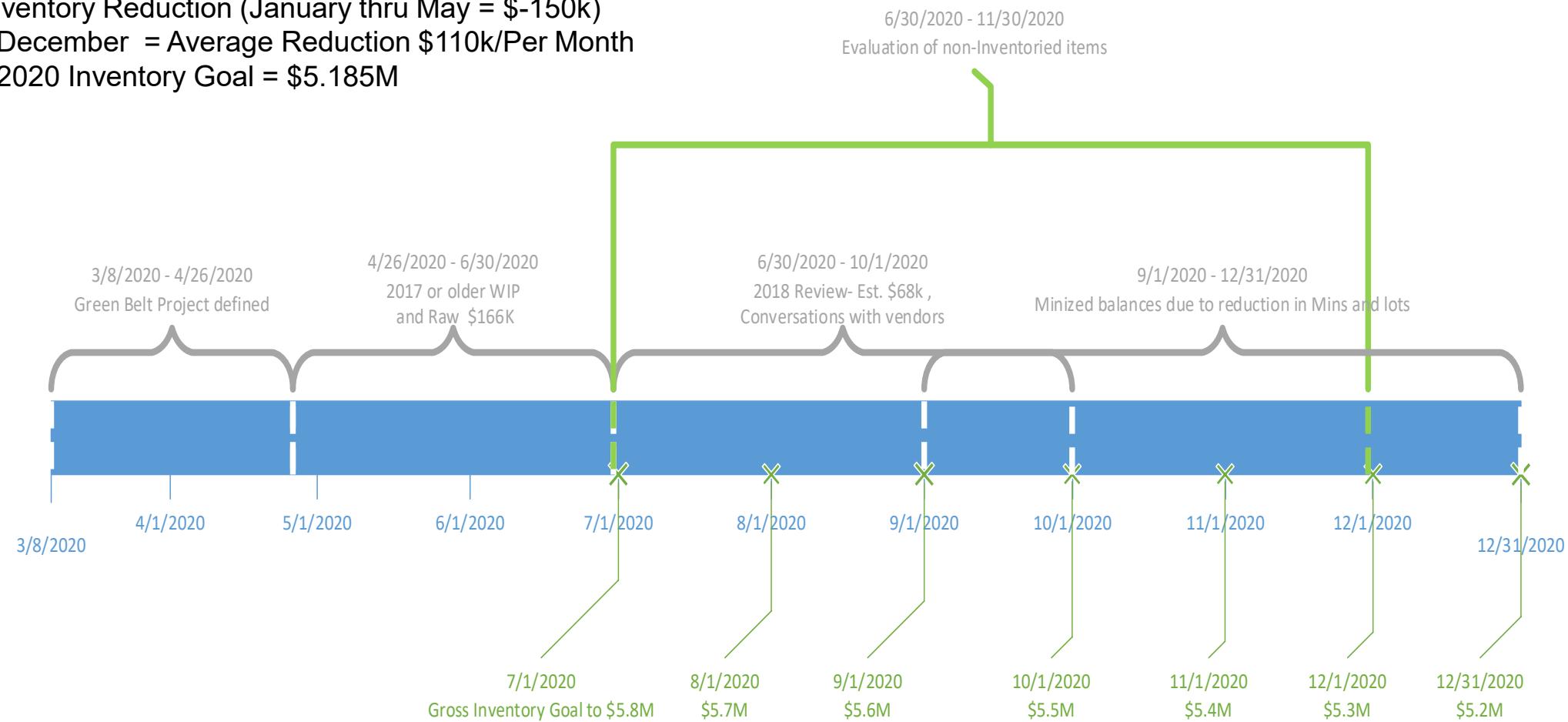


Vendors

Supply Chain Manager focus.

- MOQ levels
- Stock levels they are willing to hold.
- Optimizing Order Size & Purchasing Frequency
- Reducing Supplier Lead-Time

- FY2020 Goal = Reduction of Inventory by 15%+ (\$915k)
- End of FY2019 = \$6.1M
- End of May 2020 = \$5.95M
- FY2020 Inventory Reduction (January thru May = \$-150k)
- June thru December = Average Reduction \$110k/Per Month
- End of FY2020 Inventory Goal = \$5.185M



Financial Review

Duraco Summary P&L – May 2020

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Gross Revenue	\$ 2,532	\$ 3,298	\$ (766)	(23.2%)	\$ 3,246	\$ (714)	(22.0%)	\$ 15,942	\$ 17,525	\$ (1,583)	(9.0%)	\$ 17,448	\$ (1,506)	(8.6%)			
Net Revenue	2,527	3,289	(762)	(23.2%)	3,225	(698)	(21.7%)	15,915	17,477	(1,562)	(8.9%)	17,375	(1,460)	(8.4%)			
Material	777	1,086	309	28.4%	1,091	314	28.8%	5,065	5,658	593	10.5%	5,950	(884)	(14.9%)			
DM %	30.7%	33.0%			33.8%			31.8%	32.4%			34.2%					
Labor	267	379	113	29.7%	372	105	28.3%	1,914	2,104	190	9.0%	1,967	(53)	(2.7%)			
DL %	10.6%	11.5%			11.5%			12.0%	12.0%			11.3%					
Other COGS	424	475	51	10.8%	423	(0)	(0.1%)	2,396	2,467	71	2.9%	2,188	208	9.5%			
Total COGS	1,467	1,940	473	24.4%	1,887	419	22.2%	9,375	10,229	854	8.3%	10,104	(729)	(7.2%)			
Gross Margin	1,059	1,349	(290)	(21.5%)	1,339	(279)	(20.9%)	6,539	7,248	(708)	(9.8%)	7,270	(731)	(10.1%)			
Gross Margin %	41.9%	41.0%			41.5%			41.1%	41.5%			41.8%					
R&D	9	35	25	72.5%	26	(16)	(62.9%)	79	177	98	55.1%	130	(50)	(38.7%)			
Sales & Marketing	135	396	261	65.8%	299	(163)	(54.7%)	1,528	2,028	500	24.7%	1,734	(206)	(11.9%)			
Administrative	272	324	51	15.8%	128	144	112.3%	1,569	1,766	197	11.1%	755	814	107.5%			
Other Opex	–	–	–	0	–	–	0	(1)	–	1	–	–	(1)	N/A			
Total Opex	417	755	337	44.7%	453	(35)	(7.8%)	3,175	3,971	796	20.0%	2,618	557	21.3%			
EBITDA	642	594	48	8.1%	886	(244)	(27.5%)	3,364	3,277	87	2.7%	4,652	(1,288)	(27.7%)			
EBITDA %	25.4%	18.1%			27.5%			21.1%	18.8%			26.8%					
Bank allowable EBITDA add-backs	(30)	–	(30)	0	(148)	119		124	87	37	42.7%	(1,135)	1,259	(110.9%)			
Bank EBITDA	612	594	18	3.1%	738	(125)	(17.0%)	3,488	3,364	124	3.7%	3,517	(28)	(0)			
	24.2%	18.1%			22.9%			21.9%				20.2%					
(Standalone Costs)	(127)	–	(127)		(58)	(69)	(0)	(591)	(58)	(533)	919.8%	(361)	(230)	1			
PF Adjusted EBITDA	485	594	(109)	(18.3%)	680	(194)	(28.6%)	2,897	3,306	(409)	(12.4%)	3,156	(259)	(8.2%)			
Indicative %	19.2%	18.1%			21.1%			18.2%	18.9%			18.2%					
Net Income (Loss)	\$ (521)	\$ (350)	\$ (171)	48.8%	\$ 1,024	\$ (1,545)	150.9%	\$ (2,605)	\$ (2,252)	\$ (353)	15.7%	\$ 3,678	\$ (6,283)	170.8%			

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Fcst	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Opex Overview:																	
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 218	\$ 340	122	35.9%	\$ 212	\$ 6	2.9%	\$ 1,370	\$ 1,752	\$ 382	21.8%	\$ 1,140	\$ 230	20.2%			
Benefits (Medical, Dental, Life, AD&D & 401K)	42	52	10	19.8%	32	10	29.8%	240	268	\$ 28	10.3%	179	60	33.7%			
Bonus	86	86	0	0.0%	32	54	168.3%	430	430	\$ 0	0.0%	187	243	129.8%			
Marketing	1	79	79	98.9%	56	(55)	(98.4%)	257	397	\$ 140	35.4%	409	(153)	(37.3%)			
Commissions	5	5	(0)	(0.0%)	8	(3)	(33.2%)	24	18	\$ (5)	(29.2%)	47	(23)	(49.3%)			
Travel and Entertainment	1	32	30	95.5%	17	(16)	(91.6%)	51	154	\$ 103	66.7%	84	(33)	(38.9%)			
Rent and Facilities	1	9	8	90.2%	17	(17)	(95.0%)	4	35	\$ 31	87.7%	102	(97)	(95.7%)			
Insurance	15	14	(2)	(11.2%)	4	11	274.9%	80	76	\$ (5)	(6.2%)	20	60	298.8%			
Professional Fees	(26)	13	39	292.7%	3	(28)	(1118.3%)	159	160	\$ 1	0.7%	25	134	544.7%			
Utilities, Repairs, Maint. & Security	–	3	3	100.0%	2	(2)	(100.0%)	6	14	\$ 8	60.2%	26	(20)	(78.6%)			
Office Supplies	1	1	0	12.6%	3	(2)	(68.5%)	21	6	\$ (16)	(270.8%)	24	(2)	(10.2%)			
IT	32	63	31	48.6%	26	6	23.7%	191	353	\$ 162	45.9%	143	48	33.7%			
Bad Debt	4	3	(1)	(17.6%)	1	3	477.3%	32	19	\$ (13)	(69.7%)	15	16	104.0%			
Real Estate Taxes	13	13	0	0.0%	13	1	4.4%	72	72	\$ 0	0.0%	69	3	4.4%			
Other Expenses	23	41	18	43.9%	28	(4)	(16.0%)	239	218	\$ (21)	(9.5%)	148	90	60.8%			
Total Opex	\$ 417	\$ 755	\$ 337	44.7%	\$ 453	\$ (35)	(7.8%)	\$ 3,175	\$ 3,971	\$ 796	20.0%	\$ 2,618	\$ 557	21.3%			

Management Discussion:

COGS

- Material % is significantly better than plan due to favorable mix (higher wall hangings, no Paroc, lower appliance)
- DL is better than plan due to significant work with the union to reduce working hours in line with lower production
- Other COGS is well below plan due to cost savings (furloughs, travel, and overhead cost reductions).

OPEX

- OPEX is favorable to plan due to furloughs, deferred hiring of open positions, three open commercial positions, and cost reductions.

ADD-BACKS

- Add-backs relate to Covid-19 costs, Lewis Lee costs, more than offset by the reclassification of a restructuring invoice that was taken as an addback in April.
- Pro Forma Adjusted EBITDA further reduces Bank EBITDA for all incomplete plan headcount additions and IT expenses.

Infinity Summary P&L – May 2020

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Gross Revenue	\$ 824	\$ 819	\$ 5	0.6%	\$ 785	\$ 39	4.9%	\$ 4,530	\$ 4,107	\$ 423	10.3%	\$ 3,935	\$ 595	15.1%			
Net Revenue	812	803	9	1.1%	792	20	2.5%	4,466	4,026	441	10.9%	3,887	579	14.9%			
Material	404	385	(19)	(4.9%)	368	(36)	(9.9%)	2,216	1,923	(294)	(15.3%)	1,849	368	19.9%			
DM %	49.8%	48.0%				46.4%			49.6%	47.8%				47.6%			
Labor	77	70	(7)	(10.7%)	86	9	10.2%	406	350	(56)	(16.1%)	389	17	4.4%			
DL %	9.5%	8.7%				10.9%			9.1%	8.7%				10.0%			
Other COGS	126	148	22	14.9%	151	25	16.3%	695	742	47	6.4%	765	(70)	(9.2%)			
Total COGS	607	603	(4)	(0.7%)	604	(3)	(0.5%)	3,317	3,015	(303)	(10.0%)	3,003	315	10.5%			
Gross Margin	204	200	4	2.1%	187	17	9.0%	1,149	1,011	138	13.6%	885	264	29.9%			
Gross Margin %	25.2%	24.9%				23.7%			25.7%	25.1%				22.8%			
R&D	–	–	–	0	–	–	0	–	–	–	–	–	–	–	N/A		
Sales & Marketing	37	33	(5)	(14.8%)	28	10	34.6%	222	168	(54)	(32.3%)	141	81	57.3%			
Administrative	103	118	15	12.5%	120	(17)	(13.9%)	529	533	4	0.8%	498	32	6.3%			
Other Opex	100	–	(100)	0	–	100	0	100	–	(100)	–	100	–	100	N/A		
Total Opex	241	151	(90)	(60.0%)	148	93	63.1%	851	701	(150)	(21.4%)	639	213	33.3%			
EBITDA	(37)	49	(86)	(174.2%)	40	(76)	(192.3%)	298	310	(12)	(4.0%)	246	52	21.1%			
EBITDA %	(4.5%)	6.1%				5.0%			6.7%	7.7%				6.3%			
Bank allowable EBITDA add-backs	124	12	112	933.0%	–	124		157	36	121	337.4%	–	157	N/A			
Bank EBITDA	87	61	26	42.3%	40	48	120.1%	455	346	109	31.5%	246	209	1			
	10.8%	7.6%				5.0%			10.2%					6.3%			
(Standalone Costs)	–	–	–	0	–	–	0	–	–	–	0.0%	–	–	0.0%			
PF Adjusted EBITDA	87	61	26	42.3%	40	48	120.1%	455	346	109	31.5%	246	209	85.1%			
Indicative %	10.8%	7.6%				5.0%			10.2%	8.6%				6.3%			
Net Income (Loss)	\$ (43)	\$ 28	\$ (71)	(254.0%)	\$ 19	\$ (62)	322.7%	\$ 193	\$ 184	\$ 9	4.8%	\$ 160	\$ 32	(20.0%)			

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Fcst	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Opex Overview:																	
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 33	\$ 42	9	22.5%	\$ 55	\$ (22)	(40.3%)	\$ 231	\$ 211	\$ (19)	(9.1%)	\$ 239	\$ (9)	(3.6%)			
Benefits (Medical, Dental, Life, AD&D & 401K)	9	13	4	28.3%	12	(3)	(23.3%)	61	65	\$ 4	6.9%	69	(9)	(12.5%)			
Bonus	–	–	–	N/A	–	–	0	–	–	\$ –	–	–	–	–	N/A		
Marketing	–	–	–	N/A	–	–	0	–	–	\$ –	–	–	–	–	N/A		
Commissions	17	12	(5)	(41.3%)	6	11	175.5%	99	63	\$ (36)	(57.6%)	47	52	111.8%			
Travel and Entertainment	0	1	1	97.0%	3	(3)	(98.7%)	5	8	\$ 3	35.3%	86	(81)	(93.8%)			
Rent and Facilities	23	20	(3)	(14.2%)	17	5	31.4%	99	94	\$ (6)	(6.0%)	7	92	1319.0%			
Insurance	2	2	–	0.0%	1	1	216.5%	7	7	\$ –	0.0%	4	4	91.6%			
Professional Fees	41	45	4	8.7%	23	18	81.5%	159	165	\$ 6	3.3%	89	70	78.9%			
Utilities, Repairs, Maint. & Security	0	1	0	38.4%	0	0	7.1%	3	3	\$ 1	18.4%	4	(1)	(22.2%)			
Office Supplies	6	9	3	33.6%	7	(2)	(23.8%)	38	41	\$ 3	8.5%	32	5	16.6%			
IT	6	6	1	9.3%	7	(2)	(21.8%)	30	31	\$ 1	2.5%	29	0	1.4%			
Bad Debt	–	–	–	N/A	–	–	0	–	–	\$ –	–	–	–	–	N/A		
Real Estate Taxes	–	–	–	N/A	15	(15)	(100.0%)	6	6	\$ –	0.0%	26	(20)	(76.2%)			
Other Expenses	105	0	(105)	#####	1	104	16004.1%	113	6	####	(1853.8%)	5	107	1992.5%			
Total Opex	\$ 241	\$ 151	\$ (90)	(60.0%)	\$ 148	\$ 93	63.1%	\$ 851	\$ 701	####	(21.4%)	\$ 639	\$ 213	33.3%			

Management Discussion:

COGS

- DM is higher than plan due to unfavorable mix, which has been the trend all year. This is a result of higher volume of release liner and certain double-sided tape products.
- DL is in line with Plan as a % of revenue after adjusting for Covid sick pay.

OPEX

- OPEX is higher than Plan due to writing off the \$100k fraud.

ADD-BACKS

- CI Consultant and fraud write off was added back as per plan

Consolidated Summary P&L – May 2020

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Gross Revenue	\$ 3,356	\$ 4,117	\$ (761)	(18.5%)	\$ 4,032	\$ (676)	(16.8%)	\$ 20,472	\$ 21,632	\$ (1,160)	(5.4%)	\$ 21,383	\$ (911)	(4.3%)			
Net Revenue	3,338	4,092	(754)	(18.4%)	4,017	(678)	(16.9%)	20,381	21,503	(1,122)	(5.2%)	21,262	(881)	(4.1%)			
Material	1,181	1,471	290	19.7%	1,459	278	19.0%	7,282	7,581	299	3.9%	7,798	(517)	(6.6%)			
DM %	35.4%	35.9%			36.3%			35.7%	35.3%			36.7%					
Labor	344	449	105	23.4%	458	114	24.9%	2,320	2,454	134	5.5%	2,356	(36)	(1.5%)			
DL %	10.3%	11.0%			11.4%			11.4%	11.4%			11.1%					
Other COGS	550	623	73	11.7%	574	24	4.2%	3,090	3,209	118	3.7%	2,953	138	4.7%			
Total COGS	2,075	2,543	468	18.4%	2,491	416	16.7%	12,692	13,244	551	4.2%	13,107	(415)	(3.2%)			
Gross Margin	1,264	1,549	(285)	(18.4%)	1,526	(263)	(17.2%)	7,689	8,259	(570)	(6.9%)	8,155	(466)	(5.7%)			
Gross Margin %	37.8%	37.9%			38.0%			37.7%	38.4%			38.4%					
R&D	9	35	25	72.5%	26	(16)	(62.9%)	79	177	98	55.1%	130	(50)	(38.7%)			
Sales & Marketing	173	429	256	59.7%	327	(154)	(47.1%)	1,750	2,196	446	20.3%	1,875	(125)	(6.7%)			
Administrative	376	442	66	15.0%	248	127	51.4%	2,098	2,299	201	8.7%	1,252	846	67.5%			
Other Opex	100	–	(100)	0	–	100	0	99	–	(99)	–	–	–	99	N/A		
Total Opex	658	905	247	27.3%	600	58	9.6%	4,027	4,672	645	13.8%	3,257	769	23.6%			
EBITDA	605	644	(38)	(5.9%)	926	(320)	(34.6%)	3,662	3,587	75	2.1%	4,898	(1,236)	(25.2%)			
EBITDA %	18.1%	15.7%			23.0%			18.0%	16.7%			23.0%					
Bank allowable EBITDA add-backs	94	12	82	686.8%	(148)	243		282	123	159	128.9%	(1,135)	1,417	(124.8%)			
Bank EBITDA	700	656	44	6.8%	778	(78)	(10.0%)	3,944	3,710	234	6.3%	3,763	181	0			
(Standalone Costs)	(127)	–	(127)	N/A	(58)	(69)	(0)	(591)	(58)	(533)	919.8%	(361)	(230)	1			
PF Adjusted EBITDA	573	656	(83)	(12.6%)	719	(147)	-20.4%	3,353	3,652	(300)	(8.2%)	3,402	(49)	(1.5%)			
Indicative %	17.2%	16.0%			17.9%			16.4%	17.0%			16.0%					
Net Income (Loss)	\$ (564)	\$ (322)	\$ (242)	75.0%	\$ 1,043	\$ (1,608)	154.1%	\$ (2,412)	\$ (2,068)	\$ (344)	16.6%	\$ 3,839	\$ (6,251)	162.8%			

\$'000	MTD		Var (Bud MTD)		PY MTD		Var (PY)		YTD		Var (Bud YTD)		PY YTD		Var (PY YTD)		
	Act	Fcst	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%
Opex Overview:																	
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	\$ 250	\$ 382	\$ 131	34.4%	\$ 266	\$ (16)	(5.9%)	\$ 1,601	\$ 1,963	\$ 363	18.5%	\$ 1,380	\$ 221	16.0%			
Benefits (Medical, Dental, Life, AD&D & 401K)	51	65	14	21.5%	44	7	15.2%	301	333	\$ 32	9.7%	249	52	20.8%			
Bonus	86	86	0	0.0%	32	54	168.3%	430	430	\$ 0	0.0%	187	243	129.8%			
Marketing	1	79	79	98.9%	56	(55)	(98.4%)	257	397	\$ 140	35.4%	409	(153)	(37.3%)			
Commissions	22	17	(5)	(28.3%)	14	8	56.0%	123	81	\$ (42)	(51.2%)	94	29	31.5%			
Travel and Entertainment	1	33	32	95.5%	20	(19)	(92.7%)	56	162	\$ 105	65.1%	170	(113)	(66.7%)			
Rent and Facilities	23	29	5	18.1%	35	(11)	(32.1%)	104	129	\$ 25	19.7%	109	(5)	(4.4%)			
Insurance	17	16	(2)	(9.8%)	5	13	267.4%	88	83	\$ (5)	(5.7%)	24	64	265.7%			
Professional Fees	15	58	43	73.9%	25	(10)	(39.5%)	319	325	\$ 7	2.1%	114	205	179.9%			
Utilities, Repairs, Maint. & Security	0	3	3	85.4%	2	(2)	(78.7%)	8	17	\$ 9	52.0%	30	(21)	(71.7%)			
Office Supplies	7	10	3	31.3%	10	(4)	(36.3%)	59	47	\$ (12)	(26.0%)	56	3	5.2%			
IT	38	69	31	45.2%	33	5	14.0%	221	384	\$ 163	42.4%	172	49	28.2%			
Bad Debt	4	3	(1)	(17.6%)	1	3	477.3%	32	19	\$ (13)	(69.7%)	15	16	104.0%			
Real Estate Taxes	13	13	0	0.0%	28	(15)	(53.2%)	78	78	\$ 0	0.0%	95	(17)	(18.0%)			
Other Expenses	128	41	(87)	(208.8%)	28	100	352.7%	351	224	\$ (128)	(57.0%)	154	197	128.4%			
Total Opex	\$ 658	\$ 905	\$ 247	27.3%	\$ 600	\$ 58	9.6%	\$ 4,027	\$ 4,672	\$ 645	13.8%	\$ 3,257	\$ 769	23.6%			

Management Discussion:

COGS

- Material costs were lower than plan in the month due to higher material costs at Infinity more than offset by lower costs at Duraco.
- Direct Labor is lower than plan due to the reduction in labor hours at Duraco due to lower volume.

OPEX

- OPEX is favorable to plan due largely to timing of headcount additions, furloughs at Duraco, other cost savings, and IT expenses, partially offset by writing off the fraud at Infinity.

ADD-BACKS

- Add-backs relate to Covid 19 sick pay, the Infinity fraud, partially offset by the correction of an addback that was taken in April.

Pro Forma Adjusted EBITDA

- PF Adj EBITDA further reduces Bank EBITDA for all incomplete plan headcount additions and IT expenses.

Consolidated Balance Sheet

\$'000	May-20		May-20		Variance		Apr-20		Variance		PY		Variance	
	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	\$	%	
Current Assets														
Cash and cash equivalents	\$ 2,605	\$ 305	\$ 2,300	754.7%	\$ 4,579	\$ (1,974)	(43.1%)	\$ 2,031	\$ 574	28.2%	-	-	-	0
Short term investments	-	-	-	0	-	-	-	0	-	-	-	-	-	0
Accounts receivable, gross	6,048	7,141	(1,093)	(15.3%)	6,992	(944)	(13.5%)	7,026	(978)	(13.9%)	-	-	-	0
Accounts receivable, reserves	(163)	(130)	(33)	25.7%	(159)	(4)	2.6%	(87)	(76)	88.0%	-	-	-	0
Accounts receivable, net	5,885	7,012	(1,127)	(16.1%)	6,834	(948)	(13.9%)	6,940	(1,055)	(15.2%)	-	-	-	0
Inventory, gross	7,367	7,484	(117)	(1.6%)	7,366	1	0.0%	7,504	(137)	(1.8%)	-	-	-	0
Inventory, reserves	(1,076)	(1,023)	(54)	5.3%	(1,061)	(15)	1.4%	(1,028)	(49)	4.7%	-	-	-	0
Inventory, net	6,290	6,461	(170)	(2.6%)	6,305	(14)	(0.2%)	6,476	(186)	(2.9%)	-	-	-	0
Prepaid expenses and other current assets	421	410	11	2.7%	561	(140)	(24.9%)	235	186	79.1%	-	-	-	0
Current portion of deferred taxes	-	-	-	0	-	-	-	0	-	-	-	-	-	0
Other current assets	-	-	-	0	-	-	-	0	684	(684)	(100.0%)	-	-	-
Total Current Assets	15,201	14,187	1,014	7.1%	18,278	(3,077)	(16.8%)	16,366	(1,164)	(7.1%)	-	-	-	-
Non-Current Assets														
Property, plant & equipment, gross	14,698	15,043	(345)	(2.3%)	14,643	55	0.4%	22,813	(8,114)	(35.6%)	-	-	-	0
Accumulated depreciation	(2,540)	(2,545)	5	(0.2%)	(2,459)	(81)	3.3%	(9,181)	6,641	(72.3%)	-	-	-	0
Property, plant & equipment, net	12,158	12,499	(341)	(2.7%)	12,184	(26)	(0.2%)	13,631	(1,473)	(10.8%)	-	-	-	0
Identifiable intangible assets, gross	4,694	4,606	88	1.9%	4,606	88	1.9%	700	3,994	570.4%	-	-	-	0
Accumulated amortization	(5,268)	(5,268)	-	0.0%	(4,789)	(479)	10.0%	(17,165)	11,897	(69.3%)	-	-	-	0
Identifiable intangible assets, net	56,896	56,808	88	0.2%	57,375	(479)	(0.8%)	36,029	20,867	57.9%	-	-	-	0
Deferred financing cost	-	-	-	0	-	-	-	0	-	-	-	-	-	0
Other non-current assets	5,234	5,234	0	0	5,234	-	0.0%	-	5,234	0	-	-	-	0
Total Non-Current Assets	74,289	69,307	4,982	7.2%	74,794	(505)	(0.7%)	49,661	24,628	49.6%	-	-	-	-
Total Assets	\$ 89,490	\$ 83,494	\$ 5,996	7.2%	\$ 93,071	\$ (3,581)	(3.8%)	\$ 66,026	\$ 23,464	35.5%	-	-	-	-
Current Liabilities														
Current portion of long-term debt	1,100	\$ 1,739	\$ (639)	(36.7%)	\$ 1,100	\$ -	0.0%	\$ -	\$ 1,100	0	-	-	-	-
Notes Payable	4,488	542	3,945	727.3%	7,237	(2,749)	(38.0%)	-	4,488	0	-	-	-	-
Accounts payable	2,525	2,631	(107)	(4.1%)	2,954	(429)	(14.5%)	2,503	22	0.9%	-	-	-	-
Accrued liabilities	2,360	1,706	654	38.3%	2,197	163	7.4%	1,453	907	62.4%	-	-	-	-
Accrued compensation	-	-	-	0	-	-	-	0	-	-	-	-	-	0
Income taxes payable	0	(295)	295	(100.1%)	0	-	0.0%	-	0	0	-	-	-	0
Other current liabilities	263	277	(14)	(5.1%)	263	-	0.0%	-	263	0	-	-	-	-
Total Current Liabilities	10,736	6,601	4,134	62.6%	13,751	(3,016)	(21.9%)	3,956	6,780	171.4%	-	-	-	-
Long-term Liabilities														
Long-term debt less current maturities	41,297	39,380	1,917	4.9%	41,297	-	0.0%	-	41,297	0	-	-	-	-
Deferred income taxes	-	-	-	0	-	-	-	0	-	-	-	-	-	0
Other non-current liabilities	964	1,008	(44)	(4.3%)	965	(1)	(0.1%)	-	964	0	-	-	-	-
Total Long-Term Liabilities	42,261	40,388	1,873	4.6%	42,262	(1)	(0.0%)	-	42,261	0	-	-	-	-
Total Liabilities	52,996	46,989	6,007	12.8%	56,013	(3,017)	(5.4%)	3,956	49,041	1239.8%	-	-	-	-
Shareholders' Equity														
Common stock	43,501	43,501	-	0.0%	43,501	-	0.0%	55,578	(12,077)	(21.7%)	-	-	-	-
Capital in excess of stated value	-	-	-	0	-	-	0	-	-	0	-	-	-	-
Retained earnings	(7,007)	(6,996)	(11)	0.2%	(6,443)	(564)	8.8%	4,978	(11,986)	(240.8%)	-	-	-	-
Accumulated other comprehensive income	-	-	-	0	-	-	0	1,821	(1,821)	(100.0%)	-	-	-	-
Other equity transactions	-	-	-	0	-	-	0	(307)	307	(100.0%)	-	-	-	-
Total Shareholders' Equity	36,494	36,505	(11)	(0.0%)	37,058	(564)	(1.5%)	62,071	(25,577)	(41.2%)	-	-	-	-
Total Liabilities and Shareholders' Equity	\$ 89,490	\$ 83,494	\$ 5,996	7.2%	\$ 93,071	\$ (3,581)	(3.8%)	\$ 66,026	\$ 23,464	35.5%	-	-	-	-

Management Discussion:

- Excluding the \$4m revolver draw, cash is slightly higher than budget due to higher EBITDA in the previous periods and recent cash savings programs.
- A/R, is lower than plan and PY due to the lower revenue at Duraco in April and May partially offset by the increase at Infinity.
- Accounts payable is lower due to lower volume partially offset by higher restructuring costs.
- Depreciation and Amortization are both higher than plan due to some last-minute valuation changes with purchase accounting that were not reflected in the plan.

Consolidated Cashflow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$
Cash flow from operations																
Net Income (Loss)	\$ (564)	\$ (322)	(242)	75.0%	\$ —	\$ (564)	0	\$ (2,412)	\$ (2,068)	\$ (344)	16.6%	\$ 731,348	\$ (733,760)	(100.3%)		
Depreciation, amortization and other	560	560	(1)	(0.1%)	—	560	0	2,818	2,821	(3)	(0.1%)	208,392	(205,574)	(98.6%)		
Capitalized fees & expenses	21	19	1	6.1%	—	21	0	102	97	5	4.9%	—	102			
Gain (loss) on sale of fixed assets	—	—	—	—	—	—	0	8	—	8	0	—	8			
Non-cash interest expense	251	274	(23)	(8.5%)	(1)	252	(33806.7%)	1,281	1,336	(55)	(4.1%)	—	1,281			
Non-cash dividends	—	—	—	—	(2)	2	(100.0%)	—	—	—	—	(1,189,748)	1,189,748	(100.0%)		
Deferred income tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Change in operating assets and liabilities:</i>																
Accounts receivable	948	227	721	318.0%	439	510	116.3%	908	(529)	1,437	(271.6%)	98,963	(98,055)	(99.1%)		
Inventory	14	30	(16)	(53.1%)	(758)	772	(101.9%)	274	104	170	164.0%	218,005	(217,730)	(99.9%)		
Prepaid expenses and other current assets	140	103	36	35.3%	(1,652)	1,792	(108.5%)	(87)	(76)	(11)	14.5%	4,451,895	(4,451,982)	(100.0%)		
Accounts payable	(429)	(152)	(278)	183.2%	253	(683)	(269.6%)	(396)	(224)	(172)	76.8%	(399,040)	398,644	(99.9%)		
Accrued expenses	163	146	16	11.2%	107	56	52.6%	71	(338)	408	(121.0%)	(13,540)	13,611	(100.5%)		
Accrued income taxes	—	(92)	92	(100.0%)	—	—	—	—	(626)	626	(100.0%)	(5,891,843)	5,891,843	(100.0%)		
Other changes in operating assets and liabilities	—	—	—	—	(6,139)	6,139	(100.0%)	(63)	—	(63)	—	858,304	(858,367)	(100.0%)		
Other cash flow from operations	—	—	—	—	—	—	—	(1)	—	(1)	—	—	(1)	—	—	—
Total Cash Flow from Operations	\$ 1,102	\$ 795	\$ 308	38.8%	\$ (6,693)	\$ 7,796	(116.5%)	\$ 2,502	\$ 497	\$ 2,005	403.7%	\$ (927,266)	\$ 929,768	(100.3%)		
Cash flow from investing																
Additions to property, plant and equipment	\$ (55)	\$ (179)	\$ 124	(69.2%)	\$ 7,941	\$ (7,996)	(100.7%)	\$ (491)	\$ (828)	\$ 337	(40.7%)	\$ —	\$ (491)			
Acquisitions of companies, net of cash acquired	—	—	—	—	—	—	—	(5,095)	—	(5,095)	—	—	(5,095)			
Investment in intangibles	—	—	—	—	(25,100)	25,100	(100.0%)	—	—	—	—	—	—	—	—	—
Earnout payments	(22)	(22)	\$ —	0.0%	—	(22)	—	(65)	(65)	—	0.0%	—	(65)	—	—	—
Other cash flow from investing (goodwill)	—	—	—	—	—	—	—	—	—	—	—	540,670	(540,670)	(100.0%)		
Total Cash Flow from Investing	\$ (77)	\$ (201)	\$ 124		\$ (17,159)	\$ 17,083	(99.6%)	\$ (5,651)	\$ (893)	\$ (4,758)	533.1%	\$ —	\$ (5,651)			
Cash flow from financing																
Proceeds from the issuance (repayment) of ST	\$ (3,000)	\$ (400)	\$ (2,600)	650.0%	\$ —	\$ (3,000)	—	\$ 4,000	\$ 700	\$ 3,300	471.4%	\$ —	\$ 4,000			
Proceeds from the issuance of debt	—	—	—	—	42,474	(42,474)	(100.0%)	2,000	0	2,000	1249999927.9%	—	2,000			
Repayment of debt	—	—	—	—	—	—	—	(1,496)	(1,474)	(22)	1.5%	—	(1,496)			
Capital lease	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock issued (repurchased)	—	—	—	—	(16,186)	16,186	(100.0%)	(3)	—	(3)	—	(282,002)	281,999	(100.0%)		
Common stock cash dividends paid	—	—	—	—	(3,600)	3,600	(100.0%)	—	—	—	—	—	—	—	—	—
Preferred stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other cash flow from financing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Flow from Financing	\$ (3,000)	\$ (400)	\$ (2,600)	650.0%	\$ 22,688	\$ (25,688)	(113.2%)	\$ 4,501	\$ (774)	\$ 5,275	(681.2%)	\$ (282,002)	\$ 286,503	\$ (1)		
Effect of FX rates on cash and cash equivalents	\$ —	\$ —	\$ —		\$ (49)	\$ 49	(100.0%)	\$ (422)	\$ (200)	\$ (222)	111.0%	\$ 5,248	\$ (5,670)	\$ (1)		
Net change in cash	\$ (1,974)	\$ 193	\$ (2,168)	(1120.9%)	\$ (1,214)	\$ (760)	62.6%	\$ 930	\$ (1,370)	\$ 2,300	(167.9%)	\$ (663,349)	\$ 664,279	\$ (1)		
Beginning cash	4,579	111	4,468	4012.9%	1,368	3,211	234.8%	15,632	5,018	10,615	211.5%	2,759,221	(2,743,588)	(1)		
Change in cash	(1,974)	193	(2,168)	(1120.9%)	(1,214)	(760)	62.6%	930	(1,370)	2,300	(167.9%)	(663,349)	664,279	(1)		
Ending cash	\$ 2,605	\$ 305	\$ 2,300	754.7%	\$ 154	\$ 2,451	1596.4%	\$ 16,562	\$ 3,647	\$ 12,915	354.1%	\$ 2,095,871	\$ (2,079,309)	\$ (1)		

Management Discussion:

- Operating cashflow was better than plan due largely to the decrease in A/R partially offset by lower accounts payable
- \$3m payment was made on the revolver leaving \$4m to be paid.
- \$22k deferred comp payment is on the Earnout line in the investing section of the statement.

Consolidated OPEX Detail

\$'000

	YTD			Explanation of Variance				Variance Impact		
	Act	Bud	Variance B / (W)	One-Time / Non-recurring		Change in Run-rate	Other	Total Variance B / (W)	YoY Impact B / (W)	Annualized Impact B / (W)
				Timing						
Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options)	1,601	1,963	363		363			363	-	-
Benefits (Medical, Dental, Life, AD&D & 401K)	301	333	32					-	-	-
Bonus	430	430	0					-	-	-
Marketing	257	397	140					-	-	-
Commissions	123	81	(42)					-	-	-
Travel and Entertainment	56	162	105		105			105	-	-
Rent and Facilities	104	129	25					-	-	-
Insurance	88	83	(5)					-	-	-
Professional Fees	319	325	7		7			7	7	40
Utilities, Repairs, Maint. & Security	8	17	9					-	-	-
Office Supplies	59	47	(12)					-	-	-
IT	221	384	163		163			163	163	976
Bad Debt	32	19	(13)					-	-	-
Real Estate Taxes	78	78	0					-	-	-
Other Expenses	351	224	(128)					-	-	-
Total Opex	4,027	4,672	645	-	637	-	-	637	169	1,016

Management Discussion:

One-time costs

\$'000

	Act (06/19 - 05/20)	Fcst (06/19-05/20)	Variance F/(U)	Explanation of Variance								
				One-Time / Non-recurring	Timing	Change in Run-rate	Other	Original Fcst (06/19 - 06/20)	Updated Fcst (06/19 - 06/20)	Total Variance F/(U)	YoY Impact F/(U)	Annualized Impact F/(U)
Transaction Services Agreement (TSA)	\$ 983	\$ 813	\$ (170)	\$ (170)	\$ 1	\$ 182	-\$ 182	\$ 791	\$ 973	\$ (182)	\$ (182)	\$ (1,092.00)
Opening Balance Sheet audit	4	5	1	\$ 1	-\$ 1	-\$ 1	-\$ 1	12	8	4	4	24
Asset Valuation Report	34	40	6	\$ 6	-\$ 6	-\$ 6	-\$ 6	40	30	10	10	60
ERP Implementation	288	550	262	\$ 262	-\$ 262	-\$ 262	-\$ 262	550	490	60	60	360
Website Build	220	400	180	\$ 180	-\$ 180	-\$ 180	-\$ 180	350	350	-\$ 10	-\$ 10	-\$ 10
Data Analytics Platform	95	160	65	\$ 65	-\$ 65	-\$ 65	-\$ 65	160	106	54	54	360
IT System Upgrade	181	300	119	\$ 119	-\$ 119	-\$ 119	-\$ 119	300	352	(52)	(52)	(312)
Supply Chain Specialist	60	60	-\$ 10	\$ 10	-\$ 10	-\$ 10	-\$ 10	60	60	-\$ 10	-\$ 10	(60)
Pricing Specialist	-\$ 10	-\$ 10	-\$ 10	\$ 10	-\$ 10	-\$ 10	-\$ 10	-\$ 10	-\$ 10	-\$ 10	-\$ 10	-\$ 10
Sales Force Efficiency Specialist	144	120	(24)	\$ (24)	-\$ 24	-\$ 24	-\$ 24	134	119	15	15	90
MOR Setup	59	65	6	\$ 6	-\$ 6	-\$ 6	-\$ 6	40	37	3	3	18
HR Specialist	117	200	83	\$ 83	-\$ 83	-\$ 83	-\$ 83	147	122	25	25	150
Interim CFO Support Services	171	187	15	\$ 15	-\$ 15	-\$ 15	-\$ 15	171	171	-\$ 10	-\$ 10	-\$ 10
IT Specialist	167	105	(62)	\$ (62)	-\$ 62	-\$ 62	-\$ 62	126	156	(30)	(30)	(180)
Recruitment of new personnel	56	243	187	187	-\$ 187	-\$ 187	-\$ 187	-\$ 187	-\$ 187	-\$ 187	-\$ 187	-\$ 187
Marketing/product roadmap study	36	-\$ 10	(36)	\$ (36)	-\$ 36	-\$ 36	-\$ 36	-\$ 36	70	(70)	(70)	(420)
Rebranding	33	100	67	\$ 67	-\$ 67	-\$ 67	-\$ 67	75	50	25	25	150
Ceridian Implementation	1	-\$ 10	(1)	\$ (1)	-\$ 1	-\$ 1	-\$ 1	-\$ 1	25	(25)	-\$ 10	-\$ 10
Other Acquisition Cost	28	-\$ 10	(28)	\$ (28)	-\$ 28	-\$ 28	-\$ 28	-\$ 28	-\$ 28	-\$ 28	-\$ 28	-\$ 28
Growth & Strategy (Beckway)	155	-\$ 10	(155)	\$ (155)	-\$ 155	-\$ 155	-\$ 155	-\$ 155	-\$ 155	-\$ 155	-\$ 155	-\$ 155
Other	5	-\$ 10	(5)	\$ (5)	-\$ 5	-\$ 5	-\$ 5	-\$ 5	5	5	5	30
Infinity Restructuring Costs	54	50	(4)	\$ (4)	-\$ 4	-\$ 4	-\$ 4	-\$ 4	120	120	120	720
Total 1x Costs	\$ 2,890	\$ 3,398	\$ 507	\$ 320	\$ 187	\$ 120	\$ 120	\$ 3,081	\$ 3,119	\$ (38)	\$ (67)	\$ (462)

Management Discussion:

- Restructuring costs for Duraco will be \$3m at the end of June 2020, which maximizes the amount allowed in the credit agreement.

Debt Leverage Ratios – May 2020

May 19 Jun 19 Jul 19 Aug 19 Sep 19 Oct 19 Nov 19 Dec 19 Jan 20 Feb 20 Mar 20 Apr 20 May 20

Bank EBITDA Calculation

	\$778	\$868	\$945	\$1,062	\$999	\$1,629	\$971	\$533	\$713	\$825	\$864	\$841	\$700
Consolidated TTM Bank EBITDA	\$10,005	\$10,049	\$10,045	\$10,190	\$10,378	\$10,803	\$10,853	\$10,603	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950
Fixed Charge Coverage Ratio (Section 6.1)													
Bank EBITDA	\$778	\$868	\$945	\$1,062	\$999	\$1,629	\$971	\$533	\$713	\$825	\$864	\$841	\$700
i - Unfinanced Capital Expenditures	\$ 30	\$ 33	\$ 14	\$ 14	\$ 63	\$ 80	\$ 242	\$ 60	\$ 39	\$ 330	\$ 42	\$ 38	\$ 55
ii - Management Fees paid or incurred	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
iii - Income/franchise taxes paid or incurred	-	-	-	-	-	-	-	-	-	-	-	-	-
iv - Restricted Distributions paid in cash	-	-	-	-	-	-	-	-	-	-	-	1	2
v - Contingent Purchase Price Obligations paid in cash	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow (Numerator)	\$664	\$751	\$848	\$965	\$853	\$1,465	\$646	\$389	\$591	\$411	\$739	\$718	\$559
Interest Expense Less: Interest Received	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285	\$ 285
a Net Cash Interest	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285	\$285
b Regularly scheduled principal payments	\$ -	\$ 278	\$ -	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ 278	\$ -	\$ -
Fixed Charges (Denominator)	\$ 285	\$ 563	\$ 285	\$ 285	\$ 285	\$ 563	\$ 285	\$ 563	\$ 285	\$ 285	\$ 563	\$ 285	\$ 285
TTM Numerator	\$ 8,392	\$ 8,362	\$ 8,387	\$ 8,561	\$ 8,729	\$ 9,117	\$ 8,968	\$ 8,701	\$ 8,943	\$ 8,900	\$ 9,123	\$ 9,041	\$ 8,936
TTM Denominator	\$ 3,678	\$ 4,240	\$ 4,240	\$ 4,240	\$ 4,240	\$ 4,240	\$ 4,518	\$ 4,518	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530	\$ 4,530
Fixed Charge Coverage Ratio	N/A	N/A	N/A	N/A	2.06	2.02	1.99	1.92	1.97	1.96	2.01	2.00	1.97
Covenant Status	Pass			1.10 Pass			1.10 Pass			1.10 Pass			1.10 Pass
Total Debt to EBITDA Ratio (Section 6.2)													
+ Outstanding amount of Revolving Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 7,000	\$ 7,000	\$ 4,000
+ Outstanding Principal Balance - Term Loan	-	\$42,474	\$42,474	\$42,474	\$42,474	\$41,359	\$41,359	\$41,099	\$41,099	\$43,099	\$42,679	\$42,397	\$42,397
+ Outstanding Principal Balance - Other Debt	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
- Qualified Cash	-	(765)	(1,366)	(1,922)	(2,353)	(1,165)	(1,528)	(1,609)	(2,078)	(1,445)	(3,000)	(2,916)	(2,605)
Bank Debt	\$ -	\$41,709	\$41,108	\$40,552	\$40,121	\$40,194	\$39,831	\$39,490	\$39,021	\$47,155	\$47,979	\$47,780	\$45,092
Consolidated TTM Bank EBITDA	\$10,005	\$10,049	\$10,045	\$10,190	\$10,378	\$10,803	\$10,853	\$10,603	\$10,796	\$10,995	\$11,172	\$11,028	\$10,950
Leverage Ratio	N/A	4.15	4.09	3.98	3.87	3.72	3.67	3.72	3.61	4.29	4.29	4.33	4.12
Maximum Permitted Total Debt to EBITDA Ratio for the defined period.	6.25 Pass			6.25 Pass			6.00 Pass						
Status	Pass												

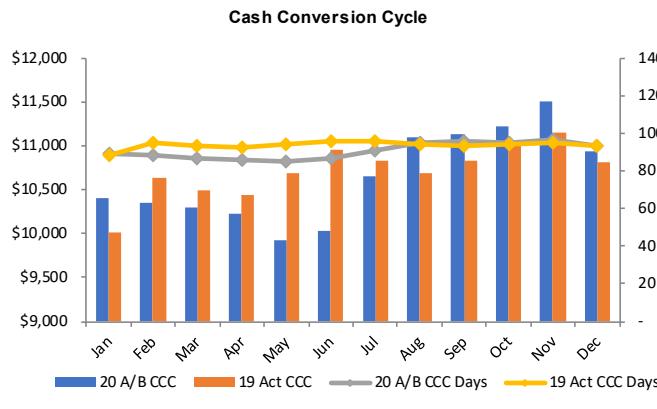
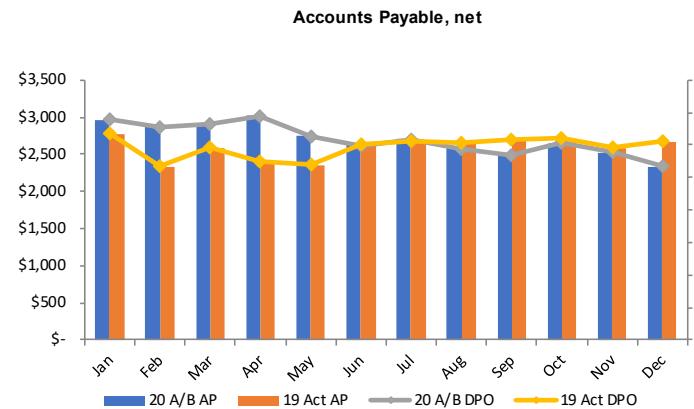
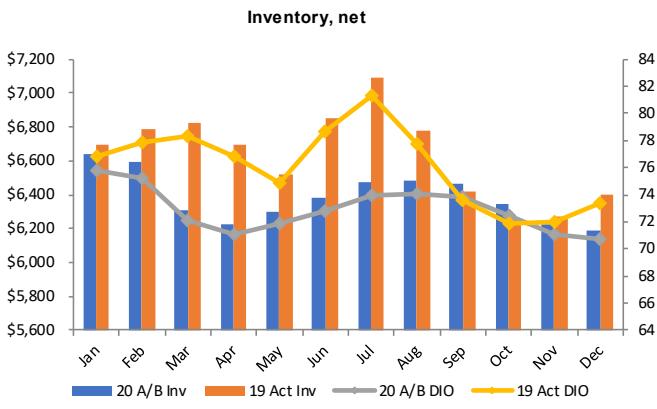
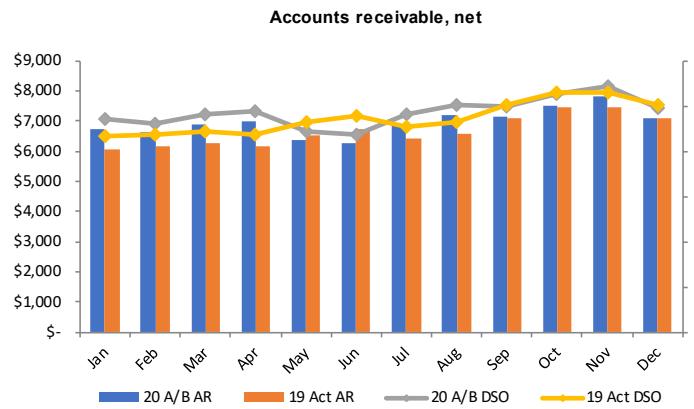
Management Discussion:

- Duraco is well within all covenants.
- The line items have been annualized per page 10 of Exhibit C of the amended credit agreement.
 - Interest Payments
 - Scheduled payments of principal
 - Management Fees
 - Cash Taxes paid

Consolidated 13 Week Cash Forecast

	W/E	6/13/20	Act 6/13/20	6/20/20	6/27/20	7/4/20	7/11/20	7/18/20	7/25/20	8/1/20	8/8/20	8/15/20	8/22/20	8/29/20	9/5/20	9/12/20	9/19/20
Beginning Cash Balance		3,492,984	3,492,984	4,015,978	3,060,385	2,951,538	1,717,686	1,749,213	1,846,336	1,675,057	1,843,068	1,815,696	1,947,757	2,057,368	2,117,801	1,945,241	1,867,108
Total Cash Inflow		893,200	1,045,105	988,665	854,668	822,314	733,285	624,130	806,546	812,200	756,111	682,396	933,981	758,713	553,847	476,011	548,428
Cash Outflow																	
Accounts Payable		420,007	236,994	506,557	415,164	352,557	403,057	404,307	404,307	446,914	454,807	369,307	391,807	467,614	409,107	391,807	411,807
Payroll		245,000	244,015	85,000	245,000	85,000	245,000	85,000	245,000	85,000	256,600	96,600	256,600	96,600	263,600	96,600	262,600
Union Benefits		-	18,544	-	62,000	-	-	-	62,000	-	-	-	-	62,000	-	-	-
Non-Union Benefits		2,000	2,486	17,000	-	66,450	-	2,000	17,000	66,450	-	2,000	17,000	-	-	2,000	-
401K		18,700	14,444	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700	700	18,700
Deferred Comp		-	-	-	21,366	-	-	-	21,366	-	-	-	-	21,366	-	-	-
Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPEX		45,790	5,628	-	71,285	20,250	-	-	154,452	10,125	3,375	46,728	105,263	-	-	28,037	-
Term Loan Interest Payments		-	-	-	-	772,000	-	-	-	-	-	-	-	-	-	-	-
Term Loan Payments		-	-	-	-	275,000	-	-	-	-	-	-	-	-	-	-	-
Revolver Interest Payments		-	-	-	-	81,875	-	-	-	-	-	-	-	-	-	-	-
Revolver Payments		-	-	1,300,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Unused Line Fee Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OGC Quarterly Management Fee Payment		-	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-
One Time Costs		55,000	-	35,000	130,000	152,334	35,000	35,000	55,000	35,000	50,000	35,000	35,000	50,000	35,000	35,000	35,000
Total Cash Outflow		786,497	522,111	1,944,257	963,515	2,056,166	701,757	527,007	977,825	644,189	783,482	550,335	824,370	698,280	726,407	554,144	728,107
Net Cash Flow from Operations		152,493	528,622	344,407	(37,562)	(84,727)	31,527	97,123	(16,827)	178,135	(23,996)	178,789	214,874	60,433	(172,560)	(50,096)	(179,679)
Net Cash Flow from Investing		(45,790)	(5,628)	-	(71,285)	(20,250)	-	-	(154,452)	(10,125)	(3,375)	(46,728)	(105,263)	-	-	(28,037)	-
Net Cash Flow from Financing		-	-	(1,300,000)	-	(1,128,875)	-	-	-	-	-	-	-	-	-	-	-
Weekly Cash Inflow/(Outflow)		106,703	522,994	(955,593)	(108,847)	(1,233,852)	31,527	97,123	(171,279)	168,010	(27,371)	132,061	109,611	60,433	(172,560)	(78,133)	(179,679)
Ending Cash Balance		3,599,687	4,015,978	3,060,385	2,951,538	1,717,686	1,749,213	1,846,336	1,675,057	1,843,068	1,815,696	1,947,757	2,057,368	2,117,801	1,945,241	1,867,108	1,687,429
Outstanding Checks		(510,000)	(876,579)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)
Net Available Cash		3,089,687	3,139,399	2,550,385	2,441,538	1,207,686	1,239,213	1,336,336	1,165,057	1,333,068	1,305,696	1,437,757	1,547,368	1,607,801	1,435,241	1,357,108	1,177,429
Term Loan Balance		42,679,337	42,679,337	42,679,337	42,679,337	42,679,337	42,679,338	42,679,339	42,679,340	42,679,340	42,679,340	42,679,340	42,679,340	42,679,340	42,679,340	42,679,340	42,679,340
Revolver Balance		4,000,000	4,000,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Total Debt - LBC		46,679,337	46,679,337	45,379,337	45,379,337	45,379,337	45,379,338	45,379,339	45,379,340	45,379,340	45,379,340	45,379,340	45,379,340	45,379,340	45,379,340	45,379,340	45,379,340
Available Revolver		3,000,000	3,000,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000

Consolidated Working Capital and Cash Conversion Cycle



Management Discussion:

- 2020 CCC days have improved compared to PY due largely to lower inventory balances and higher A/P partially offset by higher A/R.
- 2020 A/P is higher than 2019 due largely to increased restructuring costs. This will begin to reduce when restructuring activities decline.
- Inventory has outperformed 2019 due to improvements in the stock model and an increased focus on reducing inventory.

Information Systems and Technology

Status of Key IT Initiatives

STATUS UPDATE: PROJECT DETAILS

PROJECT	STATUS	CURRENT STATUS & NEXT STEPS	TIMING	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
Infrastructure	●	<ul style="list-style-type: none"> VPN is completed. Endpoint print server will be updated as people return to the office starting 6/22. Also starting 6/22 the data on the network shares will be moved to SharePoint. 	Q1 2020	N/A	N/A
ERP	●	<ul style="list-style-type: none"> Project in process. Bartender and warehouse integration is continuing to move forward. Pilot Intermec barcode scanners are in-house and ready for trial. Go live August 3. 	Q2 2020	N/A	N/A
Enterprise applications (other than ERP)	●	<ul style="list-style-type: none"> Bartender is installed and printing. Bartender integration is ongoing as well as user training and familiarization. CRM on hold until ERP further along. 	Q4 2020	N/A	N/A
Telephony	●	<ul style="list-style-type: none"> Backend programming is completed. Currently waiting on AT&T to provide CSRs for the lines that Essentra did not port to Masergy. Verizon transfer of ownership has been completed and we are now working through the process of waiving existing contract terms to acquire new phones. 	Q1 2020	N/A	N/A
End-points	●	<ul style="list-style-type: none"> All the replacement laptops have been completed. We are now starting on the desktops; followed by refurbishing the replaced desktops and deploying out to the plant. Based upon a combination of operating system and resource usage priority. Delayed due to budget cuts. 	Q2 2020	N/A	N/A

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

Management and Governance

Governance Organization

Board of Managers

- Andrew Nikou
- Paul Bridwell
- Vinay Menon
- David Danelz

Audit Committee

- Shawn Haghghi
- Paul Bridwell
- Brad Schechtman

2019 Auditors

- Baker Tilly
- Yunis Altahami – Partner

Anonymous Hotline

- Navex is live via Duraco.ethicspoint.com

A) Requests for waivers or out-of-the-ordinary course approvals under the Internal Control and Corporate Governance Matrix, Code of Ethics or any internal control:	None
B) Any conflicts of interest or the appearance of any such conflict or potential conflict:	None
C) Any actual or apparent weakness or inadequacy in the Company's policies of internal controls and financial reporting:	None
D) Any reports or complaints regarding accounting, internal accounting controls or auditing matters.	

Consolidated Full year outlook and P&L

\$'000	YTD		Variance		FY		PY		Variance		TTM	
	Act	Bud	\$	%	Act		Act		\$	%	\$	
Gross Revenue	\$ 20,472	\$ 21,632	\$ (1,160)	(5.4%)	\$ 53,728	\$ 51,606	\$ 2,122	4.1%	\$ 50,695			
Net Revenue	20,381	21,503	(1,122)	(5.2%)	53,410	51,414	1,996	3.9%	50,533			
Material	7,282	7,581	299	3.9%	18,858	18,990	(133)	(0.7%)	18,474			
	35.7%	35.3%	(0)	(1.3%)	35.3%	36.9%			36.6%			
Labor	2,320	2,454	134	5.5%	5,879	5,671	207	3.7%	5,635			
	11.4%	11.4%	0	0.2%	11.0%	11.0%			11.2%			
Other COGS	3,090	3,209	118	3.7%	7,790	7,144	645	9.0%	7,282			
Total COGS	12,692	13,244	551	4.2%	32,526	31,806	720	2.3%	31,391			
Gross Margin	7,689	8,259	(570)	(6.9%)	20,884	19,608	1,276	6.5%	19,142			
Gross Margin %	37.7%	38.4%			39.1%	38.1%			37.9%			
R&D	79	177	98	55.1%	407	313	95	30.3%	263			
Sales & Marketing	1,750	2,196	446	20.3%	5,398	4,490	908	20.2%	4,365			
Administrative	2,098	2,299	201	8.7%	5,547	5,732	(185)	(3.2%)	6,578			
Other Opex	99	—	(99)	0	—	31	(31)	(100.0%)	130			
Total Opex	4,027	4,672	645	13.8%	11,352	10,565	787	7.4%	11,335			
EBITDA	3,662	3,587	75	2.1%	9,532	9,043	489	5.4%	7,807			
EBITDA %	18.0%	16.7%			17.8%	17.6%			15.4%			
Bank allowable EBITDA add-b:	282	123	159	128.9%	207	1,727	(1,520)	(88.0%)	3,144			
Bank EBITDA	3,944	3,710	234	6.3%	9,739	10,770	(1,032)	(9.6%)	10,951			
(Standalone Costs)	(591)	(58)	(533)	(14.5%)	(13)	(1,453)	1,440	(99.1%)	(1,684)			
PF Adjusted EBITDA	3,353	3,652	(300)	-8%	9,726	9,317	409	4.4%	9,268			
Indicative %												
Net Income (Loss)	\$ (2,412)	\$ (2,068)	\$ (344)	16.6%	\$ (3,128)	\$ 662	\$ (3,790)	(572.9%)	\$ (5,590)			

\$'000	YTD		Variance		PY		Variance		TTM	
	Act	Bud	\$	%	Bud	Act	\$	%	\$	
Opex Overview:										
Payroll (Payroll, OT, SS & Taxes, \$	1,601	\$ 1,963	363	18.5%	\$ 4,874	\$ 3,638	\$ 1,236	34.0%	\$ 3,859	
Benefits (Medical, Dental, Life, .	301	333	32	9.7%	840	649	190	29.3%	701	
Bonus	430	430	0	0.0%	1,031	548	484	88.3%	791	
Marketing	257	397	140	35.4%	953	898	55	6.1%	745	
Commissions	123	81	(42)	(51.2%)	234	233	1	0.4%	263	
Travel and Entertainment	56	129	73	56.3%	344	233	111	47.8%	181	
Rent and Facilities	104	162	58	35.9%	396	312	84	26.9%	246	
Insurance	88	83	(5)	(5.7%)	204	124	80	64.4%	188	
Professional Fees	319	325	7	2.1%	706	453	253	55.9%	658	
Utilities, Repairs, Maint. & Secu	8	17	9	52.0%	42	49	(7)	(13.9%)	28	
Office Supplies	59	47	(12)	(26.0%)	114	155	(41)	(26.7%)	158	
IT	221	384	163	42.4%	874	389	485	124.5%	438	
Bad Debt	32	19	(13)	(69.7%)	44	51	(7)	(14.2%)	67	
Real Estate Taxes	78	78	0	0.0%	176	209	(32)	(15.5%)	191	
Other Expenses	351	224	(128)	(57.0%)	520	2,624	(2,105)	(80.2%)	2,822	
Total Opex	\$ 4,027	\$ 4,672	\$ 645	13.8%	\$ 11,352	\$ 10,565	\$ 787	7.4%	\$ 11,335	

Consolidated Monthly P&L

\$'000													FY (5+7)		FY		Var										
	20-Jan		20-Feb		20-Mar		20-Apr		20-May		20-Jun		20-Jul		20-Aug		20-Sep		20-Oct		20-Nov		20-Dec		Act	Bud	\$
Gross Revenue	\$ 4,317	\$ 3,997	\$ 4,304	\$ 4,499	\$ 3,356	\$ 4,274	\$ 4,543	\$ 4,486	\$ 4,464	\$ 5,763	\$ 4,422	\$ 4,145	\$ 52,568	\$ 53,728	\$ (1,160)	(2.2%)											
Net Revenue	4,301	3,973	4,279	4,489	3,338	4,249	4,517	4,459	4,438	5,730	4,394	4,119	52,288	53,410	(1,122)	(2.1%)											
Material	1,564	1,369	1,526	1,641	1,181	1,487	1,616	1,581	1,563	2,003	1,577	1,449	18,559	18,858	(299)	(1.6%)											
36.4%	34.5%	35.7%	36.6%	35.4%	35.0%	35.8%	35.5%	35.2%	35.0%	35.9%	35.2%	35.5%	35.5%	35.3%	35.5%	26.7%											
Labor	538	442	450	546	344	475	507	453	450	567	462	511	5,745	5,879	(134)	(2.3%)											
12.5%	11.1%	10.5%	12.2%	10.3%	11.2%	11.2%	10.2%	10.1%	9.9%	10.5%	12.4%	11.0%	11.0%	11.9%	11.0%												
Other COGS	649	603	631	658	550	628	662	611	627	796	610	648	7,671	7,790	(118)	(1.5%)											
Total COGS	2,751	2,415	2,607	2,846	2,075	2,591	2,786	2,646	2,640	3,366	2,649	2,608	31,980	32,526	(546)	(1.7%)											
Gross Margin	1,550	1,558	1,673	1,643	1,263	1,659	1,731	1,813	1,799	2,364	1,745	1,511	20,308	20,884	(576)	(2.8%)											
Gross Margin %	36.0%	39.2%	39.1%	36.6%	37.8%	39.0%	38.3%	40.6%	40.5%	41.3%	39.7%	36.7%	38.8%	39.1%													
R&D	27	13	13	18	9	32	35	30	31	37	30	35	310	407	(98)	(24.0%)											
Sales & Marketing	377	365	412	423	173	452	472	433	432	510	437	469	4,956	5,398	(442)	(8.2%)											
Administrative	442	377	431	472	376	431	461	432	426	521	446	454	5,270	5,547	(277)	(5.0%)											
Other Opex	–	(2)	1	–	100	–	100	–	–	–	–	–	199	–	199												
Total Opex	846	753	857	913	658	915	1,068	895	889	1,069	914	958	10,735	11,352	(618)	(5.4%)											
EBITDA	704	805	816	730	605	744	663	918	910	1,295	831	553	9,573	9,532	42	0.4%											
EBITDA %	16.4%	20.3%	19.1%	16.3%	18.1%	17.5%	14.7%	20.6%	20.5%	22.6%	18.9%	13.4%	18.3%	17.8%	0.5%												
Bank allowable EBITDA add-backs	9	20	48	111	94	–	–	–	–	–	–	–	282	207	75	36.0%											
Bank EBITDA	713	825	864	841	700	744	764	918	911	1,296	831	553	9,961	9,739	222	2.3%											
(Standalone Costs)	(129)	(115)	(80)	(140)	(127)	–	–	–	45	–	–	–	(546)	(13)	(533)	4117.2%											
PF Adjusted EBITDA	584	710	785	701	573	744	764	918	956	1,296	831	553	9,415	9,726	(311)	(3.2%)											
Indicative %															0												
Net Income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (232)	\$ (505)	\$ (85)	\$ (43)	\$ 262	\$ (88)	\$ (297)	\$ (3,400)	\$ (3,128)	\$ (272)	8.7%											

\$'000													FY (2+11)		FY		Var	
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Act	Bud	\$	%		
Opex Overview:																		
Payroll (Payroll, OT, SS & Taxes, Temp)	368	317	304	361	250	398	412	367	363	453	367	432	4,391	\$ 4,874	\$ (483)	(9.9%)		
Benefits (Medical, Dental, Life, AD&D)	54	63	68	65	51	66	76	68	68	82	68	70	798	840	(42)	(5.0%)		
Bonus	86	86	86	86	86	86	86	86	86	86	86	86	1,031	1,031	(0)	(0.0%)		
Marketing	79	79	79	17	1	79	79	79	79	79	79	79	812	953	(140)	(14.7%)		
Commissions	15	15	31	39	22	18	18	25	24	66	41	22	339	234	105	44.7%		
Travel and Entertainment	23	10	26	(4)	1	31	39	31	31	40	34	30	291	344	(53)	(15.4%)		
Rent and Facilities	18	18	21	23	23	31	31	31	31	31	31	31	318	396	(78)	(19.6%)		
Insurance	18	15	17	21	17	16	20	16	16	20	16	16	208	204	5	2.3%		
Professional Fees	36	46	91	130	15	53	56	53	53	56	53	53	694	706	(12)	(1.7%)		
Utilities, Repairs, Maint. & Security	3	1	1	3	0	3	4	3	3	4	3	3	33	42	(9)	(21.5%)		
Office Supplies	11	10	16	15	7	10	9	10	10	10	10	10	126	114	12	10.7%		
IT	46	41	51	44	38	69	70	69	69	73	70	70	711	874	(163)	(18.6%)		
Bad Debt	12	(3)	3	16	4	3	4	3	3	4	3	3	57	44	13	29.5%		
Real Estate Taxes	20	16	13	16	13	13	16	13	13	16	13	13	176	176	(0)	(0.0%)		
Other Expenses	55	39	48	80	128	39	48	41	39	48	41	40	647	520	128	24.5%		
Total Opex	\$ 846	\$ 753	\$ 857	\$ 913	\$ 658	\$ 915	\$ 968	\$ 895	\$ 889	\$ 1,069	\$ 914	\$ 958	\$ 10,634	\$ 11,352	\$ (718)	(6.3%)		

Consolidated Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var	PY	Var		
	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	5 m Act + 7 Bud	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 704	\$ 805	\$ 816	\$ 730	\$ 605	\$ 132	\$ 38	\$ 430	\$ 648	\$ 1,065	\$ 680	\$ 482	\$ 7,136	\$ 9,532	\$ (2,396)	(25.1%)	\$ 9,043	\$ (1,907)	(21.1%)
Depreciation and amortization	(569)	(570)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(560)	(6,740)	(6,743)	3	(0.0%)	(4,668)	(2,073)	44.4%
Interest and amortization	(281)	(277)	(296)	(257)	(272)	(267)	(275)	(275)	(275)	(272)	(264)	(272)	(3,284)	(3,431)	147	(4.3%)	(1,784)	(1,500)	84.0%
Other financial income/expense	(0)	(1)	(0)	(0)	0	–	–	–	–	–	–	–	(2)	–	(2)	N/A	31	(33)	(106.5%)
Non-financial income/expense	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	(8)	8	(100.0%)
Monitoring fees (including expenses)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(1,000)	(1,000)	0	(0.0%)	(500)	(500)	100.0%
Restructuring costs	(171)	(360)	(440)	(229)	(255)	(175)	(489)	(86)	(34)	(16)	(19)	(16)	(2,289)	(2,383)	94	(4.0%)	(1,452)	(837)	57.6%
Non-recurring items	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,383)	2,383	(100.0%)	(0)	0	(100.0%)
Taxes	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	0	(0)	(100.0%)
GAAP Net Income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (954)	\$ (1,370)	\$ (575)	#####	\$ 133	\$ (247)	\$ (449)	\$ (6,179)	\$ (6,408)	\$ 229	(3.6%)	\$ 662	\$ (6,841)	(1034.0%)

Management Discussion

Consolidated Monthly Balance Sheet

\$'000	20-Jan Act	20-Feb Act	20-Mar Act	20-Apr Act	20-May Act	20-Jun Bud	20-Jul Bud	20-Aug Bud	20-Sep Bud	20-Oct Bud	20-Nov Bud	20-Dec Bud	FY Bud	PY Act
Current Assets														
Cash and cash equivalents	2,206	1,659	5,513	4,579	2,605	269	206	26	720	189	934	1,767	1,767	1,675
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accounts receivable, gross	6,805	6,731	7,330	6,992	6,048	6,761	7,251	7,382	7,194	8,112	7,741	6,672	6,672	6,924
Accounts receivable, reserves	(142)	(140)	(142)	(159)	(163)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)
Accounts receivable, net	6,663	6,592	7,187	6,834	5,885	6,631	7,121	7,253	7,064	7,983	7,612	6,542	6,542	6,793
Inventory, gross	7,724	7,503	7,189	7,366	7,367	7,509	7,534	7,469	7,419	7,269	7,219	7,219	7,219	7,570
Inventory, reserves	(1,017)	(1,026)	(1,041)	(1,061)	(1,076)	(1,038)	(1,058)	(973)	(988)	(1,008)	(1,023)	(1,033)	(1,033)	(1,005)
Inventory, net	6,707	6,477	6,148	6,305	6,290	6,471	6,476	6,496	6,431	6,261	6,196	6,186	6,186	6,565
Prepaid expenses and other current assets	474	385	327	561	421	266	510	436	350	483	423	320	320	333
Current portion of deferred taxes	5,612	5,579	5,583	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	5,797	—
Other current assets	285	331	222	—	—	—	—	—	—	—	—	—	—	—
Total Current Assets	16,049	15,113	19,175	18,278	15,201	13,637	14,313	14,211	14,565	14,916	15,165	14,816	14,816	15,366
Non-Current Assets														
Property, plant & equipment, gross	15,328	14,564	14,605	14,643	14,698	15,204	15,306	15,391	15,469	15,494	15,519	15,563	15,563	15,359
Accumulated depreciation	(2,549)	(2,298)	(2,378)	(2,459)	(2,540)	(2,621)	(2,703)	(2,784)	(2,866)	(2,947)	(3,029)	(3,110)	(3,110)	(2,524)
Property, plant & equipment, net	12,779	12,266	12,227	12,184	12,158	12,582	12,603	12,607	12,604	12,547	12,491	12,453	12,453	12,834
Identifiable intangible assets, gross	700	4,694	4,694	4,606	4,694	4,606	—	—	—	—	—	—	—	—
Accumulated amortization	(3,701)	(3,831)	(4,310)	(4,789)	(5,268)	(5,747)	(6,226)	(6,705)	(7,184)	(7,663)	(8,142)	(8,621)	(8,621)	(3,217)
Identifiable intangible assets, net	54,470	58,333	57,854	57,375	56,896	56,329	55,850	55,371	54,892	54,413	53,935	53,456	53,456	54,954
Deferred financing cost	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other non-current assets	—	5,234	5,234	5,234	5,234	—	—	—	—	—	—	—	—	—
Total Non-Current Assets	67,249	75,834	75,315	74,794	74,289	68,911	68,453	67,978	67,496	66,961	66,425	65,909	65,909	67,788
Total Assets	\$ 83,298	\$ 90,947	\$ 94,490	\$ 93,071	\$ 89,490	\$ 82,549	\$ 82,767	\$ 82,189	\$ 82,061	\$ 81,877	\$ 81,590	\$ 80,725	\$ 80,725	\$ 83,155
Current Liabilities														
Current portion of long-term debt	1,462	1,462	1,100	1,100	1,100	1,739	2,089	1,589	1,039	1,039	1,039	1,039	1,039	1,462
Notes Payable	261	3,318	7,794	7,237	4,488	(0)	275	547	806	266	524	—	—	—
Accounts payable	3,016	2,736	3,084	2,954	2,525	2,708	2,689	2,457	2,511	2,788	2,265	2,408	2,408	2,921
Accrued liabilities	2,564	2,542	2,247	2,197	2,360	1,808	2,105	2,104	2,275	2,253	2,344	2,525	2,525	2,289
Accrued compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Income taxes payable	0	0	0	0	0	(363)	(521)	(538)	(541)	(452)	(473)	(566)	(566)	0
Other current liabilities	(233)	263	263	263	263	263	263	263	263	263	263	263	263	(233)
Total Current Liabilities	7,070	10,321	14,488	13,751	10,736	6,155	6,900	6,421	6,353	6,157	5,963	5,669	5,669	6,440
Long-term liabilities														
Long-term debt less current maturities	39,638	41,638	41,579	41,297	41,297	39,120	39,120	39,120	39,120	38,861	38,861	38,601	38,601	39,638
Deferred income taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other non-current liabilities	(795)	967	966	965	964	1,006	1,003	1,001	999	996	994	992	992	(814)
Total Long-Term Liabilities	38,843	42,605	42,546	42,262	42,261	40,126	40,124	40,121	40,119	39,857	39,855	39,593	39,593	38,824
Total Liabilities	45,913	52,926	57,033	56,013	52,996	46,281	47,023	46,542	46,472	46,014	45,818	45,262	45,262	45,263
Shareholders' Equity														
Common stock	39,389	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	43,501	39,392
Capital in excess of stated value	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Retained earnings	(3,094)	(5,481)	(6,044)	(6,443)	(7,007)	(7,275)	(7,799)	(7,896)	(7,953)	(7,680)	(7,770)	(8,079)	(8,079)	(2,694)
Accumulated other comprehensive income	1,636	—	—	—	—	—	—	—	—	—	—	—	—	1,678
Other equity transactions	(545)	—	—	—	—	—	—	—	—	—	—	—	—	(485)
Total Shareholders' Equity	37,385	38,021	37,457	37,058	36,494	36,227	35,702	35,605	35,548	35,821	35,731	35,422	35,422	37,891
Total Liabilities and Shareholders' Equity	\$ 83,298	\$ 90,947	\$ 94,490	\$ 93,071	\$ 89,490	\$ 82,507	\$ 82,725	\$ 82,147	\$ 82,020	\$ 81,835	\$ 81,549	\$ 80,684	\$ 80,684	\$ 83,154

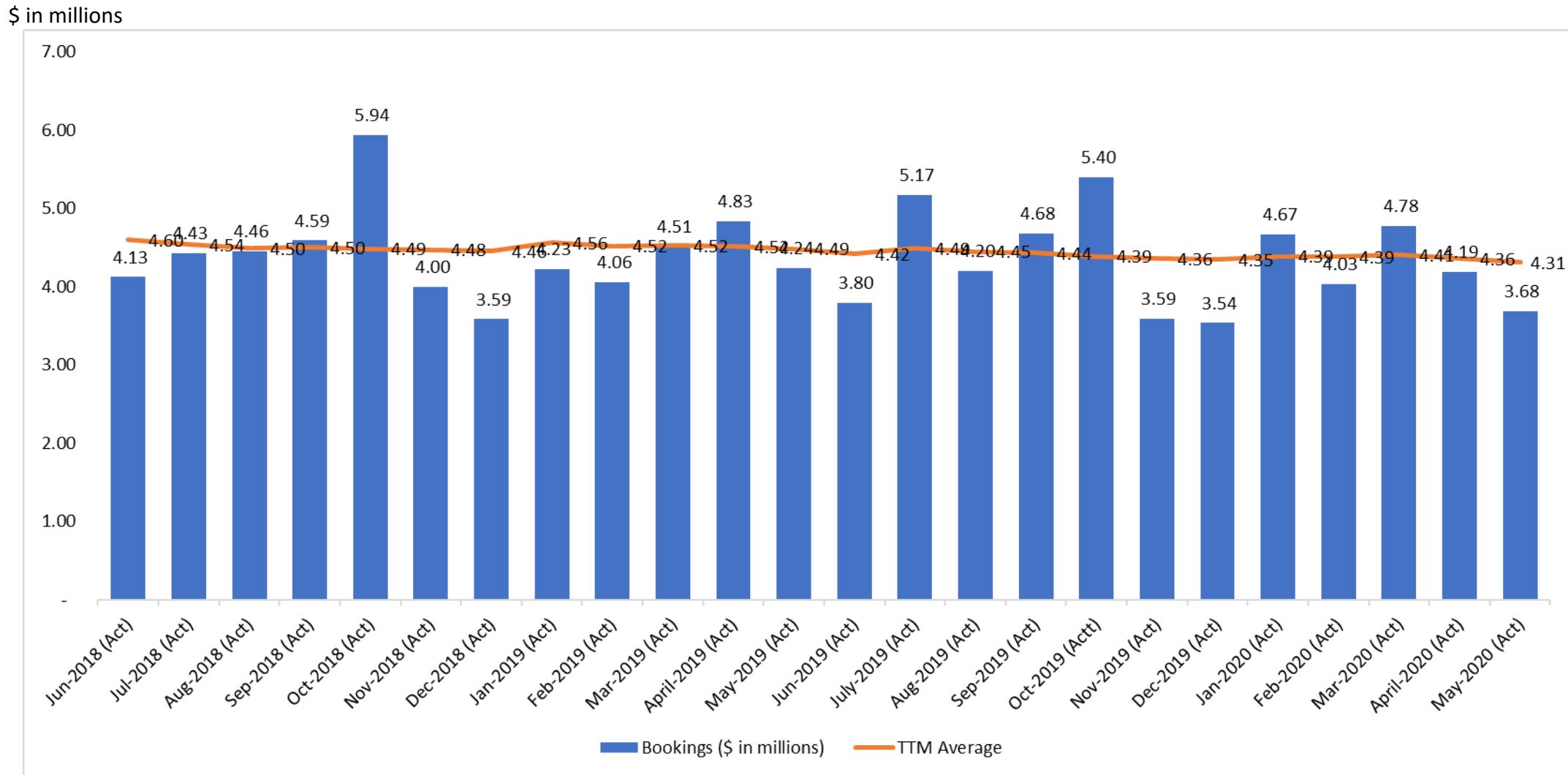
Consolidated Balance Sheet – Year on Year Comparison

\$'000	YTD		Variance	
	CY	Dec-19	\$	%
<u>Current Assets</u>				
Cash and cash equivalents	\$ 2,605	\$ 1,675	\$ 930	55.5%
Short term investments	–	–	–	–
<i>Accounts receivable, gross</i>	6,048	6,924	(876)	(12.6%)
<i>Accounts receivable, reserves</i>	(163)	(130)	(32)	24.8%
<i>Accounts receivable, net</i>	5,885	6,793	(908)	(13.4%)
<i>Inventory, gross</i>	7,367	7,570	(203)	(2.7%)
<i>Inventory, reserves</i>	(1,076)	(1,005)	(71)	7.1%
<i>Inventory, net</i>	6,290	6,565	(274)	(4.2%)
Prepaid expenses and other current assets	421	333	87	26.3%
Current portion of deferred taxes	–	–	–	–
Other current assets	–	–	–	–
Total Current Assets	15,201	15,366	(165)	(1.1%)
<u>Non-Current Assets</u>				
Property, plant & equipment, gross	14,698	15,359	(660)	(4.3%)
Accumulated depreciation	(2,540)	(2,524)	(16)	0.6%
Property, plant & equipment, net	12,158	12,834	(676)	(5.3%)
Identifiable intangible assets, gross	4,694	–	4,694	–
Accumulated amortization	(5,268)	(3,217)	(2,051)	63.8%
Identifiable intangible assets, net	56,896	54,954	1,943	3.5%
Deferred financing cost	–	–	–	–
Other non-current assets	5,234	–	5,234	–
Total Non-Current Assets	74,289	67,788	6,501	9.6%
Total Assets	\$ 89,490	\$ 83,155	\$ 6,336	7.6%
<u>Current Liabilities</u>				
Current portion of long-term debt	\$ 1,100	\$ 1,462	\$ (362)	(24.7%)
Notes Payable	4,488	–	4,488	–
Accounts payable	2,525	2,921	(396)	(13.6%)
Accrued liabilities	2,360	2,289	71	3.1%
Accrued compensation	–	–	–	–
Income taxes payable	0	0	0	0.0%
Other current liabilities	263	(233)	496	(213.2%)
Total Current Liabilities	10,736	6,440	4,296	66.7%
<u>Long-term liabilities</u>				
Long-term debt less current maturities	41,297	39,638	1,659	4.2%
Deferred income taxes	–	–	–	–
Other non-current liabilities	964	(814)	1,778	(218.4%)
Total Long-Term Liabilities	42,261	38,824	3,437	8.9%
Total Liabilities	52,996	45,263	7,733	17.1%
<u>Shareholders' Equity</u>				
Common stock	43,501	39,392	4,109	10.4%
Capital in excess of stated value	–	–	–	–
Retained earnings	(7,007)	(2,694)	(4,314)	160.1%
Accumulated other comprehensive income	–	1,678	(1,678)	(100.0%)
Other equity transactions	–	(485)	485	(100.0%)
Total Shareholders' Equity	36,494	37,891	(1,398)	(3.7%)
Total Liabilities and Shareholders' Equity	\$ 89,490	\$ 83,154	\$ 6,336	7.6%

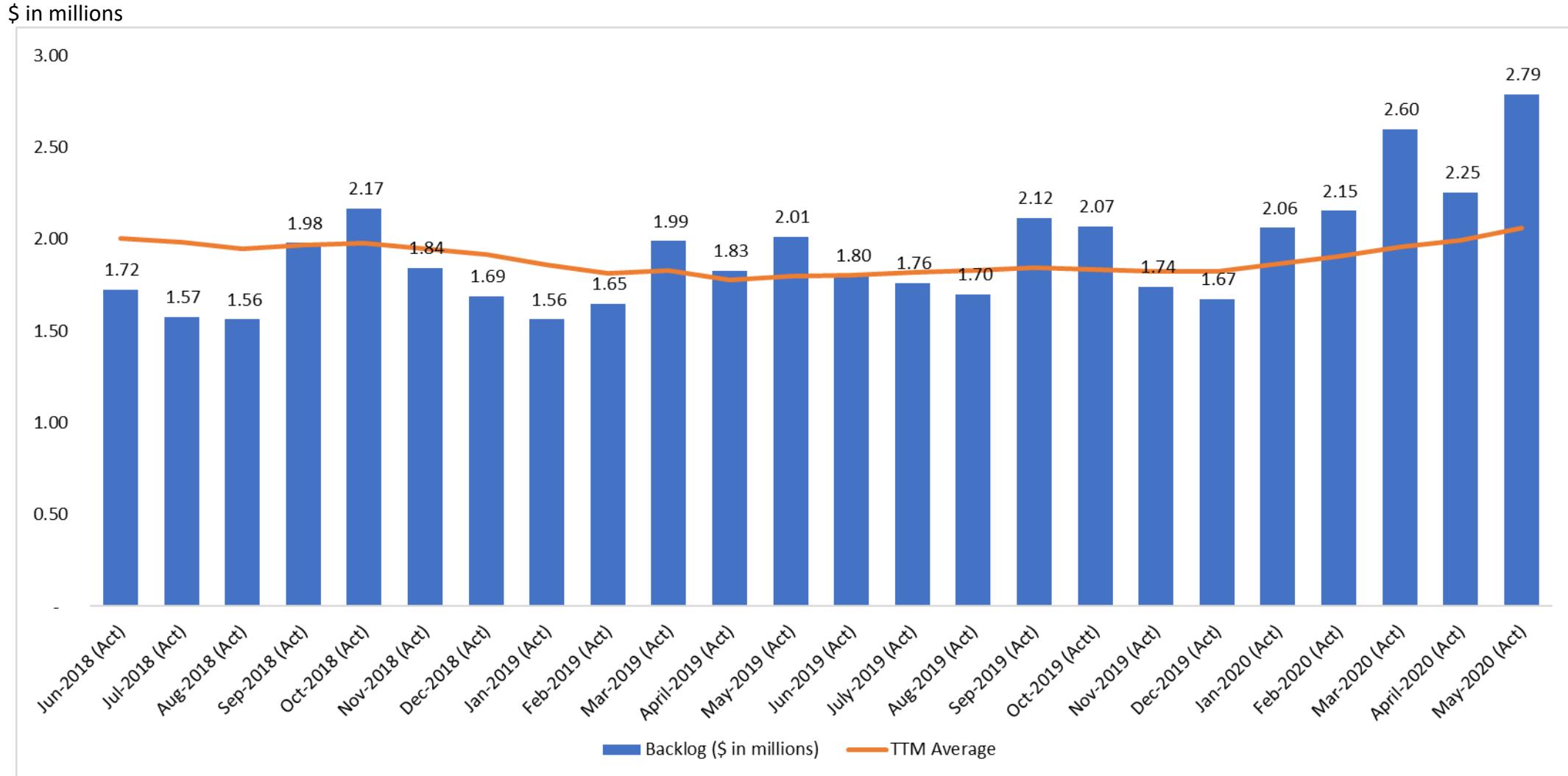
Consolidated Monthly Cash Flow

\$'000	20-Jan	20-Feb	20-Mar	20-Apr	20-May	20-Jun	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	FY (4+8)	FY	Variance	PY	Variance			
	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Act	Bud	\$	%	Act	\$	%	
Cash flow from operations																				
Net income (Loss)	\$ (400)	\$ (485)	\$ (563)	\$ (399)	\$ (564)	\$ (954)	\$ (1,116)	\$ (575)	\$ (305)	\$ 133	\$ (247)	\$ (449)	\$ (5,925)	\$ (3,128)	\$ (2,797)	89.4%	\$ (438,690)	\$ 432,765	(98.6%)	
Depreciation, amortization and other	569	570	560	560	560	560	560	560	560	560	560	560	6,740	6,743	(3)	(0.0%)	569,786	(563,046)	(98.8%)	
Capitalized fees & expenses	19	21	21	21	21	21	21	21	21	21	21	21	246	233	13	5.6%	19,384	(19,138)	(98.7%)	
Gain (loss) on sale of fixed assets	—	8	—	—	—	—	—	—	—	—	—	—	8	—	8	—	—	8	—	
Non-cash interest expense	261	256	276	237	251	246	255	255	255	252	244	252	3,038	3,198	(160)	(5.0%)	246,325	(243,287)	(98.8%)	
Non-cash dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Deferred income tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<i>Change in operating assets and liabilities:</i>																			\$ —	—
Accounts receivable	130	72	(596)	354	948	171	130	(147)	(513)	(1,200)	710	165	225	(60)	285	(476.4%)	584,160	(583,935)	(100.0%)	
Inventory	(142)	230	329	(157)	14	201	(79)	(297)	65	170	65	10	410	379	31	8.1%	(336,896)	337,306	(100.1%)	
Prepaid expenses and other current assets	(141)	89	58	(233)	140	226	(244)	74	87	(134)	60	103	85	13	72	560.3%	87,266	(87,181)	(99.9%)	
Accounts payable	94	(279)	347	(129)	(429)	97	81	(332)	(43)	186	(334)	143	(599)	(448)	(152)	33.9%	513,086	(513,685)	(100.1%)	
Accrued expenses	275	(22)	(295)	(50)	163	(124)	(56)	(1)	171	(23)	(426)	698	311	481	(170)	(35.3%)	306,762	(306,451)	(99.9%)	
Accrued income taxes	—	—	—	—	—	(0)	—	—	—	—	—	(0)	(897)	897	(100.0%)	(330,478)	330,478	(100.0%)		
Other changes in operating assets and liabilities	—	(63)	—	—	—	—	—	—	—	—	—	(63)	—	(63)	—	—	(63)	—	—	
Other cash flow from operations	—	(2)	1	—	—	—	—	—	—	—	—	(1)	—	(1)	—	—	(1)	—	—	
Total Cash Flow from Operations	\$ 666	\$ 394	\$ 137	\$ 202	\$ 1,102	\$ 444	\$ (448)	\$ (442)	\$ 298	\$ (35)	\$ 653	\$ 1,502	\$ 4,474	\$ 6,514	\$ (2,040)	(31.3%)	\$ 1,220,705	\$ (1,216,231)	(99.6%)	
Cash flow from investing																				
Additions to property, plant and equipment	\$ (25)	\$ (330)	\$ (42)	\$ (38)	\$ (55)	\$ (226)	\$ (122)	\$ (100)	\$ (25)	\$ (25)	\$ (25)	\$ (25)	\$ (1,039)	\$ (1,347)	\$ 309	(22.9%)	\$ —	\$ —	\$ (1,039)	
Acquisitions of companies, net of cash acquired	—	(5,095)	—	—	—	—	—	—	—	—	—	—	(5,095)	—	(5,095)	—	—	—	(5,095)	
Investment in intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Earnout payments	—	—	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(217)	(217)	—	0.0%	—	(217)	—	
Other cash flow from investing (goodwill)	—	—	—	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(217)	(217)	—	—	(51,066)	51,066	(100.0%)	
Total Cash Flow from Investing	\$ (25)	\$ (5,426)	\$ (64)	\$ (60)	\$ (77)	\$ (248)	\$ (144)	\$ (122)	\$ (47)	\$ (47)	\$ (47)	\$ (47)	\$ (6,351)	\$ (1,564)	\$ (4,787)	306.0%	\$ —	\$ (6,351)	—	
Cash flow from financing																				
Proceeds from the issuance (repayment) of ST	\$ —	\$ 2,800	\$ 4,200	\$ —	\$ (3,000)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,000	\$ 0	\$ 4,000	N/A	\$ —	\$ —	4,000	
Proceeds from the issuance of debt	—	2,000	—	—	—	—	—	—	—	—	—	—	2,000	0	2,000	N/A	—	—	2,000	
Repayment of debt	—	—	(420)	(1,076)	—	(1,013)	—	—	—	(5,038)	—	(5,271)	(12,818)	(4,658)	(8,161)	175.2%	(1,050,937)	1,038,118	(98.8%)	
Capital lease	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Common stock issued (repurchased)	(3)	—	—	—	—	—	—	—	—	—	—	—	(3)	—	(3)	—	—	(3)	—	
Common stock cash dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Preferred stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other cash flow from financing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Cash Flow from Financing	\$ (3)	\$ 4,800	\$ 3,780	\$ (1,076)	\$ (3,000)	\$ (1,013)	\$ —	\$ —	\$ (5,038)	\$ —	\$ (5,271)	\$ (6,821)	\$ (4,658)	\$ (2,164)	46.4%	\$ (1,050,937)	\$ 1,044,115	(99.4%)		
Effect of FX rates on cash and cash equivalents	\$ (108)	\$ (314)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (422)	\$ (200)	\$ (222)	111.0%	\$ (74,915)	\$ 74,493	(99.4%)	
Net change in cash	\$ 531	\$ (546)	\$ 3,854	\$ (934)	\$ (1,974)	\$ (817)	\$ (592)	\$ (564)	\$ 251	\$ (5,120)	\$ 606	\$ (3,815)	\$ (9,120)	\$ 92	\$ (9,212)	(9984.7%)	\$ 43,788	\$ (52,907)	(120.8%)	
Beginning cash	1,675	2,206	1,659	5,513	4,579	2,605	1,788	1,197	633	884	4,422	3,815	7,631	7,445	7,758	\$ (15,203)	\$ (196.0%)	\$ 954,938	\$ (962,383)	(100.8%)
Change in cash	531	(546)	3,854	(934)	(1,974)	(817)	(592)	(564)	251	(5,120)	606	(3,815)	(9,120)	92	(9,212)	(9984.7%)	43,788	\$ (52,907)	(120.8%)	
Ending cash	\$ 2,206	\$ 1,659	\$ 5,513	\$ 4,579	\$ 2,605	\$ 1,788	\$ 1,197	\$ 633	\$ 884	\$ 4,422	\$ 3,815	\$ 7,631	\$ 7,445	\$ 7,758	\$ (15,203)	(196.0%)	\$ 954,938	\$ (962,383)	(100.8%)	

Consolidated Trended Monthly Bookings (24 month act)

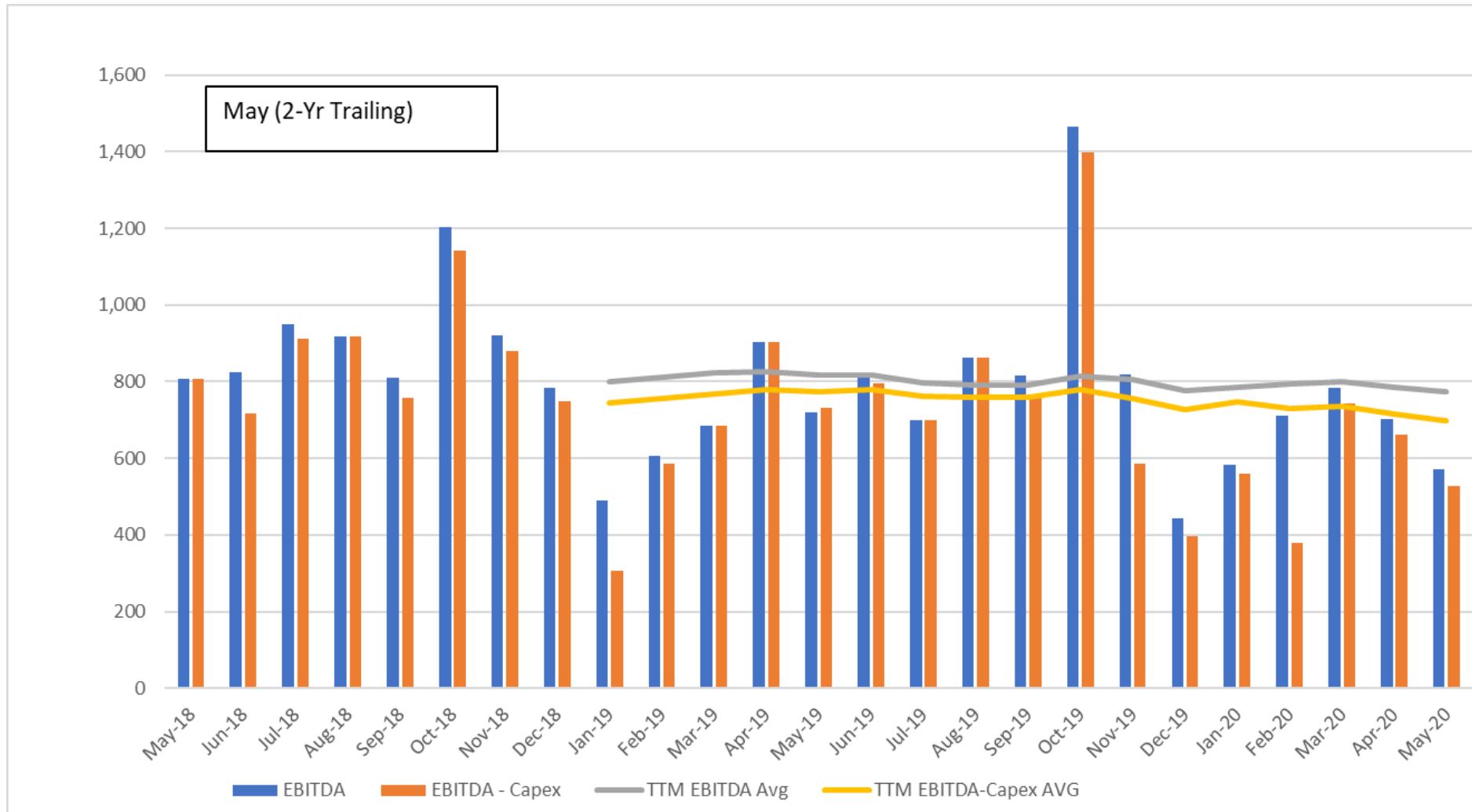


Consolidated Trended Monthly Backlog (24 month actual)



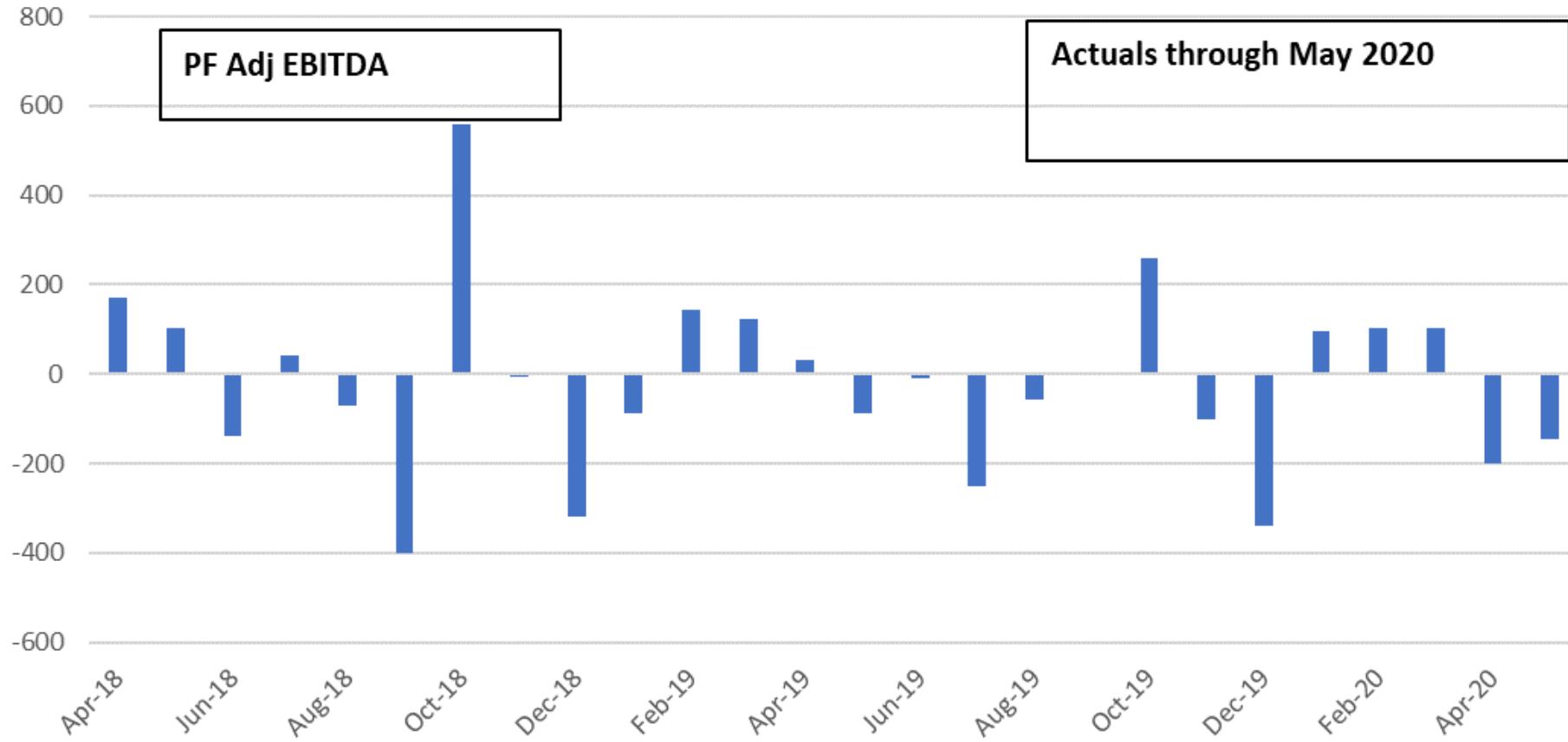
EBITDA and EBITDA-CapEx

\$ in millions



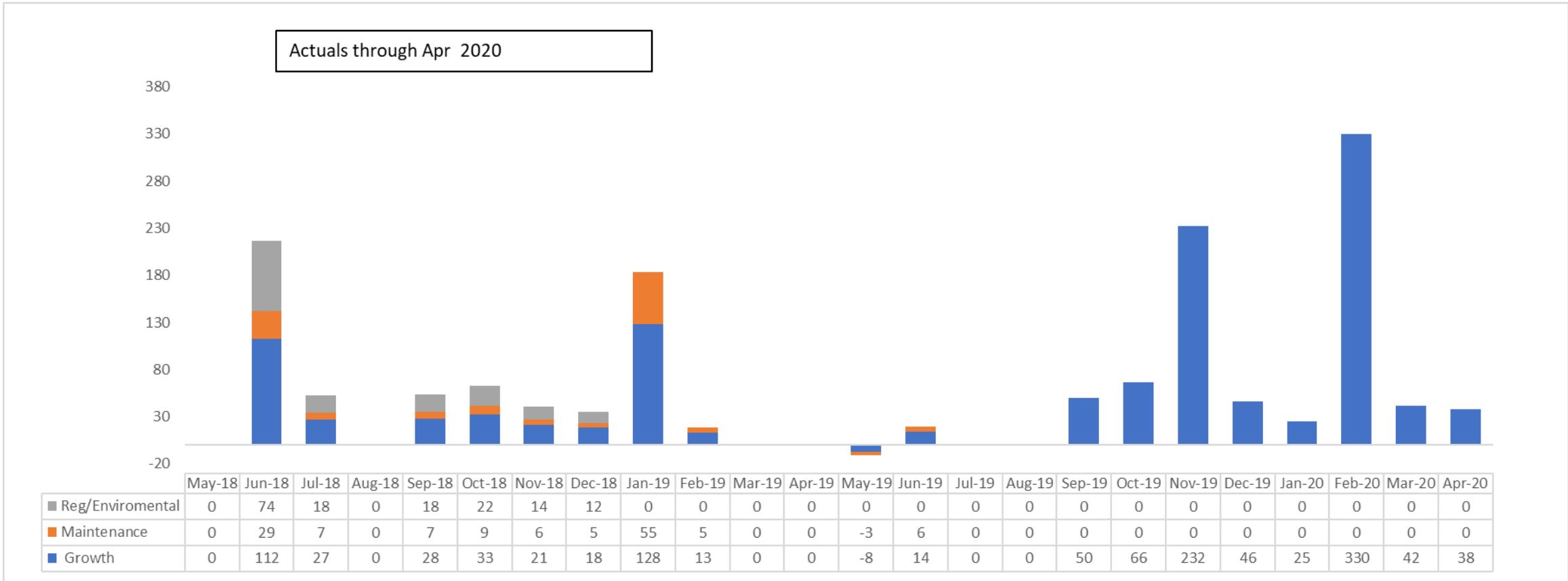
Consolidated Y-o-Y \$ EBITDA Change

\$ in thousands



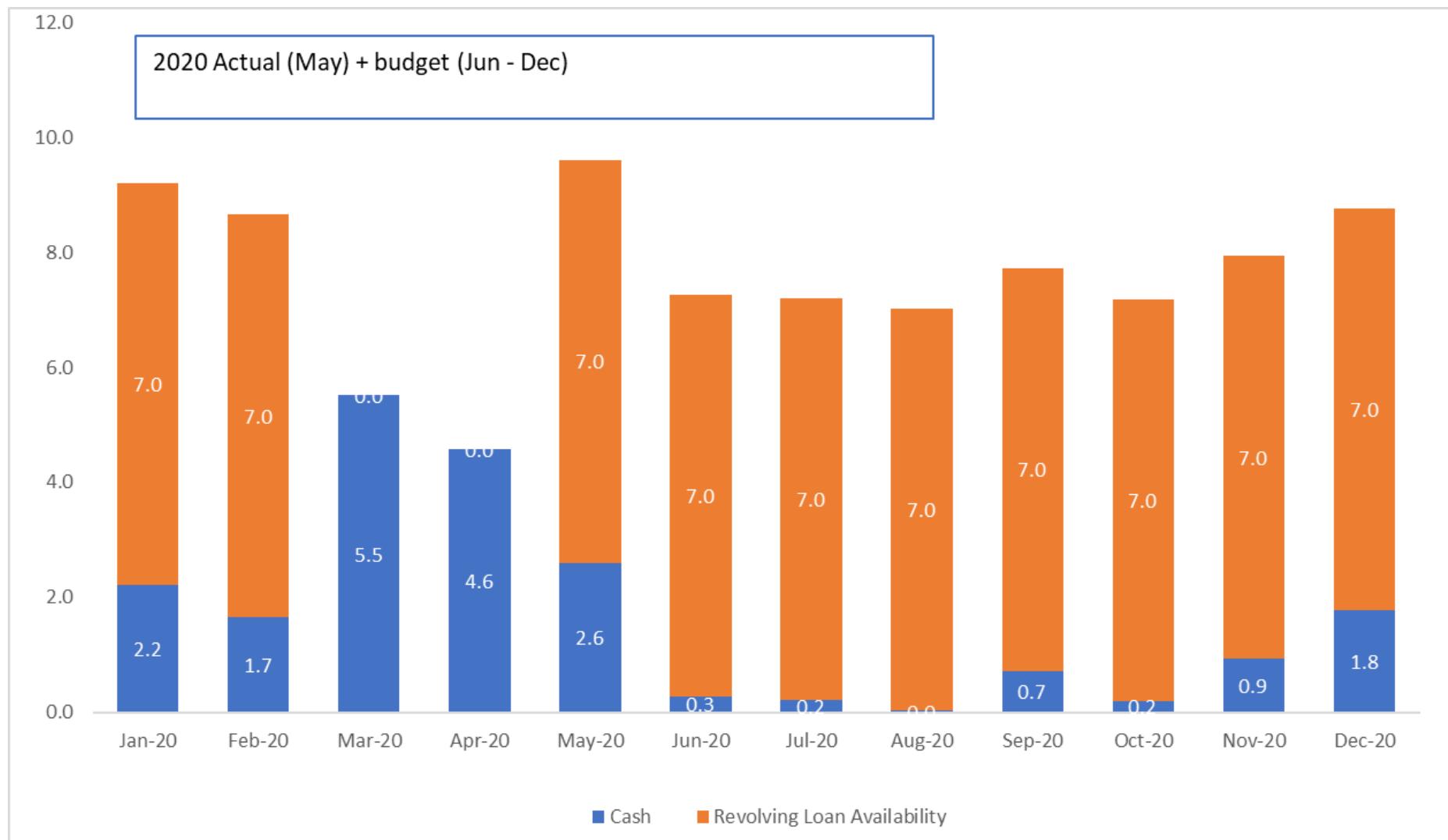
Capital Expenditures

\$ in thousands



Consolidated Liquidity Forecast

\$ in millions



Duraco Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	HIRES	INVOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	73	-	-	2	71
Operations - Hourly	7	-	-	-	7
Operations - Salary	19	-	-	-	19
Research & Development	2	-	-	-	2
Sales & Marketing	24	-	-	-	24
Administrative	12	1	-	-	13
Other	-	-	-	-	-
Agency FTE & Temps	1	-	-	-	1
Total Headcount	138	1	-	2	137

Infinity Headcount Hires & Attrition

FUNCTIONAL AREA	START OF MONTH	Hires	IN VOLUNTARY TERM	VOLUNTARY TERM	END OF MONTH
Direct Labor	18	-	-	-	20
Operations - Hourly	9	-	-	-	10
Operations - Salary	2	-	-	-	2
Research & Development	-	-	-	-	-
Sales & Marketing	2	-	-	-	2
Administrative	4	-	-	-	4
Other	-	-	-	-	-
Agency FTE & Temps	5	-	-	-	2
Total Headcount	40	-	-	-	40

Notes

- Three temps converted to full-time employees in May

Headcount Trending by Month

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Direct Labor	78	78	78	78	77	78	77	76	75	75	74	73	71
Operations - Hourly	7	7	7	7	7	7	7	7	7	7	7	7	7
Operations - Salary	19	19	20	20	20	20	20	20	20	20	20	19	19
Research & Development	2	2	2	2	2	2	2	2	2	2	2	2	2
Sales & Marketing	24	23	24	24	26	27	23	23	23	23	24	24	24
Administrative	7	7	7	8	10	10	10	11	11	12	12	12	13
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency FTE & Temps	1	1	1	-	-	-	-	-	-	1	1	1	1
Total Headcount	138	137	139	139	142	144	139	139	138	140	140	138	137

Management Discussion

Duraco Open Positions:

- Active Recruits: Regional Sales Manager (2)
- Positions on Hold: CS Supervisor, Material Scientist, Associate Product Manager, Senior Process Engineer, Machine Op (2)



Thank You

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Key Segments

Appliance

- WP demand has begun to increase in June and WP is telling us that they expect to be back to normal production levels by July
- GE demand began to increase mid-June and is nearing pre-COVID levels over the course of July. Laundry is expected to increase dramatically beginning in Aug/Sept and GE is looking to add a 3rd production shift

POP

- Top 20 accounts are down 20% (\$630k) YTD versus PY, total segment down 14% (\$1,220k)
- Talked to significant POP customers; down 20% - 50%, temporary closure of business (Freeman, Innomark, Stumps)
 - As States are opening, Customer's quoting new projects activity is growing, number of request increasing for Duraco
 - POP producers see July as the start of back-to-school and year-end holiday programs but unsure of volume. Project management and estimators continue to work from home. Structural designers using staggered work schedules to reduce the number of people in the office.

Industrial / RV/Trailer

- Total segment down 19%, w/o Paroc down 13% versus PY
- RV / Trailer – Elkhart, IN starting to open, expecting a strong H2 & 2021; Airstream shutdown 3 weeks in May, 6 weeks total
 - Working on cost savings initiative from Winnebago for Duraco High Bond, "on-hold until plant gets to near normal"
- Industrial accounts still dealing with plant closures and slow ramp ups in production
- Automotive hurt by closure of large OEM's and lack of people driving; Hennessy Bada & Extang did not place and order in May versus \$46k last year