



2019 Monthly Operating Review – July 2019

August 19, 2019



Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Executive Summary

- 1. Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan by \$1,497K for the Month due to lower than anticipated demand at all the extrusion plants from both Canadian and US customers impacted by slowdown in most Canadian regions & US West, continued high inventory levels and customers' inability to find & maintain skilled labor (ie. Installers)
- 2. EBITDA:** EBITDA behind Plan by \$640K, impacted by lower sales volumes than Plan and an unfavorable absorption impact due to reduced production at Laval (Quebec construction holiday) and Everett (slowdown). EBITDA also impacted by production challenges at Woodbridge and Everett resulting in lower production yields, higher scrap and lower regrind usage. These unfavorable impacts were partially offset by lower material cost inputs (favorable resin pricing), continued focus on alternative material usage and optimization of labor costs. EBITDA also benefiting from lower OPEX costs including labor and all discretionary spending
- 3. Vs Prior Year:** Overall sales revenues and volumes were behind Prior Year by \$809K for the Month due to lower sales out of Woodbridge and Everett; partially offset by higher sales out of Delmont (PGT, Polaris). Woodbridge sales impacted by lost business (Ventana, Jeld-Wen, Panes, Okna, Clera, Duraco), soft market conditions in the Central Canadian region and lower JV sales. Everett sales impacted by lost business (SI, Win-Dor, Van Isle). EBITDA was behind the Prior Year by \$655K for the Month as a result of the reduced volumes at Woodbridge and Everett; Woodbridge production challenges resulting in higher scrap; unfavorable material pricing (TiO₂, glass, aluminum) and higher OPEX costs from payroll, marketing, IT and F/X. EBITDA has improved at Laval and Terrebonne year-over-year with improvements in margins, quality, delivery and labor utilization
- 4. TTM:** 2019 July TTM Revenue of \$158.9M and EBITDA of \$9.8M vs the 2019 AOP Revenue of \$178.2M and EBITDA of \$14.0M (excluding bonus expense)

Executive Summary (Continued)

5. **Sales Order Flow:** Overall sales order flow outlook for August at the mid-month point is currently behind the prior year on a Month to Date basis. Extrusion orders are behind the prior year by 9.5% while Patio Door sales orders are ahead of prior year orders on a Month to Date basis by 11.8%. Laval is seeing some positive order intake with a 2.4% increase vs the prior year, but orders at Woodbridge, Delmont and Everett are behind the prior year by 31.3%, 5.9% and 6.0%, respectively. All Plants are planning to keep inventory levels in line with July and build what is sold and not increase labor
6. **Material/Supplier Price Increases:** CDI Resin Index remained neutral in July's report, resulting in no increase or decrease to the August resin price. There is speculation in the Industry of reduced demand for PVC both in the domestic and export markets and despite a potential increase in ethylene prices during the quarter, there is downward pressure on resin prices in September and potentially even as soon as August. TiO2 price increase negotiated at 3cpp to become effective July 1st – commencing contract negotiations with supplier as contract expires on Oct. 31st. Discussions and testing of materials ongoing with alternative suppliers for regrind compound, TiO2, Masterbatch, Acrylic Dark Cap, Stabilizer and Filler materials
7. **Bank Covenants:** Excess Availability covenant for July-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target but improving. Continue to monitor Q3 2019 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly
8. **Everett Plant Manager:** John Haddon has resigned from ENERGI with his last day August 13th. John has accepted a Plant Manager position with an Old Castle manufacturing plant in BC, Canada, where he will be closer to family. There is an active search for his replacement. Andy will assume more direct responsibility over the day-to-day operations at Everett

Executive Summary (Continued)

	Description	Potential Impact	Plan to Address
Risks	▪ Aggressive Competition and related pricing pressures	<ul style="list-style-type: none"> ▪ Customer losses ▪ Revenue and EBITDA loss ▪ Reduction in profitability vs Plan 	<ul style="list-style-type: none"> ▪ Continuing to visit major customers to solidify ENERGI's relationship as a strategic partner through "Huddle" meetings ▪ Close on and lock in potential new customers – contacting several non-ENERGI customers and presenting our capabilities/innovations
	▪ Raw Material Costs	<ul style="list-style-type: none"> ▪ Resin, TiO2 and other raw material price increases impacting EBITDA ▪ Freight and logistics cost increases ▪ Reduction in profitability by using virgin material due to lack of supply 	<ul style="list-style-type: none"> ▪ VP Supply Chain conducting Global Sourcing search for alternative material suppliers ▪ Assessing regrind purchasing opportunities & customer scrap buy-back ▪ VP Supply Chain assisting plants with warehousing and logistics cost and resource optimization, as well as SIOP ▪ Commencing TiO2 contract negotiations and alternative sources
	▪ Terrebonne (Patio Doors)	<ul style="list-style-type: none"> ▪ Revenue and EBITDA loss ▪ Turnaround plan not achieved ▪ Employee retention 	<ul style="list-style-type: none"> ▪ Maintain stability of Terrebonne workforce ▪ Executing on labor balancing/planning ▪ Obtain new business and take market share – quoting several projects and new business opportunities with new customers ▪ Focus on order entry automation, improved metric visibilities and improvement customer experience
	▪ 2019 Canadian Industry and Market continued softness	<ul style="list-style-type: none"> ▪ Revenue and EBITDA loss ▪ Employee retention issue 	<ul style="list-style-type: none"> ▪ Continue to stay in touch with all major customers ▪ Develop production scheduling discipline to ensure not over or under producing and not creating backorders
Opportunities	▪ External Compound Sales	<ul style="list-style-type: none"> ▪ Revenue and EBITDA growth ▪ Absorption of ECS overheads 	<ul style="list-style-type: none"> ▪ Quoting non-fenestration compound opportunities ▪ Developing natural/green core compound for alt. materials initiative
	▪ Operations Excellence Initiatives	<ul style="list-style-type: none"> ▪ Operational efficiencies ▪ Profitability improvements 	<ul style="list-style-type: none"> ▪ Delmont is focused on productivity, yield and scrap reduction initiatives ▪ Everett - improving throughput, productivity and regrind usage ▪ Next Level Partners conducting site assessments and proposals
	▪ Supply Chain Initiatives	<ul style="list-style-type: none"> ▪ Improvement in profitability ▪ Offset raw material increases 	<ul style="list-style-type: none"> ▪ Reviewing alternative supply options for all resources ▪ Challenging price increases from all suppliers
	▪ Pipeline Growth	<ul style="list-style-type: none"> ▪ Revenue and EBITDA growth ▪ Plant capacity utilization 	<ul style="list-style-type: none"> ▪ Sales prospecting efforts continue to grow the sales pipeline for extrusion, patio door and external compound opportunities ▪ Completion and launch of Dark Cap opportunities in Everett ▪ Completion and launch of modular platform system in Woodbridge

Key Wins and Losses – July 2019



Key Wins

- None


Key Losses

- None


Key Initiatives Update

Initiative	Status	Recent Progress	Next Steps	Risks
1. Develop/Enhance Systems and Processes		<ul style="list-style-type: none"> • OBI project completed at Everett • OBI project at ECS substantially complete • Manufacturing tooling status and production release process • APQP process training has been completed • Internal sample approval process has been completed 	<ul style="list-style-type: none"> • Finalize production run cards for alternative BOMs at Woodbridge, Delmont & Everett • OBI project at Everett – finalizing recertification • OBI project at ECS – review videos and discuss training plan • OBI project at Laval – to commence 	<ul style="list-style-type: none"> • Production planning inefficiencies • Labor planning inefficiencies
2. Develop Safety, Quality, Delivery & Cost culture		<ul style="list-style-type: none"> • Monthly Safety calls revised to include Plant Manager and Safety Coordinators • Forum used to share projects aimed to improve safety concerns, address safety culture dev., safety training and any safety issues 	<ul style="list-style-type: none"> • Build a culture of zero tolerance and training on hazard identification • Standardize 2Hr quality checks across all plants • Developing new processes to track productivity and yield 	<ul style="list-style-type: none"> • Disorganized plants impairs production efficiencies sends a negative message to customers



Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
3. Develop Alternative Compounds		<ul style="list-style-type: none"> • Discussions ongoing with suppliers regarding alternative material compound and regrind – continuing to obtain quotes and test samples • Continuing to refine Natural PVC formula at ECS, reviewing costs to develop lab testing standard • Continued progress with purchasing regrind material with separate suppliers at Woodbridge, Laval, Everett and Delmont • Testing trials on mixed white regrind material with Bulldog Polymers – confirmed regrind originates from AAMA certified profiles • Awaiting AAMA test results on natural core profiles • Compound quotes from Westlake, Shintech and PolyOne unfavorable 	<ul style="list-style-type: none"> • Reviewing capabilities of each supplier, pricing quoted, material specifications and obtaining samples for testing • Awaiting AAMA test results on natural core profiles • Awaiting test standard data from lab for Natural Core testing in-house • Working with AAMA Task Group on how to deal with recycled material • End-cut Buy-back program – meeting with several customers from all extrusion plants to include in the program; using Energi approved third party grinders 	<ul style="list-style-type: none"> • Margin erosion due to rising resin, TiO2 and other additive costs • Loss of market share due to not being able to compete


Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
4. Improve Terrebonne profitability		<ul style="list-style-type: none"> • Objective Based Instructions project – completed • KPIs being tracked and integrated into SQDC Boards • Daily labor tracking measurement in place and integrated into SQDC Boards • Ramp Up Ready meetings held to ensure plans are in place to handle demand • Cross training of target areas to create flexibility ongoing • Ostaco conversion to new Performer door • Atis opportunity – verbal agreement reached; first orders starting Oct. 1st; need to ramp up production and labor requirements; estimated 3,000 door opportunity annually with Contractor Segment (\$2M-\$2.25M) • ERP Phase 1 improvements completed 	<ul style="list-style-type: none"> • Working through Plant & Line Balancing plan – challenged with employee turnover and lack of skilled labor to hire • Reviewing several commercial growth opportunities – continuing to quote • Start-up on new Performer progressing at Dashwood & Golden • Caron et Guay start-up delayed to the end of August • Focusing on order entry automation, improved metric visibilities and improved customer experience 	<ul style="list-style-type: none"> • Customer retention may also impact extrusion side of the business • EBITDA losses

Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
5. Planning Disciplines and overall Communication Practices		<ul style="list-style-type: none"> • Weekly updates on status of “Big 3” initiatives and identify next initiatives once completed • Communications between plants and sharing of best practices conducted on a weekly basis • Visual Control Boards implemented to track progress on certain lines and improve change over times & yields • Weekly Tooling Status meetings being conducted • Implementation of APQP process with initial projects 	<ul style="list-style-type: none"> • Weekly Quality Assurance calls continue to evolve yielding improved team problem solving and systemic solution to issues • Schedule Quarterly meetings with extended management team to communicate overall financial results, metrics and strategies • Standardize 2Hr quality checks at all plants 	<ul style="list-style-type: none"> • Lack of Accountability and Ownership from employees
6. Safety		<ul style="list-style-type: none"> • 11 recordable incidents YTD; 3 at Laval, 3 at Delmont, 2 at Everett & Terrebonne and 1 at Woodbridge • Weekly management safety meetings being held • Accelerating more aggressive safety program at Laval and Delmont 	<ul style="list-style-type: none"> • Enhance plant safety programs and accelerate the safety awareness culture at all plants • Incorporating safety reviews during Gemba walks; additional communications 	

Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
7. Information Technology & Systems Security		<ul style="list-style-type: none"> Account Management & Security (R1) initiative completed – utilizing Azure Active Directory to centrally manage and enforce security settings Business Continuity & DR (R2) – implemented local and remote back-up strategy & protocol for local site servers Full DR test successfully completed for JDE ERP Two-Factor Authentication (R5) – completed successfully Implemented Mimecast to scan incoming emails and block suspicious addresses Added “Warning” message to all incoming emails originating from outside ENERGI system Cybersecurity Training & Awareness (R3) – portal has been set up and training has been kicked off (complete) 	<ul style="list-style-type: none"> DR test on Syteline ERP (Terrebonne) to be scheduled once current Vanilla Project work is completed DR test on ConcepMATICs ERP (Laval) to be scheduled Vulnerability Mgmt (R4) – postponed to 2020 Hard Drive Encryption (R6) – postponed to 2020 Patch Mgmt (R7) – in process; dependent on Change Mgmt policies and procedures Email Encryption (R8) – postponed to 2020 Mobile Device Mgmt (R9) – evaluating MS solution or SOTI Removable Media (R10) & Cloud-Based Apps (R11) – postponed to 2020 	<ul style="list-style-type: none"> Email Phishing Attacks: <ul style="list-style-type: none"> a) Ransomware email from external email account; shutdown Terrebonne for 3 days; able to restore from back-up b) Email impersonating CEO asking employee for gift cards - \$4K loss incurred (Feb-19)

Key Performance Indicators - Summary

Safety:

- Two(2) recordable incidents in July 2019: (i) Aluminum debris fell into workers' left eye; Surgical removal (no Lost Time); (ii) Worker's left 1st finger caught in the mechanism of the pneumatic cylinder while using an automatic sash table resulting in a fracture (no Lost Time)
- July 2019 TRIR of 2.49 vs 2018 TRIR of 1.97; Total Recordable Cases – 11 for 2019 YTD vs 14 for 2018 FY & 16 for 2017 FY
- 32 months incident free record at ECS

Delivery:

- Terrebonne –Staff turnover and related training time resulted in delays in average turn around time affecting delivery
- Woodbridge - Considerable back order activity to Terrebonne and Vinyl-Pro due to problematic dies in Quadrant 4; Improvement witnessed in July vs prior month

Efficiencies:

- Woodbridge yields impacted by lines dedicated to product testing and resulting increase in scrap as well as cold starts, problem tools, long overall change-overs, material issues
- Laval Alt/Regrind consumption ratio below target due to insufficient scrap generation (favorable yields) and Alt material purchases
- Delmont yields impacted by higher change-overs and lower lbs production due to lower sales and dark cap production runs
- Everett yields impacted by Dark Cap trials and launch, lack of correct regrind and additional labor to cover absences, vacations and training

Inventory:

- Lower sales vs budget impacting inventory levels

Key Performance Indicators – Plant Summary

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Health & Safety										
# Recordables (affects TRIR)	# in Month	0	1	1	2	2	2	1	2	11
Woodbridge		0	0	0	0	0	1	0	0	1
Laval		0	1	1	0	0	0	1	0	3
Terrebonne		0	0	0	0	0	0	0	2	2
Delmont		0	0	0	2	1	0	0	0	3
Everett		0	0	0	0	1	1	0	0	2
ECS		0	0	0	0	0	0	0	0	0
Quality Performance										
Returns as % of sales	# of Plants Green	6	4	4	5	6	6	5	6	5
Woodbridge		0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.40%
Laval		0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.49%
Terrebonne		1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	0.79%
Delmont		0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.03%
Everett		0.60%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	-0.06%	0.30%
ECS		0.20%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delivery Performance										
% by line items	# of Plants Green	6	6	5	6	4	5	4	4	4
Woodbridge		99.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	98.2%
Laval		99.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.7%
Terrebonne ****		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	84.3%
Delmont		99.0%	99.5%	99.4%	99.4%	99.3%	99.1%	99.4%	99.3%	99.3%
Everett		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%	99.9%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% on time in full										
% on time in full	# of Plants Green	6	6	6	6	5	5	5	5	5
Woodbridge		95.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	98.2%
Laval		95.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.7%
Terrebonne		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	84.3%
Delmont		95.0%	99.7%	99.8%	99.7%	99.6%	99.6%	99.6%	99.7%	99.7%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Costs										
Yield*	# of Plants Green	5	3	3	3	3	3	4	3	3
Woodbridge		85.7%	84.7%	85.5%	85.2%	84.5%	85.0%	85.9%	86.2%	85.4%
Laval		84.0%	85.5%	85.2%	86.9%	88.0%	87.3%	87.3%	86.2%	86.7%
Delmont		85.7%	81.4%	82.7%	83.3%	83.4%	82.8%	82.2%	82.3%	82.6%
Everett		85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.7%	83.8%	89.8%
ECS		99.2%	99.5%	99.6%	99.8%	99.8%	99.9%	99.5%	99.6%	99.7%

Notes: * Not measured at TB; ** Excluding TB; ***TB is # Concerns/100k Sales **** Change in calculation method for TB retroactively restated to Jan 18

Key Performance Indicators – Plant Summary (Cont'd)

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Costs										
Alt. Compound Consumption Ratio*		5	3	2	4	2	2	2	1	3
Woodbridge		19.9%	17.4%	20.1%	20.0%	18.4%	18.4%	18.7%	16.7%	18.5%
Laval		20.9%	20.2%	19.4%	18.4%	16.3%	19.9%	20.2%	19.0%	19.0%
Delmont		17.1%	25.4%	19.8%	19.5%	23.3%	17.9%	20.8%	18.5%	20.7%
Everett		20.0%	32.0%	18.4%	21.4%	18.3%	17.3%	16.4%	19.8%	20.6%
ECS		0.0%	0.4%	0.1%	0.4%	0.6%	0.6%	0.3%	0.0%	0.2%
Inventory										
Days - TTM*	# of Plants Green	5	2	1	3	3	3	2	2	
Woodbridge		54.1	57.3	59.1	61.8	63.6	63.8	64.5	65.6	
Laval		69.3	66.7	66.4	67.7	69.0	68.4	69.8	70.3	
Terrebonne		71.0	74.8	71.4	70.2	68.8	66.3	64.8	62.3	
Delmont		58.7	62.0	62.1	64.6	66.8	67.4	70.0	71.0	
Everett		84.5	84.4	85.6	87.2	87.8	88.8	91.7	92.7	
ECS		46.0	50.0	49.0	42.0	41.0	32.0	31.0	43.0	
Customer Service										
Customer Experience - NPS Improvement		20%	NA	NA	NA	NA	NA	NA	NA	NA
Customer Complaints - per MLBS ***	# of Plants Green	6	5	4	2	4	3	3	5	4
Woodbridge		3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	3.0
Laval		22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	27.0
Terrebonne		3.2	4.0	3.9	3.6	3.7	3.4	2.0	2.0	3.2
Delmont		3.2	2.8	3.2	3.7	2.9	3.0	3.4	3.6	3.2
Everett		8.0	1.4	2.7	3.5	2.2	3.6	4.0	4.0	3.0
ECS		0.3	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.1
Customer Retention		100%	100.0%	100.0%	98.9%	100.0%	99.4%	100.0%	100.0%	98.3%
Employees										
Employee Engagement		80%	76.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Employee Retention		90%	99.2%	98.1%	99.2%	98.4%	98.5%	98.3%	98.0%	97.8%

Notes: * Not measured at TB; ** Excluding TB; ***TB is # Concerns/100k Sales **** Change in calculation method for TB retroactively restated to Jan 18

Consolidated Summary P&L – July 2019

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	8,339	10,057	(1,719)	(17.1%)	57,008	64,203	(7,195)	(11.2%)
Units Shipped ('000)	9,001	10,062	(1,061)	(10.5%)	55,350	63,519	(8,169)	(12.9%)
Bookings (\$'000)	\$ 15,207	\$ 16,506	\$ (1,298)	(7.9%)	\$ 94,795	\$ 104,116	\$ (9,321)	(9.0%)
Backlog ('\$000)	\$ 11,147	\$ 11,864	\$ (717)	(6.0%)	\$ 11,147	\$ 11,864	\$ (717)	(6.0%)
Gross Revenue	\$ 15,452	\$ 17,052	\$ (1,600)	(9.4%)	\$ 94,575	\$ 107,567	\$ (12,991)	(12.1%)
Adj. to Gross Revenue	(784)	(887)	103	(11.6%)	(4,574)	(5,526)	952	(17.2%)
Net Revenue	14,669	16,165	(1,497)	(9.3%)	90,001	102,040	(12,039)	(11.8%)
Material	7,195	8,053	(858)	(10.7%)	43,815	50,865	(7,050)	(13.9%)
Labor	3,242	3,433	(191)	(5.6%)	20,973	22,343	(1,370)	(6.1%)
Other COGS	2,014	1,670	344	20.6%	10,210	11,067	(856)	(7.7%)
Total COGS	12,451	13,157	(705)	(5.4%)	74,998	84,275	(9,276)	(11.0%)
Gross Margin	2,217	3,008	(791)	(26.3%)	15,003	17,765	(2,763)	(15.6%)
Gross Margin %	15.1%	18.6%			16.7%	17.4%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	504	607	(104)	(17.1%)	3,860	4,210	(351)	(8.3%)
Administrative	1,026	1,096	(70)	(6.4%)	6,830	7,421	(591)	(8.0%)
Other Opex	1	(21)	22	(106.9%)	(267)	(136)	(131)	96.6%
Total Opex	1,531	1,682	(151)	(9.0%)	10,423	11,496	(1,073)	(9.3%)
EBITDA	687	1,326	(640)	(48.2%)	4,580	6,270	(1,690)	(27.0%)
EBITDA %	4.7%	8.2%			5.1%	6.1%		
Net Income (Loss)	\$ (528)	\$ 30	\$ (559)	(1844.3%)	\$ (2,524)	\$ (2,500)	\$ (24)	1.0%
Capex	\$ (761)	\$ (492)	\$ (269)	54.8%	\$ (4,113)	\$ (5,823)	\$ 1,710	(29.4%)
Opex Overview:								
Payroll	\$ 868	\$ 952	\$ (84)	(8.8%)	\$ 5,951	\$ 6,248	\$ (297)	(4.8%)
Bonus	113	113	(0)	(0.4%)	785	794	(9)	(1.1%)
Commissions	22	30	(8)	(28.3%)	135	209	(73)	(35.2%)
Marketing	100	122	(22)	(18.4%)	779	1,042	(263)	(25.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	99	142	(43)	(30.4%)	652	929	(277)	(29.8%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	28	32	(4)	(13.8%)	181	199	(19)	(9.5%)
Professional fees	45	44	1	2.4%	336	347	(11)	(3.2%)
Office Expenses	20	20	(1)	(3.4%)	154	169	(15)	(8.9%)
IT	162	177	(14)	(8.1%)	1,094	1,193	(98)	(8.3%)
Bad Debts	(0)	(0)	0	(40.9%)	97	(3)	100	(3701.1%)
FX	5	–	5	N/A	(162)	–	(162)	N/A
JV Loss (Income)	(4)	(21)	17	(82.7%)	(105)	(136)	31	(22.8%)
Other Expenses	74	71	3	4.3%	525	504	21	4.2%
Total Opex	\$ 1,531	\$ 1,682	\$ (151)	(9.0%)	\$ 10,423	\$ 11,496	\$ (1,073)	(9.3%)

Management Discussion

Net Revenue – July -**\$1,497K:**

- Extrusion external sales volume unfavorable by 11.0% or \$1,736K due to lower demand from both Canadian and US customers; with lower sales out of Woodbridge by \$902K, Laval by \$110K, Delmont by \$472K and Everett by \$252K
- Patio Door gross sales were ahead of Budget by \$353K mainly driven by increased demand from AMI, Golden, Ostaco and Dashwood. External compound sales were slightly behind Budget by \$47K due to reduced orders from Window Seal, Nuform and Vinyl Company
- Unfavorable product/customer mix impact of \$96K primarily from Everett; Favorable rebates & discounts variance of \$59K due to lower sales and customer mix; and Returns & allowances lower by \$41K due to quality improvements at Woodbridge and Everett
- Unfavorable F/X impact of \$70K (actual rate of 1.3101 [or \$USD 0.7633] vs. Budget rate of 1.30 [or \$USD 0.7692])

EBITDA – July -**\$640K:**

- Material COGS:** Decrease of \$858K primarily due to the mix and volume impact of \$1,065K from lower sales; favorable resin material prices and favorable scrap at ECS of \$176K (net of higher TiO2, glass, steel and aluminum pricing); offset by unfavorable yields and lower regrind usage (-\$383K) at Woodbridge, Delmont & Everett due to tool trials, dark capstock launch and lower production volumes
- Labor COGS:** Decrease of \$191K due to a volume impact of \$84K, a favorable impact of \$92K from headcount reduction initiatives and improved labor efficiency at Laval, Delmont and ECS and a favorable F/X impact of \$15K
- Other COGS:** Increase of \$344K comprised of: an unfavorable net absorption impact of \$431K as a result of selling more out of inventory and a lower inventory build than Plan; and higher overhead spending (ie. Maintenance, utilities and factory supplies) of \$72K; partially offset by lower freight costs due to sales volume and customer mix of \$78K, higher tool & die absorption recovery impact of \$72K and a favorable F/X impact of \$9K
- Sales and Marketing:** Lower payroll costs as a result of lower headcount and vacations taken of \$55K, lower T&E spend of \$25K and lower marketing costs of \$22K (timing)
- Administrative:** Lower payroll costs of \$26K due to lower headcount, lower T&E spend of \$18K, lower IT costs of \$14K (timing) and a favorable F/X impact of \$5K
- Other Opex:** Unfavorable realized F/X re-valuation impact of \$5K due to net USD working capital held by the Canadian entity (change in F/X from 1.3099 on June 30th, 2019 to 1.3158 on July 31st, 2019) and lower JV equity income due to lower sales

Consolidated Summary P&L (vs PY) – July 2019

\$'000	MTD		Var		YTD		Var	
	Act	PY-Act	\$	%	Act	PY-Act	\$	%
Units Produced ('000)	8,339	7,954	385	4.8%	57,008	58,742	(1,734)	(3.0%)
Units Shipped ('000)	9,001	9,436	(435)	(4.6%)	55,350	62,701	(7,351)	(11.7%)
Bookings (\$'000)	\$ 15,207	\$ 15,236	\$ (29)	(0.2%)	\$ 94,795	\$ 104,352	\$ (9,557)	(9.2%)
Backlog ('\$000)	\$ 11,147	\$ 11,044	\$ 103	0.9%	\$ 11,147	\$ 11,044	\$ 103	0.9%
Gross Revenue	\$ 15,452	\$ 16,253	\$ (801)	(4.9%)	\$ 94,575	\$ 107,211	\$ (12,636)	(11.8%)
Adj. to Gross Revenue	(784)	(776)	(8)	1.1%	(4,574)	(5,564)	990	(17.8%)
Net Revenue	14,669	15,478	(809)	(5.2%)	90,001	101,647	(11,646)	(11.5%)
Material	7,195	7,354	(159)	(2.2%)	43,815	48,977	(5,162)	(10.5%)
Labor	3,242	3,326	(84)	(2.5%)	20,973	24,377	(3,404)	(14.0%)
Other COGS	2,014	2,178	(164)	(7.5%)	10,210	11,893	(1,682)	(14.1%)
Total COGS	12,451	12,858	(407)	(3.2%)	74,998	85,247	(10,248)	(12.0%)
Gross Margin	2,217	2,620	(402)	(15.4%)	15,003	16,400	(1,397)	(8.5%)
Gross Margin %	15.1%	16.9%			16.7%	16.1%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	504	453	51	11.2%	3,860	4,388	(528)	(12.0%)
Administrative	1,026	880	146	16.6%	6,830	6,808	22	0.3%
Other Opex	1	(55)	56	(102.6%)	(267)	35	(302)	(863.3%)
Total Opex	1,531	1,278	253	19.8%	10,423	11,231	(808)	(7.2%)
EBITDA	687	1,342	(655)	(48.8%)	4,580	5,169	(589)	(11.4%)
EBITDA %	4.7%	8.7%			5.1%	5.1%		
Net Income (Loss)	\$ (528)	\$ 255	\$ (783)	(307.2%)	\$ (2,524)	\$ (2,413)	\$ (111)	4.6%
Capex	\$ (761)	\$ (637)	\$ (124)	19.4%	\$ (4,113)	\$ (5,485)	\$ 1,372	(25.0%)
Opex Overview:								
Payroll	\$ 868	\$ 748	\$ 120	16.0%	\$ 5,951	\$ 6,322	\$ (371)	(5.9%)
Bonus	113	111	2	2.0%	785	788	(3)	(0.4%)
Commissions	22	20	1	7.2%	135	110	25	22.7%
Marketing	100	69	30	43.4%	779	1,031	(252)	(24.4%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	99	122	(24)	(19.4%)	652	756	(104)	(13.7%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	28	30	(2)	(7.8%)	181	195	(15)	(7.6%)
Professional fees	45	37	8	22.3%	336	356	(20)	(5.5%)
Office Expenses	20	15	5	31.9%	154	185	(31)	(16.9%)
IT	162	110	52	47.5%	1,094	967	128	13.2%
Bad Debts	(0)	(1)	1	(83.1%)	97	(64)	161	(250.9%)
FX	5	(35)	40	(114.3%)	(162)	162	(324)	(199.9%)
JV Loss (Income)	(4)	(19)	16	(81.4%)	(105)	(127)	22	(17.6%)
Other Expenses	74	71	3	3.7%	525	551	(26)	(4.7%)
Total Opex	\$ 1,531	\$ 1,278	\$ 253	19.8%	\$ 10,423	\$ 11,231	\$ (808)	(7.2%)

Management Discussion

Net Revenue – July MTD -\$809K:

- Extrusion external sales volume unfavorable by 6.0% or \$925K due to lower demand from both Canadian & US customers and lost business (Ventana, J-W, KP, Thompson Creek); with lower sales out of Woodbridge by \$593K, Laval by \$39K and Everett by \$433K (loss of SI); partially offset by higher sales out of Delmont by \$140K (PGT, Polaris)
- Patio Door gross sales were ahead of Prior Year by \$144K mainly driven by increased demand from AMI and Abritek. External compound sales were ahead of Prior Year by \$53K due to increases from Vinyl Profiles, Window Seal and Resin Tech (tolling business)
- Unfavorable product/customer mix impact of \$94K primarily from Woodbridge and Laval; Unfavorable rebates & discounts variance of \$55K due to Everett customer mix; and lower returns & allowances by \$48K due to quality improvements at Woodbridge and Everett
- Favorable F/X impact of \$20K (actual rate of 1.3101 [or \$USD 0.7633] vs. Prior Year rate of 1.3130 [or \$USD 0.7616])

EBITDA – July MTD -\$655K:

- Unfavorable impact to Gross Margin of \$251K due to significant volume shortfall
- Material costs impacted unfavorably by Woodbridge production issues of \$115K (lower yields, regrind usage and increased JV scrap); higher material pricing impact of \$166K due to glass and aluminum materials at Terrebonne at TiO2 at ECS; higher ECS profit elimination of \$79K and higher E&O/LCM inventory reserves of \$71K
- Labor costs were favorable due to headcount reduction initiatives and improved labor efficiencies at Laval, Delmont and Everett
- Other COGS lower than the Prior Year as a result of lower freight costs of \$108K and a favorable absorption impact of \$66K as a result of producing more than Prior Year
- Sales and Marketing expenses increased as a result of higher marketing costs in the Quebec region (timing) and higher payroll costs as a result of 1x adj in PY for commissions & benefits
- Administrative costs impacted by 3 additional corporate heads (commenced employment in Q4-18), new H&S specialist at Delmont and IT costs due to prior year timing of expenses
- Unfavorable realized F/X re-valuation impact of \$40K due to net USD working capital held by the Canadian entity and lower JV equity income due to lower sales

July 2019 Net Sales Bridge

(In Thousands of US Dollars)

	<u>Woodbridge</u>	<u>Laval</u>	<u>Delmont</u>	<u>Everett</u>	<u>ECS</u>	<u>Terrebonne</u>	<u>Group Office</u>	<u>Adj.</u>	<u>Total</u>
Net Sales Budget, as reported (A)	\$ 4,802	\$ 2,691	\$ 3,858	\$ 2,601	\$ 6,443	\$ 1,608	\$ 18	\$ (5,856)	\$ 16,165
Volume impact (external sales)	(902)	(110)	(472)	(252)	(47)	353	-	-	(1,430)
Volume impact (intercompany sales)	145	111	7	-	(172)	-	-	(91)	-
Rebates & discounts	61	(3)	6	9	2	(16)	-	-	59
Price / Mix impact	111	(94)	109	(165)	11	(50)	(18)	-	(96)
Returns & allowances	11	7	4	22	-	(3)	-	-	41
Other - F/X	(31)	(19)	(0)	0	(6)	(15)	0	2	(70)
Actual Net Sales (B)	\$ 4,196	\$ 2,582	\$ 3,512	\$ 2,216	\$ 6,230	\$ 1,877	\$ -	\$ (5,945)	\$ 14,669
Actual vs Budget, as reported Variance (B) - (A)	\$ (606)	\$ (108)	\$ (346)	\$ (386)	\$ (212)	\$ 269	\$ (18)	\$ (89)	\$ (1,497)
Actual vs Prior Year, as reported Variance	\$ (534)	\$ (31)	\$ 274	\$ (511)	\$ (271)	\$ 140	\$ -	\$ 125	\$ (809)

July 2019 EBITDA Bridge

(In Thousands of US Dollars)

	<u>Woodbridge</u>	<u>Laval</u>	<u>Delmont</u>	<u>Everett</u>	<u>ECS</u>	<u>Terrebonne</u>	<u>Group Office</u>	<u>Adj.</u>	<u>Total</u>
EBITDA Budget, as reported (A)	\$ 375	\$ 470	\$ 704	\$ 281	\$ (176)	\$ (153)	\$ (175)	\$ -	\$ 1,326
Volume & Mix impact	(137)	(10)	(99)	(254)	24	79	(11)	-	(408)
Labor - DL/IDL FAV/(UNF)	(21)	132	43	21	19	(4)	-	-	189
Alt. Materials FAV/(UNF)	(207)	(22)	(76)	(78)	-	-	-	-	(383)
Other Materials - FAV/(UNF)	(24)	-	-	(33)	301	(68)	-	-	176
Absorption impact FAV/(UNF)	33	(309)	(52)	(120)	(23)	40	-	-	(431)
Overhead Spending FAV/(UNF)	(48)	27	35	36	36	(7)	-	-	79
Other	(12)	50	9	(5)	(22)	1	117	(0)	138
Actual EBITDA (B)	\$ (41)	\$ 338	\$ 563	\$ (151)	\$ 158	\$ (112)	\$ (69)	\$ (0)	\$ 687
Actual vs Budget, as reported Variance (B) - (A)	\$ (416)	\$ (132)	\$ (141)	\$ (433)	\$ 334	\$ 41	\$ 106	\$ (0)	\$ (640)
Actual vs Prior Year, as reported Variance	\$ (193)	\$ 34	\$ 160	\$ (330)	\$ (141)	\$ 26	\$ (210)	\$ (0)	\$ (655)

Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Jul-19			July-19 YTD			Comments
	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance ⁽¹⁾	\$ (95)	\$ 39	\$ (134)	\$ (227)	\$ 247	\$ (474)	Cellular material issues, increased trials and JV pitting Lower regrind usage due to product mix and process issues
Woodbridge - Alt Materials Usage ⁽²⁾	\$ 87	\$ 160	\$ (73)	\$ 766	\$ 889	\$ (123)	
Woodbridge - Total	\$ (8)	\$ 199	\$ (207)	\$ 539	\$ 1,136	\$ (597)	
Laval - Scrap Variance ⁽¹⁾	\$ 9	\$ -	\$ 9	\$ 127	\$ 20	\$ 107	Favorable yields due to longer runs and product mix Lower regrind usage due to lower volumes and improved yields
Laval - Alt Materials Usage ⁽²⁾	\$ 45	\$ 76	\$ (32)	\$ 345	\$ 356	\$ (11)	
Laval - Total	\$ 54	\$ 76	\$ (22)	\$ 471	\$ 376	\$ 96	
Delmont - Scrap Variance ⁽¹⁾	\$ 80	\$ 123	\$ (43)	\$ 563	\$ 740	\$ (177)	Unfavorable yields due to aging tools and high changeovers Reduced regrind usage due to lower volumes and supply
Delmont - Alt Materials Usage ⁽²⁾	\$ 43	\$ 76	\$ (33)	\$ 340	\$ 504	\$ (164)	
Delmont - Total	\$ 123	\$ 199	\$ (76)	\$ 903	\$ 1,244	\$ (341)	
Everett - Scrap Variance ⁽¹⁾	\$ 13	\$ 60	\$ (47)	\$ (522)	\$ (433)	\$ (89)	July start up scrap, mechanical failures and delayed form-up Lower regrind usage due to volumes and external supply
Everett - Alt Materials Usage ⁽²⁾	\$ 34	\$ 65	\$ (31)	\$ 1,011	\$ 1,261	\$ (250)	
Everett - Total	\$ 47	\$ 125	\$ (78)	\$ 489	\$ 828	\$ (339)	
Total Scrap Variance ⁽¹⁾	\$ 7	\$ 221	\$ (214)	\$ (59)	\$ 574	\$ (633)	
Total Alt Materials Usage ⁽²⁾	\$ 209	\$ 378	\$ (169)	\$ 2,462	\$ 3,010	\$ (549)	
Grand Total	\$ 216	\$ 600	\$ (383)	\$ 2,403	\$ 3,584	\$ (1,181)	

Notes:

(1) - Scrap Variance includes scrap variance vs. scrap included in Standard Costs from: (i) production scrap impacted by production yields, product mix and other factors (ie. Age of extruders, power outages, labor availability); (ii) raw material count variances and adjustments; and (iii) finished goods count variances and adjustments

(2) - Alt Materials Usage includes use of regrind material in the production process obtained from any one of the following sources: (i) alternative compound externally sourced; (ii) white window regrind from Zero Waster recycling program; and/or (iii) scrap not sold.

Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Q1-19	Q2-19	Jul-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	10,057	64,203
Budget Direct Labor	\$ 4,262	\$ 4,864	\$ 1,704	\$ 10,831
Budget Indirect and SG&A Labor	\$ 7,052	\$ 7,405	\$ 2,577	\$ 17,033
Budget Total Labor	<u>\$ 11,314</u>	<u>\$ 12,269</u>	<u>\$ 4,282</u>	<u>\$ 27,865</u>
Actual Production Volume (Lbs)	23,546	25,123	8,339	57,008
Actual Direct Labor	\$ 3,908	\$ 4,374	\$ 1,613	\$ 9,894
Budget Direct Labor (Flexed for Actual Volume)	\$ 4,060	\$ 4,153	\$ 1,413	\$ 9,626
Direct Labor Savings (Flexed for Actual Volume) - FAV(UNF)	<u>\$ 152</u>	<u>\$ (221)</u>	<u>\$ (200)</u>	<u>\$ (268)</u>
Actual Indirect and SG&A Labor	\$ 6,818	\$ 7,107	\$ 2,396	\$ 16,321
Budget Indirect and SG&A Labor (Flexed for Actual Volume)	\$ 7,052	\$ 7,405	\$ 2,577	\$ 17,033
Indirect and SG&A Labor Savings - FAV(UNF)	<u>\$ 233</u>	<u>\$ 297</u>	<u>\$ 182</u>	<u>\$ 712</u>
Total Labor	\$ 10,726	\$ 11,481	\$ 4,008	\$ 26,215
Budget Total Labor (Flexed for Actual Volume)	<u>\$ 11,112</u>	<u>\$ 11,557</u>	<u>\$ 3,990</u>	<u>\$ 26,659</u>
Total Labor Savings - FAV(UNF)	<u>\$ 386</u>	<u>\$ 76</u>	<u>\$ (18)</u>	<u>\$ 444</u>

Note: Direct Labor includes Full Time and Casual/Temp Labor

Strategic Plan Update – Summary of HCR Initiative (Cont'd)

(In Thousands of US Dollars)

	Q1-19	Q2-19	Jul-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	10,057	64,203
Budget Direct Labor - Consolidated	\$ 4,262	\$ 4,864	\$ 1,704	\$ 10,831
Deduct:				
Budget Direct Labor - Terrebonne	\$ 687	\$ 823	\$ 309	\$ 1,819
Budget Total Labor - Extrusion & Compounding	<u>\$ 3,575</u>	<u>\$ 4,041</u>	<u>\$ 1,395</u>	<u>\$ 9,012</u>
Budget Direct Labor \$ / Lb Manufactured	\$ 0.145	\$ 0.137	\$ 0.139	\$ 0.140
Actual Production Volume (Lbs)	23,546	25,123	8,339	57,008
Actual Direct Labor - Consolidated	\$ 3,908	\$ 4,374	\$ 1,613	\$ 9,894
Deduct:				
Actual Direct Labor - Terrebonne	\$ 515	\$ 793	\$ 339	\$ 1,647
Actual Direct Labor - Extrusion & Compounding	<u>\$ 3,393</u>	<u>\$ 3,580</u>	<u>\$ 1,274</u>	<u>\$ 8,247</u>
Actual Direct Labor \$/Lb Manufactured	\$ 0.144	\$ 0.143	\$ 0.153	\$ 0.145
Budget Casual / Temp Direct Labor - Consolidated	\$ 316	\$ 372	\$ 142	\$ 830
Deduct:				
Budget Casual / Temp Direct Labor - Terrebonne	\$ 25	\$ 120	\$ 43	\$ 188
Budget Total Casual / Temp Labor - Extrusion & Compounding	<u>\$ 291</u>	<u>\$ 252</u>	<u>\$ 99</u>	<u>\$ 642</u>
Budget Casual / Temp Direct Labor \$ / Lb Manufactured	\$ 0.012	\$ 0.009	\$ 0.010	\$ 0.010
Actual Casual / Temp Direct Labor - Consolidated	\$ 179	\$ 316	\$ 249	\$ 744
Deduct:				
Actual Casual / Temp Direct Labor - Terrebonne	\$ 22	\$ 130	\$ 115	\$ 267
Actual Casual / Temp Direct Labor - Extrusion & Compounding	<u>\$ 157</u>	<u>\$ 185</u>	<u>\$ 133</u>	<u>\$ 476</u>
Actual Casual / Temp Direct Labor \$/Lb Manufactured	\$ 0.007	\$ 0.007	\$ 0.016	\$ 0.008

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Revenue and EBITDA Bridge

\$'000	MTD		QTD		YTD	
	Net Revenue	EBITDA	Net Revenue	EBITDA	Net Revenue	EBITDA
Budget	\$ 16,165	\$ 1,326	\$ 16,165	\$ 1,326	\$ 102,040	\$ 6,270
<u>Net Revenue Delta</u>						
Volume	(1,430)	(207)	(1,430)	(207)	(11,969)	(3,219)
Pricing	—	—	—	—	—	—
Mix	(97)	(97)	(97)	(97)	341	341
Discounts	23	23	23	23	213	213
Returns	41	41	41	41	73	73
Rebates	36	36	36	36	615	615
F/X	(70)	(39)	(70)	(39)	(1,312)	(405)
Total Net Revenue Delta	(1,497)	(243)	(1,497)	(243)	(12,039)	(2,382)
<u>Cost Delta</u>						
Absorption		(431)		(431)		(338)
SG&A		149		149		722
Variances		(115)		(115)		(340)
Other		—		—		648
Total Cost Delta		(397)		(397)		692
Actual	\$ 14,669	\$ 687	\$ 14,669	\$ 687	\$ 90,001	\$ 4,580

Management Discussion - MTD

- Extrusion external sales volume unfavorable by 11.0% or \$1,736K, lower external compound sales by \$47K, partially offset by higher Terrebonne sales of \$353K, contributing to the volume impact of \$1,430K
- Unfavorable customer sales mix of \$97K primarily from Everett due to customer sales mix
- Unfavorable F/X impact of \$70K (actual rate of 1.3101 [or \$USD 0.7633] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$34K, in addition to an unfavorable realized balance sheet re-valuation impact of \$5K due to a change in the month-end rate from 1.3099 on June 30th, 2019 to 1.3158 on July 31st, 2019
- Favorable SG&A due to lower G&A labor & benefits costs and lower OPEX spending (ie. Marketing costs, T&E, IT costs)
- Unfavorable variances of \$115K due to unfavorable yields, higher scrap costs and lower regrind usage at Woodbridge, Delmont & Everett of \$383K, partially offset by favorable resin material prices and favorable scrap at ECS of \$176K (net of higher TiO2, glass, steel and aluminum pricing) and lower labor costs of \$92K (exclusive of volume impacts)
- Other costs in line with Budget with higher overhead spending (ie. Maintenance, factory suppliers, utilities) of \$72K offset by higher tool & die absorption recovery impact of \$72K

Key Customers – Gross Sales and Gross Margin %: Consolidated

	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
PGT Industries Inc	\$	2,074	\$	2,272	\$	(198)	(8.7%)	\$	1,850	\$	224	12.1%	\$	13,268	\$	13,633	\$	(365)	(2.7%)	\$	12,510	\$	758	6.1%	19.9%	18.6%	132	7.1%	18.1%	184	10%	19.4%	18.2%	121	6.6%	14.3%	515	36.1%
Eclipse Shutter Systems		1,098		1,439		(340)	(23.7%)		1,323		(224)	(16.9%)		7,973		9,388		(1,415)	(15.1%)		9,427		(1,454)	(15.4%)	0.8%	3.3%	(242)	(74.4%)	6.7%	(583)	(87%)	3.3%	3.2%	3	0.9%	5.8%	(251)	(43.5%)
Atis		750		813		(63)	(7.7%)		936		(186)	(19.9%)		4,114		5,066		(952)	(18.8%)		5,955		(1,841)	(30.9%)	(16.2%)	(19.0%)	277	(14.6%)	(18.7%)	243	(13%)	(16.3%)	(19.1%)	281	(14.8%)	(16.9%)	62	(3.7%)
Simonton		833		865		(31)	(3.6%)		811		22	2.8%		5,453		6,122		(668)	(10.9%)		6,124		(671)	(11.0%)	3.1%	21.6%	(1,853)	(85.6%)	6.1%	(301)	(49%)	12.6%	17.5%	(498)	(28.4%)	8.0%	451	56.1%
Quaker Window Products		579		579		1	0.1%		495		85	17.1%		3,220		3,596		(376)	(10.5%)		3,073		147	4.8%	11.0%	11.0%	–	0.0%	12.3%	(128)	(10%)	11.0%	11.0%	0	0.0%	7.3%	377	52.0%
Ostaco 2000		359		396		(37)	(9.3%)		446		(87)	(19.5%)		1,729		2,020		(290)	(14.4%)		2,090		(361)	(17.3%)	13.0%	8.8%	418	47.7%	20.5%	(749)	(37%)	9.5%	7.4%	219	29.8%	20.0%	(1,043)	(52.2%)
SOLARIS QUEBEC P & F INC.		227		230		(4)	(1.7%)		231		(4)	(1.9%)		2,482		2,265		217	9.6%		2,363		119	5.0%	23.5%	23.1%	34	1.5%	8.3%	1,518	183%	23.8%	23.9%	(13)	(0.5%)	9.2%	1,463	159.2%
Dashwood Industries Inc		360		354		6	1.7%		386		(26)	(6.8%)		1,774		1,958		(184)	(9.4%)		2,094		(320)	(15.3%)	14.7%	14.5%	18	1.2%	22.3%	(765)	(34%)	17.5%	14.3%	325	22.8%	15.1%	238	15.7%
Windsor Window Co OEM		347		385		(38)	(9.8%)		391		(44)	(11.2%)		2,209		2,052		158	7.7%		2,088		122	5.8%	25.5%	24.1%	138	5.7%	9.2%	1,633	177%	23.6%	23.7%	(6)	(0.2%)	7.6%	1,599	209.5%
All Weather		495		558		(63)	(11.2%)		259		236	91.0%		2,630		3,983		(1,352)	(34.0%)		1,778		852	48.0%	12.8%	15.6%	(285)	(18.2%)	14.4%	(157)	(11%)	12.0%	14.9%	(293)	(19.6%)	12.3%	(28)	(2.3%)
Polaris Technologies		531		505		26	5.1%		291		240	82.5%		3,128		3,458		(330)	(9.5%)		2,069		1,059	51.2%	19.0%	19.6%	(61)	(3.1%)	0.0%	1,900	N/A	16.4%	17.3%	(95)	(5.5%)	0.0%	1,636	N/A
A.M.I.		449		289		160	55.4%		275		174	63.3%		2,068		2,000		68	3.4%		2,025		43	2.1%	12.6%	0.0%	1,256	N/A	2.6%	998	387%	7.9%	1.5%	638	417.5%	4.7%	326	70.0%
ATLANTIC WINDOWS		386		395		(9)	(2.3%)		364		22	6.1%		1,989		2,287		(298)	(13.0%)		2,271		(282)	(12.4%)	14.9%	12.9%	201	15.6%	2.7%	1,224	460%	15.6%	12.1%	351	29.1%	4.7%	1,085	229.9%
Vinyl Profiles, LLC		335		355		(20)	(5.6%)		181		154	84.6%		1,576		2,248		(672)	(29.9%)		1,504		72	4.8%	17.6%	20.7%	(310)	(15.0%)	18.0%	(41)	(2%)	20.3%	20.6%	(31)	(1.5%)	20.0%	33	1.6%
Comfort View Products		221		300		(79)	(26.3%)		295		(74)	(25.1%)		1,231		1,931		(700)	(36.3%)		1,844		(613)	(33.2%)	20.5%	16.3%	413	25.3%	12.2%	826	68%	20.0%	16.7%	326	19.5%	11.5%	851	74.0%
PORTES & FENETRES ABRITEK		261		241		20	8.1%		204		57	27.7%		1,526		1,478		48	3.3%		1,609		(83)	(5.2%)	7.6%	22.2%	(1,466)	(66.0%)	24.3%	(1,672)	(69%)	8.5%	18.6%	(1,006)	(54.1%)	19.0%	(1,041)	(54.9%)
Coeur d'Alene		337		382		(45)	(11.9%)		303		34	11.1%		1,822		2,165		(343)	(15.9%)		1,628		194	11.9%	(4.8%)	8.5%	(1,321)	(156.2%)	(0.2%)	(456)	2414%	0.7%	4.6%	(390)	(85.4%)	(1.0%)	166	(167.8%)
SCHLUTER SYSTEMS L.P.		254		304		(51)	(16.6%)		303		(49)	(16.3%)		1,306		1,564		(258)	(16.5%)		1,558		(252)	(16.2%)	23.5%	22.6%	89	4.0%	19.9%	352	18%	24.0%	24.0%	0	0.0%	19.5%	449	23.0%
P & F ISOTHERMIC INC		214		164		51	31.0%		171		43	25.4%		1,512		1,386		127	9.1%		1,548		(36)	(2.3%)	11.1%	21.6%	(1,053)	(48.8%)	(2.4%)	1,341	(569%)	13.3%	20.9%	(759)	(36.4%)	1.5%	1,177	781.3%
Sierra Pacific Windows		310		225		85	37.8%		225		85	37.8%		1,572		1,559		13	0.8%		1,509		63	4.2%	9.7%	11.1%	(144)	(13.0%)	5.3%	434	81%	9.6%	9.8%	(25)	(2.5%)	5.2%	435	83.0%
Other		5,031		6,001		(970)	(16.2%)		6,513		(1,481)	(22.7%)		31,993		37,408		(5,415)	(14.5%)		42,145		(10,152)	(24.1%)	21.6%	27.3%	(566)	(20.8%)	29.9%	(833)	(28%)	23.5%	25.5%	(200)	(7.8%)	27.8%	(427)	(15.4%)
Total Gross	\$	15,452	\$	17,052	\$	(1,600)	(9.4%)	\$	16,253	\$	(801)	(4.9%)	\$	94,575	#####	#####	(12.1%)	#####	#####	(11.8%)					14.3%	17.6%	(329)	(18.7%)	16.1%	(177)	(11%)	16.0%	16.4%	(42)	(2.6%)	15.2%	77	5.0%

Management Discussion

- PGT – Lower vs Budget due to higher assumptions made but ahead of the Prior Year
- Eclipse– Lower vs anticipated sales, in line with market which has been softer in 2019
- Atis, Simonton, All-Weather & Comfort View – softness in orders in line with market
- Other – shortfall to prior year includes lost business (SI, Jeld-Wen, Thompson Creek, KP Building) and bankruptcies (Ventana Windows, Duraco, Concept MAT)

Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
Opening Pipeline	\$ 63,499	\$ 24,924
Additions	—	97,696
Changes:		
Converted	—	(18,464)
Lost	—	(40,282)
Other	—	(374)
Total Net Changes	—	(59,120)
Closing Pipeline	\$ 63,499	\$ 63,499

Management Discussion

- No updates from the prior month

Pipeline Additions

\$'000														
Customer Name	Plant	Rep. Name	Existing Customer (Y/N)	Description of Opportunity	Segment	Date of Inclusion into Pipeline	Expected Date of Award/Close	Probability of Winning Award	Competitor(s)	Period of Contract		Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Comments
										Start	End			
												\$	-	0

Pipeline Conversion

\$'000

Customer Name	Rep. Name	Existing Customer (Y/N)	Description	Name of Winner(s) / Loser(s)	Date of Conversion	Period of Contract	Expected Total Contract Value	Estimated Annual Volume ('000s Lbs)	Reason Code(s)	Comment
						Start	End			
CONVERTED										
							\$	-	-	
LOST										
							\$	-	-	
OTHER										
								-	-	
Reason Code for Win										
1. Price			2. Service/Support			3. Relationship				
4. Incumbency			5. Product			6. No decision				
7. Other (Explain in comment field)										

Total Closing Pipeline – Current Extrusions and Patio Doors

\$ and units '000														
Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
Existing Customers														
Solar Innovations	\$	500	350	\$	100	TBD	TBD	TBD						Customer looking at launch timing for the platform extrusions
Polaris	\$	4,000	2,500	\$	-	TBD	TBD	TBD						Ultra-Weld
Vaillancourt	\$	2,116	450	\$	-	TBD	TBD	TBD						Performer-Fusion Patio Doors (Partly converted)
Gentek	\$	2,308	1,700	\$	1,095	TBD	TBD	TBD						Full Program. Still waiting on decision. Gentek strategy is to run Veka and ENERGI and allow ENERGI to cannibalize Veka programs.
Hometime	\$	200	100	\$	75	TBD	TBD	TBD						Customer still reviewing casement
Fene-Tech	\$	77	40	\$	-	TBD	TBD	TBD						Patio Door program
Simonton	\$	1,154	1,500	\$	-	TBD	TBD	TBD						Dual stucco wall Slider
Dalmen	\$	154	200	\$	-	TBD	TBD	TBD						Tilt and Turn
Centennial	\$	115	75	\$	-	TBD	TBD	TBD						New Slider Frame
Magistral	\$	115	75	\$	100	TBD	TBD	TBD						Customer still reviewing
Simonton	\$	769	1,000	\$	-	TBD	TBD	TBD						New Multi slide/425 door
LGC	\$	77	50	\$	25	TBD	TBD	TBD						
Futura	\$	77	50	\$	25	TBD	TBD	TBD						
Fenêtres Concept	\$	58	25	\$	25	TBD	TBD	TBD						Initial sampling to begin
Vinylpro	\$	385	300	\$	-	TBD	TBD	TBD						4 1/2" Casement
Seymour Windows	\$	1,429	1,000	\$	241	TBD	TBD	TBD						Working on new formulation and design
Westek	\$	77	50	\$	-	TBD	TBD	TBD						Multi-Track Door
Solar Innovations	\$	250	150	\$	-	TBD	TBD	TBD						Multi Track Door
Solar Innovations	\$	100	50	\$	-	TBD	TBD	TBD						Lift/Slide Lineal
Cascade	\$	16,500	15,000	\$	-	TBD	TBD	TBD						Launch Hung/Slidr other locations
Avanti	\$	1,000	700	\$	-	TBD	TBD	TBD						FullProgram - Dark Cap
ATI	\$	500	300	\$	450	TBD	TBD	TBD						West Coast Contemporary series (shared capital)
Gentek	\$	1,538	-	\$	-	TBD	TBD	TBD						Patio Door program
Dalmen	\$	192	125	\$	-	TBD	TBD	TBD						Opera lineal program from Soni Plastics
Aluminart	\$	192	125	\$	-	TBD	TBD	TBD						Casement
Entreprises AM	\$	577	350	\$	-	TBD	TBD	TBD						4600 Series
Euroclad Windows	\$	100	50	\$	-	TBD	TBD	TBD						Multi Track Door
Mason Windows	\$	192	160	\$	-	TBD	TBD	TBD						Contemporary Casement
Vaillancourt	\$	769	500	\$	-	TBD	TBD	TBD						Opera lineal
Durabuilt	\$	385	250	\$	-	TBD	TBD	TBD						4600 Series
All Weather	\$	192	50	\$	-	TBD	TBD	TBD						Orchestra
TOTAL EXISTING CUSTOMERS	\$	36,098	\$	27,275	\$	2,136								
Legend														
								Complete						
								In process, on track						
								In process, delayed						
								In process, at risk						

28

Total Closing Pipeline – New Extrusions and Patio Doors

\$ and units '000															
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
New Customers															
Gilkey	\$	600	370	\$	400	TBD	TBD	TBD							In final stages; seeking 5 year agreement
Fenêtres Contemporaine	\$	58	\$	75	\$	-	TBD	TBD	TBD						Hybrid Casement
Reflec	\$	154	\$	200	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	731	\$	-	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	1,538	\$	1,000	\$	-	TBD	TBD	TBD						Woodbridge Platform
Atelier Jean Cyr	\$	38	\$	50	\$	-	TBD	TBD	TBD						Hybrid hung
Verdun	\$	769	500	\$	-	TBD	TBD	TBD							4600 Casement
Elite	\$	308	200	\$	-	TBD	TBD	TBD							In early discussions
Formtech	\$	231	100	\$	-	TBD	TBD	TBD							Tilt/Turn, 4600 Series
Progressive Windows	\$	500	250	\$	-	TBD	TBD	TBD							3 1/4" Program
Hayfield Windows	\$	2,000	1,250	\$	-	TBD	TBD	TBD							Casement
Scheel	\$	308	175	\$	100	TBD	TBD	TBD							Prospect wants to switch away from PH Tech - dissatisfied
President Windows	\$	150	-	\$	100	TBD	TBD	TBD							Patio Doors
Minnkota Window	\$	1,500	850	\$	-	TBD	TBD	TBD							Casement SH/DH
Diamond	\$	1,000	700	\$	-	TBD	TBD	TBD							3 1/4" Program
Bonnecherre Valley	\$	115	75	\$	-	TBD	TBD	TBD							T/T, CA, Hung
Gilkey Windows	\$	500	3,600	\$	-	TBD	TBD	TBD							Patio Door
Gilkey Windows	\$	750	600	\$	-	TBD	TBD	TBD							DH
Group Atlanta	\$	154	100	\$	-	TBD	TBD	TBD							Hybrid Slider
Amerimax	\$	350	-	\$	-	TBD	TBD	TBD							Opus PD
Thermovision	\$	115	75	\$	-	TBD	TBD	TBD							Hung/Slider Hybrid
Artik	\$	58	37	\$	-	TBD	TBD	TBD							PD Lineal
Wasco	\$	400	225	\$	-	TBD	TBD	TBD							Casement/SH/DH (Rehau)
Yellow Dog	\$	3,750	3,000	\$	-	TBD	TBD	TBD							5000 Series
SI	\$	2,308	2,500	\$	-	TBD	TBD	TBD							Recut tools in Dark Cap
Maritime	\$	385	250	\$	-	TBD	TBD	TBD							Early discussions
Heartland	\$	900	650	\$	-	TBD	TBD	TBD							
Menuiserie Belisle	\$	231	125	\$	-	TBD	TBD	TBD							4600 Series
Supreme	\$	500	375	\$	-	TBD	TBD	TBD							Strong relationship with Westech but concerned
TOTAL NEW CUSTOMERS															
Total Extrusion and Patio Doors															
Legend															
Complete															
In process, on track															
In process, delayed															
In process, at risk															

29

Total Closing Pipeline – ENERGI Compound Solutions (ECS) External Sales

\$ and units '000														
Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
<u>Existing Customers</u>														
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-									
<u>New Customers</u>														
Fence Outlet	\$	6,000	10,000	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					Quote accepted. Customer want formulation improved. Capital required for Dosing unit Natural Formulation for RV's Pursuit/ New formulation required Provided quote
Accord	\$	300	300	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					
Mor-X Plastics	\$	200	200	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					
Vinylcraft	\$	500	500	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					
TOTAL NEW CUSTOMERS	\$	7,000	\$	11,000	\$	-								
Total External Compound Sales	\$	7,000	11,000	\$	-									
TOTAL SALES PIPELINE	\$	63,499	55,607	\$	2,736									
<div><div>Legend</div><div><div>Complete</div><div>In process, on track</div><div>In process, delayed</div><div>In process, at risk</div></div></div>														

YTD Opex Analysis

\$'000

	YTD			Explanation of Variance					Variance Impact		
	Act	Bud	Variance (B) / W	One-Time / Non-recurring	Timing	Change in Run-rate	Other/FX	Total Variance (B) / W	YoY Impact (B) / W	Annualized (B) / W	
Payroll	\$ 5,951	\$ 6,248	\$ (297)	\$ (45)	\$ (15)	\$ (146)	\$ (92)	\$ (297)	\$ (371)	\$ -	
Bonus	\$ 785	\$ 794	\$ (9)	\$ -	\$ -	\$ -	\$ (9)	\$ (9)	\$ (3)	\$ -	
Commissions	\$ 135	\$ 209	\$ (73)	\$ (13)	\$ -	\$ (58)	\$ (3)	\$ (73)	\$ 25	\$ -	
Marketing	\$ 779	\$ 1,042	\$ (263)	\$ -	\$ (249)	\$ -	\$ (15)	\$ (263)	\$ (252)	\$ -	
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Travel and entertainment	\$ 652	\$ 929	\$ (277)	\$ (93)	\$ (50)	\$ (125)	\$ (8)	\$ (277)	\$ (104)	\$ -	
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 181	\$ 199	\$ (19)	\$ -	\$ (14)	\$ (5)	\$ (0)	\$ (19)	\$ (15)	\$ -	
Professional fees	\$ 336	\$ 347	\$ (11)	\$ 3	\$ -	\$ (7)	\$ (7)	\$ (11)	\$ (20)	\$ -	
Office expense	\$ 154	\$ 169	\$ (15)			\$ (12)	\$ (3)	\$ (15)	\$ (31)	\$ -	
IT	\$ 1,094	\$ 1,193	\$ (98)	\$ -	\$ (76)	\$ -	\$ (23)	\$ (98)	\$ 128	\$ -	
Bad Debts	\$ 97	\$ (3)	\$ 100	\$ 103	\$ -	\$ -	\$ (3)	\$ 100	\$ 161	\$ -	
FX	\$ (162)	\$ -	\$ (162)	\$ -	\$ -	\$ -	\$ (162)	\$ (162)	\$ (324)	\$ -	
JV Loss (Income)	\$ (105)	\$ (136)	\$ 31	\$ (2)	\$ 20	\$ 16	\$ (3)	\$ 31	\$ 22	\$ -	
Other Expenses	\$ 525	\$ 504	\$ 21	\$ (4)	\$ -	\$ 40	\$ (15)	\$ 21	\$ (26)	\$ -	
Total Opex	\$ 10,423	\$ 11,496	\$ (1,073)	\$ (52)	\$ (383)	\$ (295)	\$ (342)	\$ (1,073)	\$ (808)	\$ -	

Management Discussion

- Lower payroll largely due to lower headcount and delays in hiring for open positions, lower than Planned benefits costs coupled with a positive Canadian FX impact
- Lower commissions as a result of revised estimates for accrual based on current sales
- Marketing expenses lower due to timing with budgeted expenditure
- Lower than anticipated sales volume affecting Travel and Entertainment
- IT coming in slightly behind budget due to timing as a result of contract negotiations and a positive Canadian FX impact
- Top up of Bad Debts provision in Q2 2019 to cover Ventana exposure at Woodbridge and Terrebonne and Deluxe Windows and Fence outlet at ECS

1x Costs

\$'000

	YTD			Explanation of Variance			Variance Impact	
	Variance			Change in			Total Variance	Total Change in Estimate
	Act	AOP	B / (W)	Estimate	Timing	Other	B / (W)	B / (W)
Banking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insight Sourcing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ 119	\$ 70	\$ (49)	\$ (33)	\$ -	\$ (16)	(49)	\$ (33)
Legal Fees	\$ 23	\$ -	\$ (23)	\$ -	\$ -	\$ (23)	(23)	\$ -
Professional Fees	\$ 268	\$ 65	\$ (203)	\$ (185)	\$ (4)	\$ (14)	(203)	\$ (185)
Mgmt Incentive	\$ 245	\$ 342	\$ 97	\$ 97	\$ -	\$ -	97	\$ 97
Laval Water Damage	\$ 113	\$ -	\$ (113)	\$ -	\$ -	\$ (113)	(113)	\$ -
Profit Velocity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAD Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3	\$ -	\$ (3)	\$ -	\$ -	\$ (3)	(3)	\$ -
Total 1X Costs	\$ 771	\$ 477	\$ (294)	\$ (120)	\$ (4)	\$ (169)	\$ (294)	\$ (120)

Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$63K), Disaster Recovery testing for JDE (\$40K) and DDL Consultant for ITSM Project (\$16K)
- Legal Costs of \$23K for Corporate Management Services
- Professional Fees include costs incurred for the Quality of Earnings study with KPMG (\$170K), OBI projects with The Practical Approach (\$88K), Project Monaco costs (\$14K) and Management Tools Inc (\$16K)
- Management staff incentive accrual (\$245K)
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$112K, not planned); to be claimed through insurance provider net of a deductible of \$100K

Balance Sheet

\$'000	Dec-18	Apr-19	May-19	Jun-19	Jul-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	11.8%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	8,958	13,369	14,654	15,793	13,673	15,761	(2,088)	(13.2%)
<i>Accounts receivable, reserves</i>	(363)	(425)	(465)	(479)	(477)	(679)	202	(29.7%)
Accounts receivable, net	8,594	12,944	14,190	15,313	13,196	15,082	(1,886)	(12.5%)
<i>Inventory, gross</i>	31,776	34,119	32,304	34,675	34,503	34,769	(266)	(0.8%)
<i>Inventory, reserves</i>	(1,467)	(1,562)	(1,608)	(1,789)	(1,797)	(1,649)	(148)	9.0%
Inventory, net	30,309	32,557	30,697	32,887	32,705	33,120	(415)	(1.3%)
Prepaid expenses and other current assets	2,942	3,909	4,233	4,279	4,257	3,627	629	17.4%
Other current assets	901	790	865	830	1,026	857	169	19.7%
Total Current Assets	42,746	50,203	49,987	53,312	51,187	52,689	(1,503)	(2.9%)
Non-Current Assets								
<i>Property, plant & equipment, gross</i>	64,977	67,503	67,826	69,761	70,321	72,208	(1,886)	(2.6%)
<i>Accumulated depreciation</i>	(17,639)	(20,649)	(21,300)	(22,479)	(23,152)	(21,293)	(1,859)	8.7%
Property, plant & equipment, net	47,338	46,853	46,525	47,282	47,169	50,915	(3,746)	(7.4%)
Deferred financing cost	548	499	484	479	464	463	1	0.3%
Deferred tax asset	2,879	2,913	2,901	2,973	2,963	1,367	1,596	116.8%
Other non-current assets	2,616	2,685	2,698	2,800	2,791	3,155	(364)	(11.5%)
Total Non-Current Assets	53,382	52,950	52,607	53,535	53,388	55,900	(2,512)	(4.5%)
Total Assets	\$ 96,127	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 108,589	\$ (4,015)	(3.7%)
Current Liabilities								
Bank Debt	\$ 10,222	\$ 19,505	\$ 19,025	\$ 17,818	\$ 17,338	\$ 20,491	\$ (3,153)	(15.4%)
Current Portion - Long Term Debt	1,628	1,648	1,640	1,683	1,676	1,800	(124)	(6.9%)
Accounts payable	12,709	12,267	12,359	15,487	15,146	14,482	664	4.6%
Accrued liabilities	3,343	3,515	3,556	3,864	3,513	3,699	(186)	(5.0%)
Accrued compensation	2,521	3,338	3,488	3,931	3,435	4,303	(868)	(20.2%)
Income taxes payable	(246)	(275)	(215)	(118)	46	1,147	(1,101)	(96.0%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	—	1,301	N/A
Other current liabilities	97	125	132	125	127	137	(10)	(7.6%)
Total Current Liabilities	31,576	41,423	41,287	44,090	42,582	46,060	(3,478)	(7.6%)
Long-term liabilities								
Long-term debt less current maturities	12,006	11,609	11,418	11,587	11,403	11,144	259	2.3%
Deferred income taxes	9,610	9,669	9,647	9,775	9,756	7,785	1,971	25.3%
Other non-current liabilities	1,468	1,503	1,497	1,597	1,591	1,458	134	9.2%
Total Long-Term Liabilities	23,084	22,781	22,562	22,959	22,751	20,387	2,364	11.6%
Total Liabilities	54,660	64,205	63,849	67,049	65,333	66,447	(1,114)	(1.7%)
Commitments and contingencies	—	—	—	—	—	—	—	N/A
Shareholders' Equity								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	30,039	27,350	27,180	28,033	27,505	30,062	(2,558)	(8.5%)
Accumulated other comprehensive income	(1,181)	(1,011)	(1,045)	(845)	(873)	(530)	(344)	64.8%
Total Shareholders' Equity	41,467	38,948	38,746	39,798	39,241	42,142	(2,901)	(6.9%)
Total Liabilities and Shareholders' Equity	\$ 96,127	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 108,589	\$ (4,015)	(3.7%)

Management Discussion

- Net A/R vs. Budget is lower by \$1,886K (12.5%) largely due to reduction in Sales by 11% vs Budget. Furthermore, there is an unfavorable F/X impact of \$80K (actual rate of 1.3158 [or USD\$ 0.76] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Lower inventory levels vs Bud by \$415K as a of an unfavorable F/X impact of \$207K (actual rate of 1.3158 [or USD\$ 0.76] vs. Budget rate of 1.30 [or USD\$ 0.77]) as well as reduced production due to lower Sales
- Increase in Prepaid expenses vs Bud due to higher property insurance premium renewal for 2019/2020 period vs budget of \$100K and prepayment of advertisement campaign earlier then scheduled of \$165K
- Increase in Other current assets vs Bud and Prior Month attributed to higher GST receivable of \$72k vs prior month from increase in raw material purchase from Westlake and delay in cart delivery in June increasing the GST claim in July. Also, adjustment of Quebec tax refund (\$136k) to tax payable causing the increase in the balance
- PP&E lower vs Bud by 3,746K largely due to lower Capex spending than budgeted YTD of \$1,542K and an unfavorable F/X impact of \$344K (actual rate of 1.3158 [or USD\$ 0.76] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Other non-current assets reduction of \$364K vs Bud due to a reduction in JV equity income in the month and an unfavorable F/X impact
- Decrease in Bank Debt due to a combination of not paying out the contingent consideration liability of \$1.3M, lower Capex spending due to 'Hold-off' strategy. Also, a favorable FX impact on Canadian Debt (actual rate of 1.3158 [or USD\$ 0.76] vs. the Budget rate of 1.30 [or USD\$ 0.77])

Cash Flow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	(528)	\$	30	\$	(559)	(1844.3%)	\$	255	\$	(783)	(307.2%)	\$	(2,524)	\$	(2,500)	\$	(24)	1.0%	\$	(2,413)	\$	(111)	4.6%
Depreciation, amortization and other		761		771		(11)	(1.4%)		624		136	21.8%		5,087		5,156		(70)	(1.3%)		4,405		682	15.5%
Non-cash loss/expense (gain)		64		(194)		258	(132.8%)		(43)		107	(247.5%)		(144)		386		(530)	(137.3%)		47		(190)	(408.5%)
Deferred income tax		(19)		—		(19)	N/A		47		(66)	(139.3%)		147		148		(2)	(1.1%)		(1,157)		1,304	(112.7%)
Change in operating assets and liabilities:																								
Accounts receivable		2,118		1,445		673	46.6%		725		1,392	192.0%		(4,601)		(6,575)		1,974	(30.0%)		(4,437)		(164)	3.7%
Inventory		181		(459)		640	(139.5%)		361		(180)	(49.8%)		(2,397)		(2,811)		415	(14.7%)		(5,064)		2,668	(52.7%)
Prepaid expenses and other current assets		(173)		32		(205)	(636.6%)		(240)		67	(27.8%)		(1,440)		(642)		(798)	124.3%		(489)		(951)	194.7%
Accounts payable		(340)		(752)		411	(54.7%)		(614)		274	(44.6%)		2,437		1,773		664	37.5%		968		1,469	151.9%
Accrued expenses		(846)		352		(1,199)	(340.4%)		411		(1,258)	(305.7%)		1,083		2,389		(1,305)	(54.6%)		(33)		1,116	(3395.0%)
Accrued income taxes		164		220		(56)	(25.5%)		225		(61)	(27.0%)		292		498		(205)	(41.3%)		504		(212)	(42.1%)
Other changes in operating assets and liabilities		1		(2)		3	(167.7%)		30		(29)	(96.0%)		30		(1,261)		1,291	(102.4%)		105		(75)	(71.7%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	1,381	\$	1,444	\$	(63)	(4.4%)	\$	1,782	\$	(400)	(22.5%)	\$	(2,030)	\$	(3,440)	\$	1,410	(41.0%)	\$	(7,566)	\$	5,535	(73.2%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(761)	\$	(492)	\$	(269)	54.8%	\$	(637)	\$	(124)	19.4%	\$	(4,113)	\$	(5,823)	\$	1,710	(29.4%)	\$	(5,485)	\$	1,372	(25.0%)
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(761)	\$	(492)	\$	(269)	54.8%	\$	(637)	\$	(124)	19.4%	\$	(4,113)	\$	(5,823)	\$	1,710	(29.4%)	\$	(5,485)	\$	1,372	(25.0%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-term debt	\$	(480)	\$	(810)	\$	330	(40.7%)	\$	(1,036)	\$	556	(53.7%)	\$	7,116	\$	10,269	\$	(3,153)	(30.7%)	\$	13,216	\$	(6,100)	(46.2%)
Proceeds from the issuance of debt		0		—		0	N/A		—		0	N/A		0		—		0	N/A		630		(630)	(100.0%)
Repayment of debt		(140)		(143)		3	(2.1%)		(108)		(32)	29.2%		(969)		(1,003)		33	(3.3%)		(795)		(174)	22.0%
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Financing	\$	(620)	\$	(953)	\$	333	(34.9%)	\$	(1,145)	\$	524	(45.8%)	\$	6,146	\$	9,266	\$	(3,120)	(33.7%)	\$	13,050	\$	(6,904)	(52.9%)
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	(0)	\$	(0)	\$	(0)	8229%	\$	0	\$	(0)	(4375.6%)	\$	3	\$	3	\$	0	11.8%	\$	(0)	\$	3	(1219.7%)
Beginning cash		3		3		0	12.0%		0		3	2658480.7%		0		0		—	0.0%		(0)		0	(100.1%)
Change in cash		(0)		(0)		(0)	8229%		0		(0)	(4375.6%)		3		3		0	11.8%		(0)		3	(1219.7%)
Ending cash	\$	3	\$	3	\$	0	11.8%	\$	0	\$	3	1079786.6%	\$	3	\$	3	\$	0	11.8%	\$	0	\$	3	1079786.6%

Covenant Analysis

(US\$ '000s)	Actual Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19	Actual Jul-19	Budget Aug-19	Budget Sep-19	Budget Oct-19	Budget Nov-19	Budget Dec-19
Excess Availability													
Borrowing Base	27,127	24,989	24,640	25,741	28,175	29,067	28,711	29,941	32,672	33,629	32,828	32,953	32,448
Total Revolver Debt	10,222	14,340	16,533	18,750	19,505	19,025	17,818	17,338	20,722	18,469	18,098	14,909	13,864
Excess Availability	16,904	10,649	8,107	6,991	8,670	10,042	10,893	12,602	11,950	15,160	14,730	18,044	18,584
EA % of Borrowing Base	62.3%	42.6%	32.9%	27.2%	30.8%	34.5%	37.9%	42.1%	36.6%	45.1%	44.9%	54.8%	57.3%
Minimum EA% (or <\$5.25M)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Compliance	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
FCCR Calculation													
TTM EBITDA	8,112	7,865	8,971	8,618	8,575	8,526	9,943	8,843	9,328	8,585	9,189	9,474	10,488
Total Capex	462	489	531	560	448	519	805	761	492	492	398	398	398
TTM Capex	7,822	7,266	7,354	7,115	7,577	7,209	7,315	7,293	7,147	7,028	6,884	6,354	6,290
Cash Taxes	-	(252)	-	257	-	-	-	(14)	-	-	-	-	-
TTM Cash Taxes	671	418	418	140	5	5	5	(9)	(9)	(9)	(9)	(9)	(9)
Numerator	(381)	180	1,198	1,364	993	1,313	2,624	1,559	2,190	1,566	2,314	3,129	4,207
Cash Interest on existing ABL	161	156	165	189	184	198	187	191	202	190	190	173	168
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	1,869	1,918	1,966	2,019	2,051	2,087	2,099	2,109	2,134	2,154	2,174	2,186	2,193
Principal Payments on additional debt	138	138	139	138	138	137	139	140	141	141	141	141	141
TTM Principal Payments	1,387	1,412	1,436	1,462	1,490	1,516	1,544	1,574	1,606	1,638	1,670	1,671	1,675
Denominator	3,256	3,330	3,402	3,482	3,541	3,603	3,643	3,683	3,740	3,792	3,844	3,857	3,868
FCCR Ratio	(0.1)	0.1	0.4	0.4	0.3	0.4	0.7	0.4	0.6	0.4	0.6	0.8	1.1
Minimum FCC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Compliance	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	OK

13-Week Cash Flow Forecast

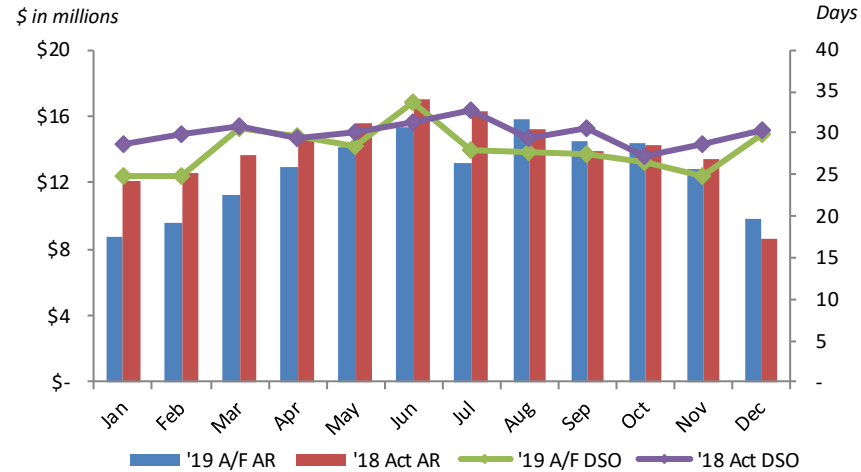
Date 07/26/19 08/02/19 08/09/19 08/16/19 08/23/19 08/30/19 09/06/19 09/13/19 09/20/19 09/27/19 10/04/19 10/11/19 10/18/19 10/25/19

Cash Flow Roll-Up:

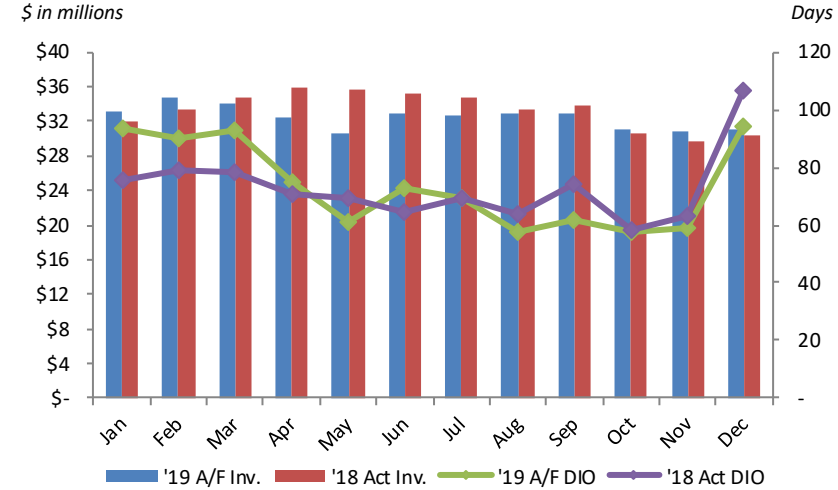
Total Inflows - Operational	2,814	2,776	3,246	3,330	3,330	4,026	3,885	4,965	4,182	4,435	4,415	4,226	4,202	4,197
Receipts from Customers based on AR	2,814	2,776	2,724	2,808	2,808	2,935	1,493	1,516	164	164	164	-	-	-
New Net External Sales	-	-	-	-	-	569	1,896	2,958	3,527	3,780	3,745	3,707	3,684	3,679
New Affiliate Sales	-	-	522	522	522	522	495	491	491	491	507	519	519	519
Total Outflows - Operational	(4,201)	(5,029)	(4,143)	(6,290)	(2,851)	(4,991)	(4,256)	(5,378)	(4,084)	(4,929)	(4,123)	(4,003)	(4,537)	(4,576)
Payments to Suppliers based on AP Agir	(1,476)	(1,414)	(1,334)	(1,229)	(954)	(950)	(737)	(703)	(700)	(631)	0	0	0	0
Materials	(1,741)	(1,791)	(720)	(1,324)	(342)	(795)	(1,399)	(1,147)	(1,752)	(2,129)	(1,813)	(1,860)	(1,860)	(1,860)
Conversion Costs	(553)	(967)	(900)	(862)	(555)	(792)	(904)	(1,104)	(558)	(872)	(914)	(1,461)	(557)	(872)
Other COGS	(192)	(229)	(188)	(189)	(193)	(241)	(202)	(202)	(202)	(232)	(190)	(190)	(190)	(234)
Selling Costs	(37)	(169)	(38)	(115)	(37)	(317)	(36)	(112)	(36)	(330)	(130)	(113)	(37)	(377)
General and Administrative	(106)	(364)	(108)	(161)	(105)	(500)	(104)	(157)	(103)	(502)	(101)	(156)	(103)	(511)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(96)	(96)	(95)	(95)	(95)	(95)	(234)	(234)	(234)	(234)	(224)	(224)	(224)	(224)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	0	0	0	0	0	0	0	0	0	0	(250)	0	0	0
Resin rebate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TSA Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Performance Payment to Westlake	0	0	0	0	0	(1,300)	0	0	0	0	0	0	0	0
2017 bonus payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Material received but not invoiced	0	0	(760)	(2,315)	(570)	0	(640)	(1,718)	(500)	0	(500)	0	(1,567)	(500)
Projected Operational Cash Flow	(1,388)	(2,254)	(897)	(2,960)	480	(965)	(371)	(414)	97	(495)	292	223	(335)	(379)
Cash receipts more (less) than projection	392	396	(485)	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	1,962	1,013	2,055	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	966	(845)	672	(2,960)	480	(965)	(371)	(414)	97	(495)	292	223	(335)	(379)
Bank interest	0	(176)	0	0	0	0	(150)	0	0	0	(147)	0	0	0
Bridge Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan	0	(139)	0	0	0	0	(139)	0	0	0	(139)	0	0	0
Monitoring Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Fees	0	(3)	0	(10)	0	0	(3)	0	(10)	0	(3)	0	(10)	0
Total Financial Cash Flow	2	(318)	0	(10)	0	0	(291)	0	(10)	0	(288)	0	(10)	0
Total Cash Flow	969	(1,162)	672	(2,970)	480	(965)	(662)	(414)	87	(495)	4	223	(345)	(379)
Adjusted Loan Balance	16,477	16,640	16,946	19,915	19,436	20,400	21,063	21,476	21,389	21,884	21,879	21,656	22,001	22,380
Term Loan	13,076	12,895	12,873	12,873	12,873	12,873	12,734	12,734	12,734	12,734	12,595	12,595	12,595	12,595
Total Debt	29,554	29,534	29,818	32,788	32,308	33,273	33,797	34,210	34,123	34,618	34,474	34,251	34,596	34,975
Revolver Availability	13,447	13,218	12,878	9,908	10,231	9,266	8,604	8,190	8,277	10,619	10,624	10,847	10,502	9,284

Working Capital and Cash Conversion Cycle

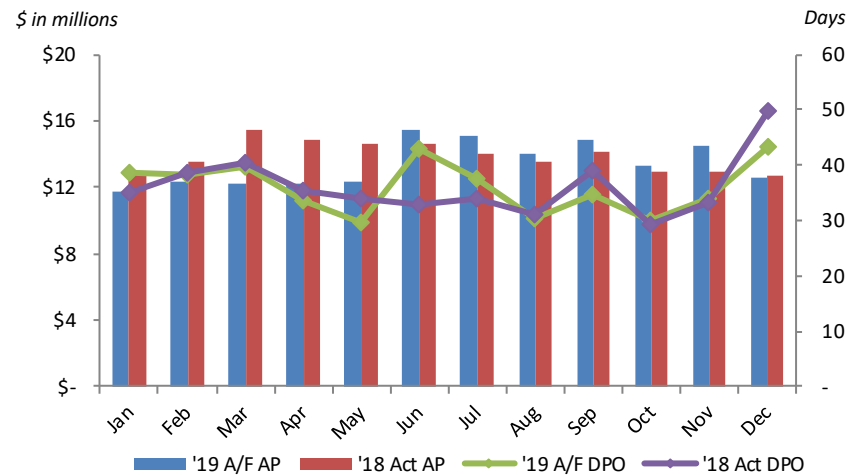
Accounts Receivable



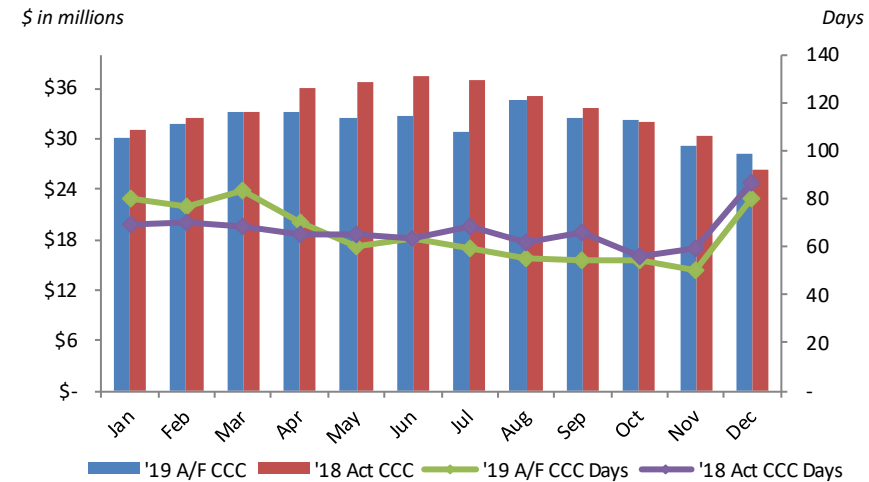
Inventory



Accounts Payable



Cash Conversion Cycle



AR and AP Aging Detail

\$'000

AR Aging				
Days	May-19	Jun-19	Jul-19	%
0-30	\$ 12,174	\$ 13,482	\$ 11,802	89.4%
30-60	1,365	1,381	1,077	8.2%
60-90	124	59	16	0.1%
>90	527	392	301	2.3%
Total	\$ 14,190	\$ 15,313	\$ 13,196	100.0%

AP Aging				
Days	May-19	Jun-19	Jul-19	%
0-30	\$ 10,035	\$ 13,674	\$ 11,244	74.2%
30-60	1,881	1,227	3,245	21.4%
60-90	423	528	489	3.2%
>90	20	58	168	1.1%
Total	\$ 12,359	\$ 15,487	\$ 15,146	100.0%

Management Discussion

- Decrease in DSO from 34 to 28 days in July 2019
- Decrease in AR balance due to improved customer receipts across all categories
- Decrease in DPO days from 43 to 38 due to increase in AP in July due to slight increase in purchases vs June 2019 due to increase in raw material intake in response to predicted rise in material costs

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Full Year Outlook Consolidated P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	101,079	108,274	(7,195)	(6.6%)	96,146	4,933	5.1%
Units Shipped ('000)	101,410	109,580	(8,169)	(7.5%)	104,464	(3,054)	(2.9%)
Bookings (\$'000)	\$ 171,627	\$ 180,948	\$ (9,321)	(5.2%)	\$ 173,588	\$ (1,961)	(1.1%)
Backlog (\$'000)	\$ 11,911	\$ 11,911	\$ –	0.0%	\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 175,045	\$ 188,036	\$ (12,991)	(6.9%)	\$ 180,283	\$ (5,238)	(2.9%)
Adj. to Gross Revenue	(8,924)	(9,876)	952	(9.6%)	(9,708)	784	(8.1%)
Net Revenue	166,121	178,160	(12,039)	(6.8%)	170,574	(4,453)	(2.6%)
Material	81,305	88,355	(7,050)	(8.0%)	83,420	(2,115)	(2.5%)
Labor	37,001	38,371	(1,370)	(3.6%)	38,503	(1,502)	(3.9%)
Other COGS	19,404	20,261	(856)	(4.2%)	20,885	(1,480)	(7.1%)
Total COGS	137,710	146,986	(9,276)	(6.3%)	142,807	(5,097)	(3.6%)
Gross Margin	28,411	31,173	(2,763)	(8.9%)	27,767	644	2.3%
Gross Margin %	17.1%	17.5%			16.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	6,897	7,247	(351)	(4.8%)	7,045	(148)	(2.1%)
Administrative	12,181	12,772	(591)	(4.6%)	10,240	1,940	18.9%
Other Opex	(359)	(228)	(131)	57.4%	302	(661)	(219.0%)
Total Opex	18,718	19,791	(1,073)	(5.4%)	17,587	1,132	6.4%
EBITDA	9,693	11,382	(1,690)	(14.8%)	10,180	(488)	(4.8%)
EBITDA %	5.8%	6.4%			6.0%		
Net Income (Loss)	\$ (3,324)	\$ (3,300)	\$ (24)	0.7%	\$ (3,490)	\$ 166	(4.8%)
Capex	\$ (6,290)	\$ (8,000)	\$ 1,710	(21.4%)	\$ (10,215)	\$ 3,925	(38.4%)
Opex Overview:							
Payroll	\$ 10,487	\$ 10,783	\$ (297)	(2.8%)	\$ 10,318	\$ 168	1.6%
Bonus	1,352	1,361	(9)	(0.6%)	159	1,193	750.4%
Commissions	285	358	(73)	(20.5%)	187	98	52.5%
Marketing	1,517	1,780	(263)	(14.8%)	1,679	(162)	(9.7%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,311	1,587	(277)	(17.4%)	1,231	80	6.5%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	318	336	(19)	(5.6%)	328	(10)	(3.2%)
Professional fees	573	584	(11)	(1.9%)	585	(12)	(2.0%)
Office Expenses	272	287	(15)	(5.3%)	287	(15)	(5.2%)
IT	1,993	2,092	(98)	(4.7%)	1,634	360	22.0%
Bad Debts	95	(5)	100	(2159.0%)	(80)	175	(219.2%)
FX	(162)	–	(162)	N/A	384	(546)	(142.1%)
JV Loss (Income)	(197)	(228)	31	(13.5%)	(83)	(114)	138.3%
Other Expenses	875	853	21	2.5%	956	(81)	(8.5%)
Total Opex	\$ 18,718	\$ 19,791	\$ (1,073)	(5.4%)	\$ 17,586	\$ 1,132	6.4%

Full Year Outlook Key Customers – ENERGI Consolidated

	Gross Sales (\$'000)								Gross Margin %						
	FY	FY	Var		PY	Var			FY	FY	Var		PY	Var	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	BPs	%	Act	BPs	%
Customer:															
PGT Industries Inc	\$ 23,733	\$ 24,098	\$ (365)	(1.5%)	\$ 21,061	\$ 2,672	12.7%		18.4%	18.1%	22	1.2%	15.6%	275	17.6%
Eclipse Shutter Systems	14,374	15,789	(1,415)	(9.0%)	15,365	(991)	(6.4%)		3.3%	3.3%	0	0.0%	3.8%	(52)	(13.8%)
Atis	8,471	9,424	(952)	(10.1%)	10,380	(1,909)	(18.4%)		(18.0%)	(19.1%)	113	(5.9%)	(15.4%)	(262)	17.1%
Simonton	10,191	10,859	(668)	(6.2%)	10,221	(30)	(0.3%)		14.5%	17.7%	(318)	(18.0%)	8.6%	589	68.3%
Quaker Window Products	5,651	6,028	(376)	(6.2%)	5,345	306	5.7%		11.0%	11.0%	0	0.0%	9.1%	192	21.1%
Ostaco 2000	3,530	3,820	(290)	(7.6%)	3,716	(186)	(5.0%)		8.2%	7.3%	92	12.7%	20.8%	(1,262)	(60.7%)
SOLARIS QUEBEC P & F INC.	4,292	4,075	217	5.3%	4,262	30	0.7%		24.1%	24.0%	11	0.4%	9.9%	1,422	144.1%
Dashwood Industries Inc	3,580	3,764	(184)	(4.9%)	3,898	(319)	(8.2%)		15.6%	14.2%	139	9.7%	16.2%	(60)	(3.7%)
Windsor Window Co OEM	3,868	3,710	158	4.3%	3,491	377	10.8%		23.5%	23.6%	(15)	(0.6%)	8.8%	1,469	167.1%
All Weather	5,378	6,731	(1,352)	(20.1%)	3,395	1,983	58.4%		13.4%	15.0%	(154)	(10.3%)	12.6%	78	6.2%
Polaris Technologies	5,492	5,822	(330)	(5.7%)	3,577	1,915	53.5%		16.8%	17.3%	(48)	(2.8%)	0.0%	1,684	N/A
A.M.I.	3,868	3,800	68	1.8%	3,511	357	10.2%		4.2%	1.2%	301	245.6%	5.4%	(114)	(21.2%)
ATLANTIC WINDOWS	3,626	3,924	(298)	(7.6%)	3,749	(123)	(3.3%)		13.6%	12.0%	164	13.7%	5.9%	771	130.1%
Vinyl Profiles, LLC	3,154	3,826	(672)	(17.6%)	1,961	1,193	60.9%		20.5%	20.7%	(15)	(0.7%)	18.8%	174	9.3%
Comfort View Products	2,435	3,135	(700)	(22.3%)	2,920	(485)	(16.6%)		18.6%	16.7%	189	11.3%	12.3%	629	51.0%
PORTES & FENETRES ABRITEK	2,835	2,786	48	1.7%	2,889	(54)	(1.9%)		14.2%	18.9%	(475)	(25.1%)	15.4%	(123)	(7.9%)
Coeur d'Alene	3,657	4,000	(343)	(8.6%)	2,804	853	30.4%		1.9%	4.6%	(273)	(58.8%)	0.5%	144	304.2%
SCHLUTER SYSTEMS L.P.	2,300	2,558	(258)	(10.1%)	2,796	(496)	(17.7%)		25.4%	24.2%	122	5.0%	16.0%	943	59.1%
P & F ISOTHERMIC INC	2,684	2,557	127	5.0%	2,978	(294)	(9.9%)		17.3%	21.1%	(380)	(18.0%)	3.8%	1,355	361.4%
Sierra Pacific Windows	2,573	2,560	13	0.5%	2,632	(59)	(2.2%)		9.9%	9.9%	(2)	(0.2%)	6.3%	359	57.2%
Other	59,355	64,771	(5,415)	(8.4%)	69,279	(9,924)	(14.3%)		25.3%	25.7%	(38)	(1.5%)	28.1%	(275)	(9.8%)
Total Gross	\$ 175,045	\$ 188,036	\$ (12,991)	(6.9%)	\$ 180,283	\$ (5,238)	(2.9%)		16.4%	16.7%	(39)	(2.3%)	15.4%	95	6.2%

Management Discussion

- Overall bad weather has impacted sales across all customers especially in Canada where winter has extended late into April further, sales has picked up in Q2 and start of Q3 however, not to the anticipated levels as both US and Canada markets have been soft
- All Weather is significantly behind budget which was due to a aggressive estimate following new product launches in December 2018. However, this is expected to catch up in the coming months
- Solaris and Windsor – Strong, performing better than budget
- Eclipse, Atis and Comfort View – Slow start to the year and colder weather leading to softness in orders

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Management Governance Report

Disclosure Committee:

- Members include: CEO, CFO, VP Sales, VP Operations, VP Manufacturing & VP Supply Chain
- Meeting held on August 7th, 2019
- Financial results were reviewed and found to be complete and accurate in all material respects
- CEO & CFO reviewed Board presentation separately and found to be complete

Anonymous Hotline:

- Hotline Web message received on June 13th, 2019 from an anonymous former Everett employee
 - Individual has issued a complaint against the Everett Tooling Manager, indicating that the Manager portrays a hostile attitude towards employees, berating and belittling them, using foul language and un-professional leadership practices
 - VP of Ops conducted personal interviews with Tooling Manager, co-workers and Plant leadership
 - Only 3 of the 12 people interviewed commented on the Tooling Manager working on personal property during working hours, but no one had witnessed the use of profanity in the workplace, nor un-professional leadership practices
 - VP of Ops and Plant Manager discussed the comments with the Tooling Manager and made recommendations for improvements, which the Tooling Manager agreed to comply with

Modification of Delegation of Authority:

- No changes recommended at this time

Management Governance Report (Continued)

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

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Squeeze Report

Monthly P&L

Monthly EBITDA to Net Income Bridge

Cost of Goods Sold Variance Analysis

Monthly Cost of Goods Sold by Component

Monthly Balance Sheet

Balance Sheet – Year on Year Comparison

Monthly Cash Flow

Trended Monthly Bookings

Trended Monthly Backlog

EBITDA and EBITDA-CapEx

Y-o-Y% EBITDA change

Capital Expenditures

Headcount Trending by Month

Headcount Hires and Attrition

Liquidity Forecast

Business Unit Analysis

Squeeze Report

Monthly operating report (\$'000)

		Fully-diluted ownership		Invested Capital (\$M)			Valuation	Returns
Investment date		3/31/2016		Fund			Total Value	MOI
Operational data as of		7/31/2019		OpenGate Equity	94.8%	OCGP I	\$ 45,500	0.6x
Valuation details last updated:		10/31/2018		MGMT	5.3%	OCGP II	—	NA
				Other Equity	0.0%	OCGP III	—	NA
				Total	100.0%	Total	\$ 45,500	0.6x

Operations													
This Month Quarter to Date Year to Date	Net Revenue				Adj. EBITDA				Net Debt				
	Act	Bud	Variance	PY	Act	Bud	Variance	PY	Act	Bud	PY		
	\$ 14,669	\$ 16,165	-9.3%	\$ 15,478	-5.2%	\$ 687	\$ 1,326	-48.2%	\$ 1,342	-48.8%	\$ 30,415	\$ 31,633	\$ 31,368
	\$ 14,669	\$ 16,165	-9.3%	\$ 15,478	-5.2%	\$ 687	\$ 1,326	-48.2%	\$ 1,342	-48.8%			
	\$ 90,001	\$ 102,040	-11.8%	\$ 101,647	-11.5%	\$ 4,580	\$ 6,270	-27.0%	\$ 5,169	-11.4%			

LTM Trends (\$'000s)	8/31/18	9/30/18	10/31/18	11/30/18	12/31/18	1/31/19	2/28/19	3/31/19	4/30/19	5/31/19	6/30/19	7/31/19	LTM
Units Produced ('000)	8,723	7,766	7,806	7,934	5,174	7,786	7,371	8,389	7,725	8,493	8,905	8,339	94,411
Units Shipped ('000)	9,668	8,330	9,798	8,838	5,130	9,641	6,590	7,230	8,092	9,414	8,083	9,001	97,114
Net Revenue	\$ 16,133	\$ 13,650	\$ 16,233	\$ 14,094	\$ 8,817	\$ 10,942	\$ 10,785	\$ 11,404	\$ 13,094	\$ 15,515	\$ 13,593	\$ 14,669	\$ 158,929
Gross Margin	2,670	2,848	2,592	2,349	909	1,502	1,755	1,910	2,201	2,645	2,773	2,217	26,370
Gross Margin %	16.5%	20.9%	16.0%	16.7%	10.3%	13.7%	16.3%	16.7%	16.8%	17.0%	20.4%	15.1%	16.6%
SG&A	1,422	624	1,384	1,301	1,623	1,465	1,496	1,438	1,520	1,579	1,394	1,531	16,778
Reported EBITDA	1,247	2,224	1,207	1,047	(714)	37	259	472	680	1,066	1,379	687	9,591
Rep. EBITDA %	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.0%
Adj. EBITDA	1,247	2,224	1,207	1,047	(714)	37	259	472	680	1,066	1,379	687	9,591
Adj. EBITDA %	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.0%
Capex	\$ (638)	\$ (860)	\$ (991)	\$ (803)	\$ (1,438)	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (8,843)
Accounts Receivable, Net	\$ 15,221	\$ 13,855	\$ 14,273	\$ 13,483	\$ 8,594	\$ 8,789	\$ 9,536	\$ 11,214	\$ 12,944	\$ 14,190	\$ 15,313	\$ 13,196	\$ 13,196
Inventory, Net	33,352	33,773	30,528	29,790	30,309	33,091	34,642	34,150	32,557	30,697	32,887	32,705	32,705
Accounts Payable	13,525	14,088	12,897	12,951	12,709	11,725	12,319	12,200	12,267	12,359	15,487	15,146	15,146
CCC	\$ 35,048	\$ 33,541	\$ 31,905	\$ 30,322	\$ 26,194	\$ 30,155	\$ 31,859	\$ 33,165	\$ 33,234	\$ 32,527	\$ 32,713	\$ 30,755	\$ 30,755
DSO	29.2	30.4	27.3	28.7	30.2	24.9	24.8	30.5	29.7	28.4	33.8	27.9	30.3
DSI	64.1	74.2	58.3	63.4	106.6	93.7	89.9	92.8	74.6	61.3	72.6	69.1	75.1
DPO	31.1	39.1	29.3	33.1	49.8	38.5	38.2	39.8	33.8	29.8	42.9	37.7	41.7
C2C	62.2	65.6	56.3	59.0	87.0	80.1	76.5	83.5	70.5	59.9	63.4	59.3	63.7
Bank revolver	\$ 15,128	\$ 14,477	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 17,818	\$ 17,338	\$ 17,338
Unclassified external debt / OID	14,103	14,016	14,344	14,062	13,634	13,926	13,779	13,318	13,257	13,058	13,270	13,079	13,079
OpenGate debt	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Debt Outstanding	29,231	28,493	27,170	26,080	23,857	28,266	30,311	32,068	32,761	32,084	31,088	30,418	30,418
Cash and equivalents	0	(0)	(0)	(0)	0	3	3	3	3	3	3	3	3
Total Net Debt	\$ 29,231	\$ 28,493	\$ 27,170	\$ 26,080	\$ 23,857	\$ 28,263	\$ 30,308	\$ 32,065	\$ 32,758	\$ 32,080	\$ 31,085	\$ 30,415	\$ 30,415
Beginning Cash Balance	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0
Add / (Less): Operating Cash Flow	2,775	1,620	2,174	1,750	3,372	(3,487)	(1,522)	(1,520)	(168)	1,136	2,150	1,381	9,661
Add / (Less): Investing Cash Flow	(638)	(860)	(991)	(803)	(1,438)	(489)	(531)	(560)	(448)	(519)	(805)	(761)	(8,843)
Add / (Less): Financing Cash Flow	(2,137)	(760)	(1,183)	(947)	(1,934)	3,979	2,053	2,080	616	(617)	(1,345)	(620)	(815)
Effect of FX rates / Other	—	—	—	—	—	—	—	—	—	—	—	—	—
Ending Cash Balance	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3

Long-term trend, budget, IC comparison													
	Calendar year ending			Actual	LTM Actual		IC Model			Variance to IC			
Summary Financials	12/31/2015	12/31/2016	12/31/2017	12/31/2018	7/31/2019		12/31/2016	12/31/2017	12/31/2018	LTM v 2017 IC	%	2018 FC v IC	%
Total Net Revenue	\$	–	\$ 170,742	\$ 170,574	\$ 166,121		\$ 158,929						
EBITDA, Reported		–	12,278	10,180	9,693		9,591						
EBITDA, Reported %		N/A	7.2%	6.0%	5.8%		6.0%						
EBITDA, Adjusted		–	12,278	10,180	9,693		9,591						
EBITDA, Adjusted %		N/A	7.2%	6.0%	5.8%		6.0%						
Accounts Receivable, Net		–	11,660	8,594	9,802		13,196						
Inventory, Net		–	27,470	30,309	30,962		32,705						
Accounts Payable		–	7,504	12,709	12,627		15,146						
CCC		–	31,626	26,194	28,137	30,755							
Net Debt	\$	–	\$ 3,014	\$ 23,857	\$ 26,089	\$ 30,415							

Monthly P&L

\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY		FY		Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud			\$	%	Act	\$	%
Units Produced ('000)	7,786	7,371	8,389	7,725	8,493	8,905	8,339	10,212	9,308	9,637	9,028	5,886	101,079	108,274	(7,195)	(6.6%)			96,146	4,933	5.1%
Units Shipped ('000)	6,941	6,590	7,230	8,092	9,414	8,083	9,001	10,681	9,633	10,255	9,358	6,133	101,410	109,580	(8,169)	(7.5%)			104,464	(3,054)	(2.9%)
Bookings (\$'000)	\$ 11,857	\$ 10,031	\$ 11,903	\$ 14,734	\$ 16,015	\$ 15,048	\$ 15,207	\$ 17,313	\$ 16,578	\$ 17,403	\$ 16,182	\$ 9,356	\$ 171,627	\$ 180,948	\$ (9,321)	(5.2%)			\$ 173,588	\$ (1,961)	(1.1%)
Backlog ('\$000)	\$ 9,269	\$ 8,356	\$ 8,460	\$ 9,671	\$ 9,716	\$ 11,128	\$ 11,147	\$ 12,654	\$ 12,898	\$ 13,594	\$ 13,391	\$ 11,911	\$ 11,911	\$ 11,911	\$ –	0.0%			\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 11,539	\$ 11,249	\$ 11,985	\$ 13,794	\$ 16,301	\$ 14,255	\$ 15,452	\$ 18,655	\$ 16,814	\$ 17,766	\$ 16,477	\$ 10,759	\$ 175,045	\$ 188,036	\$ (12,991)	(6.9%)			\$ 180,283	\$ (5,238)	(2.9%)
Adj. to Gross Revenue	(597)	(464)	(581)	(699)	(787)	(662)	(784)	(990)	(919)	(983)	(916)	(541)	(8,924)	(9,876)	952	(9.6%)			(9,708)	784	(8.1%)
Net Revenue	10,942	10,785	11,404	13,094	15,515	13,593	14,669	17,664	15,895	16,782	15,561	10,218	166,121	178,160	(12,039)	(6.8%)			170,574	(4,453)	(2.6%)
Material	5,204	5,301	5,464	6,521	7,703	6,428	7,195	8,864	7,768	8,457	7,836	4,565	81,305	88,355	(7,050)	(8.0%)			83,420	(2,115)	(2.5%)
Labor	2,927	2,714	2,913	2,840	3,198	3,138	3,242	3,370	3,208	3,337	3,197	2,915	37,001	38,371	(1,370)	(3.6%)			38,503	(1,502)	(3.9%)
Other COGS	1,309	1,015	1,117	1,533	1,968	1,255	2,014	2,029	1,846	2,013	1,780	1,527	19,404	20,261	(856)	(4.2%)			20,885	(1,480)	(7.1%)
Total COGS	9,440	9,030	9,494	10,894	12,869	10,820	12,451	14,263	12,821	13,807	12,814	9,007	137,710	146,986	(9,276)	(6.3%)			142,807	(5,097)	(3.6%)
Gross Margin	1,502	1,755	1,910	2,201	2,645	2,773	2,217	3,402	3,074	2,975	2,747	1,210	28,411	31,173	(2,763)	(8.9%)			27,767	644	2.3%
Gross Margin %	13.7%	16.3%	16.7%	16.8%	17.0%	20.4%	15.1%	19.3%	19.3%	17.7%	17.7%	11.8%	17.1%	17.5%					16.3%		
R&D	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Sales & Marketing	554	603	474	610	586	529	504	595	648	583	633	579	6,897	7,247	(351)	(4.8%)			7,045	(148)	(2.1%)
Administrative	1,037	968	879	962	997	962	1,026	1,092	1,049	1,094	1,047	1,068	12,181	12,772	(591)	(4.6%)			10,240	1,940	18.9%
Other Opex	(127)	(75)	85	(51)	(3)	(97)	1	(20)	(17)	(20)	(20)	(16)	(359)	(228)	(131)	57.4%			302	(661)	(219.0%)
Total Opex	1,465	1,496	1,438	1,520	1,579	1,394	1,531	1,668	1,680	1,657	1,660	1,631	18,718	19,791	(1,073)	(5.4%)			17,587	1,132	6.4%
EBITDA	37	259	472	680	1,066	1,379	687	1,734	1,393	1,318	1,087	(420)	9,693	11,382	(1,690)	(14.8%)			10,180	(488)	(4.8%)
EBITDA %	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	9.8%	8.8%	7.9%	7.0%	(4.1%)	5.8%	6.4%					6.0%		
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,324)	\$ (3,300)	\$ (24)	0.7%			\$ (3,490)	\$ 166	(4.8%)
Capex	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,290)	\$ (8,000)	\$ 1,710	(21.4%)			\$ (10,215)	\$ 3,925	(38.4%)
Opex Overview:																					
Payroll	\$ 881	\$ 806	\$ 788	\$ 889	\$ 909	\$ 810	\$ 868	\$ 926	\$ 873	\$ 943	\$ 880	\$ 913	\$ 10,487	\$ 10,783	\$ (297)	(2.8%)			\$ 10,318	\$ 168	1.6%
Bonus	112	113	112	112	111	112	113	113	113	113	113	113	1,352	1,361	(9)	(0.6%)			159	1,193	750.4%
Commissions	19	19	16	19	18	24	22	30	30	30	30	30	285	358	(73)	(20.5%)			187	98	52.5%
Marketing	95	180	71	116	110	107	100	127	198	109	186	118	1,517	1,780	(263)	(14.8%)			1,679	(162)	(9.7%)
Benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Travel and entertainment	107	128	35	105	66	112	99	137	132	132	128	130	1,311	1,587	(277)	(17.4%)			1,231	80	6.5%
Rent and facilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Insurance	29	21	31	20	28	25	28	30	27	27	28	24	318	336	(19)	(5.6%)			328	(10)	(3.2%)
Professional fees	45	46	62	45	49	43	45	45	52	45	45	51	573	584	(11)	(1.9%)			585	(12)	(2.0%)
Office Expenses	23	26	18	22	33	13	20	26	20	26	22	25	272	287	(15)	(5.3%)			287	(15)	(5.2%)
IT	166	165	132	159	145	163	162	181	178	182	181	178	1,993	2,092	(98)	(4.7%)			1,634	360	22.0%
Bad Debts	16	(0)	16	23	42	(0)	(0)	(0)	(0)	(0)	(0)	(0)	95	(5)	100	(2159.0%)			(80)	175	(219.2%)
FX	(122)	(76)	115	(28)	24	(80)	5	–	–	–	–	–	(162)	–	(162)	N/A			384	(546)	(142.1%)
JV Loss (Income)	(5)	1	(29)	(23)	(28)	(17)	(4)	(20)	(17)	(20)	(20)	(16)	(197)	(228)	31	(13.5%)			(83)	(114)	138.3%
Other Expenses	98	67	73	61	70	82	74	72	74	70	67	66	875	853	21	2.5%			956	(81)	(8.5%)
Total Opex	\$ 1,465	\$ 1,496	\$ 1,438	\$ 1,520	\$ 1,579	\$ 1,394	\$ 1,531	\$ 1,668	\$ 1,680	\$ 1,657	\$ 1,660	\$ 1,631	\$ 18,718	\$ 19,791	\$ (1,073)	(5.4%)			\$ 17,586	\$ 1,132	6.4%

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	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 37	\$ 259	\$ 472	\$ 680	\$ 1,066	\$ 1,379	\$ 687	\$ 1,734	\$ 1,393	\$ 1,318	\$ 1,087	\$ (420)	\$ 9,693	\$11,382	\$ (1,690)	(14.8%)	\$ 10,180	\$ (488)	(4.8%)
Depreciation and amortization	(708)	(721)	(729)	(702)	(725)	(741)	(761)	(781)	(793)	(796)	(799)	(803)	(9,059)	(9,128)	70	(0.8%)	(7,801)	(1,257)	16.1%
Interest and amortization	(156)	(165)	(189)	(184)	(198)	(187)	(191)	(202)	(190)	(190)	(173)	(168)	(2,193)	(2,290)	97	(4.2%)	(1,869)	(324)	17.3%
Other financial income/expense	(26)	740	(617)	163	(128)	774	(111)	–	–	–	–	–	795	–	795	N/A	(1,463)	2,259	(154.4%)
Monitoring fees (including expenses)	(85)	(97)	(85)	(84)	(84)	(85)	(103)	(83)	(83)	(103)	(83)	(103)	(1,077)	(1,077)	(0)	0.0%	(1,091)	13	(1.2%)
Restructuring costs	–	–	–	–	–	36	–	–	–	–	–	–	36	–	36	N/A	(776)	812	(104.7%)
Non-recurring items	(137)	(201)	(128)	(44)	(42)	(215)	(20)	–	–	–	–	–	(788)	(478)	(310)	64.9%	(770)	(18)	2.4%
Taxes	189	(87)	(4)	(72)	(58)	(109)	(29)	(210)	(207)	(170)	(115)	138	(731)	(1,710)	978	(57.2%)	99	(830)	(840.3%)
GAAP Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,324)	\$ (3,300)	\$ (24)	0.7%	\$ (3,490)	\$ 166	(4.8%)

Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; YTD F/X gain attributable to the change in the month-end rate from 1.364 [USD\$0.73] on December 31, 2018 to 1.3158 [USD\$0.76] on July 31, 2019
- Non-recurring items in July include OBI projects with The Practical Approach (\$15K) and Management Tools Inc (\$5K)
- US Tax accrual of 29K in July 2019; Canadian deferred tax asset has not been increased since 2018 year end adjustments

Cost of Goods Sold Variance Analysis

\$'000

	MTD	QTD	YTD
Material	8,053	8,053	50,865
Labor	3,433	3,433	22,343
Other COGS	1,670	1,670	11,067
COGS Budget	\$ 13,157	\$ 13,157	\$ 84,275
<u>Variances:</u>			
Volume	(1,065)	(1,065)	(7,756)
Price	(114)	(176)	(607)
Other	321	383	1,313
Material	(858)	(858)	(7,050)
Volume	(84)	(84)	(676)
Price	–	–	–
Other	(107)	(107)	(694)
Labor	(191)	(191)	(1,370)
Volume	431	431	335
Price	–	–	–
Other	(87)	(87)	(1,191)
Other COGS	344	344	(856)
COGS Actual	\$ 12,451	\$ 12,451	\$ 74,998

Management Discussion - MTD

- **Material COGS:** Decrease of \$858K due to lower volume impact of \$1,065K (Sales volumes (lbs) lower by 17.1%), favorable resin material prices offset by higher additive pricing & higher glass pricing of \$114K and improved scrap utilization at ECS of \$62K; offset by unfavorable yields lower regrind usage at Woodbridge, Delmont & Everett \$383K
- **Labor COGS:** Lower costs due to volume impact of \$84K, a favorable F/X impact of \$15K and headcount reduction initiatives and improved labor efficiency at Laval, Delmont and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$92K
- **Other COGS:** Increase of \$344K due to an unfavorable absorption impact of \$431K as a result of selling more out of inventory and a lower inventory build than Plan and higher overhead spending (ie. Utilities, maintenance, factory supplies) of \$72K; partially offset by lower freight costs due to sales volume and customer mix of \$78K, a higher tool & die absorption recovery impact of \$72K, and a favorable F/X impact of \$9K

Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Material																			
Material costs at standard	\$ 5,265	\$ 5,218	\$ 5,418	\$ 6,548	\$ 7,512	\$ 6,461	\$ 6,984	\$ 8,815	\$ 7,674	\$ 8,402	\$ 7,886	\$ 4,585	\$ 80,766	\$ 88,508	\$ (7,742)	(8.7%)	\$ 84,102	\$ (3,336)	(4.0%)
Materials FX loss / (gain)	0	0	0	0	0	1	(0)	0	0	0	—	—	1	0	1	541.8%	0	1	296.9%
Purchase price variance	168	272	211	157	242	141	253	369	354	357	247	128	2,898	2,816	82	2.9%	(421)	3,319	(788.3%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	47	46	46	35	43	60	44	63	55	60	57	45	602	663	(61)	(9.1%)	680	(78)	(11.5%)
Scrap costs	(355)	(334)	(282)	(302)	(206)	(307)	(177)	(501)	(419)	(474)	(461)	(273)	(4,090)	(4,885)	796	(16.3%)	(2,101)	(1,989)	94.7%
Consumables	78	98	72	83	112	72	90	118	104	113	107	81	1,127	1,253	(127)	(10.1%)	1,159	(32)	(2.7%)
Total Material COGS	\$ 5,204	\$ 5,301	\$ 5,464	\$ 6,521	\$ 7,703	\$ 6,428	\$ 7,195	\$ 8,864	\$ 7,768	\$ 8,457	\$ 7,836	\$ 4,565	\$ 81,305	\$ 88,355	\$ (7,050)	(8.0%)	\$ 83,420	\$ (2,115)	(2.5%)
Labor																			
Direct labor	\$ 927	\$ 898	\$ 984	\$ 1,008	\$ 1,133	\$ 1,112	\$ 1,216	\$ 1,234	\$ 1,139	\$ 1,188	\$ 1,141	\$ 1,030	\$ 13,011	\$ 13,870	\$ (860)	(6.2%)	\$ 13,874	\$ (863)	(6.2%)
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	51	51	613	618	(4)	(0.7%)	79	534	671.8%
Direct labor - overtime	70	97	109	92	124	165	125	125	115	124	107	68	1,322	1,163	158	13.6%	1,594	(272)	(17.1%)
Direct labor - benefits	290	264	254	235	254	273	250	283	277	281	268	238	3,167	3,262	(95)	(2.9%)	3,366	(199)	(5.9%)
Direct labor - wcb benefits	18	(20)	17	(66)	22	21	21	23	23	24	23	19	125	265	(140)	(52.9%)	321	(196)	(61.0%)
Direct labor - other	0	(1)	(1)	(1)	(2)	2	(0)	1	1	1	1	1	0	9	(8)	(96.6%)	(1)	1	(125.0%)
Indirect labor	1,520	1,362	1,447	1,462	1,565	1,463	1,528	1,588	1,540	1,605	1,545	1,448	18,073	18,438	(365)	(2.0%)	19,031	(958)	(5.0%)
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	51	51	613	618	(4)	(0.7%)	79	534	671.8%
Sub-contractor costs	—	12	2	10	—	—	(0)	13	10	11	11	7	76	127	(51)	(40.1%)	159	(83)	(52.1%)
Total Labor COGS	\$ 2,927	\$ 2,714	\$ 2,913	\$ 2,840	\$ 3,198	\$ 3,138	\$ 3,242	\$ 3,370	\$ 3,208	\$ 3,337	\$ 3,197	\$ 2,915	\$ 37,001	\$ 38,371	\$ (1,370)	(3.6%)	\$ 38,503	\$ (1,502)	(3.9%)
Other																			
Repairs and maintenance	\$ 115	\$ 26	\$ 78	\$ 34	\$ 44	\$ 62	\$ 83	\$ 103	\$ 74	\$ 109	\$ 104	\$ 128	\$ 957	\$ 1,037	\$ (79)	(7.6%)	\$ 1,222	\$ (265)	(21.7%)
Absorption	(234)	(425)	(600)	86	312	(475)	235	67	8	122	(4)	(24)	(934)	\$ (1,049)	115	(11.0%)	(622)	(312)	50.1%
Freight out	625	533	704	712	772	724	752	893	814	863	780	543	8,715	9,368	(653)	(7.0%)	9,785	(1,071)	(10.9%)
Rent / facilities	125	167	193	76	185	183	189	157	185	139	138	205	1,942	1,840	103	5.6%	1,511	432	28.6%
Utilities	479	508	539	458	435	590	535	587	573	584	559	512	6,361	6,711	(350)	(5.2%)	6,579	(218)	(3.3%)
Other cost of sales	199	206	202	167	220	171	221	223	192	197	204	162	2,363	2,355	8	0.3%	2,409	(46)	(1.9%)
Total Other COGS	\$ 1,309	\$ 1,015	\$ 1,117	\$ 1,533	\$ 1,968	\$ 1,255	\$ 2,014	\$ 2,029	\$ 1,846	\$ 2,013	\$ 1,780	\$ 1,527	\$ 19,404	\$ 20,261	\$ (856)	(4.2%)	\$ 20,885	\$ (1,480)	(7.1%)

Management Discussion

Material COGS: Decrease of \$7,050K due to lower volume impact of \$7,756K (Sales volumes (lbs) lower by 11.2%), unfavorable yields and higher scrap (net of regrind usage) at Woodbridge, Delmont & Everett of \$1,181K; unfavorable E&O reserves at Woodbridge, Everett and Terrebonne of \$192K, partially offset by improved scrap and favorable PPV at ECS of \$667K

Labor COGS: Lower costs due to volume impact of \$676K, out-of-period workers' compensation refunds at Laval and Everett of \$170K, a favorable F/X impact of \$276K and headcount reduction initiatives / improved labor efficiency at Laval, Delmont, Terrebonne and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$248K

Other COGS: Decrease of \$856K due to lower freight costs of \$581K, lower overhead spending of \$218K (ie. Maintenance costs, utilities, factory supplies), a higher tool & die absorption recovery impact of \$140K, lower property tax adjustment at Everett of \$87K, a favorable F/X impact of \$165K partially offset by an unfavorable absorption impact of \$335K

Monthly Balance Sheet

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
Current Assets																
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	\$ 3	739066.5%
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	9,182	9,929	11,613	13,369	14,654	15,793	13,673	16,509	15,206	15,081	13,521	10,481	10,481	8,958	1,523	17.0%
<i>Accounts receivable, reserves</i>	(393)	(393)	(399)	(425)	(465)	(479)	(477)	(679)	(679)	(679)	(679)	(679)	(679)	(363)	(316)	86.9%
Accounts receivable, net	8,789	9,536	11,214	12,944	14,190	15,313	13,196	15,830	14,527	14,402	12,842	9,802	9,802	8,594	1,208	14.1%
<i>Inventory, gross</i>	34,588	36,157	35,647	34,119	32,304	34,675	34,503	34,475	34,521	32,837	32,471	32,668	32,668	31,776	892	2.8%
<i>Inventory, reserves</i>	(1,497)	(1,514)	(1,497)	(1,562)	(1,608)	(1,789)	(1,797)	(1,660)	(1,674)	(1,696)	(1,702)	(1,706)	(1,706)	(1,467)	(239)	16.3%
Inventory, net	33,091	34,642	34,150	32,557	30,697	32,887	32,705	32,815	32,847	31,140	30,769	30,962	30,962	30,309	653	2.2%
Prepaid expenses and other current assets	3,145	3,030	3,051	3,909	4,233	4,279	4,257	3,336	3,216	3,348	3,110	2,832	2,832	2,942	(109)	(3.7%)
Other current assets	761	864	804	790	865	830	1,026	1,050	1,525	1,771	1,829	682	682	901	(218)	(24.2%)
Total Current Assets	45,790	48,076	49,223	50,203	49,987	53,312	51,187	53,034	52,117	50,663	48,552	44,281	44,281	42,746	1,536	3.6%
Non-Current Assets																
<i>Property, plant & equipment, gross</i>	66,687	67,249	66,818	67,503	67,826	69,761	70,321	72,661	73,107	73,531	73,935	74,303	74,303	64,977	9,326	14.4%
<i>Accumulated depreciation</i>	(18,755)	(19,488)	(19,863)	(20,649)	(21,300)	(22,479)	(23,152)	(21,936)	(22,589)	(23,245)	(23,906)	(24,569)	(24,569)	(17,639)	(6,930)	39.3%
Property, plant & equipment, net	47,932	47,761	46,955	46,853	46,525	47,282	47,169	50,725	50,518	50,286	50,028	49,734	49,734	47,338	2,395	5.1%
Deferred financing cost	546	533	510	499	484	479	464	450	436	422	408	395	395	548	(153)	(27.9%)
Deferred tax asset	2,961	2,963	2,898	2,913	2,901	2,973	2,963	1,367	1,367	1,367	1,367	1,367	1,367	2,879	(1,513)	(52.5%)
Other non-current assets	2,688	2,690	2,644	2,685	2,698	2,791	3,216	3,237	3,257	3,257	3,274	3,331	3,331	2,616	715	27.3%
Total Non-Current Assets	54,127	53,947	53,007	52,950	52,607	53,535	53,388	55,757	55,558	55,332	55,077	54,826	54,826	53,382	1,444	2.7%
Total Assets	\$ 99,917	\$ 102,023	\$ 102,229	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 108,791	\$ 107,675	\$ 105,995	\$ 103,630	\$ 99,107	\$ 99,107	\$ 96,127	\$ 2,980	3.1%
Current Liabilities																
Bank Debt	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 17,818	\$ 17,338	\$ 20,722	\$ 18,469	\$ 18,098	\$ 14,909	\$ 13,864	\$ 13,864	\$ 10,222	\$ 3,641	35.6%
Current Portion - Long Term Debt	1,678	1,665	1,639	1,648	1,640	1,683	1,676	1,800	1,800	1,800	1,800	1,800	1,800	1,628	172	10.6%
Accounts payable	11,725	12,319	12,200	12,267	12,359	15,487	15,146	14,035	14,850	13,308	14,456	12,627	12,627	12,709	(82)	(0.6%)
Accrued liabilities	4,045	3,378	3,727	3,515	3,556	3,864	3,513	3,689	3,439	3,366	3,189	2,808	2,808	3,343	(535)	(16.0%)
Accrued compensation	2,492	2,800	2,877	3,338	3,488	3,931	3,435	4,195	4,585	4,804	4,780	5,149	5,149	2,521	2,628	104.2%
Income taxes payable	(189)	(102)	(344)	(275)	(215)	(118)	46	1,357	1,564	1,734	1,848	1,710	1,710	(246)	1,956	(793.7%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	1,301	1,301	—	—	—	—	—	—	1,301	(1,301)	(100.0%)
Other current liabilities	101	97	124	125	132	125	127	139	127	128	111	107	107	97	11	11.0%
Total Current Liabilities	35,493	37,990	40,273	41,423	41,287	44,090	42,582	45,937	44,835	43,238	41,094	38,065	38,065	31,576	6,490	20.6%
Long-term liabilities																
Long-term debt less current maturities	12,248	12,114	11,679	11,609	11,418	11,587	11,403	11,001	10,857	10,714	10,571	10,428	10,428	12,006	(1,579)	(13.1%)
Deferred income taxes	9,753	9,757	9,642	9,669	9,647	9,775	9,756	7,785	7,785	7,785	7,785	7,785	7,785	9,610	(1,825)	(19.0%)
Other non-current liabilities	1,525	1,530	1,491	1,503	1,497	1,597	1,591	1,467	1,476	1,477	1,482	1,486	1,486	1,468	18	1.2%
Total Long-Term Liabilities	23,526	23,400	22,812	22,781	22,562	22,959	22,751	20,253	20,119	19,976	19,838	19,699	19,699	23,084	(3,386)	(14.7%)
Total Liabilities	59,019	61,391	63,085	64,205	63,849	67,049	65,333	66,190	64,953	63,214	60,931	57,764	57,764	54,660	3,104	5.7%
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shareholders' Equity																
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	(0)	(0.0%)
Retained earnings	29,143	28,871	27,592	27,350	27,180	28,033	27,505	30,521	30,641	30,701	30,619	29,263	29,263	30,039	(776)	(2.6%)
Accumulated other comprehensive income	(855)	(850)	(1,058)	(1,011)	(1,045)	(845)	(873)	(530)	(530)	(530)	(530)	(530)	(530)	(1,181)	652	(55.2%)
Total Shareholders' Equity	40,898	40,632	39,144	38,948	38,746	39,798	39,241	42,601	42,722	42,781	42,699	41,343	41,343	41,467	(124)	(0.3%)
Total Liabilities and Shareholders' Equity	\$ 99,917	\$ 102,023	\$ 102,229	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 108,791	\$ 107,675	\$ 105,995	\$ 103,630	\$ 99,107	\$ 99,107	\$ 96,127	\$ 2,980	3.1%

Balance Sheet – Year on Year Comparison

\$'000	YTD		Variance	
	CY	PY	\$	%
<u>Current Assets</u>				
Cash and cash equivalents	\$ 3	\$ 0	\$ 3	1615067.1%
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	13,673	16,962	(3,289)	(19.4%)
<i>Accounts receivable, reserves</i>	(477)	(678)	201	(29.7%)
Accounts receivable, net	13,196	16,284	(3,088)	(19.0%)
<i>Inventory, gross</i>	34,503	36,294	(1,791)	(4.9%)
<i>Inventory, reserves</i>	(1,797)	(1,515)	(282)	18.6%
Inventory, net	32,705	34,779	(2,073)	(6.0%)
Prepaid expenses and other current assets	4,257	3,725	531	14.3%
Other current assets	1,026	1,061	(36)	(3.4%)
Total Current Assets	51,187	55,849	(4,663)	(8.3%)
<u>Non-Current Assets</u>				
<i>Property, plant & equipment, gross</i>	70,321	61,864	8,457	13.7%
<i>Accumulated depreciation</i>	(23,152)	(14,787)	(8,365)	56.6%
Property, plant & equipment, net	47,169	47,077	92	0.2%
Deferred financing cost	464	572	(107)	(18.8%)
Deferred tax asset	2,963	1,365	1,598	117.1%
Other non-current assets	2,791	2,763	29	1.0%
Total Non-Current Assets	53,388	51,777	1,611	3.1%
Total Assets	\$ 104,574	\$ 107,626	\$ (3,052)	(2.8%)
<u>Current Liabilities</u>				
Bank Debt	\$ 17,338	\$ 17,156	\$ 182	1.1%
Current Portion - Long Term Debt	1,676	1,442	235	16.3%
Accounts payable	15,146	14,056	1,091	7.8%
Accrued liabilities	3,513	3,760	(247)	(6.6%)
Accrued compensation	3,435	4,387	(952)	(21.7%)
Income taxes payable	46	403	(357)	(88.6%)
Contingent consideration	1,301	1,321	(20)	(1.5%)
Other current liabilities	127	117	9	7.9%
Total Current Liabilities	42,582	42,641	(59)	(0.1%)
<u>Long-term liabilities</u>				
Long-term debt less current maturities	11,403	12,770	(1,367)	(10.7%)
Deferred income taxes	9,756	7,780	1,976	25.4%
Other non-current liabilities	1,591	1,418	173	12.2%
Total Long-Term Liabilities	22,751	21,969	782	3.6%
Total Liabilities	65,333	64,610	723	1.1%
Commitments and contingencies	–	–	–	N/A
<u>Shareholders' Equity</u>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	27,505	30,976	(3,472)	(11.2%)
Accumulated other comprehensive income	(873)	(570)	(303)	53.1%
Total Shareholders' Equity	39,241	43,016	(3,775)	(8.8%)
Total Liabilities and Shareholders' Equity	\$ 104,574	\$ 107,626	\$ (3,052)	(2.8%)

Monthly Cash Flow

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,324)	\$ (3,300)	\$ (24)	0.7%	\$ (3,987)	\$ 663	(16.6%)
Depreciation, amortization and other	708	721	729	702	725	741	761	781	793	796	799	803	9,059	9,128	(70)	(0.8%)	7,801	1,257	16.1%
Non-cash loss/expense (gain)	(161)	(7)	201	(62)	36	(213)	64	(19)	(95)	(173)	(145)	(151)	(727)	(307)	(420)	136.9%	377	(1,105)	(292.7%)
Deferred income tax	143	3	(115)	27	(22)	128	(19)	(1,971)	–	–	–	–	(1,825)	148	(1,973)	(1331.0%)	(1,301)	(524)	40.3%
Change in operating assets and liabilities:																N/A			
Accounts receivable	(195)	(747)	(1,678)	(1,730)	(1,246)	(1,124)	2,118	(2,635)	1,304	125	1,560	3,040	(1,208)	(1,173)	(35)	3.0%	3,252	(4,460)	(137.1%)
Inventory	(2,782)	(1,552)	492	1,593	1,861	(2,190)	181	(110)	(32)	1,707	371	(193)	(653)	(690)	37	(5.4%)	(594)	(59)	9.9%
Prepaid expenses and other current assets	(64)	12	39	(843)	(400)	(11)	(173)	897	(355)	(378)	179	1,425	328	328	–	0.0%	456	(128)	(28.1%)
Accounts payable	(984)	594	(119)	68	92	3,128	(340)	(1,111)	815	(1,542)	1,148	(1,829)	(82)	(82)	–	0.0%	(379)	296	(78.3%)
Accrued expenses	673	(359)	426	249	192	750	(846)	937	140	146	(201)	(12)	2,093	2,344	(251)	(10.7%)	(2,316)	4,408	(190.4%)
Accrued income taxes	58	87	(242)	69	60	96	164	1,311	207	170	115	(138)	1,956	1,060	896	84.5%	751	1,205	160.6%
Other changes in operating assets and liabilities	4	(4)	27	1	7	(7)	1	(1,289)	(12)	1	(17)	(4)	(1,290)	(1,290)	–	0.0%	65	(1,355)	(2097.6%)
Other cash flow from operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Operations	\$ (3,487)	\$ (1,522)	\$ (1,520)	\$ (168)	\$ 1,136	\$ 2,150	\$ 1,381	\$ (2,751)	\$ 2,885	\$ 910	\$ 3,728	\$ 1,584	\$ 4,326	\$ 6,166	\$ (1,840)	(29.8%)	\$ 4,126	\$ 200	4.9%
Cash flow from investing																			
Additions to property, plant and equipment	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,290)	\$ (8,000)	\$ 1,710	(21.4%)	\$(10,215)	\$ 3,925	(38.4%)
Earnout payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Other cash flow from investing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Investing	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,290)	\$ (8,000)	\$ 1,710	(21.4%)	\$(10,215)	\$ 3,925	(38.4%)
Cash flow from financing																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 2,193	\$ 2,218	\$ 754	\$ (479)	\$ (1,207)	\$ (480)	\$ 3,384	\$ (2,253)	\$ (371)	\$ (3,189)	\$ (1,045)	\$ 3,641	\$ 3,556	\$ 85	2.4%	\$ 6,282	\$ (2,641)	(42.0%)
Proceeds from the issuance of debt	(0)	0	(0)	0	(0)	0	0	(0)	0	0	0	0	0	–	0	N/A	1,207	(1,207)	(100.0%)
Repayment of debt	(138)	(139)	(138)	(138)	(137)	(139)	(140)	(141)	(141)	(141)	(141)	(141)	(1,675)	(1,719)	44	(2.6%)	(1,400)	(275)	19.6%
Common stock cash dividends paid	–	–	–	–	–	–	–	(0)	–	–	–	–	(0)	–	(0)	N/A	–	(0)	N/A
Other cash flow from financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Financing	\$ 3,979	\$ 2,053	\$ 2,080	\$ 616	\$ (617)	\$ (1,345)	\$ (620)	\$ 3,243	\$ (2,394)	\$ (512)	\$ (3,330)	\$ (1,186)	\$ 1,966	\$ 1,837	\$ 130	7.1%	\$ 6,089	\$ (4,123)	(67.7%)
Effect of FX rates on cash and cash equivalents	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	N/A	\$ –	\$ -	N/A
Net change in cash	\$ 3	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 3	\$ 3	\$ 0	0.0%	\$ (0)	\$ 3	(1066.0%)
Beginning cash	0	3	3	3	3	3	3	3	3	2	3	3	0	0	–	–	(0)	\$ 0	(100.1%)
Change in cash	3	0	(0)	0	(0)	0	(0)	(0)	(0)	0	0	(0)	3	3	0	0.0%	(0)	\$ 3	(1066.0%)
Ending cash	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	0.0%	\$ 0	\$ 3	26328518.4%

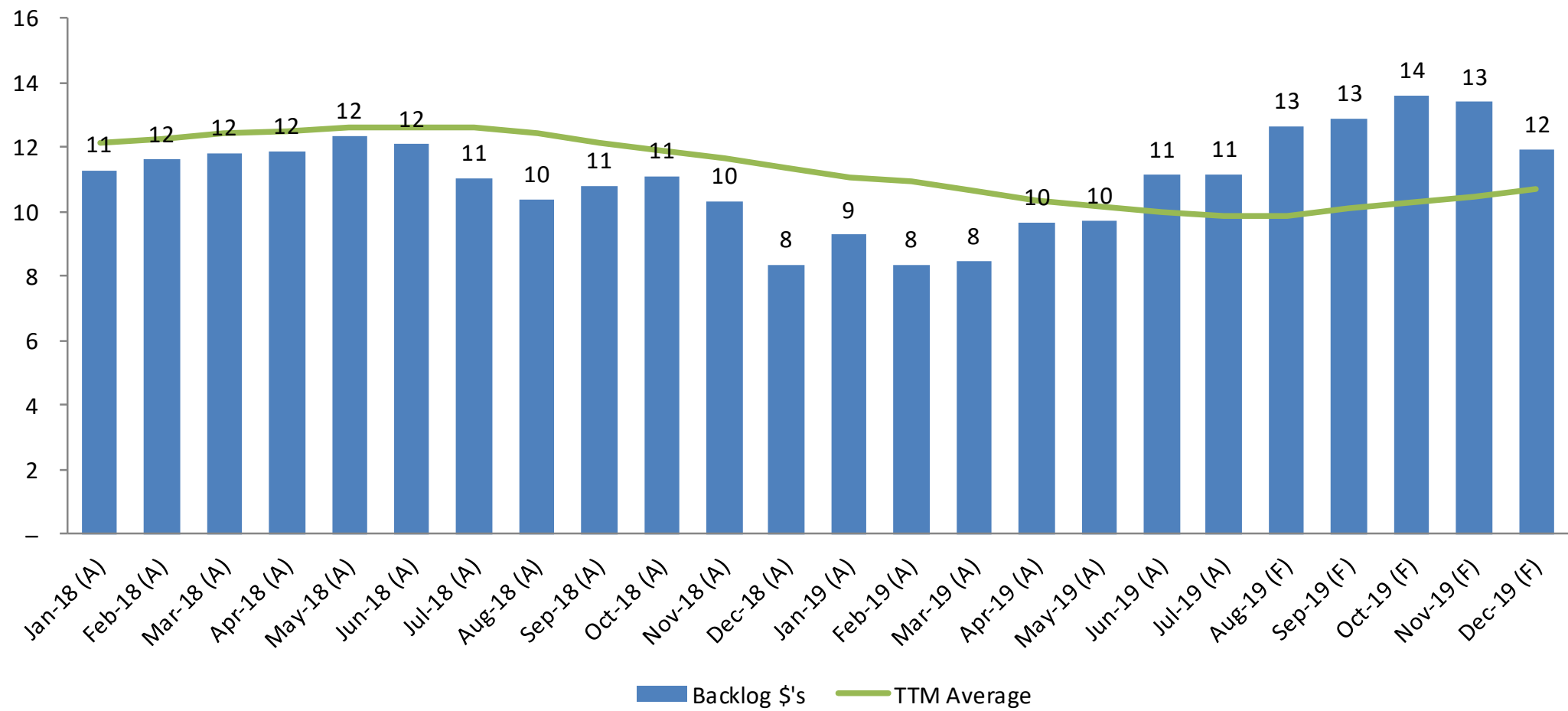
Trended Monthly Bookings

\$ in millions



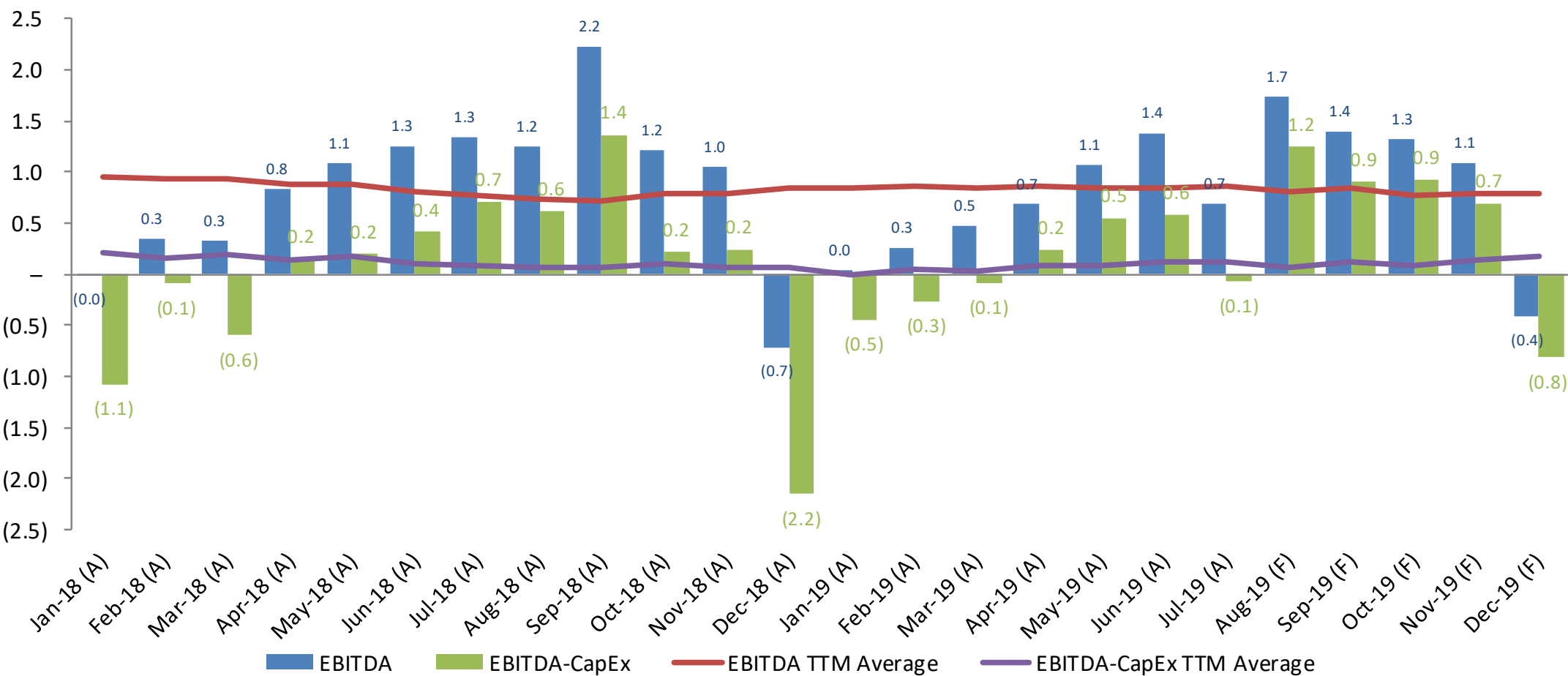
Trended Monthly Backlog

\$ in millions



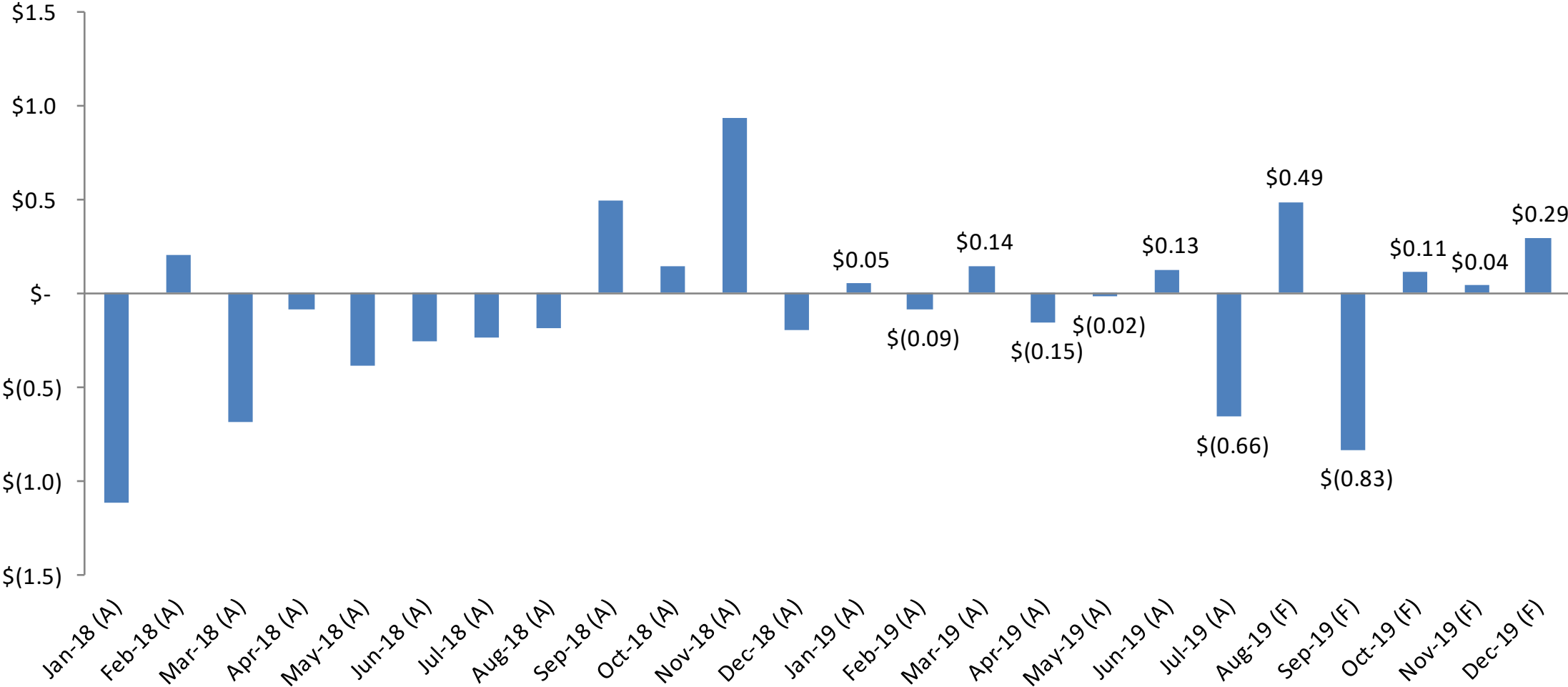
EBITDA and EBITDA-CapEx

\$ in millions



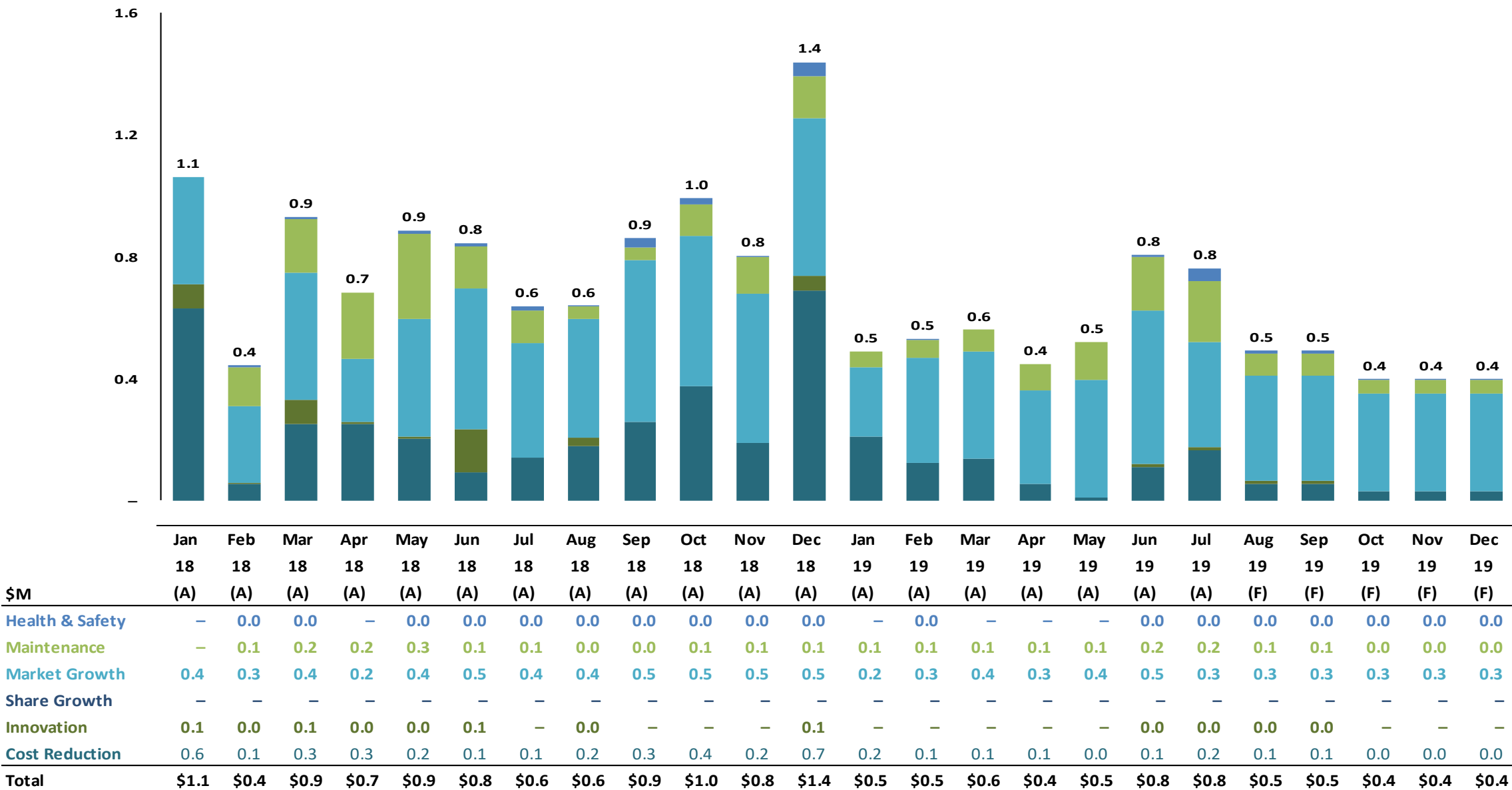
Y-o-Y \$ EBITDA Change

\$ in millions



Capital Expenditures

\$ in millions



Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2019 January (A)	324	154	81	35	13	26	59	–	692	24	716	780	(64)
2019 February (A)	331	156	81	35	13	26	60	–	702	27	729	802	(73)
2019 March (A)	331	160	81	36	13	26	62	–	709	36	745	802	(57)
2019 April (A)	321	158	81	36	13	25	61	–	695	29	724	813	(89)
2019 May (A)	324	161	80	37	13	28	63	–	706	64	770	818	(48)
2019 June (A)	328	160	79	36	13	24	63	–	703	108	811	832	(21)
2019 July (A)	320	163	79	36	13	25	62	–	698	125	823	826	(3)
2019 August (F)	362	164	88	38	15	30	59	–	756	69	825	825	–
2019 September (F)	362	164	88	38	15	30	59	–	756	41	797	797	–
2019 October (F)	357	164	88	37	15	30	59	–	750	47	797	797	–
2019 November (F)	349	164	88	37	15	30	59	–	742	52	794	794	–
2019 December (F)	349	164	88	37	15	30	59	–	742	40	782	782	–
Final Headcount	349	164	88	37	15	30	59	–	742	40	782	782	–

Management Discussion

- Laval: Termination of 7 temps, but will need to rehire at the end of August to compensate for interns staff
- Terrebonne: Increase from 153 to 167 total employees, largely temps. Hired 2 CSRs but 1 has recently resigned
- Woodbridge: 5 resignations but hired 3 perm and 3 temps so stabilize workforce; also hired 2 maintenance technicians
- Delmont: Increase from 135 to 141 due to increase of hourly employees (mainly temps)
- Everett: Hourly pretty stable but 2 resigned; resignation of Finance Cost Analyst

Headcount Hires and Attrition

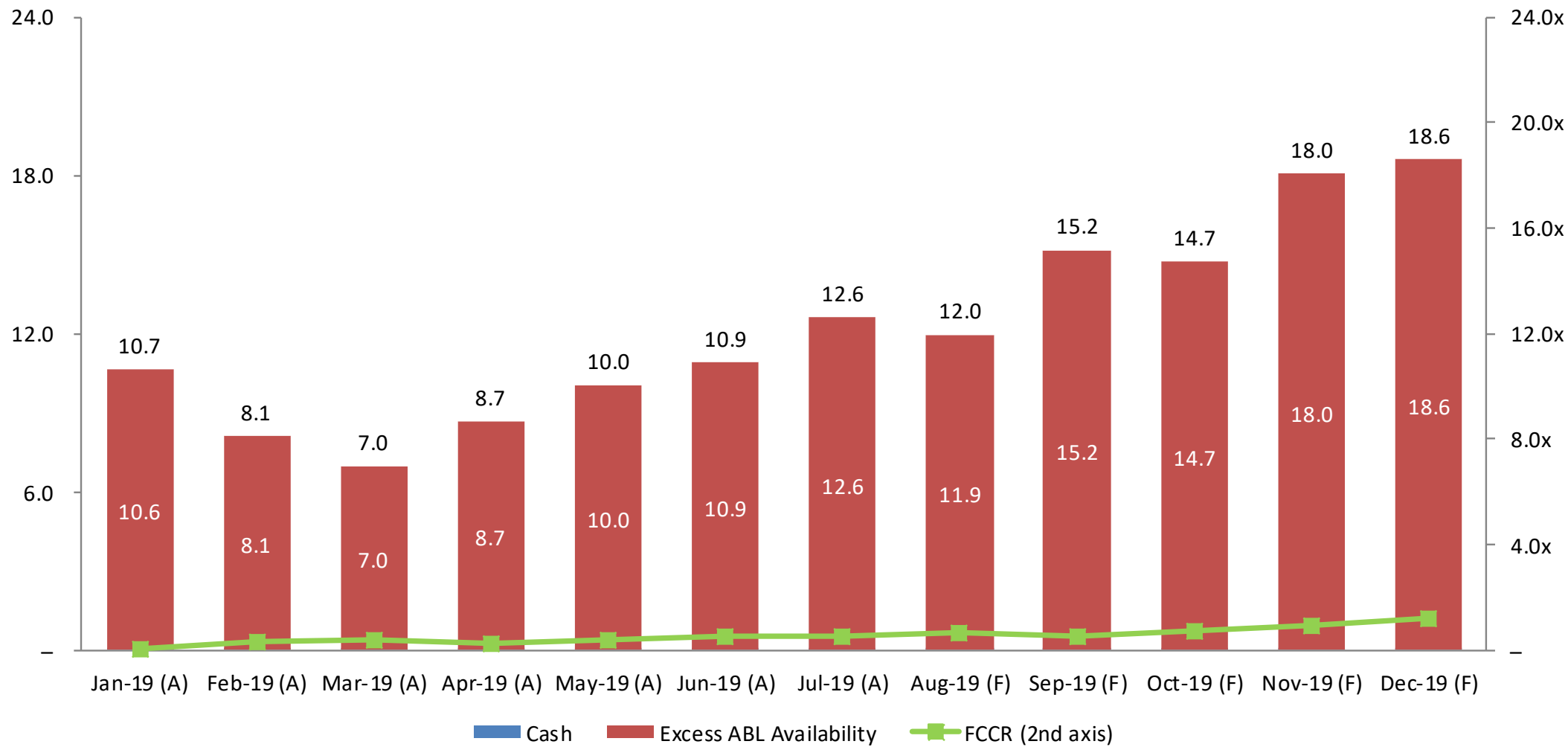
Functional Area	Start of Month	Hires	Transfers	Involuntary Term	Voluntary Term	End of Month	Rfc Headcount	Difference to Rfc
Direct Labor	328	—	2	(1)	(9)	320	362	42
Indirect Labor - Hourly	160	4	1		(2)	163	164	1
Indirect Labor - Salary	79					79	88	9
Delivery & Dist.	36					36	38	2
Research & Development	13					13	15	2
Sales & Marketing	24	2	1		(2)	25	30	5
Administrative	63	—			(1)	62	59	(3)
Other	-					-	-	-
Agency FTE & Temps	108	33	(3)	(10)	(3)	125	70	(55)
Total	811	39	1	(11)	(17)	823	826	3

Management Discussion

- Net increase of 12 employees during the month due to hiring mainly temps
- Increase primarily at Delmont and Terrebonne in response to staff turnover, vacation replacement and production requirements
- Sales and Marketing – Hired 2 CSRs in Terrebonne with one resigning shortly thereafter; Return of one CSR from maternity leave at Woodbridge
- Sales and Marketing - Resignation of Sales Account Manager (David Defelice)
- Administrative – Resignation of Finance Cost Analyst at Everett

Liquidity Forecast

\$ in millions



Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Woodbridge

Laval

Delmont

Everett

Terrebonne

Concord

Corporate

Plant Capacity Utilization

Woodbridge Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	3,273	3,562	(289)	(8.1%)	18,974	21,888	(2,914)	(13.3%)
Units Shipped ('000)	3,102	3,662	(560)	(15.3%)	17,998	21,638	(3,639)	(16.8%)
Bookings (\$'000)	\$ 4,106	\$ –	\$ 4,106	N/A	\$ 23,248	\$ –	\$ 23,248	N/A
Backlog ('\$000)	\$ 2,272	\$ –	\$ 2,272	N/A	\$ 2,272	\$ –	\$ 2,272	N/A
Gross Revenue	\$ 4,450	\$ 5,130	\$ (680)	(13.3%)	\$ 25,322	\$ 29,990	\$ (4,668)	(15.6%)
Adj. to Gross Revenue	(254)	(328)	74	(22.6%)	(1,375)	(1,763)	388	(22.0%)
Net Revenue	4,196	4,802	(606)	(12.6%)	23,947	28,227	(4,280)	(15.2%)
Material	2,728	2,979	(251)	(8.4%)	15,385	17,787	(2,402)	(13.5%)
Labor	937	916	21	2.3%	5,646	5,814	(167)	(2.9%)
Other COGS	221	195	26	13.5%	925	978	(53)	(5.4%)
Total COGS	3,886	4,090	(204)	(5.0%)	21,956	24,578	(2,622)	(10.7%)
Gross Margin	310	712	(402)	(56.5%)	1,991	3,649	(1,658)	(45.4%)
Gross Margin %	7.4%	14.8%			8.3%	12.9%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	32	28	4	15.7%	135	166	(32)	(19.0%)
Administrative	329	330	(1)	(0.3%)	2,214	2,301	(86)	(3.8%)
Other Opex	(10)	(21)	10	(50.3%)	(70)	(136)	66	(48.4%)
Total Opex	351	337	14	4.1%	2,279	2,331	(52)	(2.2%)
EBITDA	(41)	375	(416)	(110.9%)	(288)	1,318	(1,606)	(121.9%)
EBITDA %	(1.0%)	7.8%			(1.2%)	4.7%		
Net Income (Loss)	\$ (284)	\$ 142	\$ (426)	(300.4%)	\$ (1,876)	\$ (296)	\$ (1,581)	534.7%
Capex	\$ (330)	\$ (31)	\$ (299)	972.5%	\$ (1,270)	\$ (1,365)	\$ 96	(7.0%)
Opex Overview:								
Payroll	\$ 62	\$ 64	\$ (2)	(3.3%)	\$ 374	\$ 412	\$ (37)	(9.0%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	14	10	4	41.9%	49	70	(20)	(29.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	4	0	4	62102.5%	4	0	4	11911.7%
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	3	5	(2)	(32.1%)	23	29	(6)	(20.9%)
Professional fees	0	–	0	N/A	4	15	(12)	(76.9%)
Utilities, repair, maintenance, an	4	3	2	60.7%	23	15	7	47.1%
Corporate OH Fees	274	274	(1)	(0.3%)	1,874	1,914	(40)	(2.1%)
Bad Debts	(0)	(0)	0	(35.7%)	(2)	(3)	1	(23.7%)
FX	(7)	–	(7)	N/A	35	–	35	N/A
JV Loss (Income)	(4)	(21)	17	(82.7%)	(105)	(136)	31	(22.8%)
Other Expenses	0	2	(2)	(86.1%)	0	15	(14)	(97.6%)
Total Opex	\$ 351	\$ 337	\$ 14	4.1%	\$ 2,279	\$ 2,331	\$ (52)	(2.2%)

Management Discussion

Net Revenue – Jul-19: (\$606K):

- Sales volume down 15.3% or \$734k due to decreased demand from JV, Vinylbilt, Ostaco, Centennial, Ventana (bankrupt), All Weather, FM Clera & Dashwood; offset by higher than expected levels with Terrebonne, Oran and Allsco.
- Favorable rebates/accruals \$24k primarily due to lower sales volume with ATIS (Vinylbilt) and platinum customers (Ostaco, Centennial, Clera, Dashwood)
- Favorable product/customer mix of \$134k driven by price increase to the JV and customer/product mix (higher ASP from Quaker, Terrebonne and PGT).
- Unfavorable F/X of \$30k (actual rate of 1.3101 [or \$USD 0.7633] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jul-19: (\$416K):

- Material COGS:** Decreased costs by \$251k driven by lower sales volumes \$492k; offset by lower yields 80% vs 86.0% \$82k (Cellular material issues & increased trial/testing costs); decrease regrind usage (15.5% vs 21.2%) \$73k (product mix/process issues); finished goods scrap \$62k (Joint Venture Pitting); and increased LCM Reserves \$24k (accessory parts for Oran, Terrebonne, Vinylbilt)
- Labor COGS:** Increased costs by \$21k driven by inefficiencies due to poor yields, additional overtime to support Dashwood product launch, tooling activities & weekend work \$83k; offset by lower production volumes (-8.1%) \$50k and lower subcontracting (cellular regrind) \$12k.
- Other COGS:** Increased costs by \$26k driven by lower JV overhead recovery \$59k (2 less line charge & lower sales volume); maintenance expenses \$23k (DC motor repairs & chemicals); freight \$22k; and warehouse costs \$13k (additional trailers for storage); Offset by increased net absorption \$89k.
- Sales and Marketing:** Increased costs by \$4k due to higher royalties
- Administrative:** In line with budget.
- Other Opex:** Increased costs of \$10k driven by lower JV equity income \$17k (lower sales volume); offset by favorable F/X revaluation of working capital balances \$7k

Key Customers – Gross Sales and Gross Margin %: Woodbridge

	Gross Sales (\$'000)														Gross Margin %																	
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%	
Customer:																																
ROYAL VINYL BILT LIMITED	\$ 782	\$ 1,008	\$ (225)	(22.4%)	\$ 920	\$ (138)	(15.0%)	\$ 5,582	\$ 6,575	\$ (993)	(15.1%)	\$ 6,301	\$ (719)	(11.4%)	10.4%	10.4%	–	0.0%	7.9%	250	31.6%	10.8%	10.1%	71	7.1%	7.9%	288	36.4%				
QUAKER WINDOW PRODUCTS	579	579	1	0.1%	495	85	17.1%	3,220	3,596	(376)	(10.5%)	3,073	147	4.8%	11.0%	11.0%	–	0.0%	8.5%	250	29.3%	11.5%	10.8%	68	6.3%	8.5%	297	34.8%				
ALL WEATHER WIN. LTD-EDMO	364	434	(69)	(16.0%)	132	232	175.1%	1,803	3,188	(1,385)	(43.4%)	1,007	797	79.1%	19.7%	19.7%	0	0.0%	17.2%	250	14.6%	27.8%	19.7%	803	40.7%	17.2%	1,061	61.9%				
VINYL BILT WINDOWS & DOORS CO	210	386	(176)	(45.5%)	515	(305)	(59.2%)	1,141	2,023	(882)	(43.6%)	2,773	(1,632)	(58.9%)	(18.0%)	(18.0%)	(0)	0.0%	(20.5%)	250	(12.2%)	(19.8%)	(15.5%)	(428)	27.5%	(20.5%)	62	(3.1%)				
VINYL PRO WINDOW SYSTEMS	374	475	(101)	(21.3%)	474	(100)	(21.1%)	1,844	2,004	(161)	(8.0%)	2,047	(203)	(9.9%)	8.2%	8.2%	–	0.0%	5.7%	250	44.0%	6.4%	6.3%	2	0.4%	5.7%	68	12.0%				
WINDSOR WINDOW CO	347	385	(38)	(9.8%)	391	(44)	(11.2%)	2,209	2,052	158	7.7%	2,088	122	5.8%	25.5%	24.1%	138	5.7%	21.5%	400	18.6%	20.7%	21.8%	(117)	(5.4%)	20.4%	21	1.0%				
DASHWOOD INDUSTRIES LTD.	241	288	(47)	(16.3%)	293	(52)	(17.8%)	1,198	1,499	(301)	(20.1%)	1,573	(375)	(23.8%)	17.8%	17.8%	–	0.0%	15.3%	250	16.3%	17.9%	16.3%	169	10.4%	15.3%	261	17.0%				
OSTACO 2000 WINDOORS INC	148	251	(103)	(41.1%)	238	(90)	(37.9%)	697	1,016	(319)	(31.4%)	991	(294)	(29.7%)	13.8%	13.8%	–	0.0%	11.3%	250	22.0%	17.7%	14.9%	284	19.1%	11.3%	636	56.0%				
ALLSCO BLDG SUPPLIES LTD	208	159	49	30.9%	160	48	29.8%	927	851	76	8.9%	882	45	5.1%	(18.0%)	(18.0%)	–	0.0%	3.9%	(2,195)	(555.9%)	(15.0%)	(15.2%)	11	(0.8%)	3.9%	(1,899)	(481.0%)				
TERREBONNE	205	130	75	57.2%	173	32	18.5%	1,026	786	240	30.5%	1,108	(82)	(7.4%)	(6.3%)	(6.3%)	–	0.0%	(8.8%)	250	(28.5%)	(4.9%)	(5.2%)	33	(6.3%)	(8.8%)	390	(44.4%)				
PGT INDUSTRIES	103	106	(3)	(2.8%)	97	6	6.0%	678	648	30	4.6%	513	165	32.2%	0.0%	0.0%	–	N/A	6.3%	(626)	(100.0%)	0.0%	0.0%	–	N/A	6.3%	(626)	(100.0%)				
VENTANA WINDOWS & DOORS INC	–	82	(82)	(100.0%)	87	(87)	(100.0%)	59	501	(442)	(88.2%)	488	(429)	(87.9%)	#DIV/0!	15.9%	–	#VALUE!	13.4%	NA	#VALUE!	59.7%	15.3%	4,437	290.1%	13.4%	4,626	345.1%				
CLERA	52	103	(51)	(49.9%)	118	(67)	(56.5%)	328	493	(166)	(33.6%)	592	(265)	(44.7%)	18.9%	18.9%	–	0.0%	16.4%	250	15.3%	27.0%	22.0%	502	22.8%	16.4%	1,064	65.1%				
SEYMOUR WINDOWS LTD.	79	107	(28)	(26.1%)	110	(31)	(28.2%)	396	453	(57)	(12.5%)	475	(79)	(16.6%)	19.6%	19.6%	–	0.0%	17.1%	250	14.6%	14.7%	14.5%	18	1.3%	17.1%	(240)	(14.0%)				
WARDCO WINDOW & DOOR MFG INC	59	50	10	19.3%	54	5	9.5%	367	402	(35)	(8.8%)	452	(85)	(18.8%)	34.7%	34.7%	0	0.0%	32.2%	250	7.8%	34.3%	32.2%	202	6.3%	32.2%	205	6.4%				
CENTENNIAL WINDOWS LTD	9	98	(89)	(91.2%)	95	(86)	(90.9%)	272	466	(194)	(41.6%)	489	(217)	(44.4%)	39.6%	39.6%	0	0.0%	37.1%	250	6.7%	56.4%	45.4%	1,099	24.2%	37.1%	1,933	52.2%				
MASON WINDOWS	25	28	(2)	(8.2%)	27	(2)	(6.9%)	202	269	(67)	(24.9%)	274	(72)	(26.4%)	8.0%	8.0%	–	0.0%	8.0%	-	0.0%	9.1%	7.8%	131	16.7%	8.0%	113	14.1%				
GREAT LAKES WINDOW INC.	22	28	(6)	(20.2%)	20	3	12.9%	131	313	(182)	(58.1%)	221	(90)	(40.8%)	8.0%	8.0%	–	0.0%	8.0%	-	0.0%	14.6%	8.3%	630	76.1%	8.0%	659	82.3%				
ORAN LTD.	75	–	75	N/A	3	72	2577.6%	298	209	89	42.8%	220	78	35.4%	8.0%	#DIV/0!	–	#DIV/0!	0.0%	800	N/A	11.0%	12.0%	(102)	(8.5%)	8.0%	301	37.8%				
INTEGRAL WINDOW SYSTEMS	65	25	40	157.6%	28	37	131.4%	214	170	44	25.6%	195	19	9.7%	8.0%	8.0%	–	0.0%	8.0%	-	0.0%	8.0%	8.0%	–	0.0%	8.0%	(0)	(0.0%)				
Other	503	410	93	22.7%	592	(89)	(15.1%)	2,730	2,477	254	10.2%	5,885	(3,155)	(53.6%)	(13.0%)	56.3%	(6,932)	(123.2%)	29.5%	(4,253)	(144.2%)	(10.7%)	(34.4%)	2,369	(68.9%)	(12.1%)	140	(11.6%)				
Total Gross	\$ 4,450	\$ 5,130	\$ (680)	(13.3%)	\$ 5,023	\$ (574)	(11.4%)	\$ 25,322	\$ 29,990	\$ (4,668)	(15.6%)	\$ 31,647	\$ (6,325)	(20.0%)	7.0%	13.9%	(692)	(49.8%)	9.9%	(290)	(29.4%)	11.7%	6.7%	508	76.4%	3.6%	812	225.0%				

Management Discussion

- Vinyl Pro – Slower July vs budget however positive during prior months despite slow market conditions
- Ostaco – Softer market
- Vinylbilt – loss of major customer
- Ventana – Business closing down
- Royal Vinylbilt – Softer 2019 in line with market.

Key Performance Indicators - Woodbridge

ENERGI Woodbridge KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Health & Safety									
<i>Recordable Incidents</i>	0	0	0	0	0	1	0	0	1
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.46	0.47	0.48	0.49	1	1.02	0.51	0.48
Quality Performance									
<i>Customer Complaints - per MLBS</i>	3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	3.0
<i>Return as % of sales</i>	0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.40%
Delivery Performance									
<i>% on time in full</i>	95.00%	100%	99%	99%	98%	99%	95%	97%	98%
<i>% by line items</i>	99.00%	100%	99%	99%	98%	99%	95%	97%	98%
Costs									
<i>Yield</i>	85.7%	85%	85%	85%	84%	85%	86%	86%	85%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	17%	20%	20%	18%	18%	19%	17%	18%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.173	\$ 0.175	\$ 0.161	\$ 0.202	\$ 0.183	\$ 0.167	\$ 0.177	\$ 0.176
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$ 0.212	\$ 0.229	\$ 0.192	\$ 0.271	\$ 0.234	\$ 0.181	\$ 0.198	\$ 0.213
Inventory									
<i>Days - TTM (Trailing 12 Months)</i>	54.1	57	59	62	64	64	65	66	62

Comments

Delivery: Improve back order results with increased plant output and resolution of JV back order root causes. No discernible trends for customer back orders. Reached zero new or carryover backorders for two days in the month.

Costs: Alt/Regrind Cons Ratio: Regrind use in compliance with ABOM values and exceeded BOM values per daily audits. Need more opportunities to run regrind. Two performer dies of significant volume run now without regrind due to process issues (2205, 2239).

DL: Lost production output momentum in last two weeks with significant Dashwood product launch initiative and new product testing initiatives. Significant lost volume in cellular product due to material issues.

Ind. DL: Higher costs in Production supervision due to weekend work, Higher inspections / temps due to weekend work not included in budget

Inventory: Sales lower vs budget.

Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	34,367	37,280	(2,914)	(7.8%)	37,118	(2,752)	(7.4%)	
Units Shipped ('000)	33,591	37,230	(3,639)	(9.8%)	36,738	(3,147)	(8.6%)	
Bookings (\$'000)	\$ 43,635	\$ –	\$ 43,635	N/A	\$ 50,018	\$ (6,384)	(12.8%)	
Backlog (\$'000)	\$ 2,119	\$ –	\$ 2,119	N/A	\$ 3,634	\$ (1,515)	(41.7%)	
Gross Revenue	\$ 47,078	\$ 51,746	\$ (4,668)	(9.0%)	\$ 52,687	\$ (5,610)	(10.6%)	
Adj. to Gross Revenue	(2,795)	(3,183)	388	(12.2%)	(2,920)	125	(4.3%)	
Net Revenue	44,283	48,563	(4,280)	(8.8%)	49,767	(5,484)	(11.0%)	
Material	28,166	30,569	(2,402)	(7.9%)	32,620	(4,454)	(13.7%)	
Labor	9,793	9,960	(167)	(1.7%)	10,973	(1,180)	(10.8%)	
Other COGS	1,895	1,948	(53)	(2.7%)	1,960	(65)	(3.3%)	
Total COGS	39,854	42,476	(2,622)	(6.2%)	45,553	(5,699)	(12.5%)	
Gross Margin	4,429	6,087	(1,658)	(27.2%)	4,214	215	5.1%	
Gross Margin %	10.0%	12.5%			8.5%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	278	309	(32)	(10.2%)	291	(13)	(4.5%)	
Administrative	3,868	3,954	(86)	(2.2%)	4,006	(139)	(3.5%)	
Other Opex	(162)	(228)	66	(28.8%)	(165)	2	(1.3%)	
Total Opex	3,983	4,036	(52)	(1.3%)	4,133	(150)	(3.6%)	
EBITDA	445	2,051	(1,606)	(78.3%)	81	364	447.5%	
EBITDA %	1.0%	4.2%			0.2%			
Net Income (Loss)	\$ (2,318)	\$ (738)	\$ (1,581)	214.2%	\$ (2,405)	\$ 86	(3.6%)	
Capex	\$ (1,270)	\$ (1,365)	\$ 96	(7.0%)	\$ (3,745)	\$ 2,475	(66.1%)	
Opex Overview:								
Payroll	\$ 692	\$ 729	\$ (37)	(5.1%)	\$ 759	\$ (67)	(8.9%)	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	99	119	(20)	(17.2%)	115	(16)	(13.9%)	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	11	7	4	57.8%	10	1	11.2%	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	43	49	(6)	(12.1%)	47	(4)	(8.3%)	
Professional fees	19	31	(12)	(38.4%)	36	(17)	(47.3%)	
Utilities, repair, maintenance, and security	34	27	7	27.4%	26	8	30.8%	
Corporate OH Fees	3,241	3,281	(40)	(1.2%)	3,299	(58)	(1.8%)	
Bad Debts	(4)	(5)	1	(13.9%)	(13)	9	(68.7%)	
FX	35	–	35	N/A	(82)	117	(142.5%)	
JV Loss (Income)	(197)	(228)	31	(13.5%)	(83)	(114)	138.3%	
Other Expenses	11	25	(14)	(56.8%)	21	(10)	(48.3%)	
Total Opex	\$ 3,983	\$ 4,036	\$ (52)	(1.3%)	\$ 4,136	\$ (153)	(3.7%)	

Key Customers – Full Year Woodbridge

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%			Fcst	Bud	BPs	%	Act	BPs	%			
Customer:																			
ROYAL VINYL BILT LIMITED	\$	10,064	\$	11,057	\$	(993)	(9.0%)	\$	10,577	\$	(513)	(4.9%)	10.7%	10.1%	56	5.5%	7.9%	275	34.7%
QUAKER WINDOW PRODUCTS		5,651		6,028		(376)	(6.2%)		5,345		306	5.7%	11.2%	10.8%	40	3.7%	8.5%	267	31.4%
ALL WEATHER WIN. LTD-EDMO		3,930		5,314		(1,385)	(26.1%)		2,047		1,883	92.0%	23.3%	19.4%	387	20.0%	17.2%	611	35.6%
VINYL BILT WINDOWS & DOORS CC		2,897		3,779		(882)	(23.3%)		4,689		(1,792)	(38.2%)	(17.5%)	(15.2%)	(230)	15.2%	(20.5%)	298	(14.6%)
VINYL PRO WINDOW SYSTEMS		3,427		3,587		(161)	(4.5%)		3,893		(467)	(12.0%)	6.1%	6.0%	10	1.7%	5.7%	39	6.9%
WINDSOR WINDOW CO		3,868		3,710		158	4.3%		3,491		377	10.8%	20.7%	21.3%	(57)	(2.7%)	19.0%	175	9.2%
DASHWOOD INDUSTRIES LTD.		2,591		2,891		(301)	(10.4%)		2,976		(386)	(13.0%)	16.8%	15.8%	97	6.1%	15.3%	147	9.6%
OSTACO 2000 WINDOORS INC		1,592		1,911		(319)	(16.7%)		1,810		(218)	(12.0%)	15.3%	13.7%	163	11.9%	11.3%	400	35.3%
ALLSCO BLDG SUPPLIES LTD		1,655		1,580		76	4.8%		1,520		135	8.9%	(14.2%)	(14.5%)	28	(1.9%)	3.9%	(1,814)	(459.5%)
TERREBONNE		1,437		1,197		240	20.0%		1,510		(72)	(4.8%)	(4.8%)	(5.2%)	36	(7.0%)	(8.8%)	397	(45.2%)
PGT INDUSTRIES		1,144		1,115		30	2.7%		954		190	19.9%	0.0%	0.0%	–	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS IN		419		861		(442)	(51.3%)		754		(335)	(44.4%)	25.5%	15.2%	1,032	67.9%	13.4%	1,211	90.3%
CLERA		656		821		(166)	(20.2%)		969		(313)	(32.3%)	23.7%	20.5%	317	15.4%	16.4%	735	45.0%
SEYMOUR WINDOWS LTD.		734		791		(57)	(7.2%)		822		(89)	(10.8%)	14.4%	14.0%	38	2.7%	17.1%	(267)	(15.6%)
WARDCO WINDOW & DOOR MFG		698		733		(35)	(4.8%)		874		(177)	(20.2%)	33.0%	32.1%	87	2.7%	32.2%	77	2.4%
CENTENNIAL WINDOWS LTD		439		633		(194)	(30.6%)		717		(279)	(38.8%)	65.4%	49.3%	1,611	32.7%	37.1%	2,836	76.5%
MASON WINDOWS		395		462		(67)	(14.5%)		449		(55)	(12.2%)	8.9%	8.1%	83	10.2%	8.0%	91	11.4%
GREAT LAKES WINDOW INC.		218		400		(182)	(45.5%)		364		(146)	(40.1%)	13.8%	9.1%	472	51.9%	8.0%	581	72.6%
ORAN LTD.		446		357		89	25.0%		517		(71)	(13.8%)	9.6%	11.0%	(141)	(12.7%)	8.0%	162	20.2%
INTEGRAL WINDOW SYSTEMS		351		308		44	14.1%		315		37	11.6%	8.0%	8.0%	0	0.0%	8.0%	-	0.0%
Other		4,466		4,212		254	6.0%		8,091		(3,625)	(44.8%)	2.4%	(30.4%)	3,280	(107.9%)	10.5%	(816)	(77.3%)
Total Gross	\$	47,078	\$	51,746	\$	(4,668)	(9.0%)	\$	52,687	\$	(5,610)	(10.6%)	11.8%	6.7%	510	76.3%	8.0%	378	47.3%

Laval Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,183	1,783	(600)	(33.7%)	10,988	11,502	(514)	(4.5%)
Units Shipped ('000)	1,514	1,493	20	1.4%	10,399	11,033	(634)	(5.7%)
Bookings (\$'000)	\$ 2,356	\$ —	\$ 2,356	N/A	\$ 18,558	\$ —	\$ 18,558	N/A
Backlog (\$'000)	\$ 3,663	\$ —	\$ 3,663	N/A	\$ 3,663	\$ —	\$ 3,663	N/A
Gross Revenue	\$ 2,806	\$ 2,920	\$ (114)	(3.9%)	\$ 18,873	\$ 20,607	\$ (1,733)	(8.4%)
Adj. to Gross Revenue	(224)	(229)	5	(2.3%)	(1,536)	(1,582)	46	(2.9%)
Net Revenue	2,582	2,691	(108)	(4.0%)	17,337	19,024	(1,687)	(8.9%)
Material	1,105	1,193	(88)	(7.4%)	7,907	8,805	(898)	(10.2%)
Labor	426	558	(132)	(23.6%)	3,342	3,671	(329)	(9.0%)
Other COGS	346	53	293	556.6%	1,018	1,011	8	0.8%
Total COGS	1,876	1,803	73	4.1%	12,267	13,486	(1,219)	(9.0%)
Gross Margin	706	887	(182)	(20.5%)	5,070	5,538	(468)	(8.5%)
Gross Margin %	27.3%	33.0%			29.2%	29.1%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	127	164	(37)	(22.4%)	972	1,082	(110)	(10.2%)
Administrative	241	253	(12)	(4.8%)	1,712	1,771	(58)	(3.3%)
Other Opex	(1)	—	(1)	N/A	(10)	—	(10)	N/A
Total Opex	368	417	(49)	(11.9%)	2,675	2,853	(178)	(6.2%)
EBITDA	338	470	(132)	(28.1%)	2,394	2,685	(291)	(10.8%)
EBITDA %	13.1%	17.5%			13.8%	14.1%		
Net Income (Loss)	\$ 229	\$ 341	\$ (112)	(32.8%)	\$ 1,630	\$ 1,844	\$ (214)	(11.6%)
Capex	\$ (66)	\$ (81)	\$ 15	(18.1%)	\$ (617)	\$ (996)	\$ 380	(38.1%)
Opex Overview:								
Payroll	\$ 93	\$ 118	\$ (24)	(20.6%)	\$ 729	\$ 796	\$ (67)	(8.4%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	48	75	(27)	(35.6%)	377	472	(95)	(20.2%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	4	3	1	25.8%	26	19	7	38.7%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	3	5	(1)	(28.9%)	32	33	(1)	(3.6%)
Professional fees	4	7	(2)	(32.2%)	42	46	(4)	(8.0%)
Utilities, repair, maintenance, and	4	4	0	9.6%	40	43	(4)	(8.5%)
Corporate OH Fees	179	182	(3)	(1.5%)	1,234	1,271	(36)	(2.9%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	(1)	—	(1)	N/A	(10)	—	(10)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	32	25	7	28.5%	205	173	32	18.3%
Total Opex	\$ 368	\$ 417	\$ (49)	(11.9%)	\$ 2,675	\$ 2,853	\$ (178)	(6.2%)

Management Discussion

Net Revenue – Jul-19: (\$108K):

- Sales volume up 1.4% or \$37k due to increased demand from Terrebonne, ATIS, Fenetres Cote & Laflamme; offset by lower demand from Gentek, Schluter, Dalmen & Glencoe Nikkelverk (timing).
- Unfavorable mix impact of \$128k primarily driven by customer mix (increased sales to Terrebonne & ATIS with lower ASP)
- Unfavorable F/X of \$18k (actual rate of 1.3101 [or \$USD 0.7633] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jul-19: (\$132K):

- Material COGS:** Decrease in costs by \$88k driven by product mix \$95k; improved yields \$9k (86% vs 84%); offset by increased sales volume \$16k.
- Labor COGS:** Decrease in costs by \$132k driven by 10 day production shutdown for the Quebec construction holiday.
- Other COGS:** Increase in cost by \$293k driven by unfavorable net absorption of \$309k (lower absorption due to shutdown); offset by lower maintenance/factory expenses \$20k
- Sales and Marketing:** Decrease in cost by \$37k driven by lower advertising (timing) \$27k; lower wages \$19k (vacations taken); offset by increased product development costs
- Administrative:** Decrease in cost by \$12k primarily driven by lower wages (vacations taken)
- Other Opex:** In line with budget.

Key Customers – Gross Sales and Gross Margin %: Laval

	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var											
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%										
Customer:																																						
SOLARIS QUEBEC P & F INC.	\$	227	\$	230	\$	(3)	(1.5%)	\$	231	\$	(4)	(1.9%)	\$	2,482	\$	2,266	\$	216	9.5%	\$	2,363	\$	119	5.0%	23.5%	23.0%	42	1.8%	22.9%	52	2.3%	23.8%	23.5%	33	1.4%	22.8%	108	4.7%
ATLANTIC WINDOWS		347		373		(26)	(6.8%)		351		(4)	(1.0%)		1,827		2,134		(307)	(14.4%)		2,087		(260)	(12.4%)	14.8%	13.7%	113	8.3%	14.2%	56	3.9%	14.9%	12.1%	278	22.9%	12.1%	279	22.9%
SCHLUTER SYSTEMS L.P.		254		304		(50)	(16.6%)		303		(49)	(16.3%)		1,306		1,564		(258)	(16.5%)		1,558		(252)	(16.2%)	23.5%	22.7%	77	3.4%	22.4%	102	4.6%	24.1%	21.4%	266	12.4%	21.1%	297	14.0%
LAFLAMME PORTES		204		184		20	11.1%		178		26	14.8%		1,076		1,423		(347)	(24.4%)		1,403		(327)	(23.3%)	(13.6%)	(19.6%)	601	(30.7%)	(12.4%)	(120)	9.7%	(13.4%)	(19.5%)	606	(31.1%)	(13.7%)	30	(2.2%)
PTES & FEN ISOTHERMIC INC		150		122		28	23.3%		125		25	20.4%		1,106		1,092		14	1.3%		1,141		(35)	(3.0%)	24.5%	28.7%	(422)	(14.7%)	27.2%	(274)	(10.1%)	21.5%	29.0%	(755)	(26.0%)	26.3%	(483)	(18.3%)
PORTES & FENETRES ABRITEK		150		168		(18)	(10.7%)		161		(11)	(6.8%)		820		972		(152)	(15.6%)		986		(166)	(16.8%)	32.8%	32.1%	69	2.2%	31.1%	178	5.7%	30.8%	32.0%	(118)	(3.7%)	30.7%	10	0.3%
ATIS PORTES & FENETRES		125		82		43	52.8%		83		42	51.0%		948		750		198	26.4%		863		85	9.9%	(15.2%)	(25.6%)	1,038	(40.5%)	(15.7%)	43	(2.7%)	(16.2%)	(25.7%)	957	(37.2%)	(14.9%)	(126)	8.5%
EXTREME ENTRANCE SYSTEMS		199		208		(9)	(4.5%)		197		2	0.8%		830		1,013		(183)	(18.0%)		1,017		(187)	(18.3%)	15.2%	25.0%	(977)	(39.1%)	17.3%	(203)	(11.8%)	15.6%	24.8%	(914)	(36.9%)	16.5%	(93)	(5.6%)
FENERGIC INC		50		72		(22)	(31.2%)		78		(28)	(36.5%)		538		590		(52)	(8.8%)		693		(155)	(22.3%)	13.1%	25.0%	(1,190)	(47.6%)	10.3%	284	27.7%	15.8%	25.3%	(945)	(37.4%)	16.1%	(24)	(1.5%)
LES FENETRES CONCEPT.		66		74		(8)	(11.1%)		62		4	6.1%		691		679		12	1.7%		609		82	13.4%	16.6%	16.2%	36	2.2%	17.7%	(117)	(6.6%)	15.1%	16.4%	(129)	(7.9%)	17.4%	(232)	(13.3%)
P & C EDDY BOULET INC		77		54		23	41.8%		43		34	78.1%		497		428		69	16.1%		469		28	5.9%	25.1%	5.6%	1,954	351.7%	20.9%	417	19.9%	21.8%	6.1%	1,574	257.6%	18.0%	386	21.5%
PRODUITS DALMEN PRODUCTS		31		79		(48)	(60.8%)		59		(28)	(47.6%)		265		554		(289)	(52.1%)		454		(189)	(41.5%)	18.2%	16.5%	179	10.9%	18.6%	(40)	(2.1%)	17.9%	16.0%	191	11.9%	13.5%	440	32.5%
KENTO WINDOWS & DOORS		73		56		17	31.1%		56		17	31.1%		399		394		5	1.4%		394		5	1.4%	33.9%	30.4%	358	11.8%	30.4%	358	11.8%	32.6%	30.7%	191	6.2%	31.8%	81	2.6%
GENTEK BUILDING PROD. LTD		12		89		(77)	(86.6%)		69		(57)	(82.7%)		118		453		(335)	(74.0%)		358		(240)	(67.1%)	9.0%	12.4%	(334)	(27.0%)	7.2%	177	24.5%	6.4%	12.1%	(571)	(47.1%)	15.6%	(920)	(58.9%)
GOLDEN WINDOWS		51		33		18	54.1%		48		3	5.9%		357		207		150	72.6%		308		49	16.0%	(5.5%)	(3.0%)	(247)	81.6%	0.0%	(550)	N/A	(1.7%)	(2.9%)	117	(40.4%)	5.6%	(736)	(130.6%)
ENTREPRISES DOCO INC.		25		34		(9)	(27.7%)		27		(2)	(9.0%)		247		345		(98)	(28.5%)		307		(60)	(19.7%)	19.3%	20.6%	(126)	(6.1%)	(3.7%)	2,303	(621.9%)	23.3%	21.8%	152	7.0%	(5.6%)	2,894	(514.7%)
FUTURA MANUFACTURIER		26		37		(11)	(30.4%)		40		(14)	(35.6%)		197		221		(24)	(10.7%)		244		(47)	(19.1%)	10.4%	21.6%	(1,117)	(51.7%)	15.0%	(455)	(30.3%)	6.1%	20.7%	(1,463)	(70.5%)	27.2%	(2,112)	(77.5%)
G.R. THÉRIAULT		64		48		16	33.0%		40		24	59.6%		210		227		(17)	(7.3%)		228		(18)	(7.7%)	27.4%	33.3%	(595)	(17.9%)	10.0%	1,738	173.8%	23.0%	34.0%	(1,104)	(32.5%)	9.1%	1,382	151.3%
PORTES ET FENETRES LGC		12		40		(28)	(68.9%)		40		(28)	(68.9%)		229		209		20	9.7%		251		(22)	(8.7%)	39.5%	55.0%	(1,554)	(28.3%)	25.0%	1,446	57.8%	39.2%	55.0%	(1,587)	(28.8%)	20.3%	1,881	92.5%
LAS ENTERPRISES		22		27		(5)	(18.5%)		28		(6)	(21.4%)		236		238		(2)	(0.8%)		246		(10)	(4.0%)	47.4%	51.9%	(449)	(8.7%)	53.6%	(621)	(11.6%)	48.7%	51.2%	(248)	(4.8%)	36.9%	1,190	32.3%
Other		642		606		36	5.9%		631		10	1.6%		4,490		4,848		(358)	(7.4%)		5,747		(1,257)	(21.9%)	57.1%	81.0%	(2,386)	(29.5%)	2.2%	5,490	2475.3%	61.9%	61.0%	90	1.5%	24.0%	3,794	158.4%
Total Gross	\$	2,806	\$	2,920	\$	(114)	(3.9%)	\$	2,850	\$	(44)	(1.6%)	\$	18,873	\$	20,607	\$	(1,733)	(8.4%)	\$	21,726	\$	(2,852)	(13.1%)	25.2%	30.4%	(524)	(17.2%)	22.9%	230	10.1%	27.0%	26.6%	39	1.5%	23.7%	334	14.1%

Management Discussion

- Atlantic, Schluter, Dalmen – lower than anticipated sales due to softer market.
- Gentek – Customer switched part of sales to different supplier.

Key Performance Indicators - Laval

ENERGI Laval Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Health & Safety									
<i>Recordable Incidents</i>	0	1	1	0	0	0	1	0	3
<i>TRIR (Total Recordable Incident Rate)</i>	<1	4.95	4.95	4.12	4.3	4.31	4.31	4.15	4.12
Quality Performance									
<i>Customer Complaints - per MLBS</i>	22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	27.0
<i>Return as % of sales</i>	0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.49%
Delivery Performance									
<i>% on time in full</i>	95.00%	99.73%	99.75%	99.58%	99.82%	99.81%	100%	100%	100%
<i>% by line items</i>	99.00%	99.73%	99.75%	99.58%	99.82%	99.81%	100%	100%	100%
Costs									
<i>Yield</i>	84.00%	85.48%	85.19%	87%	88%	87%	87%	86%	87%
<i>Alt/Regrind Compound Consumption Ratio</i>	20.89%	20.18%	19.41%	18%	16%	20%	20%	19%	19%
<i>Direct Labour \$/lb produced</i>	\$0.192	\$ 0.195	\$0.184	\$ 0.186	\$ 0.115	\$ 0.191	\$ 0.194	\$ 0.217	\$ 0.181
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.237	\$ 0.267	\$0.219	\$ 0.208	\$ 0.216	\$ 0.223	\$ 0.196	\$ 0.255	\$ 0.223
Inventory									
<i>Days - TTM (Trailing 12 Months)</i>	69.3	67	66.4	68	69	68	70	70	68

Comments:

Costs: Alt/Regrind Cons Ratio: Not enough scrap generated and alternative materials bought are not in sufficient quantities

Labour: Lower volume due to the shutdown

Inventory: Lower than anticipated sales in July.

Full Year Laval P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	18,524	19,038	(514)	(2.7%)	19,947	(1,423)	(7.1%)
Units Shipped ('000)	18,481	19,115	(634)	(3.3%)	19,803	(1,322)	(6.7%)
Bookings (\$'000)	\$ 31,482	\$ —	\$ 31,482	N/A	\$ 36,193	\$ (4,712)	(13.0%)
Backlog ('\$000)	\$ 1,897	\$ —	\$ 1,897	N/A	\$ 2,942	\$ (1,045)	(35.5%)
Gross Revenue	\$ 33,951	\$ 35,684	\$ (1,733)	(4.9%)	\$ 37,211	\$ (3,260)	(8.8%)
Adj. to Gross Revenue	(2,778)	(2,824)	46	(1.6%)	(3,256)	478	(14.7%)
Net Revenue	31,173	32,861	(1,687)	(5.1%)	33,956	(2,782)	(8.2%)
Material	14,312	15,210	(898)	(5.9%)	16,229	(1,916)	(11.8%)
Labor	5,920	6,249	(329)	(5.3%)	6,587	(667)	(10.1%)
Other COGS	2,082	2,074	8	0.4%	2,233	(151)	(6.8%)
Total COGS	22,314	23,533	(1,219)	(5.2%)	25,049	(2,735)	(10.9%)
Gross Margin	8,859	9,328	(468)	(5.0%)	8,907	(48)	(0.5%)
Gross Margin %	28.4%	28.4%			26.2%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	1,743	1,853	(110)	(5.9%)	2,003	(259)	(12.9%)
Administrative	2,972	3,030	(58)	(1.9%)	3,071	(100)	(3.2%)
Other Opex	(10)	—	(10)	N/A	17	(26)	(157.2%)
Total Opex	4,705	4,883	(178)	(3.6%)	5,090	(385)	(7.6%)
EBITDA	4,154	4,445	(291)	(6.5%)	3,816	337	8.8%
EBITDA %	13.3%	13.5%			11.2%		
Net Income (Loss)	\$ 2,722	\$ 2,936	\$ (214)	(7.3%)	\$ 2,573	\$ 149	5.8%
Capex	\$ (617)	\$ (1,235)	\$ 619	(50.1%)	\$ (1,614)	\$ 998	(61.8%)
Opex Overview:							
Payroll	\$ 1,311	\$ 1,377	\$ (67)	(4.8%)	\$ 1,449	\$ (138)	(9.5%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	704	799	(95)	(11.9%)	819	(115)	(14.1%)
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	38	31	7	23.2%	44	(6)	(13.0%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	56	57	(1)	(2.1%)	51	5	9.5%
Professional fees	75	78	(4)	(4.7%)	95	(20)	(21.5%)
Utilities, repair, maintenance, and security	61	64	(4)	(5.7%)	71	(10)	(14.2%)
Corporate OH Fees	2,142	2,178	(36)	(1.7%)	2,180	(38)	(1.7%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	(10)	—	(10)	N/A	17	(26)	(157.2%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	329	297	32	10.7%	365	(37)	(10.1%)
Total Opex	\$ 4,705	\$ 4,883	\$ (178)	(3.6%)	\$ 5,093	\$ (388)	(7.6%)

Key Customers – Full Year Laval

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%			
<u>Customer:</u>																			
SOLARIS QUEBEC P & F INC.	\$	4,292	\$	4,075	\$	217	5.3%	\$	4,262	\$	30	0.7%	23.9%	23.7%	21	0.9%	22.9%	100	4.4%
ATLANTIC WINDOWS		3,328		3,635		(307)	(8.4%)		3,475		(147)	(4.2%)	14.0%	12.3%	169	13.7%	12.7%	132	10.4%
SCHLUTER SYSTEMS L.P.		2,300		2,557		(257)	(10.1%)		2,796		(496)	(17.7%)	24.5%	22.8%	175	7.7%	21.4%	310	14.5%
LAFLAMME PORTES		2,130		2,478		(348)	(14.1%)		2,426		(296)	(12.2%)	(16.0%)	(19.4%)	349	(17.9%)	(13.3%)	(265)	19.9%
PTES & FEN ISOTHERMIC INC		2,014		1,999		15	0.7%		2,163		(149)	(6.9%)	24.4%	29.0%	(462)	(15.9%)	21.9%	250	11.4%
PORTES & FENETRES ABRITEK		1,673		1,824		(151)	(8.3%)		1,742		(69)	(3.9%)	31.4%	32.0%	(60)	(1.9%)	31.2%	20	0.7%
ATIS PORTES & FENETRES		1,750		1,552		198	12.7%		1,669		81	4.8%	(19.7%)	(25.7%)	597	(23.3%)	(15.4%)	(430)	27.9%
EXTREME ENTRANCE SYSTEMS		1,405		1,587		(182)	(11.5%)		1,619		(214)	(13.2%)	18.7%	24.8%	(605)	(24.4%)	16.9%	180	10.6%
FENERGIC INC		1,053		1,105		(52)	(4.7%)		1,260		(207)	(16.4%)	19.5%	25.1%	(565)	(22.5%)	14.8%	465	31.3%
LES FENETRES CONCEPT.		1,242		1,231		11	0.9%		1,131		111	9.8%	15.5%	16.3%	(74)	(4.5%)	17.9%	(241)	(13.4%)
P & C EDDY BOULET INC		1,040		971		69	7.1%		849		191	22.5%	15.2%	6.1%	907	148.6%	21.3%	(615)	(28.9%)
PRODUITS DALMEN PRODUCTS		584		873		(289)	(33.1%)		692		(108)	(15.6%)	17.1%	16.0%	109	6.8%	14.5%	267	18.5%
KENTO WINDOWS & DOORS		699		694		5	0.7%		674		25	3.7%	32.0%	30.6%	147	4.8%	31.2%	89	2.9%
GENTEK BUILDING PROD. LTD		311		646		(335)	(51.8%)		528		(217)	(41.1%)	9.6%	12.0%	(241)	(20.1%)	12.5%	(294)	(23.5%)
GOLDEN WINDOWS		500		350		150	43.0%		512		(12)	(2.3%)	(2.2%)	(3.0%)	82	(27.0%)	5.3%	(749)	(142.1%)
ENTREPRISES DOCO INC.		479		576		(97)	(16.9%)		503		(24)	(4.8%)	22.6%	21.9%	72	3.3%	(3.2%)	2,579	(810.6%)
FUTURA MANUFACTURIER		452		475		(23)	(4.9%)		453		(1)	(0.3%)	13.2%	20.9%	(765)	(36.6%)	23.2%	(995)	(42.9%)
G.R. THÉRIAULT		433		449		(16)	(3.5%)		433		0	0.1%	28.3%	34.2%	(585)	(17.1%)	9.7%	1,863	192.1%
PORTES ET FENETRES LGC		405		384		21	5.4%		435		(30)	(7.0%)	45.0%	55.0%	(997)	(18.1%)	22.8%	2,224	97.7%
LAS ENTERPRISES		418		420		(2)	(0.5%)		423		(5)	(1.2%)	49.8%	51.3%	(153)	(3.0%)	37.6%	1,217	32.4%
Other		7,444		7,803		(359)	(4.6%)		9,166		(1,722)	(18.8%)	62.7%	63.2%	(46)	(0.7%)	2.4%	6,032	2524.6%
Total Gross	\$	33,951	\$	35,684	\$	(1,733)	(4.9%)	\$	37,211	\$	(3,260)	(8.8%)	26.5%	26.5%	(3)	(0.1%)	23.9%	256	10.7%

Delmont Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,944	2,204	(260)	(11.8%)	12,525	14,304	(1,779)	(12.4%)
Units Shipped ('000)	2,030	2,301	(271)	(11.8%)	12,989	14,557	(1,568)	(10.8%)
Bookings (\$'000)	\$ 3,291	\$ –	\$ 3,291	N/A	\$ 22,109	\$ –	\$ 22,109	N/A
Backlog (\$'000)	\$ 1,683	\$ –	\$ 1,683	N/A	\$ 1,683	\$ –	\$ 1,683	N/A
Gross Revenue	\$ 3,616	\$ 3,971	\$ (355)	(9.0%)	\$ 23,125	\$ 25,302	\$ (2,177)	(8.6%)
Adj. to Gross Revenue	(104)	(113)	9	(8.0%)	(610)	(728)	118	(16.2%)
Net Revenue	3,512	3,858	(346)	(9.0%)	22,515	24,574	(2,059)	(8.4%)
Material	1,720	1,870	(150)	(8.0%)	11,064	12,018	(954)	(7.9%)
Labor	678	721	(43)	(5.9%)	4,403	4,881	(478)	(9.8%)
Other COGS	318	321	(3)	(1.0%)	2,100	1,973	128	6.5%
Total COGS	2,717	2,913	(196)	(6.7%)	17,568	18,872	(1,304)	(6.9%)
Gross Margin	795	946	(151)	(15.9%)	4,947	5,702	(755)	(13.2%)
Gross Margin %	22.6%	24.5%			22.0%	23.2%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	8	16	(8)	(51.8%)	85	106	(21)	(20.1%)
Administrative	225	227	(2)	(0.8%)	1,527	1,570	(43)	(2.8%)
Other Opex	–	–	–	N/A	–	–	–	N/A
Total Opex	232	242	(10)	(4.1%)	1,611	1,676	(65)	(3.9%)
EBITDA	563	704	(141)	(20.0%)	3,336	4,026	(690)	(17.1%)
EBITDA %	16.0%	18.2%			14.8%	16.4%		
Net Income (Loss)	\$ 401	\$ 551	\$ (150)	(27.2%)	\$ 2,248	\$ 3,004	\$ (756)	(25.2%)
Capex	\$ (77)	\$ (121)	\$ 44	(36.4%)	\$ (619)	\$ (886)	\$ 267	(30.2%)
Opex Overview:								
Payroll	\$ 58	\$ 65	\$ (8)	(11.8%)	\$ 374	\$ 437	\$ (64)	(14.6%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	–	–	–	N/A	0	–	0	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	–	–	–	N/A	1	–	1	N/A
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	3	4	(1)	(16.9%)	21	26	(6)	(21.8%)
Corporate OH Fees	167	165	2	1.0%	1,162	1,156	5	0.4%
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	–	–	–	N/A	–	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	5	8	(3)	(40.9%)	55	56	(1)	(2.1%)
Total Opex	\$ 232	\$ 242	\$ (10)	(4.1%)	\$ 1,611	\$ 1,676	\$ (65)	(3.9%)

Management Discussion

Net Revenue – Jul-19: (\$346K)

- Sales volume down 11.8% or \$455k driven by decreased demand from PGT (\$245k), Regency (\$107k), Comfort View (\$80k), Yoders and Fairway; offset by increased demand from Sierra Pacific +\$89k
- Rebates/returns/accruals in line with budget
- Positive mix impact of \$109k or \$0.05/lb primarily driven by product mix – increased PGT Dark Cap Sales, Polaris new launch slower than expected and QubicaAMF bowling

EBITDA – Jul-19: (\$141K)

- Material COGS:** Decrease in costs by \$150k primarily driven by decreased sales volumes \$221k; offset by decreased alt material/regrind usage \$33k, lower yields \$33k (82.3% vs 84%), and Vytron price increase \$5k (3rd party).
- Labor COGS:** Decrease in cost by \$43K driven by lower headcount (20) due to reduced production volumes (11.8%).
- Other COGS:** Decrease in cost by \$3k driven by higher tooling recovery \$37k and lower freight costs \$20k (volume); offset by lower net absorption of \$52k (product mix)
- Sales and Marketing:** Decrease in costs by \$8k, primarily driven by 1 less headcount (CSR temp resignation)
- Administrative:** In line with budget

Key Customers – Gross Sales and Gross Margin %: Delmont

	Gross Sales (\$'000)														Gross Margin %																	
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%	
Customer:																																
PGT Industries Inc	\$ 1,971	\$ 2,166	\$ (195)	(9.0%)	\$ 1,753	\$ 218	12.4%	\$ 12,590	\$ 12,985	\$ (395)	(3.0%)	\$ 11,997	\$ 593	4.9%	21.0%	19.5%	145	7.4%	16.9%	403	23.8%	20.4%	19.8%	62	3.1%	13.1%	738	56.5%				
Polaris Technologies	531	505	26	5.1%	291	240	82.5%	3,128	3,458	(330)	(9.5%)	2,069	1,059	51.2%	19.0%	19.6%	(61)	(3.1%)	22.3%	(334)	(14.9%)	16.1%	17.4%	(125)	(7.2%)	14.6%	153	10.5%				
Comfort View Products	221	300	(79)	(26.3%)	295	(74)	(25.1%)	1,231	1,931	(700)	(36.3%)	1,844	(613)	(33.2%)	20.5%	16.3%	413	25.3%	12.2%	826	67.7%	20.0%	15.4%	455	29.5%	11.4%	852	74.5%				
Sierra Pacific Windows	310	225	85	37.8%	225	85	37.8%	1,572	1,559	13	0.8%	1,509	63	4.2%	9.7%	11.1%	(144)	(13.0%)	5.3%	434	81.3%	9.6%	9.5%	7	0.7%	5.2%	434	83.1%				
Atrium Windows & Doors	79	119	(40)	(33.6%)	100	(21)	(21.0%)	825	932	(107)	(11.5%)	870	(45)	(5.2%)	40.5%	60.5%	(2,000)	(33.1%)	37.0%	351	9.5%	38.0%	46.3%	(828)	(17.9%)	36.2%	187	5.2%				
Regency Plus, Inc.	115	204	(89)	(43.6%)	154	(39)	(25.3%)	1,171	1,182	(11)	(0.9%)	1,027	144	14.0%	21.6%	17.2%	441	25.7%	16.2%	533	32.8%	21.0%	18.4%	265	14.4%	12.2%	887	73.0%				
Brunswick Bowling And Billiards	172	173	(1)	(0.6%)	173	(1)	(0.6%)	893	1,178	(285)	(24.2%)	1,178	(285)	(24.2%)	42.6%	49.7%	(709)	(14.3%)	41.0%	158	3.9%	40.8%	43.8%	(304)	(6.9%)	41.4%	(61)	(1.5%)				
Qubicaamf Worlwide LCC	117	82	35	42.7%	122	(5)	(4.1%)	573	587	(14)	(2.4%)	627	(54)	(8.6%)	45.0%	58.5%	(1,352)	(23.1%)	51.6%	(663)	(12.8%)	46.0%	49.3%	(326)	(6.6%)	45.3%	69	1.5%				
NewSouth Window Solutions, LLC	53	41	12	29.3%	–	53	N/A	239	447	(208)	(46.5%)	482	(243)	(50.4%)	44.0%	65.9%	(2,189)	(33.2%)	#DIV/0!	NA	#DIV/0!	36.0%	35.1%	91	2.6%	30.9%	505	16.3%				
Great Day Improvement, LLC	–	18	(18)	(100.0%)	18	(18)	(100.0%)	168	285	(117)	(41.1%)	284	(116)	(40.8%)	#DIV/0!	100.0%	–	#VALUE!	27.8%	NA	#VALUE!	35.6%	36.2%	(61)	(1.7%)	31.5%	416	13.2%				
Yoders Window & Siding	–	42	(42)	(100.0%)	42	(42)	(100.0%)	166	208	(42)	(20.2%)	258	(92)	(35.7%)	#DIV/0!	31.0%	–	#VALUE!	33.3%	NA	#VALUE!	27.4%	39.3%	(1,186)	(30.2%)	35.9%	(842)	(23.5%)				
Fairway Building Products	–	39	(39)	(100.0%)	39	(39)	(100.0%)	60	121	(61)	(50.4%)	121	(61)	(50.4%)	#DIV/0!	10.3%	–	#VALUE!	17.9%	NA	#VALUE!	11.7%	20.7%	(896)	(43.3%)	20.2%	(847)	(41.9%)				
Graber Manufacturing Llc	–	–	-	N/A	–	-	N/A	–	92	(92)	(100.0%)	92	(92)	(100.0%)	#DIV/0!	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	#DIV/0!	26.1%	–	#VALUE!	42.4%	NA	#VALUE!				
Columbia Industries, Inc.	–	–	-	N/A	–	-	N/A	53	–	53	N/A	–	53	N/A	#DIV/0!	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	1.8%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
Jeld-Wen Windows & Doors	1	2	(1)	(50.0%)	2	(1)	(50.0%)	14	23	(9)	(39.1%)	28	(14)	(50.0%)	21.9%	50.0%	(2,810)	(56.2%)	0.0%	2,190	N/A	21.2%	15.9%	532	33.4%	14.8%	641	43.3%				
Constant Distribution LLC	–	–	-	N/A	–	-	N/A	7	–	7	N/A	7	-	0.0%	#DIV/0!	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	(12.3%)	#DIV/0!	–	#DIV/0!	(42.9%)	3,060	(71.4%)				
CGI	11	5	6	120.0%	–	11	N/A	55	23	32	139.1%	4	51	1275.0%	0.0%	0.0%	–	N/A	#DIV/0!	NA	#DIV/0!	4.3%	0.0%	435	N/A	0.0%	435	N/A				
East Central Indiana Vinyl MFG, LU	–	–	-	N/A	–	-	N/A	16	17	(1)	(5.9%)	22	(6)	(27.3%)	#DIV/0!	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	13.7%	38.2%	(2,454)	(64.2%)	40.9%	(2,721)	(66.5%)				
Lakeland Polymers, LLC	–	1	(1)	(100.0%)	–	-	N/A	10	7	3	42.9%	31	(21)	(67.7%)	#DIV/0!	(300.0%)	–	#VALUE!	#DIV/0!	NA	#DIV/0!	(136.7%)	(269.2%)	13,248	(49.2%)	(45.2%)	(9,159)	202.8%				
JP Industrial Products Inc	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!				
Other	35	49	(14)	(28.8%)	119	(84)	(70.6%)	354	267	87	32.5%	868	(513)	(59.2%)	(6.0%)	87.3%	(9,329)	(106.9%)	1.5%	(752)	(503.2%)	22.1%	76.7%	(5,457)	(71.2%)	7.4%	1,470	198.5%				
Total Gross	\$ 3,616	\$ 3,971	\$ (355)	(9.0%)	\$ 3,333	\$ 283	8.5%	\$ 23,125	\$ 25,302	\$ (2,177)	(8.6%)	\$ 23,318	\$ (192)	(0.8%)	22.0%	23.8%	(182)	(7.7%)	19.0%	304	16.0%	21.3%	22.4%	(109)	(4.8%)	16.4%	492	30.0%				

Management Discussion

- PGT & Regency – Slower in July however YTD sales stable.
- Comfort view – lower vs budget in line with market.
- New South Window – Strong July after slow H1 2019.

Key Performance Indicators - Delmont

ENERGI Delmont Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Health & Safety									
<i>Recordable Incidents</i>	0	0	0	2	1	0	0	0	3
<i>TRIR (Total Recordable Incident Rate)</i>	<1	2.87	2.87	2.87	4.25	4.25	4.25	4.25	2.87
Quality Performance									
<i>Customer Complaints - per MLBS</i>	3.2	2.76	3.16	3.68	2.94	3.03	3.42	3.6	3
<i>Return as % of sales</i>	0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.03%
Delivery Performance									
<i>% on time in full</i>	95.00%	99.71%	99.80%	100%	100%	100%	100%	100%	100%
<i>% by line items</i>	99.00%	99.50%	99.38%	99%	99%	99%	99%	99%	99%
Costs									
<i>Yield</i>	85.7%	81.36%	82.71%	83%	83%	83%	82%	82%	83%
<i>Alt/Regrind Compound Consumption Ratio</i>	17.1%	25.4%	19.8%	19.5%	23%	18%	21%	19%	21%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$0.178	\$0.174	\$ 0.165	\$ 0.181	\$ 0.178	\$ 0.180	\$ 0.183	\$ 0.177
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$0.151	\$0.177	\$ 0.163	\$ 0.181	\$ 0.187	\$ 0.171	\$ 0.166	\$ 0.171
Inventory									
<i>Days - TTM (Trailing 12 Months)</i>	58.7	62.0	62.1	65	67	67	70	71	66

Comments:

Quality: 7 Customer Concerns - 4 PGT, 2 SP, 1 Polaris

Cost: 344 Change overs up 12% July 18, Highest of year. Launched yield workshop

Labour: Lower pounds produced in the month

Inventory: Sales lower vs budget

Full Year Delmont P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	22,564	24,343	(1,779)	(7.3%)	20,561	2,003	9.7%
Units Shipped ('000)	23,318	24,886	(1,568)	(6.3%)	21,921	1,397	6.4%
Bookings (\$'000)	\$ 39,165	\$ –	\$ 39,165	N/A	\$ –	\$ 39,165	N/A
Backlog ('\$000)	\$ 1,812	\$ –	\$ 1,812	N/A	\$ –	\$ 1,812	N/A
Gross Revenue	\$ 40,923	\$ 43,100	\$ (2,177)	(5.1%)	\$ 38,138	\$ 2,785	7.3%
Adj. to Gross Revenue	(1,124)	(1,242)	118	(9.5%)	(1,103)	(22)	2.0%
Net Revenue	39,799	41,858	(2,059)	(4.9%)	37,036	2,763	7.5%
Material	19,440	20,394	(954)	(4.7%)	18,975	466	2.5%
Labor	7,895	8,373	(478)	(5.7%)	7,668	227	3.0%
Other COGS	3,521	3,394	128	3.8%	3,615	(93)	(2.6%)
Total COGS	30,857	32,161	(1,304)	(4.1%)	30,257	599	2.0%
Gross Margin	8,942	9,697	(755)	(7.8%)	6,778	2,164	31.9%
Gross Margin %	22.5%	23.2%			18.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	160	181	(21)	(11.7%)	121	38	31.5%
Administrative	2,652	2,695	(43)	(1.6%)	2,623	29	1.1%
Other Opex	–	–	–	N/A	–	–	N/A
Total Opex	2,812	2,876	(65)	(2.2%)	2,745	67	2.4%
EBITDA	6,130	6,820	(690)	(10.1%)	4,034	2,096	52.0%
EBITDA %	15.4%	16.3%			10.9%		
Net Income (Loss)	\$ 4,250	\$ 5,006	\$ (756)	(15.1%)	\$ 2,400	\$ 1,850	77.1%
Capex	\$ (619)	\$ (1,171)	\$ 552	(47.2%)	\$ (1,425)	\$ 806	(56.6%)
Opex Overview:							
Payroll	\$ 689	\$ 753	\$ (64)	(8.5%)	\$ 639	\$ 50	7.9%
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	0	–	0	N/A	–	0	N/A
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1	–	1	N/A	2	(1)	(68.5%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	–	–	N/A
Professional fees	–	–	–	N/A	–	–	N/A
Utilities, repair, maintenance, and security	39	45	(6)	(12.7%)	43	(3)	(7.9%)
Corporate OH Fees	1,988	1,983	5	0.3%	1,985	3	0.1%
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	–	–	–	N/A	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	95	96	(1)	(1.2%)	76	19	24.4%
Total Opex	\$ 2,811	\$ 2,876	\$ (65)	(2.3%)	\$ 2,747	\$ 64	2.3%

Key Customers – Full Year Delmont

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Fcst	\$	%		Fcst	Bud	BPs	%	Fcst	BPs	%				
Customer:																			
PGT Industries Inc	\$	22,589	\$	22,984	\$	(395)	(1.7%)	\$	20,107	\$	2,482	12.3%	19.7%	19.2%	43	2.2%	15.4%	423	27.4%
Polaris Technologies		5,492		5,822		(330)	(5.7%)		3,577		1,915	53.5%	16.9%	17.7%	(75)	(4.2%)	16.2%	73	4.5%
Comfort View Products		2,435		3,135		(700)	(22.3%)		2,920		(485)	(16.6%)	19.0%	16.1%	288	17.8%	12.3%	670	54.3%
Sierra Pacific Windows		2,573		2,560		13	0.5%		2,632		(59)	(2.2%)	9.9%	9.9%	(3)	(0.3%)	6.3%	362	57.8%
Atrium Windows & Doors		1,473		1,580		(107)	(6.8%)		1,581		(108)	(6.8%)	41.6%	47.4%	(575)	(12.1%)	35.7%	589	16.5%
Regency Plus, Inc.		2,049		2,060		(11)	(0.5%)		1,662		387	23.3%	19.7%	17.9%	180	10.0%	15.0%	465	30.9%
Brunswick Bowling And Billiards		1,444		1,729		(285)	(16.5%)		1,751		(307)	(17.5%)	47.7%	48.9%	(121)	(2.5%)	40.9%	675	16.5%
Qubicaamf Worlwide LCC		878		892		(14)	(1.6%)		864		14	1.6%	52.2%	55.0%	(282)	(5.1%)	44.0%	821	18.7%
NewSouth Window Solutions, LLC		474		682		(208)	(30.5%)		769		(295)	(38.4%)	41.5%	39.6%	182	4.6%	35.2%	621	17.6%
Great Day Improvement, LLC		346		463		(117)	(25.3%)		482		(136)	(28.2%)	39.3%	40.1%	(80)	(2.0%)	30.5%	877	28.8%
Yoders Window & Siding		258		300		(42)	(14.0%)		259		(1)	(0.4%)	36.7%	43.5%	(682)	(15.7%)	35.5%	121	3.4%
Fairway Building Products		78		139		(61)	(43.9%)		121		(43)	(35.5%)	27.6%	26.9%	67	2.5%	19.8%	775	39.1%
Graber Manufacturing Llc		–		92		(92)	(100.0%)		92		(92)	(100.0%)	#DIV/0!	42.9%	–	#VALUE!	42.4%	NA	#VALUE!
Columbia Industries, Inc.		111		58		53	91.4%		63		48	76.2%	3.6%	17.2%	(1,368)	(79.4%)	19.0%	(1,549)	(81.3%)
Jeld-Wen Windows & Doors		18		27		(9)	(33.3%)		36		(18)	(50.0%)	35.1%	26.9%	822	30.5%	11.1%	2,404	216.3%
Constant Distribution LLC		7		–		7	N/A		7		-	0.0%	(12.3%)	#DIV/0!	–	#DIV/0!	(57.1%)	4,489	(78.6%)
CGI		80		48		32	66.7%		11		69	627.3%	4.9%	0.0%	491	N/A	0.0%	491	N/A
East Central Indiana Vinyl MFG, LL		21		22		(1)	(4.5%)		43		(22)	(51.2%)	28.6%	45.5%	(1,688)	(37.1%)	37.2%	(863)	(23.2%)
Lakeland Polymers, LLC		12		9		3	33.3%		53		(41)	(77.4%)	(193.1%)	(316.7%)	12,354	(39.0%)	(37.7%)	(15,539)	411.8%
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		585		498		87	17.4%		1,108		(523)	(47.2%)	41.8%	81.3%	(3,948)	(48.6%)	7.0%	3,477	493.7%
Total Gross	\$	40,923	\$	43,100	\$	(2,177)	(5.1%)	\$	38,138	\$	2,785	7.3%	21.9%	22.7%	(73)	(3.2%)	17.8%	416	23.4%

Everett Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,016	1,477	(460)	(31.2%)	9,138	10,017	(879)	(8.8%)
Units Shipped ('000)	1,429	1,574	(145)	(9.2%)	8,867	9,799	(933)	(9.5%)
Bookings (\$'000)	2,485	\$ –	\$ 2,485	N/A	14,420	\$ –	\$ 14,420	N/A
Backlog ('000)	1,276	\$ –	\$ 1,276	N/A	1,276	\$ –	\$ 1,276	N/A
Gross Revenue	\$ 2,321	\$ 2,738	\$ (417)	(15.2%)	\$ 14,368	\$ 16,841	\$ (2,473)	(14.7%)
Adj. to Gross Revenue	(105)	(136)	31	(23.0%)	(579)	(894)	315	(35.2%)
Net Revenue	2,216	2,601	(386)	(14.8%)	13,788	15,946	(2,158)	(13.5%)
Material	1,184	1,193	(9)	(0.8%)	7,122	7,420	(298)	(4.0%)
Labor	513	534	(21)	(4.0%)	3,587	3,547	40	1.1%
Other COGS	380	306	74	24.4%	1,394	1,605	(211)	(13.1%)
Total COGS	2,077	2,033	44	2.2%	12,103	12,572	(469)	(3.7%)
Gross Margin	138	569	(430)	(75.7%)	1,685	3,374	(1,689)	(50.1%)
Gross Margin %	6.2%	21.9%			12.2%	21.2%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	32	20	11	56.1%	197	238	(41)	(17.3%)
Administrative	258	267	(9)	(3.3%)	1,793	1,830	(37)	(2.0%)
Other Opex	(0)	–	(0)	N/A	(6)	–	(6)	N/A
Total Opex	290	287	2	0.8%	1,984	2,068	(84)	(4.1%)
EBITDA	(151)	281	(433)	(153.8%)	(298)	1,307	(1,605)	(122.8%)
EBITDA %	(6.8%)	10.8%			(2.2%)	8.2%		
Net Income (Loss)	\$ (278)	\$ 176	\$ (455)	(258.1%)	\$ (1,070)	\$ 582	\$ (1,652)	(283.8%)
Capex	\$ (217)	\$ (21)	\$ (196)	933.3%	\$ (1,454)	\$ (752)	\$ (701)	93.2%
Opex Overview:								
Payroll	\$ 68	\$ 73	\$ (6)	(8.0%)	\$ 463	\$ 483	\$ (20)	(4.2%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	18	7	12	178.1%	111	148	(37)	(24.8%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	0	0	55.5%	4	7	(3)	(41.5%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	15	17	(2)	(9.5%)	87	97	(10)	(9.9%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	0	0	0	248.9%	3	5	(2)	(39.0%)
Corporate OH Fees	177	178	(1)	(0.5%)	1,244	1,242	2	0.2%
Bad Debts	0	–	0	N/A	0	–	0	N/A
FX	(0)	–	(0)	N/A	(6)	–	(6)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	11	12	(1)	(10.9%)	78	87	(9)	(10.4%)
Total Opex	\$ 290	\$ 287	\$ 2	0.8%	\$ 1,984	\$ 2,068	\$ (84)	(4.1%)

Management Discussion

Net Revenue – Jul-19: (\$386K)

- Sales volume down 9.2% or \$239k driven by decreased volume from Intl – Yellow Dog, Simonton, Oasis, Solar & Hometime; offset by increased volume from Cascade & Westeck.
- Lower returns & accruals of \$20k primarily driven by improved quality processes.
- Lower ASP by \$165k primarily driven by delay in capstock sales (\$47k), new agreements with lower ASP for Cascade (\$44k) & overall customer sales mix.

EBITDA – Jul-19: (\$433K)

- Material COGS:** Decrease in costs by \$9k driven by sales volume decrease \$110k; offset by lower yields (83.8% vs 89.5%) \$14k; decreased regrind/alt material usage (19.8% vs 25% - lack of WHT 801 regrind) \$31k; increased E&O Reserves (Win-dor & Other) \$33k & product mix \$23k (lower capstock volume)
- Labor COGS:** Decrease in costs by \$21k driven by lower production volume \$97k (31.2%); offset by inefficiencies to cover absences, vacation, tooling requirements and dark capstock production runs and training.
- Other COGS:** Increase in cost by \$74k driven by unfavorable net absorption \$120k (173k lbs produced lower than expected due to start-up after shutdown, mechanical failures & delayed setup/form up); maintenance repairs \$33k (Pump & motor replacements, puller housing replacement & spray nozzles); offset by increased tooling recovery \$51k; lower utilities \$16k; and freight costs \$10k.
- Sales and Marketing:** Increase in costs by \$11k driven by customer fabrication tooling support related to the West Coast Platform
- Administrative:** Decrease in costs by \$9k primarily driven by lower labor (1 less headcount)
- Other Opex:** In line with plan.

Key Customers – Gross Sales and Gross Margin %: Everett

	Gross Sales (\$'000)														Gross Margin %													
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%
Customer:																												
Simonton	\$ 833	\$ 865	\$ (31)	(3.6%)	\$ 811	\$ 22	2.8%	\$ 5,453	\$ 6,122	\$ (668)	(10.9%)	\$ 6,124	\$ (671)	(11.0%)	3.1%	21.6%	(1,853)	(85.6%)	6.2%	(305)	(49.5%)	13.3%	20.4%	(710)	(34.7%)	8.2%	513	62.6%
Coeur d'Alene	337	382	(45)	(11.9%)	303	34	11.1%	1,822	2,165	(343)	(15.9%)	1,628	194	11.9%	(4.8%)	8.5%	(1,321)	(156.2%)	(2.3%)	(244)	105.7%	1.2%	7.7%	(646)	(84.1%)	2.0%	(78)	(38.9%)
Westeck	210	190	20	10.7%	202	8	3.9%	988	1,125	(137)	(12.2%)	1,047	(59)	(5.7%)	18.6%	27.6%	(904)	(32.7%)	17.8%	74	4.1%	23.7%	26.4%	(276)	(10.4%)	18.2%	550	30.2%
Cascade	226	193	33	17.2%	185	41	22.4%	1,276	926	350	37.8%	1,178	98	8.3%	(35.2%)	(1.1%)	(3,413)	3165.0%	15.7%	(5,088)	(324.6%)	(24.2%)	(1.9%)	(2,230)	1198.8%	(9.0%)	(1,517)	168.9%
All Weather	108	101	7	6.7%	126	(18)	(14.3%)	779	637	141	22.1%	740	39	5.2%	(7.7%)	1.9%	(962)	(499.5%)	0.0%	(770)	N/A	(4.7%)	1.1%	(585)	(517.4%)	(1.0%)	(368)	356.4%
KGW	94	82	12	14.7%	102	(8)	(8.2%)	606	671	(66)	(9.8%)	661	(55)	(8.4%)	27.6%	14.6%	1,304	89.6%	25.5%	211	8.3%	32.8%	13.8%	1,905	138.3%	29.8%	298	10.0%
Lindsay	97	127	(30)	(23.7%)	176	(79)	(45.0%)	526	717	(191)	(26.7%)	720	(194)	(27.0%)	10.4%	16.4%	(606)	(36.9%)	28.4%	(1,805)	(63.5%)	11.6%	15.6%	(401)	(25.6%)	11.1%	56	5.1%
Solar	–	25	(25)	(100.0%)	267	(267)	(100.0%)	398	175	223	127.6%	1,204	(806)	(66.9%)	#DIV/0!	13.9%	–	#VALUE!	11.2%	NA	#VALUE!	14.8%	13.1%	174	13.2%	5.6%	924	164.8%
ATI	–	40	(40)	(100.0%)	31	(31)	(100.0%)	17	216	(199)	(92.2%)	303	(286)	(94.4%)	#DIV/0!	13.2%	–	#VALUE!	16.1%	NA	#VALUE!	(316.9%)	12.4%	(32,933)	(2656.5%)	13.7%	(33,067)	(2406.8%)
Win-Dor	–	52	(52)	(100.0%)	37	(37)	(100.0%)	9	584	(575)	(98.5%)	455	(446)	(98.0%)	#DIV/0!	21.9%	–	#VALUE!	154.1%	NA	#VALUE!	135.9%	20.0%	11,590	578.5%	14.1%	12,185	864.8%
Northern - Yukon	102	114	(11)	(10.0%)	54	48	89.7%	308	453	(145)	(32.0%)	452	(144)	(31.8%)	37.7%	44.4%	(669)	(15.1%)	35.2%	254	7.2%	40.0%	43.3%	(329)	(7.6%)	43.6%	(366)	(8.4%)
Van Isle	16	52	(37)	(70.0%)	54	(38)	(70.9%)	315	401	(86)	(21.5%)	427	(112)	N/A	10.3%	25.3%	(1,497)	(59.2%)	85.2%	(7,485)	(87.9%)	12.0%	24.2%	(1,222)	(50.6%)	74.8%	(6,280)	(84.0%)
Whisper Walls	62	34	28	82.1%	58	4	6.6%	407	328	79	24.2%	435	(28)	(6.4%)	37.7%	48.0%	(1,027)	(21.4%)	41.4%	(363)	(8.8%)	49.9%	46.8%	314	6.7%	48.3%	166	3.4%
West Coast Designed	45	68	(23)	(34.3%)	53	(8)	(15.8%)	218	277	(59)	(21.4%)	248	(30)	(12.0%)	39.9%	45.1%	(523)	(11.6%)	39.6%	26	0.7%	44.9%	43.6%	127	2.9%	31.8%	1,307	41.0%
Hometime	–	39	(39)	(100.0%)	76	(76)	(100.0%)	83	280	(197)	(70.3%)	217	(134)	(61.7%)	#DIV/0!	37.0%	–	#VALUE!	28.9%	NA	#VALUE!	24.2%	35.4%	(1,116)	(31.5%)	31.3%	(707)	(22.6%)
Western	38	49	(11)	(22.1%)	–	38	N/A	281	399	(117)	(29.4%)	196	85	43.6%	42.2%	44.9%	(270)	(6.0%)	#DIV/0!	NA	#DIV/0!	30.3%	44.2%	(1,388)	(31.4%)	20.4%	990	48.5%
Coastal	45	62	(17)	(27.6%)	51	(6)	(11.7%)	171	253	(82)	(32.6%)	227	(56)	(24.9%)	34.3%	32.4%	187	5.8%	62.7%	(2,846)	(45.4%)	43.3%	31.6%	1,169	37.0%	37.7%	557	14.8%
Modern	37	–	37	N/A	–	#VALUE!	#VALUE!	132	192	(60)	(31.5%)	175	(43)	(24.8%)	26.1%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	18.7%	36.9%	(1,821)	(49.4%)	14.9%	382	25.7%
Avanti	13	6	8	125.9%	–	#VALUE!	#VALUE!	98	142	(45)	(31.5%)	171	(73)	(42.9%)	41.3%	42.0%	(70)	(1.7%)	#VALUE!	NA	#VALUE!	35.6%	41.5%	(591)	(14.2%)	31.6%	399	12.6%
Oasis	–	45	(45)	(100.0%)	44	(44)	(100.0%)	30	135	(105)	(77.8%)	135	(105)	(77.7%)	#DIV/0!	19.0%	–	#VALUE!	15.9%	NA	#VALUE!	21.2%	17.7%	347	19.6%	8.4%	1,279	152.1%
Other	58	213	(156)	(73.0%)	156	(98)	(63.1%)	452	641	(189)	(29.5%)	557	(105)	(18.8%)	28.5%	30.9%	(239)	(7.7%)	7.9%	2,057	260.2%	31.9%	32.8%	(87)	(2.7%)	39.0%	(707)	(18.2%)
Total Gross	\$ 2,321	\$ 2,738	\$ (417)	(15.2%)	\$ 2,786	\$ (465)	(16.7%)	\$ 14,368	\$ 16,841	\$ (2,473)	(14.7%)	\$ 17,300	\$ (2,932)	(16.9%)	6.0%	20.8%	(1,480)	(71.3%)	16.5%	(1,052)	(63.8%)	12.2%	20.0%	(774)	(38.7%)	13.4%	(112)	(8.4%)

Management Discussion

- Softer market conditions affecting overall sales with most customers coming in short vs budget.

Key Performance Indicators - Everett

ENERGI Everett Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Health & Safety									
<i>Recordable Incidents</i>	1	0	0	0	1	1	0	0	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	0	1	2.12	1.8	2.14	2.14
Quality Performance									
<i>Customer Complaints - per MLBS</i>	8.0	1.38	2.70	3.5	2.2	3.59	4	4	3
<i>Return as % of sales</i>	0.30%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	-0.06%	0.30%
Delivery Performance									
<i>% on time in full</i>	95.00%	100%	100%	100%	100%	100%	100%	100%	100%
<i>% by line items</i>	99.00%	100%	100%	100%	100%	100%	100%	99%	100%
Costs									
<i>Yield</i>	85.7%	91%	91%	91%	89%	91%	91%	84%	90%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	32%	18%	21%	18%	17%	16%	20%	21%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.182	\$ 0.189	\$ 0.170	\$ 0.166	\$ 0.209	\$ 0.184	\$ 0.223	\$ 0.187
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$ 0.180	\$ 0.201	\$ 0.191	\$ 0.192	\$ 0.209	\$ 0.199	\$ 0.282	\$ 0.205
Inventory									
<i>Days - TTM (Trailing 12 Months)</i>	84.5	84	86	87	88	89	92	93	88

Comments

Cost: Yield: Dark Cap impact (60.3%) and related labor impact to other lines.

Alt/Regrind Cons ratio: Lack of WHT 801 regrind.

DL: Additional cost incurred to cover absences, vacations, and dark capstock running/training. While we are working to improve on this it will continue to be a challenge in the short term given resource levels.

UL: Additional labor for new tooling projects. Some additional labor was offset by incremental tooling recovery.

Inventory: Sales lower vs budget.

Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	15,648	16,527	(879)	(5.3%)	18,519	(2,871)	(15.5%)
Units Shipped ('000)	16,331	17,263	(933)	(5.4%)	16,932	(601)	(3.6%)
Bookings (\$'000)	\$ 27,126	\$ —	\$ 27,126	N/A	\$ —	\$ 27,126	N/A
Backlog ('\$000)	\$ 2,601	\$ —	\$ 2,601	N/A	\$ —	\$ 2,601	N/A
Gross Revenue	\$ 26,975	\$ 29,448	\$ (2,473)	(8.4%)	\$ 28,090	\$ (1,115)	(4.0%)
Adj. to Gross Revenue	(1,253)	(1,568)	315	(20.1%)	(1,483)	230	(15.5%)
Net Revenue	25,722	27,880	(2,158)	(7.7%)	26,607	(885)	(3.3%)
Material	12,807	13,105	(298)	(2.3%)	13,359	(552)	(4.1%)
Labor	6,183	6,142	40	0.7%	6,705	(523)	(7.8%)
Other COGS	3,169	3,380	(211)	(6.2%)	2,876	292	10.2%
Total COGS	22,158	22,627	(469)	(2.1%)	22,941	(782)	(3.4%)
Gross Margin	3,564	5,253	(1,689)	(32.2%)	3,667	(103)	(2.8%)
Gross Margin %	13.9%	18.8%			13.8%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	294	335	(41)	(12.3%)	247	47	19.0%
Administrative	3,082	3,119	(37)	(1.2%)	3,129	(46)	(1.5%)
Other Opex	(6)	—	(6)	N/A	11	(17)	(155.9%)
Total Opex	3,371	3,455	(84)	(2.4%)	3,387	(16)	(0.5%)
EBITDA	193	1,798	(1,605)	(89.3%)	280	(87)	(31.0%)
EBITDA %	0.8%	6.5%			1.1%		
Net Income (Loss)	\$ (1,112)	\$ 541	\$ (1,652)	(305.7%)	\$ (775)	\$ (336)	43.4%
Capex	\$ (1,454)	\$ (752)	\$ (701)	93.2%	\$ (1,856)	\$ 402	(21.7%)
<u>Opex Overview:</u>							
Payroll	\$ 807	\$ 827	\$ (20)	(2.4%)	\$ 816	\$ (10)	(1.2%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	143	180	(37)	(20.3%)	104	39	37.5%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	14	17	(3)	(17.6%)	14	(0)	(2.2%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	151	161	(10)	(6.0%)	162	(11)	(6.5%)
Professional fees	—	—	—	N/A	—	—	N/A
Utilities, repair, maintenance, and security	5	7	(2)	(27.8%)	7	(2)	(31.5%)
Corporate OH Fees	2,131	2,129	2	0.1%	2,129	2	0.1%
Bad Debts	0	—	0	N/A	(3)	3	(103.4%)
FX	(6)	—	(6)	N/A	11	(17)	(155.9%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	125	134	(9)	(6.7%)	149	(24)	(16.2%)
Total Opex	\$ 3,371	\$ 3,455	\$ (84)	(2.4%)	\$ 3,390	\$ (19)	(0.6%)

Key Customers – Full Year Everett

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%						
Customer:																				
Simonton	\$	10,191	\$	10,859	\$	(668)	(6.2%)	\$	10,221	\$	(30)	(0.3%)	14.6%	19.5%	(495)	(25.4%)	8.6%	595	69.1%	
Coeur d'Alene		3,657		4,000		(343)	(8.6%)		2,804		853	30.4%	2.1%	6.4%	(428)	(66.7%)	3.3%	(114)	(34.8%)	
Westeck		1,835		1,972		(137)	(7.0%)		1,791		44	2.5%	23.2%	25.4%	(220)	(8.7%)	18.3%	493	26.9%	
Cascade		2,338		1,988		350	17.6%		2,083		255	12.3%	(17.8%)	(3.4%)	(1,441)	429.1%	(10.7%)	(711)	66.8%	
All Weather		1,258		1,117		141	12.6%		1,309		(51)	(3.9%)	(3.8%)	0.2%	(402)	(1899.4%)	(3.1%)	(67)	21.5%	
KGW		1,090		1,155		(66)	(5.7%)		1,081		9	0.8%	24.5%	12.8%	1,178	92.3%	29.3%	(479)	(16.3%)	
Lindsay		1,087		1,278		(191)	(15.0%)		1,145		(58)	(5.1%)	11.7%	14.3%	(267)	(18.7%)	8.5%	318	37.6%	
Solar		523		300		223	74.4%		1,651		(1,128)	(68.3%)	13.6%	11.9%	171	14.4%	7.6%	599	79.1%	
ATI		187		387		(199)	(51.6%)		345		(158)	(45.8%)	(31.0%)	11.1%	(4,206)	(379.0%)	13.3%	(4,429)	(332.2%)	
Win-Dor		196		771		(575)	(74.5%)		626		(430)	(68.6%)	24.8%	19.8%	504	25.4%	18.1%	679	37.6%	
Northerm - Yukon		549		694		(145)	(20.9%)		789		(240)	(30.4%)	40.4%	43.0%	(257)	(6.0%)	39.4%	97	2.5%	
Van Isle		608		694		(86)	(12.4%)		697		(89)	(12.7%)	16.0%	23.3%	(732)	(31.4%)	72.2%	(5,614)	(77.8%)	
Whisper Walls		683		604		79	13.1%		681		2	0.3%	47.4%	45.8%	159	3.5%	46.0%	139	3.0%	
West Coast Designed		380		439		(59)	(13.5%)		429		(49)	(11.4%)	43.3%	43.1%	25	0.6%	36.1%	721	20.0%	
Hometime		205		402		(197)	(48.9%)		327		(122)	(37.2%)	29.4%	35.2%	(578)	(16.4%)	28.4%	96	3.4%	
Western		554		671		(117)	(17.5%)		238		316	132.7%	34.8%	43.0%	(816)	(19.0%)	22.3%	1,254	56.3%	
Coastal		284		366		(82)	(22.5%)		321		(37)	(11.6%)	37.1%	30.2%	696	23.1%	38.3%	(120)	(3.1%)	
Modern		314		374		(60)	(16.2%)		351		(37)	(10.6%)	27.8%	36.4%	(854)	(23.5%)	18.2%	961	52.7%	
Avanti		253		298		(45)	(15.1%)		249		4	1.7%	37.8%	40.5%	(265)	(6.6%)	35.7%	209	5.8%	
Oasis		88		193		(105)	(54.5%)		188		(100)	(53.2%)	18.2%	17.5%	75	4.3%	9.6%	864	90.2%	
Other		695		885		(189)	(21.4%)		764		(69)	(9.0%)	34.6%	34.6%	8	0.2%	41.5%	(683)	(16.5%)	
Total Gross	\$	26,975	\$	29,448	\$	(2,473)	(8.4%)	\$	28,090	\$	(1,115)	(4.0%)	13.4%	18.6%	(523)	(28.1%)	13.1%	31	2.4%	

Terrebonne Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ 2,195	\$ –	\$ 2,195	N/A	\$ 11,869	\$ –	\$ 11,869	N/A
Backlog (\$'000)	\$ 2,073	\$ –	\$ 2,073	N/A	\$ 2,073	\$ –	\$ 2,073	N/A
Gross Revenue	\$ 1,974	\$ 1,687	\$ 288	17.1%	\$ 10,871	\$ 11,573	\$ (702)	(6.1%)
Adj. to Gross Revenue	(97)	(78)	(19)	24.1%	(472)	(541)	69	(12.7%)
Net Revenue	1,877	1,608	269	16.7%	10,399	11,032	(633)	(5.7%)
Material	1,180	926	253	27.3%	6,527	6,463	64	1.0%
Labor	425	421	5	1.1%	2,236	2,546	(310)	(12.2%)
Other COGS	158	183	(25)	(13.6%)	1,038	1,325	(287)	(21.7%)
Total COGS	1,763	1,530	233	15.2%	9,801	10,334	(534)	(5.2%)
Gross Margin	115	79	36	45.7%	598	697	(100)	(14.3%)
Gross Margin %	6.1%	4.9%			5.7%	6.3%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	36	35	1	2.9%	233	235	(1)	(0.6%)
Administrative	194	197	(3)	(1.5%)	1,325	1,364	(39)	(2.9%)
Other Opex	(3)	–	(3)	N/A	24	–	24	N/A
Total Opex	227	232	(5)	(2.2%)	1,582	1,599	(17)	(1.0%)
EBITDA	(112)	(153)	41	(26.8%)	(984)	(901)	(83)	9.2%
EBITDA %	(6.0%)	(9.5%)			(9.5%)	(8.2%)		
Net Income (Loss)	\$ (120)	\$ (166)	\$ 46	(27.6%)	\$ (1,031)	\$ (987)	\$ (44)	4.5%
Capex	\$ (50)	\$ –	\$ (50)	N/A	\$ (97)	\$ (287)	\$ 190	(66.1%)
Opex Overview:								
Payroll	\$ 82	\$ 90	\$ (9)	(9.6%)	\$ 570	\$ 609	\$ (39)	(6.4%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	5	6	(1)	(17.0%)	28	42	(14)	(33.2%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	1	0	25.3%	5	8	(3)	(33.3%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	5	2	3	119.9%	27	16	10	63.5%
Utilities, repair, maintenance, and	3	6	(3)	(43.0%)	35	41	(6)	(15.1%)
Corporate OH Fees	123	123	1	0.5%	841	857	(16)	(1.9%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(3)	–	(3)	N/A	24	–	24	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	10	4	7	182.4%	53	25	27	108.5%
Total Opex	\$ 227	\$ 232	\$ (5)	(2.2%)	\$ 1,582	\$ 1,599	\$ (17)	(1.0%)

Management Discussion

Net Revenue – Jul-19: +\$269K

- Sales volume increased \$335k due to increased demand from AMI, Golden Windows, Ostaco & Dashwood; offset by decreased demand from Vaillancourt
- Unfavorable rebates of \$6k driven by increased customer volume with rebate programs (Golden, Ostaco & Dashwood).
- Unfavorable ASP of \$50k due to customer/product mix
- Unfavorable F/X of \$10k (actual rate of 1.3101 [or \$USD 0.7633] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jul-19: +\$41K

- Material COGS:** Increase in costs by \$253K driven by increased sales volume \$193k and increased supplier price increases for glass (custom & price), steel and aluminum costs of \$59k
- Labor COGS:** In line with budget.
- Other COGS:** Decrease in cost by \$25k driven by favorable net absorption \$40k & warranty costs \$4k; offset by increased freight \$12k (sales volume) and factory expenses \$9k (increased production volumes)
- Sales and Marketing:** In line with budget.
- Administrative:** In line with budget.
- Other Opex:** Decrease in cost by \$3k driven by unfavorable F/X revaluation of working capital balances.

Key Customers – Gross Sales and Gross Margin %: Terrebonne

	Gross Sales (\$'000)															Gross Margin %																						
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var											
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%										
Customer:																																						
A.M.I.	\$	449	\$	289	\$	160	55.4%	\$	275	\$	174	63.3%	\$	2,068	\$	2,000	\$	68	3.4%	\$	2,025	\$	43	2.1%	12.6%	0.0%	1,256	N/A	0.0%	1,256	N/A	7.3%	0.0%	734	N/A	0.0%	734	N/A
GOLDEN WINDOWS		239		157		82	52.0%		316		(77)	(24.5%)		1,161		1,087		74	6.8%		1,428		(267)	(18.7%)	(51.2%)	0.0%	(5,123)	N/A	0.0%	(5,123)	N/A	(19.7%)	0.0%	(1,969)	N/A	0.0%	(1,969)	N/A
OSTACO 2000 WINDOORS INC		211		145		66	45.7%		208		3	1.6%		1,032		1,004		28	2.8%		1,099		(67)	(6.1%)	12.3%	0.0%	1,234	N/A	0.0%	1,234	N/A	6.0%	0.0%	600	N/A	0.0%	600	N/A
PORTES & FENETRES ABRITEK		111		73		38	51.4%		43		68	157.0%		705		506		199	39.4%		623		82	13.2%	(26.7%)	0.0%	(2,674)	N/A	0.0%	(2,674)	N/A	(16.8%)	0.0%	(1,678)	N/A	0.0%	(1,678)	N/A
DASHWOOD INDUSTRIES INC		119		66		53	80.3%		93		26	27.9%		575		459		116	25.3%		521		54	10.4%	8.3%	0.0%	831	N/A	0.0%	831	N/A	17.8%	0.0%	1,782	N/A	0.0%	1,782	N/A
P & F ISOTHERMIC INC		64		42		22	52.3%		46		18	39.0%		406		294		112	38.1%		407		(1)	(0.2%)	(20.5%)	0.0%	(2,049)	N/A	0.0%	(2,049)	N/A	(8.8%)	0.0%	(875)	N/A	0.0%	(875)	N/A
VAILLANCOURT INC.		21		175		(154)	(88.2%)		32		(11)	(35.4%)		470		1,214		(744)	(61.3%)		478		(8)	(1.6%)	(37.6%)	0.0%	(3,763)	N/A	0.0%	(3,763)	N/A	(8.6%)	0.0%	(864)	N/A	0.0%	(864)	N/A
CANADIAN VINYLTEK WINDOWS C		31		27		4	15.3%		51		(20)	(39.0%)		220		189		31	16.4%		313		(93)	(29.7%)	43.7%	0.0%	4,373	N/A	0.0%	4,373	N/A	43.2%	0.0%	4,322	N/A	0.0%	4,322	N/A
FENERGIC INC		6		38		(32)	(82.9%)		41		(35)	(84.2%)		67		263		(196)	(74.6%)		206		(139)	(67.6%)	(3.8%)	0.0%	(382)	N/A	0.0%	(382)	N/A	11.2%	0.0%	1,125	N/A	0.0%	1,125	N/A
EXTREME WINDOW AND		50		43		7	15.6%		26		24	91.2%		218		295		(77)	(26.2%)		327		(109)	(33.4%)	15.7%	0.0%	1,567	N/A	0.0%	1,567	N/A	11.4%	0.0%	1,138	N/A	0.0%	1,138	N/A
VENTANA WINDOWS & DOORS INC		–		37		(37)	(100.0%)		31		(31)	(100.0%)		68		258		(190)	(73.6%)		300		(232)	(77.3%)	#DIV/0!	0.0%	–	N/A	0.0%	NA	N/A	(6.2%)	0.0%	(619)	N/A	0.0%	(619)	N/A
Fenêtres Concept		12		31		(19)	(62.2%)		28		(16)	(58.1%)		217		213		4	2.0%		221		(4)	(1.7%)	(76.3%)	0.0%	(7,634)	N/A	0.0%	(7,634)	N/A	(7.7%)	0.0%	(769)	N/A	0.0%	(769)	N/A
MASON WINDOWS LTD		4		23		(19)	(81.0%)		38		(34)	(88.5%)		199		162		37	22.9%		174		25	14.4%	(170.8%)	0.0%	(17,083)	N/A	0.0%	(17,083)	N/A	(14.3%)	0.0%	(1,428)	N/A	0.0%	(1,428)	N/A
CEN		49		23		26	112.7%		29		20	68.7%		267		160		107	66.6%		163		104	63.5%	(7.0%)	0.0%	(697)	N/A	0.0%	(697)	N/A	9.9%	0.0%	985	N/A	0.0%	985	N/A
TRI-STATE WINDOW FACTORY		21		9		12	136.9%		35		(14)	(39.1%)		221		108		113	104.7%		211		10	4.8%	11.0%	0.0%	1,104	N/A	0.0%	1,104	N/A	24.1%	0.0%	2,414	N/A	0.0%	2,414	N/A
FMC		51		22		29	133.3%		35		16	46.6%		196		111		85	76.7%		153		43	28.2%	4.5%	0.0%	452	N/A	0.0%	452	N/A	(1.9%)	0.0%	(186)	N/A	0.0%	(186)	N/A
ATLANTIC WINDOWS		39		22		17	76.3%		13		26	198.3%		161		153		8	5.3%		184		(23)	(12.4%)	15.7%	0.0%	1,572	N/A	0.0%	1,572	N/A	24.0%	0.0%	2,402	N/A	0.0%	2,402	N/A
YKK AP VINYL		40		26		14	55.1%		27		13	49.3%		215		167		48	29.0%		106		109	103.2%	45.1%	0.0%	4,508	N/A	0.0%	4,508	N/A	35.5%	0.0%	3,547	N/A	0.0%	3,547	N/A
LORENDO INC.		12		12		0	3.4%		21		(9)	(40.9%)		115		130		(15)	(11.8%)		126		(11)	(9.0%)	7.1%	0.0%	712	N/A	0.0%	712	N/A	(1.8%)	0.0%	(176)	N/A	0.0%	(176)	N/A
MAR		18		8		10	120.6%		23		(5)	(23.3%)		135		71		64	90.0%		141		(6)	(4.3%)	(20.7%)	0.0%	(2,073)	N/A	0.0%	(2,073)	N/A	(0.7%)	0.0%	(73)	N/A	0.0%	(73)	N/A
Other		427		419		9	2.0%		415		12	2.9%		2,154		2,729		(575)	(21.1%)		2,533		(379)	(15.0%)	0.0%	18.8%	(1,879)	(100.0%)	24.2%	(2,415)	(100.0%)	16.5%	334.4%	(31,795)	(95.1%)	7.0%	948	135.3%
Total Gross	\$	1,974	\$	1,687	\$	288	17.1%	\$	1,826	\$	148	8.1%	\$	10,871	\$	11,573	\$	(702)	(6.1%)	\$	11,739	\$	(868)	(7.4%)	5.8%	4.7%	114	24.5%	5.5%	32	5.7%	5.5%	6.1%	(66)	(10.8%)	1.5%	396	262.3%

Management Discussion

- Strong performance overall with results surpassing budget with top performers being AMI, Golden and Ostaco.
- Vaillancourt– Soft sales no big projects at hand

Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Health & Safety									
<i>Recordable Incidents</i>	0	0	0	0	0	0	0	2	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	0	0	0	0	2	2
Quality Performance									
<i>Customer Complaints - per MLBS</i>	3.2	3.98	3.9	3.6	3.7	3.4	2	2	3
<i>Return as % of sales</i>	1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	0.79%
Delivery Performance									
<i>% on time in full</i>	95.00%	100%	96%	96%	78%	80%	74%	71%	85%
<i>% by line items</i>	95.00%	95%	96%	96%	78%	80%	74%	71%	84%
Costs									
<i>Alt/Regrind Compound Consumption Ratio</i>									
<i>Direct Labour \$/FPV</i>	\$0.174	\$ 0.143	\$0.148	\$ 0.159	\$ 0.165	\$ 0.185	\$ 0.198	\$ 0.192	\$ 0.173
<i>Indirect Labour (incl D&D) \$/FPV</i>	\$0.069	\$ 0.096	\$0.073	\$ 0.063	\$ 0.054	\$ 0.055	\$ 0.056	\$ 0.048	\$ 0.061
Inventory									
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75	71.4	70	69	66	65	62	68

Comments:

Health & Safety: (1) Aluminum debris fell into workers' left eye; Surgical removal. (2) Worker's left 1st finger caught in the mechanism of the pneumatic cylinder; Fracture

Delivery & Labour: Employee turnover and training, causing delays and higher labour expense.

Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	—	—	—	N/A	—	—	N/A
Units Shipped ('000)	—	—	—	N/A	—	—	N/A
Bookings (\$'000)	\$ 21,984	\$ —	\$ 21,984	N/A	\$ —	\$ 21,984	N/A
Backlog ('\$000)	\$ 3,301	\$ —	\$ 3,301	N/A	\$ —	\$ 3,301	N/A
Gross Revenue	\$ 21,306	\$ 22,008	\$ (702)	(3.2%)	\$ 20,687	\$ 620	3.0%
Adj. to Gross Revenue	(963)	(1,032)	69	(6.7%)	(1,023)	60	(5.9%)
Net Revenue	20,343	20,976	(633)	(3.0%)	19,664	680	3.5%
Material	12,392	12,328	64	0.5%	12,124	268	2.2%
Labor	4,092	4,402	(310)	(7.0%)	4,530	(438)	(9.7%)
Other COGS	2,042	2,329	(287)	(12.3%)	3,397	(1,355)	(39.9%)
Total COGS	18,526	19,059	(534)	(2.8%)	20,052	(1,526)	(7.6%)
Gross Margin	1,817	1,917	(100)	(5.2%)	(388)	2,205	(568.4%)
Gross Margin %	8.9%	9.1%			(2.0%)		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	422	424	(1)	(0.3%)	383	39	10.1%
Administrative	2,331	2,370	(39)	(1.6%)	2,381	(49)	(2.1%)
Other Opex	24	—	24	N/A	(63)	87	(137.5%)
Total Opex	2,778	2,794	(17)	(0.6%)	2,701	77	2.8%
EBITDA	(960)	(877)	(83)	9.5%	(3,089)	2,128	(68.9%)
EBITDA %	(4.7%)	(4.2%)			(15.7%)		
Net Income (Loss)	\$ (1,071)	\$ (1,027)	\$ (44)	4.3%	\$ (3,162)	\$ 2,091	(66.1%)
Capex	\$ (97)	\$ (287)	\$ 190	(66.1%)	\$ (517)	\$ 420	(81.2%)
Opex Overview:							
Payroll	\$ 1,019	\$ 1,058	\$ (39)	(3.7%)	\$ 1,029	\$ (10)	(1.0%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	73	87	(14)	(16.0%)	57	16	28.4%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	12	15	(3)	(17.5%)	15	(3)	(19.0%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	—	—	—	N/A	0	(0)	(100.0%)
Professional fees	42	31	10	33.4%	59	(17)	(29.1%)
Utilities, repair, maintenance, and security	73	79	(6)	(7.9%)	70	3	3.8%
Corporate OH Fees	1,462	1,478	(16)	(1.1%)	1,484	(22)	(1.5%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	24	—	24	N/A	(63)	87	(137.5%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	74	46	27	59.1%	51	23	44.9%
Total Opex	\$ 2,778	\$ 2,794	\$ (17)	(0.6%)	\$ 2,704	\$ 74	2.7%

Key Customers – Full Year Terrebonne

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY		Var		PY	Var		
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
A.M.I.	\$	3,868	\$	3,800	\$	68	1.8%	\$	3,511	\$	357	10.2%	4.9%	0.0%	487	N/A	0.0%	487	N/A
GOLDEN WINDOWS		2,141		2,067		74	3.6%		2,290		(149)	(6.5%)	(14.3%)	0.0%	(1,430)	N/A	0.0%	(1,430)	N/A
OSTACO 2000 WINDOORS INC		1,937		1,909		28	1.5%		1,906		31	1.6%	4.1%	0.0%	408	N/A	0.0%	408	N/A
PORTES & FENETRES ABRITEK		1,161		962		199	20.7%		1,147		14	1.3%	(12.0%)	0.0%	(1,200)	N/A	0.0%	(1,200)	N/A
DASHWOOD INDUSTRIES INC		989		873		116	13.3%		922		67	7.3%	11.1%	0.0%	1,111	N/A	0.0%	1,111	N/A
P & F ISOTHERMIC INC		670		558		112	20.1%		815		(145)	(17.8%)	(6.6%)	0.0%	(660)	N/A	0.0%	(660)	N/A
VAILLANCOURT INC.		1,565		2,309		(744)	(32.2%)		800		765	95.7%	(3.5%)	0.0%	(348)	N/A	0.0%	(348)	N/A
CANADIAN VINYLTEK WINDOWS C		391		360		31	8.6%		555		(164)	(29.6%)	27.8%	0.0%	2,778	N/A	0.0%	2,778	N/A
FENERGIC INC		306		502		(196)	(39.1%)		532		(226)	(42.5%)	3.0%	0.0%	295	N/A	0.0%	295	N/A
EXTREME WINDOW AND		484		561		(77)	(13.8%)		511		(27)	(5.4%)	6.3%	0.0%	633	N/A	0.0%	633	N/A
VENTANA WINDOWS & DOORS IN		300		490		(190)	(38.8%)		484		(184)	(38.0%)	(1.8%)	0.0%	(180)	N/A	0.0%	(180)	N/A
Fenêtres Concept		409		405		4	1.0%		437		(28)	(6.4%)	(5.8%)	0.0%	(584)	N/A	0.0%	(584)	N/A
MASON WINDOWS LTD		347		310		37	12.0%		328		19	5.8%	(10.4%)	0.0%	(1,044)	N/A	0.0%	(1,044)	N/A
CEN		410		303		107	35.2%		292		118	40.2%	6.0%	0.0%	600	N/A	0.0%	600	N/A
TRI-STATE WINDOW FACTORY		278		165		113	68.6%		356		(78)	(21.9%)	19.9%	0.0%	1,987	N/A	0.0%	1,987	N/A
FMC		334		249		85	34.2%		259		75	29.0%	(0.7%)	0.0%	(68)	N/A	0.0%	(68)	N/A
ATLANTIC WINDOWS		298		290		8	2.8%		274		24	8.8%	14.3%	0.0%	1,432	N/A	0.0%	1,432	N/A
YKK AP VINYL		377		329		48	14.7%		225		152	67.7%	23.6%	0.0%	2,364	N/A	0.0%	2,364	N/A
LORENDO INC.		190		205		(15)	(7.5%)		226		(36)	(16.1%)	(0.9%)	0.0%	(87)	N/A	0.0%	(87)	N/A
MAR		186		122		64	52.4%		250		(64)	(25.6%)	(1.6%)	0.0%	(161)	N/A	0.0%	(161)	N/A
Other		4,664		5,239		(575)	(11.0%)		4,567		97	2.1%	31.0%	207.1%	(17,608)	(85.0%)	(8.5%)	3,947	(464.6%)
Total Gross	\$	21,306	\$	22,008	\$	(702)	(3.2%)	\$	20,687	\$	620	3.0%	8.2%	8.4%	(22)	(2.6%)	(1.9%)	1,006	(536.5%)

ECS Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	8,204	9,020	(816)	(9.0%)	57,366	60,202	(2,836)	(4.7%)
Units Shipped ('000)	8,694	9,020	(326)	(3.6%)	57,033	60,202	(3,169)	(5.3%)
Bookings (\$'000)	\$ 775	\$ –	\$ 775	N/A	\$ 4,697	\$ –	\$ 4,697	N/A
Backlog ('\$000)	\$ 180	\$ –	\$ 180	N/A	\$ 180	\$ –	\$ 180	N/A
External Revenue	\$ 777	\$ 820	\$ (42)	(5.1%)	\$ 4,618	\$ 5,196	\$ (578)	(11.1%)
Affiliate Revenue	\$ 5,453	\$ 5,625	\$ (172)	(3.1%)	\$ 36,346	\$ 37,824	\$ (1,478)	(3.9%)
Gross Revenue	\$ 6,230	\$ 6,445	\$ (214)	(3.3%)	\$ 40,964	\$ 43,020	\$ (2,056)	(4.8%)
Adj. to Gross Revenue	(0)	(2)	2	(93.5%)	16	(18)	34	(193.6%)
Net Revenue	6,230	6,443	(212)	(3.3%)	40,981	43,003	(2,022)	(4.7%)
Material	5,230	5,748	(518)	(9.0%)	34,316	37,373	(3,057)	(8.2%)
Labor	160	180	(21)	(11.4%)	1,047	1,164	(117)	(10.1%)
Other COGS	492	522	(30)	(5.7%)	3,209	3,531	(322)	(9.1%)
Total COGS	5,881	6,450	(568)	(8.8%)	38,571	42,067	(3,496)	(8.3%)
Gross Margin	349	(7)	356	(5041.7%)	2,410	935	1,475	157.7%
Gross Margin %	5.6%	(0.1%)			5.9%	2.2%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	14	15	(1)	(3.7%)	97	94	3	2.9%
Administrative	154	154	(0)	(0.0%)	1,013	1,045	(32)	(3.1%)
Other Opex	22	–	22	N/A	(218)	–	(218)	N/A
Total Opex	190	169	22	12.8%	892	1,139	(247)	(21.7%)
EBITDA	158	(176)	334	(190.0%)	1,518	(204)	1,722	(843.4%)
EBITDA %	2.5%	(2.7%)			3.7%	(0.5%)		
Net Income (Loss)	\$ 101	\$ (238)	\$ 339	(142.4%)	\$ 1,127	\$ (635)	\$ 1,762	(277.6%)
Capex	\$ (21)	\$ (38)	\$ 17	(44.7%)	\$ (70)	\$ (426)	\$ 356	(83.6%)
Opex Overview:								
Payroll	\$ 51	\$ 51	\$ 0	0.7%	\$ 325	\$ 330	\$ (5)	(1.4%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	0	1	(1)	(99.7%)	1	7	(6)	(84.6%)
Marketing	–	–	–	N/A	–	–	–	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	4	2	2	127.5%	8	4	3	76.7%
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	6	6	0	0.7%	39	41	(2)	(5.2%)
Professional fees	0	–	0	N/A	1	–	1	N/A
Utilities, repair, maintenance, and	1	2	(1)	(44.9%)	7	13	(7)	(50.0%)
Corporate OH Fees	107	107	(0)	(0.2%)	725	743	(17)	(2.3%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	22	–	22	N/A	(218)	–	(218)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(1)	–	(1)	N/A	4	1	3	459.4%
Total Opex	\$ 190	\$ 169	\$ 22	12.8%	\$ 892	\$ 1,139	\$ (247)	(21.7%)

Management Discussion

Net Revenue – Jul-19: (\$212K)

- Sales volume down 3.6% or \$233k mainly driven by decreased demand from affiliate customers \$168k (Laval -24.3%, Woodbridge +10.8%, Delmont -7.1%, Everett -8.9%) and lower external customers demand (Nuform, Vinyl Company & Window Seal)
- Favorable price/mix of \$50K driven by tolling business with Resin Tech \$25k, and customer mix (Vinyl Profiles & Mor-x) \$25k
- Unfavorable F/X of \$29k (actual rate of 1.3101 [or \$USD 0.7633] vs. 1.30 [or \$USD 0.7692])

EBITDA – Jul-19: +\$334K

- Material COGS:** Decrease in costs by \$518k due to decreased sales volume \$208k, improved scrap utilization & MUV \$55k, lower resin prices \$303k; offset by change in Kronos rebate for Ti02 \$49k (YTD adjust \$0.075/lb down to \$0.065/lb);
- Labor COGS:** Decrease in cost by \$21k driven by lower headcount due to lower production volumes (9.0%).
- Other COGS:** Decrease in cost by \$30k primarily driven by favorable freight expenses \$75k (lower volume, new PDI contract, PY adjustment); offset by unfavorable net absorption of \$23k; increased maintenance cost \$21k (Cooling tower repairs, Blower Repair & DC Motor) & increased R&D \$9k (Polaris yellowing issue)
- Sales and Marketing:** In line with budget
- Administrative:** In line with budget
- Other Opex:** Increase in cost by \$22k driven by unfavorable F/X revaluation of working capital balances

Key Customers – Gross Sales and Gross Margin %: ECS

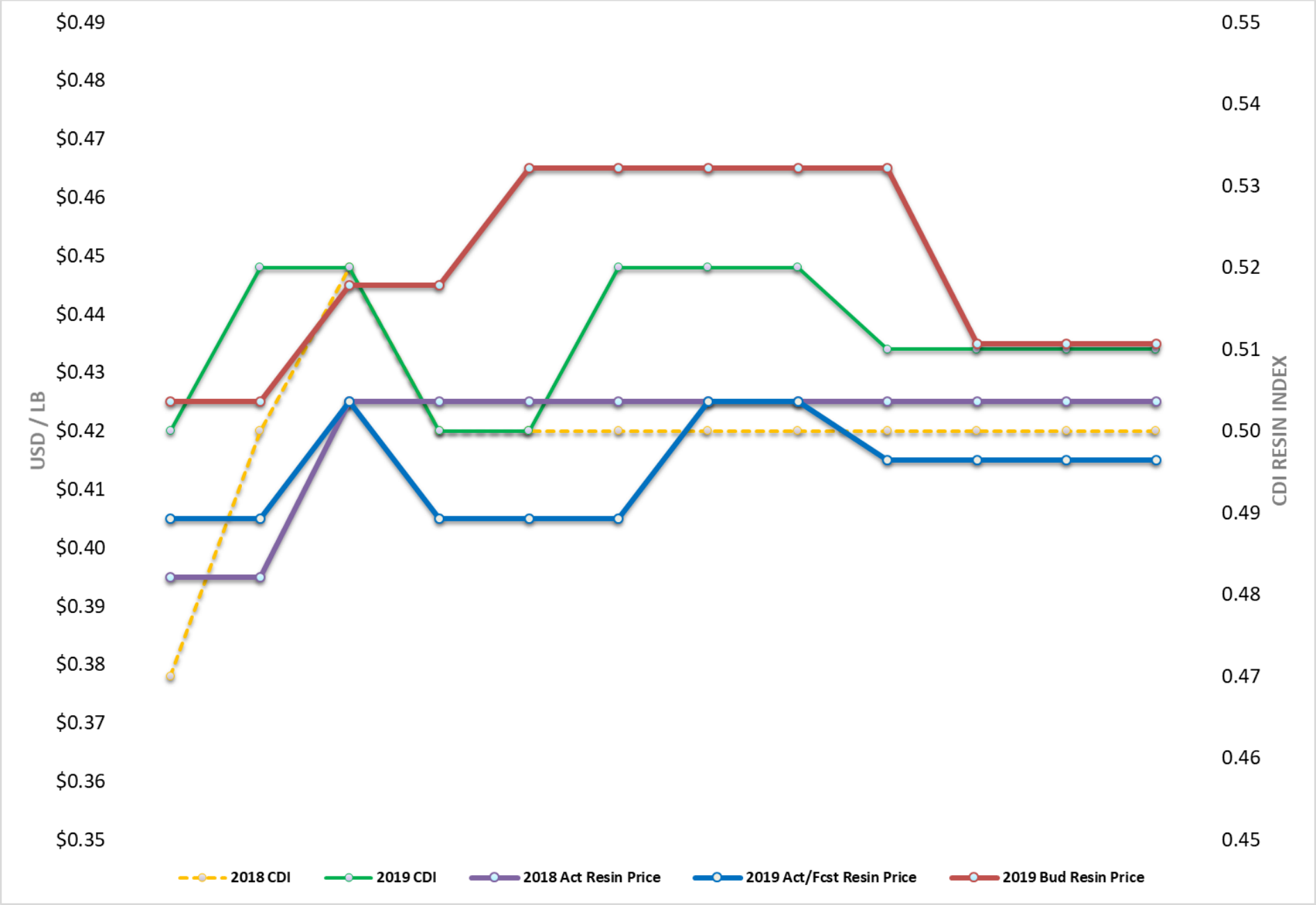
	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var											
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%										
Customer:																																						
Vinyl Profiles, LLC	\$	335	\$	355	\$	(20)	(5.6%)	\$	181	\$	154	84.6%	\$	1,576	\$	2,248	\$	(672)	(29.9%)	\$	1,504	\$	72	4.8%	17.6%	20.7%	(310)	(15.0%)	19.3%	(164)	(8.5%)	36.4%	49.1%	(1,268)	(25.8%)	14.1%	2,228	157.8%
Nuform Building Technologies Inc		138		146		(8)	(5.5%)		261		(123)	(47.2%)		867		947		(80)	(8.4%)		1,697		(830)	(48.9%)	28.3%	27.8%	48	1.7%	21.7%	657	30.3%	15.7%	11.8%	397	33.8%	21.3%	(554)	(26.1%)
The Vinyl Company Inc.		93		101		(9)	(8.6%)		172		(79)	(46.1%)		737		639		97	15.2%		1,134		(398)	(35.1%)	16.2%	17.9%	(172)	(9.6%)	29.1%	(1,292)	(44.4%)	16.4%	17.9%	(148)	(8.2%)	27.1%	(1,069)	(39.4%)
Vinylume Products Inc		65		63		2	3.0%		63		2	2.4%		392		380		12	3.1%		404		(12)	(2.9%)	21.6%	21.3%	35	1.6%	22.5%	(91)	(4.0%)	24.5%	21.3%	322	15.1%	20.1%	438	21.8%
Accord Plastics Corp.		57		56		1	1.3%		16		41	255.9%		387		344		42	12.3%		106		281	265.2%	17.6%	19.4%	(182)	(9.4%)	22.5%	(489)	(21.7%)	18.6%	19.4%	(81)	(4.2%)	8.6%	998	115.6%
Window Seal Limited		30		44		(14)	(32.6%)		–		30	N/A		30		266		(236)	(88.8%)		7		23	329.9%	6.7%	10.9%	(421)	(38.6%)	#DIV/0!	NA	#DIV/0!	4.3%	100.2%	(9,585)	(95.7%)	5.0%	(68)	(13.5%)
New Customers (L.B. Plastics)		–		44		(44)	(100.0%)		7		(7)	(100.0%)		–		222		(222)	(100.0%)		84		(84)	(100.0%)	#DIV/0!	10.9%	–	#VALUE!	26.2%	NA	#VALUE!	0.0%	24.6%	(2,463)	(100.0%)	182.3%	(18,230)	(100.0%)
Prasad Plastics Limited		15		7		8	109.7%		–		15	N/A		19		92		(73)	(79.3%)		12		7	61.6%	20.0%	26.7%	(668)	(25.0%)	#DIV/0!	NA	#DIV/0!	3.4%	#DIV/0!	–	#DIV/0!	69.4%	(6,599)	(95.1%)
Superior Extrusions Ltd		–		–		-	N/A		–		-	N/A		23		27		(4)	(13.4%)		26		(3)	(11.2%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	4.2%	–	#VALUE!	7.8%	NA	#VALUE!
Vytron Corporation		–		–		-	N/A		–		-	N/A		13		13		0	1.4%		29		(16)	(55.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	19.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Plastibec Ltee		–		–		-	N/A		–		-	N/A		6		–		6	N/A		6		(0)	(5.3%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	9.1%	#DIV/0!	–	#DIV/0!	15.5%	(637)	(41.2%)
Vinyl Profiles (2011)		13		–		13	N/A		–		13	N/A		51		–		51	N/A		6		45	780.4%	23.6%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	70.2%	0.0%	7,018	N/A	47.6%	2,257	47.4%
Fence Outlet MDC, LLC		–		–		-	N/A		–		-	N/A		21		–		21	N/A		–		21	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	46.2%	0.0%	4,615	N/A	(5.3%)	5,144	(973.6%)
INFINITY EXTRUSIONS INC.		–		–		-	N/A		20		(20)	(100.0%)		44		–		44	N/A		20		24	123.6%	#DIV/0!	#DIV/0!	–	#DIV/0!	13.8%	NA	#VALUE!	116.7%	#DIV/0!	–	#DIV/0!	21.4%	9,523	444.1%
Resin Technology, LLC		–		–		-	N/A		–		-	N/A		327		–		327	N/A		–		327	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	52.6%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		5,485		5,628		(142)	(2.5%)		5,784		(299)	(5.2%)		36,473		37,842		(1,369)	(3.6%)		42,947		(6,475)	(15.1%)	3.7%	(3.1%)	683	(219.4%)	10.1%	(635)	(63.1%)	3.7%	(0.2%)	385	(2281.5%)	9.8%	(613)	(62.5%)
Total Gross	\$	6,230	\$	6,445	\$	(214)	(3.3%)	\$	6,504	\$	(274)	(4.2%)	\$	40,964	\$	43,020	\$	(2,056)	(4.8%)	\$	47,981	\$	(7,017)	(14.6%)	5.6%	(0.1%)	571	(5211.8%)	11.4%	(582)	(51.0%)	5.9%	2.4%	355	150.5%	10.9%	(498)	(45.8%)

Management Discussion

ECS Material Cost Summary

US \$'000	H1 2019	Jul-19	H1 2019	Jul-19	H1 2019	Jul-19
	Act	Act	AOP	AOP	Actual-AOP	Actual-AOP
Sales						
Total Sales - Non-Patio & Doors - \$'000	\$ 34,751	\$ 6,230	\$ 36,560	\$ 6,443	\$ (1,809)	\$ (212)
			\$ —		\$ —	
Total Sales - Non-Patio & Doors - Lbs	\$ 48,339	8,694	\$ 51,181	9,020	\$ (2,843)	\$ (326)
Materials - units						
ADDITIVE	201	36	233	41	(32)	(5)
ADDITIVE (IMPACT MODIFIER)	1,795	309	1,867	329	(72)	(20)
ADDITIVE (PROCESSING AID)	312	53	329	58	(17)	(5)
FILLER	2,738	571	2,894	510	(155)	61
LUBRICANT	1,096	191	1,123	198	(27)	(7)
PIGMENT - C	1	—	6	1	(5)	(1)
PIGMENT - G	172	26	187	33	(15)	(7)
PIGMENT - HC	61	9	69	12	(8)	(3)
PIGMENT - PC	8	2	7	1	0	1
PKG	—	—	—	—	—	—
PLASTICIZER	166	41	194	34	(27)	7
RESIN	37,585	6,700	39,753	7,006	(2,168)	(306)
STABILIZER	589	103	626	110	(37)	(7)
TIO2	3,606	645	3,858	680	(252)	(35)
Material Other	—	—	—	—	—	—
Total Materials - Lbs	48,330	8,687	51,146	9,014	(2,816)	(327)
Materials - ASP						
ADDITIVE	3.6180	3.5984	3.5433	3.6073	\$ 0.0747	\$ (0.0088)
ADDITIVE (IMPACT MODIFIER)	1.5855	1.4853	1.6650	1.6650	\$ (0.0795)	\$ (0.1797)
ADDITIVE (PROCESSING AID)	1.6181	1.5185	1.7010	1.7010	\$ (0.0829)	\$ (0.1825)
FILLER	0.2020	0.2116	0.2085	0.2109	\$ (0.0066)	\$ 0.0008
LUBRICANT	0.9259	0.9154	0.9329	0.9329	\$ (0.0070)	\$ (0.0174)
PIGMENT - C	2.8123	2.8123	2.8123	2.8123	\$ (0.0000)	\$ (0.0000)
PIGMENT - G	2.9886	2.6571	3.1592	3.1592	\$ (0.1705)	\$ (0.5021)
PIGMENT - HC	5.4590	5.6117	5.8923	5.8923	\$ (0.4333)	\$ (0.2806)
PIGMENT - PC	7.1192	6.9281	7.1296	7.1296	\$ (0.0104)	\$ (0.2015)
PKG	—	—	—	7.6761	\$ —	\$ (7.6761)
PLASTICIZER	0.8574	0.8584	0.8993	0.8993	\$ (0.0419)	\$ (0.0410)
RESIN	0.4132	0.4251	0.4548	0.4654	\$ (0.0416)	\$ (0.0403)
STABILIZER	3.4352	3.3128	3.3188	3.3188	\$ 0.1164	\$ (0.0060)
TIO2	1.4254	1.4420	1.4427	1.4520	\$ (0.0174)	\$ (0.0100)
Material Other						
Materials - \$'000						
ADDITIVE	\$ 728	\$ 130	\$ 825	\$ 148	\$ (97)	\$ (18)
ADDITIVE (IMPACT MODIFIER)	\$ 2,846	\$ 459	\$ 3,109	\$ 548	\$ (263)	\$ (89)
ADDITIVE (PROCESSING AID)	\$ 505	\$ 81	\$ 560	\$ 99	\$ (55)	\$ (18)
FILLER	\$ 553	\$ 121	\$ 603	\$ 108	\$ (50)	\$ 13
LUBRICANT	\$ 1,015	\$ 175	\$ 1,048	\$ 185	\$ (33)	\$ (10)
PIGMENT - C	\$ 4	\$ —	\$ 17	\$ 3	\$ (13)	\$ (3)
PIGMENT - G	\$ 513	\$ 69	\$ 590	\$ 104	\$ (76)	\$ (35)
PIGMENT - HC	\$ 333	\$ 53	\$ 409	\$ 72	\$ (76)	\$ (19)
PIGMENT - PC	\$ 54	\$ 13	\$ 52	\$ 9	\$ 1	\$ 4
PKG	\$ —	\$ —	\$ 189	\$ 27	\$ (189)	\$ (27)
PLASTICIZER	\$ 143	\$ 36	\$ 174	\$ 31	\$ (31)	\$ 5
RESIN	\$ 15,530	\$ 2,848	\$ 18,080	\$ 3,296	\$ (2,550)	\$ (447)
STABILIZER	\$ 2,022	\$ 341	\$ 2,077	\$ 366	\$ (55)	\$ (25)
TIO2	\$ 5,140	\$ 930	\$ 5,566	\$ 987	\$ (426)	\$ (58)
Scrap	\$ 172	\$ 20	\$ —	\$ —	\$ 172	\$ 20
BOM Scrap (not in P&L and 2019 AOP)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
PIP Savings	\$ (20)	\$ —	\$ (111)	\$ (16)	\$ 91	\$ 16
Kronos Rebates (\$0.075/lb/0.065)	\$ (250)	\$ 3	\$ (289)	\$ (51)	\$ 39	\$ 54
Resin Rebate & Discount	\$ (424)	\$ (105)	\$ (536)	\$ (102)	\$ 112	\$ (2)
Amortization Timing	\$ 154	\$ (22)	\$ (451)	\$ 33	\$ 604	\$ (55)
Packaging	\$ 152	\$ 32	\$ 167	\$ 35	\$ (15)	\$ (3)
Material Other	\$ (90)	\$ 47	\$ (454)	\$ (133)	\$ 364	\$ 180
Total Material Costs	\$ 29,078	\$ 5,231	\$ 31,625	\$ 5,748	\$ (2,547)	\$ (517)

Historical Resin Price Chart



Key Performance Indicators - ECS

ENERGI Compound Solutions	2018 Actual	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD 2019
Health & Safety										
<i>Recordable(effects TRIR)</i>	0	0	0	0	0	0	0	0	0	0
<i>Near Misses</i>	25	2	0	0	0	0	0	0	0	0
Environmental										
<i>Recordable(effects TRIR)</i>	0	0	0	0	0	0	0	0	0	0
<i>Near Misses</i>	8	2	0	1	0	0	0	0	0	1
Quality Performance										
<i>Concerns per million Good Lbs</i>	0.2	0.3	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.1
<i>Return as % of sales (%)</i>	0.05	0.3	0.00%	0.02%	0.00%	0.00%	0%	0%	0%	0%
Delivery Performance										
<i>% on time</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Material Cost										
<i>Yield</i>	99%	99%	100%	100%	100%	100%	100%	100%	100%	100%
<i>Production Scrap</i>	0.7%	1.00%	0.5%	0.4%	0.2%	0.2%	0.1%	0.5%	0%	0%
<i>Total Material Usage Variance</i>	1.2%	2.00%	0.7%	0.7%	0.4%	0.5%	0	(0)	(0)	0%
<i>Direct Labour \$/lb produced</i>	0.008	0.009	0.009	0.008	0.007	0.008	0.009	0.005	0.008	0.008
<i>Indirect Labour (incl D&D) \$/lb produced</i>	0.015	0.017	0.020	0.018	0.015	0.018	0.018	0.014	0.014	0.016
Inventory										
<i>Days - TTM (Trailing 12 Months)</i>	47	46	50	49	42	41	32	31	43	41
Freight										
<i>Freight \$ as % of net sales</i>	3.7%	3.9%	3.2%	3.6%	4.0%	4%	3%	3%	0	3%

COMMENTS:

Full Year ECS P&L Summary

\$'000		FY		Var		PY	Var	
		Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)		98,510	101,346	(2,836)	(2.8%)	106,695	(8,185)	(7.7%)
Units Shipped ('000)		98,177	101,346	(3,169)	(3.1%)	106,807	(8,630)	(8.1%)
Bookings (\$'000)		\$ 8,342	\$ —	\$ 8,342	N/A	\$ —	\$ 8,342	N/A
Backlog ('\$000)		\$ 181	\$ —	\$ 181	N/A	\$ —	\$ 181	N/A
	External Revenue	\$ 8,274	\$ 8,852	\$ (578)	(6.5%)	\$ 8,388	\$ (114)	(1.4%)
	Affiliate Revenue	\$ 62,094	\$ 63,572	\$ (1,478)	(2.3%)	\$ 68,481	\$ (6,387)	(9.3%)
Gross Revenue		\$ 70,368	\$ 72,424	\$ (2,056)	(2.8%)	\$ 76,869	\$ (6,501)	(8.5%)
Adj. to Gross Revenue		6	(28)	34	(122.0%)	(14)	21	(142.6%)
Net Revenue		70,374	72,396	(2,022)	(2.8%)	76,854	(6,480)	(8.4%)
Material		60,230	63,287	(3,057)	(4.8%)	60,763	(533)	(0.9%)
Labor		1,892	2,009	(117)	(5.8%)	1,880	12	0.6%
Other COGS		5,710	6,032	(322)	(5.3%)	5,926	(216)	(3.6%)
Total COGS		67,832	71,328	(3,496)	(4.9%)	68,569	(737)	(1.1%)
Gross Margin		2,543	1,068	1,475	138.1%	8,286	(5,743)	(69.3%)
Gross Margin %		3.6%	1.5%			10.8%		
R&D		—	—	—	N/A	—	—	N/A
Sales & Marketing		166	163	3	1.7%	156	9	6.1%
Administrative		1,750	1,782	(32)	(1.8%)	1,765	(15)	(0.9%)
Other Opex		(218)	—	(218)	N/A	369	(587)	(159.1%)
Total Opex		1,697	1,945	(247)	(12.7%)	2,290	(593)	(25.9%)
EBITDA		845	(877)	1,722	(196.4%)	5,996	(5,150)	(85.9%)
EBITDA %		1.2%	(1.2%)			7.8%		
Net Income (Loss)		\$ 145	\$ (1,616)	\$ 1,762	(109.0%)	\$ 5,305	\$ (5,160)	(97.3%)
Capex		\$ (70)	\$ (601)	\$ 531	(88.4%)	\$ (600)	\$ 530	(88.3%)
Opex Overview:								
Payroll		\$ 557	\$ 562	\$ (5)	(0.8%)	\$ 550	\$ 7	1.4%
Bonus		—	—	—	N/A	—	—	N/A
Commissions		7	13	(6)	(47.6%)	1	6	718.9%
Marketing		1	1	—	0.0%	—	1	N/A
Benefits		—	—	—	N/A	—	—	N/A
Travel and entertainment		12	9	3	38.4%	9	4	45.0%
Rent and facilities		—	—	—	N/A	—	—	N/A
Insurance		67	69	(2)	(3.1%)	68	(0)	(0.5%)
Professional fees		1	(0)	1	(297.3%)	—	1	N/A
Utilities, repair, maintenance, and security		13	20	(7)	(33.1%)	18	(5)	(26.5%)
Corporate OH Fees		1,254	1,271	(17)	(1.4%)	1,276	(23)	(1.8%)
Bad Debts		—	—	—	N/A	3	(3)	(100.0%)
FX		(218)	—	(218)	N/A	369	(587)	(159.1%)
JV Loss (Income)		—	—	—	N/A	—	—	N/A
Other Expenses		4	1	3	414.3%	0	4	8789.8%
Total Opex		\$ 1,697	\$ 1,945	\$ (247)	(12.7%)	\$ 2,293	\$ (596)	(26.0%)

Key Customers – Full Year ECS

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY		Var		PY	Var		
	Fcst	Bud	\$	%	Act	\$	%			Fcst	Bud	BPs	%	Act	BPs	%			
Customer:																			
Vinyl Profiles, LLC	\$	3,154	\$	3,826	\$	(672)	(17.6%)	\$	1,961	\$	1,193	60.9%	41.6%	49.6%	(793)	(16.0%)	16.2%	2,541	156.5%
Nuform Building Technologies Inc		1,516		1,596		(80)	(5.0%)		2,950		(1,434)	(48.6%)	13.7%	11.6%	204	17.6%	20.0%	(632)	(31.6%)
The Vinyl Company Inc.		1,205		1,099		106	9.6%		1,834		(628)	(34.3%)	16.8%	17.9%	(117)	(6.5%)	27.0%	(1,028)	(38.0%)
Vinylume Products Inc		660		650		10	1.5%		688		(29)	(4.1%)	23.3%	21.3%	205	9.6%	20.7%	261	12.6%
Accord Plastics Corp.		634		593		42	7.0%		378		257	67.9%	18.8%	19.4%	(58)	(3.0%)	16.1%	277	17.3%
Window Seal Limited		252		474		(222)	(46.9%)		17		235	1412.6%	55.5%	124.7%	(6,918)	(55.5%)	27.9%	2,755	98.6%
New Customers (L.B. Plastics)		244		422		(178)	(42.1%)		113		131	115.9%	62.2%	37.6%	2,462	65.4%	26.8%	3,549	132.6%
Prasad Plastics Limited		30		111		(81)	(72.9%)		36		(6)	(17.4%)	17.8%	#DIV/0! –		#DIV/0!	25.7%	(789)	(30.7%)
Superior Extrusions Ltd		34		38		(4)	(9.5%)		46		(12)	(25.5%)	4.8%	3.1%	169	54.5%	25.5%	(2,074)	(81.3%)
Vytron Corporation		17		17		0	1.1%		29		(12)	(40.3%)	21.9%	#DIV/0! –		#DIV/0!	41.6%	(1,967)	(47.3%)
Plastibec Ltee		6		–		6	N/A		6		(0)	(5.3%)	9.1%	#DIV/0! –		#DIV/0!	24.0%	(1,491)	(62.1%)
Vinyl Profiles (2011)		38		–		38	N/A		6		32	559.5%	6.2%	0.0%	624	N/A	57.5%	(5,126)	(89.2%)
Fence Outlet MDC, LLC		21		–		21	N/A		–		21	N/A	39.7%	0.0%	3,968	N/A	#DIV/0!	NA	#DIV/0!
INFINITY EXTRUSIONS INC.		44		–		44	N/A		20		24	123.6%	116.7%	#DIV/0! –		#DIV/0!	13.8%	10,285	744.7%
Resin Technology, LLC		327		–		327	N/A		–		327	N/A	52.6%	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A
Other		62,186		63,600		(1,413)	(2.2%)		68,786		(6,600)	(9.6%)	1.6%	(1.1%)	269	(251.5%)	9.6%	(798)	(83.1%)
Total Gross	\$	70,368	\$	72,424	\$	(2,056)	(2.8%)	\$	76,869	\$	(6,501)	(8.5%)	4.0%	1.6%	243	152.3%	10.8%	(676)	(62.7%)

Corporate Office Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Backlog ('\$000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	\$ –	N/A
Gross Revenue	\$ –	\$ 18	\$ (18)	(100.0%)	\$ –	\$ 85	\$ (85)	(100.0%)
Adj. to Gross Revenue	–	–	–	N/A	–	–	–	N/A
Net Revenue	–	18	(18)	(100.0%)	–	85	(85)	(100.0%)
Material	(7)	–	(7)	N/A	518	850	(332)	(39.1%)
Labor	103	103	(0)	(0.4%)	712	721	(9)	(1.2%)
Other COGS	100	92	8	8.4%	603	644	(41)	(6.4%)
Total COGS	196	195	1	0.3%	1,833	2,215	(382)	(17.2%)
Gross Margin	(196)	(177)	(18)	10.3%	(1,833)	(2,131)	297	(14.0%)
Gross Margin %	(1001.7%)				(2519.6%)			
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	254	329	(75)	(22.8%)	2,141	2,290	(148)	(6.5%)
Administrative	(375)	(332)	(43)	13.0%	(2,754)	(2,459)	(294)	12.0%
Other Opex	(6)	–	(6)	N/A	13	–	13	N/A
Total Opex	(127)	(3)	(125)	4884.3%	(599)	(170)	(429)	252.7%
EBITDA	(69)	(175)	106	(60.8%)	(1,234)	(1,961)	727	(37.1%)
EBITDA %	(987.3%)				(2318.7%)			
Net Income (Loss)	\$ (466)	\$ (775)	\$ 310	(39.9%)	\$ (4,019)	\$ (6,013)	\$ 1,995	(33.2%)
Capex	\$ –	\$ (285)	\$ 285	(100.0%)	\$ 12	\$ (1,246)	\$ 1,258	(101.0%)
Opex Overview:								
Payroll	\$ 455	\$ 491	\$ (36)	(7.3%)	\$ 3,116	\$ 3,181	\$ (65)	(2.0%)
Bonus	113	113	(0)	(0.4%)	785	794	(9)	(1.1%)
Commissions	22	29	(7)	(25.3%)	134	201	(67)	(33.4%)
Marketing	14	25	(11)	(43.0%)	214	311	(97)	(31.2%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	84	135	(51)	(37.5%)	604	891	(287)	(32.2%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	35	35	0	0.0%	263	270	(7)	(2.5%)
Office Expense	3	2	1	67.2%	26	25	2	7.3%
IT	136	153	(17)	(11.1%)	945	1,044	(100)	(9.6%)
Bad Debts	–	–	–	N/A	99	–	99	N/A
FX	(6)	–	(6)	N/A	13	–	13	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(982)	(985)	2	(0.2%)	(6,799)	(6,887)	88	(1.3%)
Total Opex	\$ (127)	\$ (3)	\$ (125)	4884.3%	\$ (599)	\$ (170)	\$ (429)	252.7%

Management Discussion

EBITDA – July 2019: +\$106K

- **Gross Revenue:** Represents Consolidated price increase adjustment not achieved
- **Material COGS:** Favorable intercompany profit elimination as a result of lower intercompany inventory levels
- **Other COGS:** Adjustment for tax on insurance cost.
- **Sales & Marketing:** Lower wages by \$24K due to lower headcount. Lower commissions by \$7K as a result of lower sales, lower marketing expenditure of \$11K related to timing and lower Travel and Entertainment by \$32K due to less travel by Sales staff.
- **Administrative:** lower by \$43K due to lower wages by \$12K, lower Travel costs by \$19K and lower IT costs by \$17K, offset by unfavorable FX on Corporate OH Recovery of \$5K
- **Other Opex:** represents FX Gain on CAD/US Cash Transactions

Full Year Corporate Office P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Backlog (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Gross Revenue	\$ 80	\$ 164	\$ (85)	(51.4%)	\$ 0	\$ 80	50815.7%
Adj. to Gross Revenue	–	–	–	N/A	72	(72)	(100.0%)
Net Revenue	80	164	(85)	(51.4%)	72	8	11.4%
Material	(332)	–	(332)	N/A	(293)	(39)	13.3%
Labor	1,227	1,236	(9)	(0.7%)	159	1,068	671.8%
Other COGS	1,063	1,104	(41)	(3.7%)	802	261	32.6%
Total COGS	1,958	2,340	(382)	(16.3%)	668	1,290	193.2%
Gross Margin	(1,878)	(2,175)	297	(13.7%)	(596)	(1,282)	215.1%
Gross Margin %	(2349.8%)	(1322.6%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,833	3,982	(148)	(3.7%)	3,842	(9)	(0.2%)
Administrative	(4,474)	(4,179)	(294)	7.0%	(6,735)	2,261	(33.6%)
Other Opex	13	–	13	N/A	134	(120)	(90.2%)
Total Opex	(627)	(198)	(429)	217.1%	(2,759)	2,132	(77.3%)
EBITDA	(1,251)	(1,978)	727	(36.7%)	2,163	(3,414)	(157.8%)
EBITDA %	(1565.2%)	(1202.4%)			3013.6%		
Net Income (Loss)	\$ (6,406)	\$ (8,401)	\$ 1,995	(23.7%)	\$ (3,324)	\$ (3,082)	92.7%
Capex	\$ 12	\$ (2,706)	\$ 2,718	(100.4%)	\$ (366)	\$ 378	(103.3%)
Opex Overview:							
Payroll	\$ 5,412	\$ 5,478	\$ (65)	(1.2%)	\$ 5,077	\$ 335	6.6%
Bonus	1,352	1,361	(9)	(0.6%)	159	1,193	750.4%
Commissions	278	345	(67)	(19.5%)	186	92	49.6%
Marketing	497	594	(97)	(16.3%)	584	(87)	(14.9%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,222	1,509	(287)	(19.0%)	1,137	85	7.5%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	437	444	(7)	(1.5%)	395	42	10.6%
Office Expense	48	46	2	3.9%	53	(5)	(9.5%)
IT	1,730	1,830	(100)	(5.5%)	1,367	364	26.6%
Bad Debts	99	–	99	N/A	(58)	157	(270.4%)
FX	13	–	13	N/A	134	(120)	(90.2%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,716)	(11,805)	88	(0.7%)	(11,793)	77	(0.7%)
Total Opex	\$ (627)	\$ (198)	\$ (429)	217.1%	\$ (2,757)	\$ 2,130	(77.3%)

Plant Capacity Utilization

ENERGI Capacity Utilization: 2019

ENERGI Everett Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs)	1,444,542	1,111,051	1,414,685	1,361,135	1,398,525	1,391,248	1,016,473	-	-	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	60%	46%	59%	56%	58%	58%	42%	0%	0%	0%	0%	0%

ENERGI Delmont Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs)	1,809,686	1,765,002	1,904,176	1,699,937	1,649,127	1,753,097	1,944,109	-	-	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	57%	56%	60%	54%	52%	55%	61%	0%	0%	0%	0%	0%

ENERGI Woodbridge Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs)	2,601,062	2,268,000	2,750,274	2,196,896	2,658,445	3,225,935	3,272,912	-	-	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	50%	44%	53%	43%	52%	63%	64%	0%	0%	0%	0%	0%

ENERGI Laval Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs)	1,327,474	1,510,928	1,657,493	1,701,406	1,816,951	1,791,200	1,182,682	-	-	-	-	-
Monthly capacity utilization(L/K)%	36%	41%	45%	46%	49%	48%	32%	0%	0%	0%	0%	0%

ECS Capacity utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Total available capacity lbs/month (A)*	13,227,720											
Actual Good Lbs produced(B)	7,187,792	7,248,608	8,717,783	7,717,344	8,754,525	9,535,934	8,203,851	-	-	-	-	-
Monthly Capacity utilization %(B/A)%	54%	55%	66%	58%	66%	72%	62%	0%	0%	0%	0%	0%

Terrebonne Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Available Shift Capacity(based on One 10Hr shift)(\$)(000)	\$3,000											
Actual Gross Sales (000)(\$CAD)	\$ 1,533	\$ 1,646	\$ 1,728	\$ 2,093	\$ 2,448	\$ 2,419	\$ 2,587	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity utilization based on NO seasonal adjustment and one 10hr shift	51%	55%	58%	70%	82%	81%	86%	0%	0%	0%	0%	0%