



2019 Monthly Operating Review – August 2019

September 23rd, 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 \$2,739K 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 \$785K, impacted by lower sales volumes than Plan at the extrusion plants and production challenges at Woodbridge 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), optimization of labor costs and lower OPEX costs including labor and all discretionary spending
- 3. Vs Prior Year:** Overall sales revenues and volumes were behind Prior Year by \$1,207K for the Month due to lower sales out of Woodbridge, Delmont and Everett, partially offset by higher sales from Terrebonne and ECS. 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 \$298K for the Month as a result of the reduced volumes at Woodbridge, Delmont 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 Terrebonne and Delmont year-over-year with improvements in margins, quality, delivery and labor utilization
- 4. TTM:** 2019 August TTM Revenue of \$157.7M and EBITDA of \$9.5M 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 September at the mid-month point is currently ahead of the prior year on a Month to Date basis. Patio Door sales orders are ahead of prior year orders by 40.8% while the Extrusion orders are in line with the prior year orders on a Month to Date basis. Everett is seeing some significant positive order intake with a 73.5% increase vs the prior year and Delmont's orders are ahead of prior year by 5%, while orders at Woodbridge and Laval are behind the prior year by 8% and 22%, respectively. Woodbridge and Laval are planning to draw from inventory levels in September and adjusting production schedules accordingly, while Everett is planning to build some inventory in September to accommodate the increased orders
6. **Material/Supplier Price Increases:** CDI Resin Index was reduced by 1cpp in August's report, resulting in a decrease to the August resin price. PVC industry statistics showed a further reduction in domestic resin demand versus July and the prior year, and expect both domestic and export demand to be soft in September. All PVC producers in the US have announced a 3cpp price increase for October, as they try to defend their margins against weakening demand and a potential increase in ethylene prices. There is still downward pressure on resin prices in September but the recent activity in the oil markets and potential hurricane impacts to the US supply chain may keep the PVC pricing unchanged or increase for the remainder of the year. TiO2 contract negotiations ongoing with current 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. Reviewing alternative proposals for a review of ENERGI's logistics and packaging supply and processes
7. **Bank Covenants:** Excess Availability covenant for Aug-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target due to continued softness of EBITDA. Continue to monitor Sept-19 and Q4 2019 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly

Executive Summary (Continued)

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
9. **Terrebonne Capital Equipment (Vendor Bankruptcy):** Terrebonne had purchased an automated saw machine from a local Montreal distributor of a well-known and reputable equipment manufacturer (Sturtz Machinery) in 2018. The contract was with the local distributor in Montreal and Sturtz commenced to manufacture the equipment in early 2018 upon payment of the initial deposit to the distributor. The manufacturer had substantially completed the unit by the end of 2018 and following ENERGI's inspection of the equipment in Dec-18, additional modifications were requested and promised to be completed by early 2019. Upon notification from the distributor that the modifications were completed by Sturtz and the equipment was ready to be shipped, the second instalment payment was made. The equipment was never shipped to ENERGI and the distributor filed for bankruptcy shortly thereafter. ENERGI's legal representation attended the bankruptcy hearing and learned that Sturtz only received a portion of the funds from the distributor for the ENERGI equipment, which they still have in their possession. There is no claim against the distributor due to secured debt obligations having preference over remaining funds & assets. However, ENERGI is currently negotiating with Sturtz to try and take possession of the equipment or return some of the deposit funds paid. ENERGI has paid approx. US\$380K (CAD\$506K), which has been recorded as CAPEX in 2018 and 2019.

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 – August 2019



Key Wins

- **Western Windows**
 - Everett
 - New 3700 4 Track Frame with Dark Cap
 - Annualised Sales = \$0.65M
- **ATIS**
 - Terrebonne
 - Performer and Fusion PD
 - Annualised Sales = \$2.5M
- **President Windows**
 - Laval
 - 4600 Series
 - Annualised Sales = \$1.5M


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 ECS – review videos and discuss training plan • OBI project at Laval – commenced mapping processes 	<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 September • 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:

- No recordable incidents in August 2019
- August 2019 TRIR of 2.31 vs 2018 TRIR of 1.97; Total Recordable Cases – 11 for 2019 YTD vs 14 for 2018 FY & 16 for 2017 FY
- 33 months incident free record at ECS

Quality:

- Woodbridge quality issues related to large rejection from All Weather on a product launch situation accumulated from previous months
- Delmont – small quantity escapes and complaints from PGT, Polaris and Sierra Pacific

Delivery:

- Terrebonne –Staff turnover and related training time resulted in delays in average turn around time affecting delivery. However, significant improvement from prior month
- Woodbridge - Considerable back order activity to Terrebonne and Vinyl-Pro due to problematic dies in Quadrant 4; Steady improvement vs prior months

Efficiencies:

- Woodbridge yields impacted by shorter production runs driven by high inventory levels, lower sales and tooling development activity
- 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 Alt/Regrind consumption impacted by lack of correct regrind and insufficient scrap generation (favorable yields)

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	Aug-19	YTD 2019
Health & Safety											
# Recordables (affects TRIR)	# in Month	0	1	1	2	2	2	1	2	0	11
Woodbridge		0	0	0	0	0	1	0	0	0	1
Laval		0	1	1	0	0	0	1	0	0	3
Terrebonne		0	0	0	0	0	0	0	2	0	2
Delmont		0	0	0	2	1	0	0	0	0	3
Everett		0	0	0	0	1	1	0	0	0	2
ECS		0	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	4	5
Woodbridge		0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.75%	0.44%
Laval		0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.25%	0.45%
Terrebonne		1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	1.02%	0.83%
Delmont		0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.37%	0.02%
Everett		0.60%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	0.06%	0.28%	0.30%
ECS		0.20%	0.00%	0.02%	0.00%	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	4
Woodbridge		99.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	97.2%	98.1%
Laval		99.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.6%	99.7%
Terrebonne ****		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	83.0%	84.2%
Delmont		99.0%	99.5%	99.4%	99.4%	99.3%	99.1%	99.4%	99.3%	99.1%	99.3%
Everett		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%	100.0%	99.9%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% on time in full											
	# of Plants Green	6	6	6	6	5	5	5	5	5	5
Woodbridge		95.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	97.2%	98.1%
Laval		95.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.6%	99.7%
Terrebonne		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	83.0%	84.2%
Delmont		95.0%	99.7%	99.8%	99.7%	99.6%	99.6%	99.6%	99.7%	99.5%	99.6%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%	100.0%
ECS		99.0%	100.0%	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	3
Woodbridge		85.7%	84.7%	85.5%	85.2%	84.5%	85.0%	85.9%	86.2%	85.0%	85.3%
Laval		84.0%	85.5%	85.2%	86.9%	88.0%	87.3%	87.3%	86.2%	87.5%	86.8%
Delmont		85.7%	81.4%	82.7%	83.3%	83.4%	82.8%	82.2%	82.3%	83.6%	82.7%
Everett		85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.7%	83.8%	89.8%	89.8%
ECS		99.2%	99.5%	99.6%	99.8%	99.8%	99.9%	99.5%	99.6%	99.5%	99.6%

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	Aug-19	YTD 2019
<u>Costs</u>											
Alt. Compound Consumption Ratio*		5	3	2	4	2	2	2	1	2	3
Woodbridge		19.9%	17.4%	20.1%	20.0%	18.4%	18.4%	18.7%	16.7%	16.9%	18.2%
Laval		20.9%	20.2%	19.4%	18.4%	16.3%	19.9%	20.2%	19.0%	18.9%	19.0%
Delmont		17.1%	25.4%	19.8%	19.5%	23.3%	17.9%	20.8%	18.5%	28.0%	21.7%
Everett		20.0%	32.0%	18.4%	21.4%	18.3%	17.3%	16.4%	19.8%	19.6%	20.5%
ECS		0.0%	0.4%	0.1%	0.4%	0.6%	0.6%	0.3%	0.0%	0.4%	0.2%
<u>Inventory</u>											
Days - TTM*	# of Plants Green	5	2	1	3	3	3	2	2	2	
Woodbridge		54.1	57.3	59.1	61.8	63.6	63.8	64.5	65.6	67.1	
Laval		69.3	66.7	66.4	67.7	69.0	68.4	69.8	70.3	70.2	
Terrebonne		71.0	74.8	71.4	70.2	68.8	66.3	64.8	62.3	61.9	
Delmont		58.7	62.0	62.1	64.6	66.8	67.4	70.0	71.0	73.0	
Everett		84.5	84.4	85.6	87.2	87.8	88.8	91.7	92.7	93.6	
ECS		46.0	50.0	49.0	42.0	41.0	32.0	31.0	43.0	41.9	
<u>Customer Service</u>											
Customer Experience - NPS Improvement		20%	NA	NA	NA	NA	NA	NA	NA	NA	NA
<u>Customer Complaints - per MLBS ***</u>											
Customer Complaints - per MLBS ***	# of Plants Green	6	5	4	2	4	3	3	5	5	4
Woodbridge		3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	2.3	2.9
Laval		22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	18.3	25.9
Terrebonne		3.2	4.0	3.9	3.6	3.7	3.4	2.0	2.0	1.9	3.1
Delmont		3.2	2.8	3.2	3.7	2.9	3.0	3.4	3.6	4.8	3.4
Everett		8.0	1.7	2.8	4.1	2.1	2.4	3.8	2.8	4.4	3.0
ECS		0.3	0.3	0.1	0.0	0.1	0.0	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%	100.0%	98.3%
<u>Employees</u>											
Employee Engagement		80%	76.0%	75.0%	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%	98.9%	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 – August 2019

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	9,076	10,212	(1,137)	(11.1%)	66,084	74,415	(8,331)	(11.2%)
Units Shipped ('000)	8,865	10,681	(1,816)	(17.0%)	64,215	74,200	(9,985)	(13.5%)
Bookings (\$'000)	\$ 15,021	\$ 17,313	\$ (2,292)	(13.2%)	\$ 109,816	\$ 121,429	\$ (11,613)	(9.6%)
Backlog ('\$000)	\$ 10,612	\$ 12,654	\$ (2,042)	(16.1%)	\$ 10,612	\$ 12,654	\$ (2,042)	(16.1%)
Gross Revenue	\$ 15,784	\$ 18,655	\$ (2,870)	(15.4%)	\$ 110,360	\$ 126,221	\$ (15,861)	(12.6%)
Adj. to Gross Revenue	(859)	(990)	132	(13.3%)	(5,433)	(6,517)	1,084	(16.6%)
Net Revenue	14,926	17,664	(2,739)	(15.5%)	104,927	119,704	(14,778)	(12.3%)
Material	7,385	8,864	(1,478)	(16.7%)	51,200	59,729	(8,529)	(14.3%)
Labor	3,263	3,370	(107)	(3.2%)	24,236	25,713	(1,477)	(5.7%)
Other COGS	1,776	2,029	(253)	(12.5%)	11,986	13,096	(1,109)	(8.5%)
Total COGS	12,424	14,263	(1,839)	(12.9%)	87,423	98,537	(11,115)	(11.3%)
Gross Margin	2,502	3,402	(900)	(26.5%)	17,504	21,167	(3,663)	(17.3%)
Gross Margin %	16.8%	19.3%			16.7%	17.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	534	595	(61)	(10.2%)	4,394	4,805	(411)	(8.6%)
Administrative	1,001	1,092	(92)	(8.4%)	7,831	8,513	(683)	(8.0%)
Other Opex	18	(20)	37	(189.8%)	(249)	(155)	(94)	60.5%
Total Opex	1,553	1,668	(115)	(6.9%)	11,975	13,163	(1,188)	(9.0%)
EBITDA	949	1,734	(785)	(45.3%)	5,529	8,004	(2,475)	(30.9%)
EBITDA %	6.4%	9.8%			5.3%	6.7%		
Net Income (Loss)	\$ (410)	\$ 458	\$ (869)	(189.4%)	\$ (2,934)	\$ (2,042)	\$ (893)	43.7%
Capex	\$ (386)	\$ (492)	\$ 106	(21.5%)	\$ (4,499)	\$ (6,315)	\$ 1,816	(28.8%)
Opex Overview:								
Payroll	\$ 838	\$ 926	\$ (89)	(9.6%)	\$ 6,788	\$ 7,174	\$ (386)	(5.4%)
Bonus	112	113	(1)	(1.0%)	897	907	(10)	(1.1%)
Commissions	26	30	(4)	(12.5%)	161	239	(77)	(32.3%)
Marketing	123	127	(5)	(3.6%)	902	1,170	(268)	(22.9%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	63	137	(73)	(53.8%)	716	1,066	(350)	(32.9%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	32	30	2	7.5%	213	229	(17)	(7.3%)
Professional fees	68	45	23	52.3%	404	392	12	3.2%
Office Expenses	18	26	(8)	(31.6%)	172	195	(23)	(12.0%)
IT	173	181	(8)	(4.5%)	1,267	1,374	(107)	(7.8%)
Bad Debts	(0)	(0)	0	(62.9%)	97	(3)	100	(3246.3%)
FX	40	–	40	N/A	(122)	–	(122)	N/A
JV Loss (Income)	(22)	(20)	(2)	12.8%	(127)	(155)	28	(18.3%)
Other Expenses	82	72	10	13.8%	607	576	31	5.4%
Total Opex	\$ 1,553	\$ 1,668	\$ (115)	(6.9%)	\$ 11,975	\$ 13,163	\$ (1,188)	(9.0%)

Management Discussion

Net Revenue – Aug -\$2,739K:

- Extrusion external sales volume unfavorable by 16.0% or \$2,818K due to lower demand from both Canadian and US customers; with lower sales out of Woodbridge by \$1,501K, Laval by \$43K, Delmont by \$715K and Everett by \$559K
- Patio Door gross sales were behind Budget by \$177K mainly driven by decreased demand from Abritek, Ostaco and Fenergic. External compound sales were behind Budget by \$108K due to reduced orders from Vinyl Profiles partially offset higher Nuform and Vinyl Company orders
- Favorable product/customer mix impact of \$447K primarily from Woodbridge, Delmont and Terrebonne; Favorable rebates & discounts variance of \$107K due to lower sales and customer mix; and Returns & allowances lower by \$12K due to quality improvements at Laval and Everett
- Unfavorable F/X impact of \$201K (actual rate of 1.3277 [or \$USD 0.7532] vs. Budget rate of 1.30 [or \$USD 0.7692])

EBITDA – Aug -\$785K:

- Material COGS:** Decrease of \$1,478K primarily due to the mix and volume impact of \$1,636K from lower sales; favorable resin material prices and favorable scrap at ECS of \$195K (net of higher TiO2, glass, steel and aluminum pricing); offset by unfavorable yields and lower regrind usage (-\$353K) at Woodbridge, Delmont & Everett due to tool trials, dark capstock launch and lower production volumes
- Labor COGS:** Decrease of \$107K due to a favorable impact of \$71K from headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne & ECS and a favorable F/X impact of \$42K; partially offset by higher direct labor of \$6K
- Other COGS:** Decrease of \$253K comprised of: a favorable net absorption impact of \$83K as a result of a higher inventory build than Plan; lower freight costs due to sales volume and customer mix of \$117K; lower overhead spending (ie. Maintenance, utilities and factory supplies) of \$30K; and a favorable F/X impact of \$23K
- Sales and Marketing:** Lower payroll costs as a result of lower headcount and vacations taken of \$27K, lower T&E spend of \$22K and a favorable F/X impact of \$9K
- Administrative:** Lower payroll costs of \$50K due to lower headcount, lower T&E spend of \$52K and a favorable F/X impact of \$14K; partially offset by recruitment fees of \$23K
- Other Opex:** Unfavorable realized F/X re-valuation impact of \$40K due to net USD working capital held by the Canadian entity (change in F/X from 1.3158 on July 31st, 2019 to 1.3296 on August 31st, 2019) offset by higher JV equity income

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

\$'000	MTD		Var		YTD		Var	
	Act	PY-Act	\$	%	Act	PY-Act	\$	%
Units Produced ('000)	9,076	8,723	353	4.0%	66,084	67,466	(1,382)	(2.0%)
Units Shipped ('000)	8,865	9,668	(804)	(8.3%)	64,215	72,369	(8,154)	(11.3%)
Bookings (\$'000)	\$ 15,021	\$ 16,123	\$ (1,102)	(6.8%)	\$ 109,816	\$ 120,475	\$ (10,659)	(8.8%)
Backlog ('\$000)	\$ 10,612	\$ 10,382	\$ 230	2.2%	\$ 10,612	\$ 10,382	\$ 230	2.2%
Gross Revenue	\$ 15,784	\$ 17,097	\$ (1,312)	(7.7%)	\$ 110,360	\$ 124,308	\$ (13,948)	(11.2%)
Adj. to Gross Revenue	(859)	(964)	106	(11.0%)	(5,433)	(6,528)	1,095	(16.8%)
Net Revenue	14,926	16,133	(1,207)	(7.5%)	104,927	117,779	(12,853)	(10.9%)
Material	7,385	7,957	(572)	(7.2%)	51,200	56,934	(5,734)	(10.1%)
Labor	3,263	3,441	(177)	(5.2%)	24,236	27,817	(3,581)	(12.9%)
Other COGS	1,776	2,065	(290)	(14.0%)	11,986	13,958	(1,972)	(14.1%)
Total COGS	12,424	13,463	(1,039)	(7.7%)	87,423	98,710	(11,287)	(11.4%)
Gross Margin	2,502	2,670	(168)	(6.3%)	17,504	19,070	(1,566)	(8.2%)
Gross Margin %	16.8%	16.5%			16.7%	16.2%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	534	514	21	4.0%	4,394	4,902	(508)	(10.4%)
Administrative	1,001	923	78	8.4%	7,831	7,731	100	1.3%
Other Opex	18	(14)	32	(225.8%)	(249)	21	(270)	(1288.3%)
Total Opex	1,553	1,422	130	9.1%	11,975	12,654	(678)	(5.4%)
EBITDA	949	1,247	(298)	(23.9%)	5,529	6,416	(887)	(13.8%)
EBITDA %	6.4%	7.7%			5.3%	5.4%		
Net Income (Loss)	\$ (410)	\$ 255	\$ (665)	(261.1%)	\$ (2,934)	\$ (2,159)	\$ (775)	35.9%
Capex	\$ (386)	\$ (638)	\$ 252	(39.5%)	\$ (4,499)	\$ (6,123)	\$ 1,624	(26.5%)
Opex Overview:								
Payroll	\$ 838	\$ 845	\$ (7)	(0.8%)	\$ 6,788	\$ 7,166	\$ (378)	(5.3%)
Bonus	112	111	1	0.9%	897	899	(2)	(0.2%)
Commissions	26	18	8	46.9%	161	128	33	26.1%
Marketing	123	85	37	43.7%	902	1,116	(215)	(19.2%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	63	97	(33)	(34.6%)	716	853	(137)	(16.1%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	32	29	3	9.9%	213	225	(12)	(5.3%)
Professional fees	68	41	27	67.3%	404	397	8	2.0%
Office Expenses	18	27	(9)	(33.9%)	172	213	(41)	(19.1%)
IT	173	121	51	42.4%	1,267	1,088	179	16.5%
Bad Debts	(0)	(0)	0	(47.3%)	97	(65)	161	(250.0%)
FX	40	5	34	633.3%	(122)	167	(290)	(173.0%)
JV Loss (Income)	(22)	(19)	(3)	14.0%	(127)	(146)	20	(13.4%)
Other Expenses	82	63	20	31.8%	607	613	(6)	(1.0%)
Total Opex	\$ 1,553	\$ 1,422	\$ 130	9.1%	\$ 11,975	\$ 12,654	\$ (678)	(5.4%)

Management Discussion

Net Revenue – Aug MTD -\$1,207K:

- Extrusion external sales volume unfavorable by 9.7% or \$1,571K 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 \$1,143K, Delmont by \$281K and Everett by \$160K (loss of SI); partially offset by higher sales out of Laval by \$13K
- Patio Door gross sales were ahead of Prior Year by \$103K mainly driven by increased demand from Golden, Isothermic and AMI. External compound sales were ahead of Prior Year by \$66K due to increases from Nuform, The Vinyl Company and Window Seal
- Favorable product/customer mix impact of \$271K primarily from Woodbridge and Delmont; Favorable rebates & discounts variance of \$49K due to Woodbridge and Everett volumes; and lower returns & allowances by \$47K due to quality improvements at Laval, Everett and Terrebonne
- Unfavorable F/X impact of \$172K (actual rate of 1.3277 [or \$USD 0.7532] vs. Prior Year rate of 1.3041 [or \$USD 0.7668])

EBITDA – Aug MTD -\$298K:

- Unfavorable impact to Gross Margin of \$305K due to significant volume shortfall
- Material costs impacted unfavorably by Woodbridge production issues of \$153K (lower yields, regrind usage and increased JV scrap); higher material pricing impact of \$120K due to glass and aluminum materials at Terrebonne and TiO2 at ECS; and a higher ECS profit elimination of \$94K
- Labor costs were favorable due to headcount reduction initiatives and improved labor efficiencies at Woodbridge, Laval and Everett
- Other COGS lower than the Prior Year as a result of lower freight costs of \$75K and a favorable absorption impact of \$278K as a result of producing more than Prior Year; partially offset by higher overhead spending (mainly utilities)
- Sales and Marketing expenses increased as a result of higher marketing costs in the Quebec region (timing)
- 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 \$34K due to net USD working capital held by the Canadian entity

August 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)	\$ 4,962	\$ 3,216	\$ 3,885	\$ 2,697	\$ 6,754	\$ 2,281	\$ 18	\$ (6,149)	\$ 17,664
Volume impact (external sales)	(1,501)	(43)	(715)	(559)	(108)	(177)	-	-	(3,103)
Volume impact (intercompany sales)	166	21	54	-	(158)	-	-	(83)	-
Rebates & discounts	61	8	8	34	2	(6)	-	-	107
Price / Mix impact	214	(7)	231	(100)	10	117	(18)	-	447
Returns & allowances	(22)	11	2	16	-	5	-	-	12
Other - F/X	(75)	(65)	(0)	0	(16)	(46)	(0)	0	(201)
Actual Net Sales (B)	\$ 3,806	\$ 3,141	\$ 3,465	\$ 2,088	\$ 6,484	\$ 2,173	\$ -	\$ (6,232)	\$ 14,926
Actual vs Budget, as reported Variance (B) - (A)	\$ (1,156)	\$ (76)	\$ (420)	\$ (609)	\$ (269)	\$ (108)	\$ (18)	\$ (83)	\$ (2,739)
Actual vs Prior Year, as reported Variance	\$ (855)	\$ 7	\$ (27)	\$ (180)	\$ (17)	\$ 74	\$ -	\$ (207)	\$ (1,207)

August 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)	\$ 391	\$ 571	\$ 725	\$ 224	\$ (118)	\$ 88	\$ (147)	\$ -	\$ 1,734
Volume & Mix impact	(282)	(121)	(95)	(370)	20	(13)	(18)	-	(879)
Labor - DL/IDL FAV/(UNF)	(25)	41	(8)	9	20	(23)	-	-	15
Alt. Materials FAV/(UNF)	(247)	8	(95)	(20)	-	-	-	-	(353)
Other Materials - FAV/(UNF)	-	-	(30)	-	308	(83)	-	-	195
Absorption impact FAV/(UNF)	(31)	(24)	(27)	187	(17)	(5)	-	-	83
Overhead Spending FAV/(UNF)	(8)	15	41	5	(38)	22	-	-	37
Other	33	28	10	11	(32)	22	45	0	118
Actual EBITDA (B)	\$ (168)	\$ 518	\$ 521	\$ 46	\$ 143	\$ 9	\$ (120)	\$ 0	\$ 949
Actual vs Budget, as reported Variance (B) - (A)	\$ (560)	\$ (53)	\$ (204)	\$ (177)	\$ 261	\$ (79)	\$ 27	\$ 0	\$ (785)
Actual vs Prior Year, as reported Variance	\$ (327)	\$ (32)	\$ 75	\$ (53)	\$ (62)	\$ 327	\$ (226)	\$ 0	\$ (298)

Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Aug-19			Aug-19 YTD			Comments
	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance ⁽¹⁾	\$ (109)	\$ 44	\$ (153)	\$ (335)	\$ 291	\$ (626)	Cellular material issues, increased trials and JV pitting Lower regrind usage due to product mix and process issues
Woodbridge - Alt Materials Usage ⁽²⁾	\$ 69	\$ 163	\$ (94)	\$ 835	\$ 1,052	\$ (217)	
Woodbridge - Total	\$ (40)	\$ 207	\$ (247)	\$ 499	\$ 1,343	\$ (844)	
Laval - Scrap Variance ⁽¹⁾	\$ 22	\$ -	\$ 22	\$ 149	\$ 20	\$ 129	Favorable yields due to longer runs and product mix Lower regrind usage due to lower availability & improved yields
Laval - Alt Materials Usage ⁽²⁾	\$ 64	\$ 78	\$ (14)	\$ 409	\$ 434	\$ (25)	
Laval - Total	\$ 86	\$ 78	\$ 8	\$ 558	\$ 454	\$ 104	
Delmont - Scrap Variance ⁽¹⁾	\$ 86	\$ 126	\$ (40)	\$ 649	\$ 866	\$ (217)	Unfavorable yields due to higher dark capstock and testing Reduced regrind usage due to lower volumes and supply
Delmont - Alt Materials Usage ⁽²⁾	\$ 21	\$ 76	\$ (55)	\$ 361	\$ 580	\$ (219)	
Delmont - Total	\$ 107	\$ 202	\$ (95)	\$ 1,010	\$ 1,446	\$ (436)	
Everett - Scrap Variance ⁽¹⁾	\$ 75	\$ 60	\$ 15	\$ (447)	\$ (374)	\$ (73)	Lower regrind usage due to volumes and external supply
Everett - Alt Materials Usage ⁽²⁾	\$ 30	\$ 65	\$ (35)	\$ 1,041	\$ 1,327	\$ (286)	
Everett - Total	\$ 105	\$ 125	\$ (20)	\$ 594	\$ 953	\$ (359)	
Total Scrap Variance ⁽¹⁾	\$ 74	\$ 229	\$ (155)	\$ 15	\$ 803	\$ (787)	
Total Alt Materials Usage ⁽²⁾	\$ 184	\$ 383	\$ (199)	\$ 2,646	\$ 3,393	\$ (747)	
Grand Total	\$ 259	\$ 612	\$ (353)	\$ 2,661	\$ 4,196	\$ (1,534)	

<p>Notes:</p> <p>(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</p> <p>(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.</p>
--

Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Q1-19	Q2-19	Jul-19	Aug-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	10,057	10,212	74,415
Budget Direct Labor	\$ 4,262	\$ 4,864	\$ 1,704	\$ 1,666	\$ 12,497
Budget Indirect and SG&A Labor	\$ 7,052	\$ 7,405	\$ 2,577	\$ 2,527	\$ 19,560
Budget Total Labor	<u>\$ 11,314</u>	<u>\$ 12,269</u>	<u>\$ 4,282</u>	<u>\$ 4,193</u>	<u>\$ 32,057</u>
Actual Production Volume (Lbs)	23,546	25,123	8,339	9,076	66,084
Actual Direct Labor	\$ 3,908	\$ 4,374	\$ 1,613	\$ 1,650	\$ 11,544
Budget Direct Labor (Flexed for Actual Volume)	\$ 4,060	\$ 4,153	\$ 1,413	\$ 1,480	\$ 11,106
Direct Labor Savings (Flexed for Actual Volume) - FAV(UNF)	<u>\$ 152</u>	<u>\$ (221)</u>	<u>\$ (200)</u>	<u>\$ (170)</u>	<u>\$ (438)</u>
Actual Indirect and SG&A Labor	\$ 6,818	\$ 7,107	\$ 2,396	\$ 2,349	\$ 18,671
Budget Indirect and SG&A Labor (Flexed for Actual Volume)	\$ 7,052	\$ 7,405	\$ 2,577	\$ 2,527	\$ 19,560
Indirect and SG&A Labor Savings - FAV(UNF)	<u>\$ 233</u>	<u>\$ 297</u>	<u>\$ 182</u>	<u>\$ 178</u>	<u>\$ 890</u>
Total Labor	<u>\$ 10,726</u>	<u>\$ 11,481</u>	<u>\$ 4,008</u>	<u>\$ 3,999</u>	<u>\$ 30,215</u>
Budget Total Labor (Flexed for Actual Volume)	<u>\$ 11,112</u>	<u>\$ 11,557</u>	<u>\$ 3,990</u>	<u>\$ 4,007</u>	<u>\$ 30,666</u>
Total Labor Savings - FAV(UNF)	<u>\$ 386</u>	<u>\$ 76</u>	<u>\$ (18)</u>	<u>\$ 8</u>	<u>\$ 452</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	Aug-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	10,057	10,212	74,415
Budget Direct Labor - Consolidated	\$ 4,262	\$ 4,864	\$ 1,704	\$ 1,666	\$ 12,497
Deduct:					
Budget Direct Labor - Terrebonne	\$ 687	\$ 823	\$ 309	\$ 281	\$ 2,100
Budget Total Labor - Extrusion & Compounding	<u>\$ 3,575</u>	<u>\$ 4,041</u>	<u>\$ 1,395</u>	<u>\$ 1,385</u>	<u>\$ 10,396</u>
Budget Direct Labor \$ / Lb Manufactured	\$ 0.145	\$ 0.137	\$ 0.139	\$ 0.136	\$ 0.140
Actual Production Volume (Lbs)	23,546	25,123	8,339	9,076	66,084
Actual Direct Labor - Consolidated	\$ 3,908	\$ 4,374	\$ 1,613	\$ 1,650	\$ 11,544
Deduct:					
Actual Direct Labor - Terrebonne	\$ 515	\$ 793	\$ 339	\$ 320	\$ 1,967
Actual Direct Labor - Extrusion & Compounding	<u>\$ 3,393</u>	<u>\$ 3,580</u>	<u>\$ 1,274</u>	<u>\$ 1,330</u>	<u>\$ 9,577</u>
Actual Direct Labor \$/Lb Manufactured	<u>\$ 0.144</u>	<u>\$ 0.143</u>	<u>\$ 0.153</u>	<u>\$ 0.147</u>	<u>\$ 0.145</u>
Budget Casual / Temp Direct Labor - Consolidated	\$ 316	\$ 372	\$ 142	\$ 136	\$ 966
Deduct:					
Budget Casual / Temp Direct Labor - Terrebonne	\$ 25	\$ 120	\$ 43	\$ 27	\$ 215
Budget Total Casual / Temp Labor - Extrusion & Compounding	<u>\$ 291</u>	<u>\$ 252</u>	<u>\$ 99</u>	<u>\$ 109</u>	<u>\$ 751</u>
Budget Casual / Temp Direct Labor \$ / Lb Manufactured	\$ 0.012	\$ 0.009	\$ 0.010	\$ 0.011	\$ 0.010
Actual Casual / Temp Direct Labor - Consolidated	\$ 179	\$ 316	\$ 249	\$ 245	\$ 988
Deduct:					
Actual Casual / Temp Direct Labor - Terrebonne	\$ 22	\$ 130	\$ 115	\$ 108	\$ 375
Actual Casual / Temp Direct Labor - Extrusion & Compounding	<u>\$ 157</u>	<u>\$ 185</u>	<u>\$ 133</u>	<u>\$ 137</u>	<u>\$ 613</u>
Actual Casual / Temp Direct Labor \$/Lb Manufactured	<u>\$ 0.007</u>	<u>\$ 0.007</u>	<u>\$ 0.016</u>	<u>\$ 0.015</u>	<u>\$ 0.009</u>

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	\$ 17,664	\$ 1,734	\$ 33,829	\$ 3,060	\$ 119,704	\$ 8,004
<u>Net Revenue Delta</u>						
Volume	(3,103)	(1,106)	(4,533)	(1,313)	(15,072)	(4,325)
Pricing	—	—	—	—	—	—
Mix	446	224	350	127	787	565
Discounts	28	28	51	51	241	241
Returns	12	12	53	53	85	85
Rebates	79	79	115	115	694	694
F/X	(201)	(135)	(271)	(174)	(1,513)	(540)
Total Net Revenue Delta	(2,739)	(898)	(4,235)	(1,141)	(14,778)	(3,280)
<u>Cost Delta</u>						
Absorption		83		(348)		(255)
SG&A		93		242		815
Variances		(93)		(208)		(433)
Other		30		30		678
Total Cost Delta		113		(284)		805
Actual	\$ 14,926	\$ 949	\$ 29,594	\$ 1,636	\$ 104,927	\$ 5,529

Management Discussion - MTD

- Extrusion external sales volume unfavorable by 16.0% or \$2,818K, lower external compound sales by \$108K and lower Terrebonne sales of \$177K contributing to the volume impact of \$3,103K
- Favorable product/customer sales mix of \$446K primarily from Woodbridge, Delmont and Terrebonne
- Unfavorable F/X impact of \$201K (actual rate of 1.3277 [or \$USD 0.7532] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$95K, in addition to an unfavorable realized balance sheet re-valuation impact of \$40K due to a change in the month-end rate from 1.3158 on July 31st, 2019 to 1.3296 on August 31st, 2019
- Favorable SG&A due to lower G&A labor & benefits costs and lower OPEX spending (ie. T&E costs)
- Unfavorable variances of \$93K due to unfavorable yields, higher scrap costs and lower regrind usage at Woodbridge, Delmont & Everett of \$353K, partially offset by favorable resin material prices and favorable scrap at ECS of \$195K (net of higher TiO₂, glass, steel and aluminum pricing) and lower labor costs of \$65K (exclusive of volume impacts)
- Other costs lower than Budget due to lower overhead spending (ie. Maintenance, factory suppliers) partially offset by higher utilities

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	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	Bud	BPs	%	Act	BPs	%						
Customer:																																						
PGT Industries Inc	\$	1,929	\$	2,320	\$	(391)	(16.9%)	\$	2,193	\$	(263)	(12.0%)	\$	15,197	\$	15,953	\$	(756)	(4.7%)	\$	14,703	\$	495	3.4%	18.3%	18.6%	(27)	(1.5%)	18.2%	9	0%	19.3%	18.2%	107	5.9%	14.9%	442	29.7%
Eclipse Shutter Systems		1,090		1,356		(265)	(19.6%)		1,270		(179)	(14.1%)		9,064		10,744		(1,681)	(15.6%)		10,696		(1,633)	(15.3%)	5.2%	3.3%	195	59.9%	6.6%	(138)	(21%)	3.5%	3.3%	20	6.1%	5.9%	(237)	(40.4%)
Atis		720		994		(274)	(27.5%)		1,130		(410)	(36.3%)		4,834		6,060		(1,226)	(20.2%)		7,085		(2,251)	(31.8%)	(15.0%)	(19.6%)	460	(23.5%)	(16.0%)	100	(6%)	(16.1%)	(18.9%)	284	(15.0%)	(16.7%)	67	(4.0%)
Simonton		884		1,116		(232)	(20.8%)		1,045		(161)	(15.4%)		6,337		7,238		(901)	(12.4%)		7,169		(832)	(11.6%)	15.1%	19.5%	(433)	(22.2%)	15.0%	16	1%	12.9%	17.4%	(447)	(25.7%)	9.1%	386	42.6%
Quaker Window Products		513		602		(89)	(14.8%)		515		(2)	(0.3%)		3,733		4,199		(465)	(11.1%)		3,588		145	4.0%	11.0%	11.0%	0	0.0%	11.4%	(36)	(3%)	11.0%	11.0%	0	0.0%	7.8%	318	40.5%
Ostaco 2000		305		379		(74)	(19.6%)		339		(34)	(10.1%)		2,034		2,398		(365)	(15.2%)		2,429		(395)	(16.3%)	12.7%	6.3%	643	102.4%	21.7%	(894)	(41%)	10.0%	7.6%	243	32.1%	20.2%	(1,018)	(50.4%)
SOLARIS QUEBEC P & F INC.		377		399		(23)	(5.7%)		404		(27)	(6.7%)		2,859		2,664		194	7.3%		2,767		92	3.3%	25.4%	23.2%	212	9.1%	12.0%	1,335	111%	24.0%	24.0%	(0)	(0.0%)	9.6%	1,445	151.0%
Dashwood Industries Inc		311		363		(51)	(14.1%)		381		(70)	(18.3%)		2,085		2,321		(236)	(10.2%)		2,475		(390)	(15.8%)	14.4%	13.2%	129	9.8%	21.5%	(705)	(33%)	17.1%	14.3%	275	19.2%	15.9%	113	7.1%
Windsor Window Co OEM		353		394		(41)	(10.4%)		401		(48)	(12.1%)		2,562		2,445		117	4.8%		2,489		73	2.9%	23.5%	23.8%	(33)	(1.4%)	9.9%	1,366	139%	23.6%	23.7%	(6)	(0.2%)	8.0%	1,563	196.1%
All Weather		361		794		(432)	(54.5%)		289		73	25.2%		2,992		4,776		(1,785)	(37.4%)		2,066		925	44.8%	11.3%	15.7%	(444)	(28.3%)	14.1%	(285)	(20%)	11.9%	14.8%	(289)	(19.5%)	12.5%	(56)	(4.5%)
Polaris Technologies		420		507		(87)	(17.2%)		293		127	43.3%		3,548		3,965		(417)	(10.5%)		2,362		1,186	50.2%	17.1%	19.7%	(260)	(13.2%)	0.0%	1,712	N/A	16.4%	17.2%	(78)	(4.6%)	0.0%	1,645	N/A
A.M.I.		416		413		3	0.7%		402		14	3.4%		2,484		2,413		71	2.9%		2,427		57	2.3%	14.3%	0.0%	1,426	N/A	7.0%	721	102%	9.0%	2.2%	677	307.8%	5.1%	387	75.9%
ATLANTIC WINDOWS		382		281		101	35.9%		246		136	55.3%		2,371		2,568		(197)	(7.7%)		2,517		(146)	(5.8%)	14.7%	12.0%	274	22.9%	8.8%	594	68%	15.4%	12.2%	325	26.6%	5.3%	1,014	191.8%
Vinyl Profiles, LLC		195		355		(160)	(45.1%)		108		87	81.0%		1,771		2,603		(832)	(32.0%)		1,611		160	9.9%	20.0%	20.7%	(71)	(3.4%)	16.9%	315	19%	20.3%	20.6%	(33)	(1.6%)	19.5%	82	4.2%
Comfort View Products		249		271		(22)	(8.1%)		251		(2)	(0.8%)		1,480		2,202		(722)	(32.8%)		2,095		(615)	(29.4%)	18.5%	18.5%	0	0.0%	15.1%	332	22%	19.7%	16.8%	298	17.8%	11.9%	781	65.5%
PORTES & FENETRES ABRITEK		288		318		(30)	(9.5%)		337		(49)	(14.6%)		1,814		1,796		18	1.0%		1,946		(132)	(6.8%)	15.6%	21.4%	(580)	(27.1%)	19.6%	(400)	(20%)	9.7%	18.4%	(871)	(47.4%)	19.1%	(941)	(49.3%)
Coeur d'Alene		358		385		(27)	(7.0%)		277		81	29.4%		2,180		2,550		(371)	(14.5%)		1,905		275	14.4%	5.1%	6.2%	(117)	(18.7%)	0.1%	496	4329%	1.4%	4.5%	(315)	(69.3%)	(0.9%)	224	(264.0%)
SCHLUTER SYSTEMS L.P.		244		237		7	3.0%		236		8	3.4%		1,550		1,801		(251)	(13.9%)		1,794		(244)	(13.6%)	24.2%	22.1%	206	9.3%	19.8%	436	22%	24.1%	24.1%	(3)	(0.1%)	19.6%	448	22.9%
P & F ISOTHERMIC INC		365		237		127	53.7%		250		115	45.8%		1,877		1,623		254	15.7%		1,798		79	4.4%	12.9%	21.6%	(871)	(40.4%)	15.8%	(289)	(18%)	13.2%	20.4%	(716)	(35.2%)	3.6%	962	268.8%
Sierra Pacific Windows		234		211		23	10.9%		186		48	25.8%		1,806		1,770		36	2.0%		1,695		111	6.5%	5.0%	11.8%	(685)	(57.8%)	3.2%	177	55%	9.0%	9.6%	(60)	(6.2%)	5.0%	397	79.2%
Other		5,789		6,722		(932)	(13.9%)		6,545		(756)	(11.5%)		37,782		44,130		(6,348)	(14.4%)		48,690		(10,908)	(22.4%)	21.6%	29.4%	(776)	(26.4%)	25.4%	(372)	(15%)	23.2%	25.3%	(200)	(7.9%)	27.5%	(425)	(15.4%)
Total Gross	\$	15,784	\$	18,655	\$	(2,870)	(15.4%)	\$	17,097	\$	(1,312)	(7.7%)	\$	110,360	\$	126,221	\$	(15,861)	(12.6%)	\$	124,308	\$	(13,948)	(11.2%)	15.8%	18.2%	(239)	(13.1%)	15.6%	23	1%	16.0%	16.6%	(59)	(3.6%)	15.3%	73	4.8%

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 & Ostaco – softness in orders in line with market
- All Weather – Sales attributed to new launches in 2019 lower vs budget
- 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	4,650	102,346
Changes:		
Converted	(4,650)	(23,114)
Lost	(2,004)	(42,286)
Other	—	(374)
Total Net Changes	(6,654)	(65,774)
Closing Pipeline	\$ 61,495	\$ 61,495

Management Discussion

- Closure of new opportunities valued at \$4.65M
 - Western Windows for 3700 Series valued at \$0.65M at Everett
 - ATIS with for Performer and Fusion PDs valued at \$2.4M at Terrebonne
 - President Windows for 4600 Series valued at \$1.5M at Laval
- Loss of Opportunities with Solar Innovations for Door and Window Platform worth \$0.85M due to no decision
- Loss of Progressive Windows for 3 ¼" Program valued at \$0.5M due to no decision

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			
Western Windows	EVERETT	Jay Meiries	Y	New 3700 4 Track Frame with Dark	Windows	Aug-19	Aug-19	100%	Other	TBD	TBD	\$ 650	245	
ATIS	TERREBONNE	Jean Marois	Y	Performer and Fusion PD	PD	Aug-19	Aug-19	100%	PH Tech	TBD	TBD	\$ 2,500	500	
President Windows	LAVAL	Jean Marois	Y	4600 Series	Windows	1-Jul-17	1-Aug-19	100%	Other	TBD	TBD	\$ 1,500	750	
												\$ 4,650	1,495	

Pipeline Conversion

[MOR/QOR/AOP SLIDE] PIPELINE CONVERSIONS

\$ '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											
Western Windows	Jay Meiries	Y	New 3700 4 Track Frame with Dark Cap	Other	1-Aug-19	TBD	TBD	(650)	(245)	5	
ATIS	Jean Marois	Y	Performer and Fusion PD	PH Tech	1-Aug-19	TBD	TBD	(2,500)	(500)	3	
President Windows	Jean Marois	Y	4600 Series	Other	1-Aug-19	TBD	TBD	(1,500)	(750)	5	
								<u>\$ (4,650)</u>	<u>\$ (1,495)</u>		
LOST											
Solar Innovations	Charlie Irwin	Y	Door and Window Platform	Other	NA	NA	NA	(850)	(550)	6	
Progressive Windows	Jay Meiries	N	3 1/4" Program	Other	NA	NA	NA	(500)	(250)	6	
Menuiserie Belisle	Samuel St-Pierre	N	4600 Series	Other	NA	NA	NA	(231)	(125)	6	
Aluminart	Pierre Lafleur	Y	Casement	Other	NA	NA	NA	(192)	(125)	6	
Group Atlanta	Pierre Lafleur	N	Hybrid Slider	Other	NA	NA	NA	(154)	(100)	6	
LGC	Samuel St-Pierre	Y	Patio Door	NA	NA	NA	NA	(77)	(50)	7	Patio Door business lost
								<u>\$ (2,004)</u>	<u>\$ (1,200)</u>		
OTHER											
								<u>-</u>	<u>-</u>		
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																		
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
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				
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				
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																		
	\$	34,979	\$	26,550	\$	2,011												
Legend																		

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	
President Windows	\$ 150	\$ -	\$ 100	TBD	TBD	TBD									
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	
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	
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	
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									
Supreme	\$ 500	375	\$ -	TBD	TBD	TBD								Strong relationship with Westech but concerned	
TOTAL NEW CUSTOMERS	\$ 19,516	\$ 16,857	\$ 600												
Total Extrusion and Patio Doors	\$ 54,495	43,407	\$ 2,611												
Legend															
								Complete							
								In process, on track							
								In process, delayed							
								In process, at risk							

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%)
Existing Customers															
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-										
New Customers															
Fence Outlet	\$	6,000	10,000	\$	-	TBD	TBD	TBD						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							
Mor-X Plastics	\$	200	200	\$	-	TBD	TBD	TBD							
Vinylcraft	\$	500	500	\$	-	TBD	TBD	TBD							
TOTAL NEW CUSTOMERS	\$	7,000	\$ 11,000	\$	-										
Total External Compound Sales	\$	7,000	11,000	\$	-										
TOTAL SALES PIPELINE	\$	61,495	54,407	\$	2,611										
Legend															
<div><div></div> Complete</div> <div><div></div> In process, on track</div> <div><div></div> In process, delayed</div> <div><div></div> In process, at risk</div>															

YTD Opex Analysis

\$'000

	YTD			Explanation of Variance						Variance Impact	
	Variance			One-Time /		Change in		Total Variance	YoY Impact		
	Act	Bud	(B) / W	Non-recurring	Timing	Run-rate	Other/FX			(B) / W	(B) / W
Payroll	\$ 6,788	\$ 7,174	\$ (386)	\$ (45)	\$ (15)	\$ (222)	\$ (104)	\$ (386)	\$ (378)		
Bonus	\$ 897	\$ 907	\$ (10)	\$ -	\$ -	\$ -	\$ (10)	(10)	\$ (2)		
Commissions	\$ 161	\$ 239	\$ (77)	\$ (13)	\$ -	\$ (61)	\$ (3)	(77)	\$ 33		
Marketing	\$ 902	\$ 1,170	\$ (268)	\$ -	\$ (251)	\$ -	\$ (17)	(268)	\$ (215)		
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	—	\$ -		
Travel and entertainment	\$ 716	\$ 1,066	\$ (350)	\$ (93)	\$ (50)	\$ (198)	\$ (9)	(350)	\$ (137)		
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	—	\$ -		
Insurance	\$ 213	\$ 229	\$ (17)	\$ -	\$ (12)	\$ (5)	\$ (0)	(17)	\$ (12)		
Professional fees	\$ 404	\$ 392	\$ 12	\$ 18	\$ -	\$ 2	\$ (8)	12	\$ 8		
Office expense	\$ 172	\$ 195	\$ (23)			\$ (20)	\$ (3)	(23)	\$ (41)		
IT	\$ 1,267	\$ 1,374	\$ (107)	\$ 125	\$ (126)	\$ (80)	\$ (26)	(107)	\$ 179		
Bad Debts	\$ 97	\$ (3)	\$ 100	\$ 103	\$ -	\$ -	\$ (3)	100	\$ 161		
FX	\$ (122)	\$ -	\$ (122)	\$ -	\$ -	\$ -	\$ (122)	(122)	\$ (290)		
JV Loss (Income)	\$ (127)	\$ (155)	\$ 28	\$ (2)	\$ 20	\$ 14	\$ (3)	28	\$ 20		
Other Expenses	\$ 607	\$ 576	\$ 31	\$ (4)	\$ -	\$ 52	\$ (17)	31	\$ (6)		
Total Opex	\$ 11,975	\$ 13,163	\$ (1,188)	\$ 89	\$ (433)	\$ (517)	\$ (326)	\$ (1,188)	\$ (678)		

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 as a result of a combination of discontinuing certain services and timing of contract negotiations as part of cost management and a positive Canadian FX impact offset by unbudgeted expense for Spend HQ and DSI MEP software subscriptions.
- 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	\$ 120	\$ 70	\$ (50)	\$ (34)	\$ -	\$ (16)	(50)	\$ (34)
Legal Fees	\$ 23	\$ -	\$ (23)	\$ -	\$ -	\$ (23)	(23)	\$ -
Professional Fees	\$ 353	\$ 117	\$ (236)	\$ (179)	\$ (4)	\$ (53)	(236)	\$ (179)
Mgmt Incentive	\$ 245	\$ 342	\$ 97	\$ 97	\$ -	\$ -	97	\$ 97
Laval Water Damage	\$ 90	\$ -	\$ (90)	\$ -	\$ -	\$ (90)	(90)	\$ -
Profit Velocity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAD Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3	\$ -	\$ (3)	\$ -	\$ -	\$ (3)	(3)	\$ -
Total 1X Costs	\$ 834	\$ 529	\$ (305)	\$ (115)	\$ (4)	\$ (186)	\$ (305)	\$ (115)

Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$64K), 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 (\$103K), Project Monaco costs (\$14K), Management Tools Inc (\$16K) and Smart Ventures (\$50K)
- Management staff incentive accrual (\$245K)
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$90K, not planned)

Balance Sheet

\$'000	Dec-18	May-19	Jun-19	Jul-19	Aug-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	11.2%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	8,958	14,654	15,793	13,673	13,780	16,300	(2,520)	(15.5%)
<i>Accounts receivable, reserves</i>	(363)	(465)	(479)	(477)	(472)	(679)	207	(30.4%)
Accounts receivable, net	8,594	14,190	15,313	13,196	13,308	15,621	(2,313)	(14.8%)
<i>Inventory, gross</i>	31,776	32,304	34,675	34,503	34,146	34,512	(367)	(1.1%)
<i>Inventory, reserves</i>	(1,467)	(1,608)	(1,789)	(1,797)	(1,783)	(1,660)	(123)	7.4%
Inventory, net	30,309	30,697	32,887	32,705	32,363	32,852	(490)	(1.5%)
Prepaid expenses and other current assets	2,942	4,233	4,279	4,257	4,035	3,336	699	20.9%
Other current assets	901	865	830	1,026	932	1,050	(117)	(11.2%)
Total Current Assets	42,746	49,987	53,312	51,187	50,640	52,862	(2,222)	(4.2%)
Non-Current Assets								
<i>Property, plant & equipment, gross</i>	64,977	67,826	69,761	70,321	70,322	72,661	(2,339)	(3.2%)
<i>Accumulated depreciation</i>	(17,639)	(21,300)	(22,479)	(23,152)	(23,765)	(21,936)	(1,829)	8.3%
Property, plant & equipment, net	47,338	46,525	47,282	47,169	46,557	50,725	(4,168)	(8.2%)
Deferred financing cost	548	484	479	464	448	450	(2)	(0.4%)
Deferred tax asset	2,879	2,901	2,973	2,963	2,938	1,367	1,572	115.0%
Other non-current assets	2,616	2,698	2,800	2,791	2,784	3,216	(432)	(13.4%)
Total Non-Current Assets	53,382	52,607	53,535	53,388	52,727	55,757	(3,030)	(5.4%)
Total Assets	\$ 96,127	\$ 102,595	\$ 106,848	\$ 104,574	\$ 103,368	\$ 108,619	\$ (5,252)	(4.8%)
Current Liabilities								
Bank Debt	\$ 10,222	\$ 19,025	\$ 17,818	\$ 17,338	\$ 16,897	\$ 20,550	\$ (3,654)	(17.8%)
Current Portion - Long Term Debt	1,628	1,640	1,683	1,676	1,662	1,800	(138)	(7.7%)
Accounts payable	12,709	12,359	15,487	15,146	14,498	14,035	463	3.3%
Accrued liabilities	3,343	3,556	3,864	3,513	3,630	3,689	(59)	(1.6%)
Accrued compensation	2,521	3,488	3,931	3,435	3,952	4,195	(243)	(5.8%)
Income taxes payable	(246)	(215)	(118)	46	86	1,357	(1,271)	(93.7%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	—	1,301	N/A
Other current liabilities	97	132	125	127	122	139	(17)	(12.1%)
Total Current Liabilities	31,576	41,287	44,090	42,582	42,149	45,766	(3,617)	(7.9%)
Long-term liabilities								
Long-term debt less current maturities	12,006	11,418	11,587	11,403	11,163	11,001	162	1.5%
Deferred income taxes	9,610	9,647	9,775	9,756	9,713	7,785	1,928	24.8%
Other non-current liabilities	1,468	1,497	1,597	1,591	1,577	1,467	110	7.5%
Total Long-Term Liabilities	23,084	22,562	22,959	22,751	22,453	20,253	2,200	10.9%
Total Liabilities	54,660	63,849	67,049	65,333	64,602	66,018	(1,417)	(2.1%)
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	27,180	28,033	27,505	27,095	30,521	(3,426)	(11.2%)
Accumulated other comprehensive income	(1,181)	(1,045)	(845)	(873)	(938)	(530)	(408)	77.1%
Total Shareholders' Equity	41,467	38,746	39,798	39,241	38,766	42,601	(3,835)	(9.0%)
Total Liabilities and Shareholders' Equity	\$ 96,127	\$ 102,595	\$ 106,848	\$ 104,574	\$ 103,368	\$ 108,619	\$ (5,252)	(4.8%)

Management Discussion

- Net A/R vs. Budget is lower by \$2,313K (14.8%) largely due to reduction in Sales by 15.5% vs Budget. Furthermore, there is an unfavorable F/X impact of \$223K (actual rate of 1.3296 [or USD\$ 0.75] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Inventory levels almost inline vs Bud as a result of lower production following inventory buildup in prior months to match the current sales trend.
- Increase in Prepaid expenses vs Bud due to higher property insurance premium renewal for 2019/2020 period vs budget of \$50K and prepayment of advertisement campaign and GlassBuild earlier then scheduled of \$360K and Real Estate Tax in the US for \$274K.
- Decrease in Other current assets vs Bud attributed to lower GST receivable \$293k due to lower raw material purchase from Westlake. This was offset by higher receivable vs budget related to Customer Tooling of \$194K
- Gross PP&E lower vs Bud by 2,339K largely due to lower Capex spending than budgeted YTD of \$1,851K and an unfavorable F/X impact of \$488K (actual rate of 1.3296 [or USD\$ 0.75] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Other non-current assets reduction of \$432K 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 1.3296 [or USD\$ 0.75] vs. the Budget rate of 1.30 [or USD\$ 0.77])

Cash Flow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Vari:	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	\$	
Cash flow from operations												
Net Income (Loss)	\$ (410)	\$ 458	\$ (869)	(189.4%)	\$ 255	\$ (665)	(261.1%)		\$ (2,934)	\$ (2,042)	\$ (893)	
Depreciation, amortization and other	768	781	(13)	(1.6%)	656	112	17.0%		5,855	5,937	(82)	
Non-cash loss/expense (gain)	83	(137)	220	(160.6%)	(3)	87	(2526.6%)		(61)	248	(309)	
Deferred income tax	(43)	—	(43)	N/A	0	(43)	(17866.9%)		104	148	(45)	
Change in operating assets and liabilities:												
Accounts receivable	(112)	(539)	427	(79.2%)	1,062	(1,175)	(110.6%)		(4,713)	(7,115)	2,401	
Inventory	342	267	75	28.0%	1,427	(1,085)	(76.0%)		(2,054)	(2,544)	490	
Prepaid expenses and other current assets	316	99	217	219.1%	122	194	158.8%		(1,124)	(543)	(581)	
Accounts payable	(648)	(447)	(201)	44.9%	(531)	(118)	22.2%		1,789	1,326	463	
Accrued expenses	635	(118)	752	(640.3%)	(264)	899	(340.6%)		1,718	2,271	(553)	
Accrued income taxes	40	210	(170)	(80.9%)	58	(17)	(30.4%)		332	707	(375)	
Other changes in operating assets and liabilities	(5)	2	(6)	(358.2%)	(7)	3	(36.8%)		25	(1,259)	1,284	
Other cash flow from operations	—	—	—	N/A	—	—	N/A		—	—	—	
Total Cash Flow from Operations	\$ 966	\$ 576	\$ 391	67.8%	\$ 2,775	\$ (1,809)	(65.2%)		\$ (1,064)	\$ (2,864)	\$ 1,800	
Cash flow from investing												
Additions to property, plant and equipment	\$ (386)	\$ (492)	\$ 106	(21.5%)	\$ (638)	\$ 252	(39.5%)		\$ (4,499)	\$ (6,315)	\$ 1,816	
Earnout payments	—	—	—	N/A	—	—	N/A		—	—	—	
Other cash flow from investing	—	—	—	N/A	—	—	N/A		—	—	—	
Total Cash Flow from Investing	\$ (386)	\$ (492)	\$ 106	(21.5%)	\$ (638)	\$ 252	(39.5%)		\$ (4,499)	\$ (6,315)	\$ 1,816	
Cash flow from financing												
Proceeds from the issuance (repayment) of short-term debt	\$ (442)	\$ 59	\$ (501)	(849.0%)	\$ (2,028)	\$ 1,586	(78.2%)		\$ 6,674	\$ 10,328	\$ (3,654)	
Proceeds from the issuance of debt	0	—	0	N/A	—	0	N/A		0	—	0	
Repayment of debt	(139)	(143)	5	(3.2%)	(109)	(29)	27.0%		(1,108)	(1,146)	38	
Common stock cash dividends paid	—	—	—	N/A	—	—	N/A		—	—	—	
Other cash flow from financing	—	—	—	N/A	—	—	N/A		—	—	—	
Total Cash Flow from Financing	\$ (580)	\$ (84)	\$ (496)	588.7%	\$ (2,137)	\$ 1,557	(72.8%)		\$ 5,566	\$ 9,182	\$ (3,616)	
Effect of FX rates on cash and cash equivalents	\$ —	\$ —	\$ —	N/A	\$ —	\$ —	N/A		\$ —	\$ —	\$ —	
Net change in cash	\$ (0)	\$ (0)	\$ (0)	5554%	\$ (0)	\$ (0)	2853.1%		\$ 3	\$ 3	\$ 0	
Beginning cash	3	3	0	11.8%	0	3	1079786.6%		0	0	—	
Change in cash	(0)	(0)	(0)	5554%	(0)	(0)	2853.1%		3	3	0	
Ending cash	\$ 3	\$ 3	\$ 0	11.2%	\$ (0)	\$ 3	(1250717.1%)		\$ 3	\$ 3	\$ 0	

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	Actual 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	27,848	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	16,897	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	10,951	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%	39.3%	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	8,306	7,562	8,167	8,451	9,465
Total Capex	462	489	531	560	448	519	805	761	386	492	398	398	398
TTM Capex	7,822	7,266	7,354	7,115	7,577	7,209	7,315	7,293	7,041	6,923	6,779	6,249	6,184
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	1,273	649	1,397	2,212	3,290
Cash Interest on existing ABL	161	156	165	189	184	198	187	191	189	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	2,120	2,141	2,161	2,173	2,180
Principal Payments on additional debt	138	138	139	138	138	137	139	140	139	141	141	141	141
TTM Principal Payments	1,387	1,412	1,436	1,462	1,490	1,516	1,544	1,574	1,604	1,636	1,667	1,669	1,672
Denominator	3,256	3,330	3,402	3,482	3,541	3,603	3,643	3,683	3,724	3,777	3,828	3,842	3,852
FCCR Ratio	(0.1)	0.1	0.4	0.4	0.3	0.4	0.7	0.4	0.3	0.2	0.4	0.6	0.9
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	Breach

13-Week Cash Flow Forecast

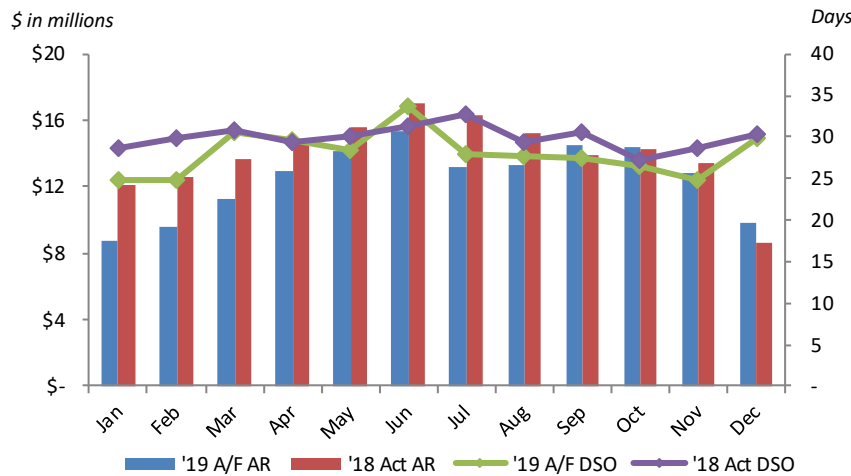
Date08/30/1909/06/1909/13/1909/20/1909/27/1910/04/1910/11/1910/18/1910/25/1911/01/1911/08/1911/15/1911/22/1911/29/19

Cash Flow Roll-Up:

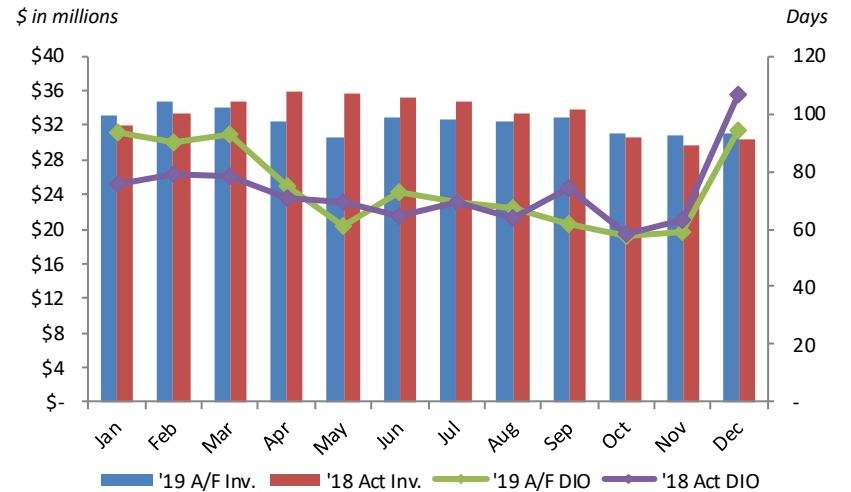
Total Inflows - Operational	2,768	2,766	3,353	3,373	3,373	4,068	3,897	4,945	4,117	4,388	4,372	4,214	4,219	4,193
Receipts from Customers based on AR	2,768	2,766	2,861	2,880	2,880	3,009	1,540	1,559	174	174	174	-	-	-
New Net External Sales	-	-	-	-	-	551	1,837	2,866	3,424	3,702	3,726	3,742	3,747	3,721
New Affiliate Sales	-	-	492	492	492	508	520	520	520	513	472	472	472	472
Total Outflows - Operational	(3,253)	(3,743)	(5,734)	(6,147)	(3,290)	(4,585)	(3,551)	(4,993)	(4,595)	(3,358)	(4,944)	(4,473)	(4,919)	(2,897)
Payments to Suppliers based on AP Agir	(1,273)	(1,205)	(1,463)	(1,421)	(1,178)	(1,171)	(862)	(833)	(826)	(758)	0	0	0	0
Materials	(416)	(417)	(1,074)	(544)	(317)	(303)	(274)	(1,485)	(1,485)	(1,473)	(1,781)	(1,781)	(2,160)	(1,781)
Conversion Costs	(789)	(905)	(954)	(558)	(873)	(915)	(1,085)	(557)	(874)	(546)	(1,851)	(546)	(888)	(553)
Other COGS	(241)	(202)	(202)	(202)	(232)	(190)	(190)	(190)	(234)	(195)	(195)	(195)	(234)	(183)
Selling Costs	(166)	(36)	(113)	(36)	(179)	(131)	(113)	(37)	(150)	(38)	(115)	(38)	(300)	(36)
General and Administrative	(272)	(104)	(158)	(103)	(275)	(101)	(156)	(103)	(284)	(107)	(160)	(107)	(497)	(103)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(95)	(235)	(235)	(235)	(235)	(224)	(224)	(224)	(224)	(241)	(241)	(241)	(241)	(241)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	0	0	0	0	0	(250)	0	0	0	0	0	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	(640)	(1,535)	(3,048)	0	0	(647)	(1,564)	(517)	0	(600)	(1,564)	(600)	0
Projected Operational Cash Flow	(485)	(977)	(2,381)	(2,774)	83	(517)	346	(49)	(478)	1,031	(573)	(258)	(700)	1,296
Cash receipts more (less) than projection	200	351	(479)	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	771	960	1,744	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	1,101	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	251	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	737	334	(15)	(2,774)	83	(517)	346	(49)	(478)	1,031	(573)	(258)	(700)	1,296
Bank interest	0	(171)	0	0	0	(147)	0	0	0	(148)	0	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	(139)	0	0	0	(139)	0	0	0	0
Monitoring Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	0	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	(14)	(3)	0	(10)	0	(3)	0	(10)	0	(3)	0	(10)	0	0
Total Financial Cash Flow	(14)	(312)	0	(10)	0	(289)	0	(10)	0	(290)	0	(10)	0	0
Total Cash Flow	723	22	(15)	(2,784)	83	(806)	346	(59)	(478)	740	(573)	(269)	(700)	1,296
Adjusted Loan Balance	17,945	17,159	16,859	19,643	19,561	20,366	20,019	20,078	20,556	19,815	20,388	20,657	21,358	20,062
Term Loan	12,831	12,738	12,760	12,760	12,760	12,620	12,620	12,620	12,620	12,481	12,481	12,481	12,481	12,481
Total Debt	30,776	29,897	29,619	32,403	32,321	32,986	32,640	32,699	33,176	32,297	32,869	33,139	33,840	32,544
Revolver Availability	9,903	10,755	11,086	8,302	8,968	8,163	8,509	8,450	10,369	11,110	10,537	10,268	9,307	10,603

Working Capital and Cash Conversion Cycle

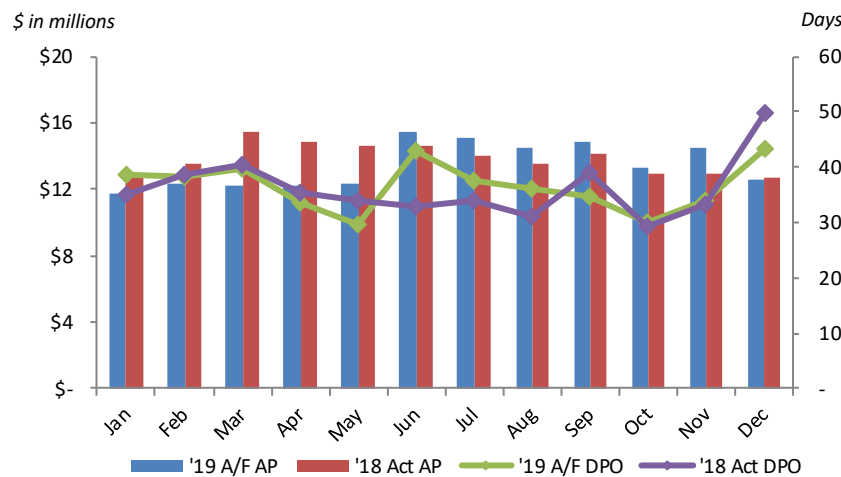
Accounts Receivable



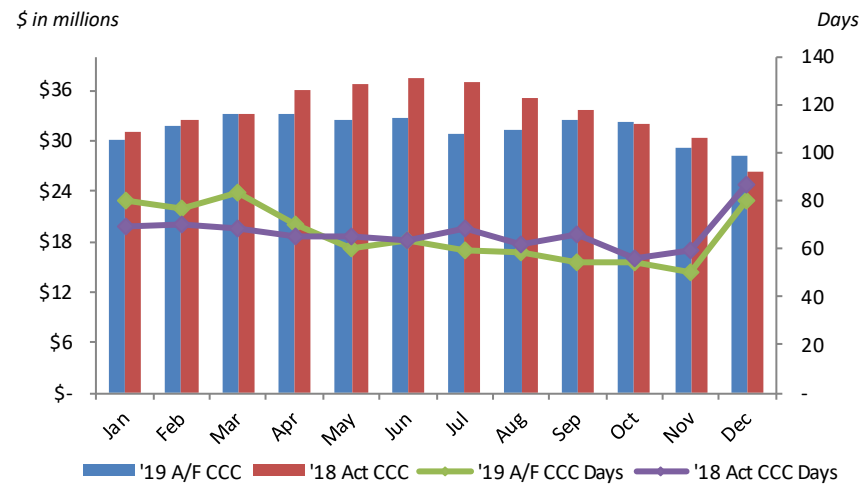
Inventory



Accounts Payable



Cash Conversion Cycle



AR and AP Aging Detail

\$'000

AR Aging				
Days	Jun-19	Jul-19	Aug-19	%
0-30	\$ 13,482	\$ 11,802	\$ 11,177	84.0%
30-60	1,381	1,077	1,722	12.9%
60-90	59	16	106	0.8%
>90	392	301	302	2.3%
Total	\$ 15,313	\$ 13,196	\$ 13,308	100.0%

AP Aging				
Days	Jun-19	Jul-19	Aug-19	%
0-30	\$ 13,674	\$ 11,244	\$ 11,058	76.3%
30-60	1,227	3,245	2,852	19.7%
60-90	528	489	440	3.0%
>90	58	168	148	1.0%
Total	\$ 15,487	\$ 15,146	\$ 14,498	100.0%

Management Discussion

- DSO stable at 28 days similar to prior month.
- Decrease in DPO days from 38 to 36 due to payments of some large ticket invoices in August 2019.

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)	99,942	108,274	(8,331)	(7.7%)	96,146	3,797	3.9%
Units Shipped ('000)	99,594	109,580	(9,985)	(9.1%)	104,464	(4,870)	(4.7%)
Bookings (\$'000)	\$ 169,335	\$ 180,948	\$ (11,613)	(6.4%)	\$ 173,588	\$ (4,253)	(2.5%)
Backlog (\$'000)	\$ 11,911	\$ 11,911	\$ –	0.0%	\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 172,175	\$ 188,036	\$ (15,861)	(8.4%)	\$ 180,283	\$ (8,108)	(4.5%)
Adj. to Gross Revenue	(8,793)	(9,876)	1,084	(11.0%)	(9,708)	916	(9.4%)
Net Revenue	163,382	178,160	(14,778)	(8.3%)	170,574	(7,192)	(4.2%)
Material	79,827	88,355	(8,529)	(9.7%)	83,420	(3,593)	(4.3%)
Labor	36,894	38,371	(1,477)	(3.8%)	38,503	(1,609)	(4.2%)
Other COGS	19,151	20,261	(1,109)	(5.5%)	20,885	(1,734)	(8.3%)
Total COGS	135,872	146,986	(11,115)	(7.6%)	142,807	(6,936)	(4.9%)
Gross Margin	27,511	31,173	(3,663)	(11.7%)	27,767	(256)	(0.9%)
Gross Margin %	16.8%	17.5%			16.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	6,836	7,247	(411)	(5.7%)	7,045	(209)	(3.0%)
Administrative	12,089	12,772	(683)	(5.3%)	10,240	1,849	18.1%
Other Opex	(322)	(228)	(94)	41.1%	302	(624)	(206.7%)
Total Opex	18,603	19,791	(1,188)	(6.0%)	17,587	1,017	5.8%
EBITDA	8,908	11,382	(2,475)	(21.7%)	10,180	(1,273)	(12.5%)
EBITDA %	5.5%	6.4%			6.0%		
Net Income (Loss)	\$ (4,192)	\$ (3,300)	\$ (893)	27.1%	\$ (3,490)	\$ (702)	20.1%
Capex	\$ (6,184)	\$ (8,000)	\$ 1,816	(22.7%)	\$ (10,215)	\$ 4,031	(39.5%)
Opex Overview:							
Payroll	\$ 10,398	\$ 10,783	\$ (386)	(3.6%)	\$ 10,318	\$ 79	0.8%
Bonus	1,351	1,361	(10)	(0.7%)	159	1,192	749.7%
Commissions	281	358	(77)	(21.5%)	187	94	50.5%
Marketing	1,512	1,780	(268)	(15.1%)	1,679	(167)	(9.9%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,237	1,587	(350)	(22.1%)	1,231	6	0.5%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	320	336	(17)	(5.0%)	328	(8)	(2.5%)
Professional fees	597	584	12	2.1%	585	11	2.0%
Office Expenses	264	287	(23)	(8.1%)	287	(23)	(8.1%)
IT	1,985	2,092	(107)	(5.1%)	1,634	352	21.5%
Bad Debts	95	(5)	100	(2164.2%)	(80)	175	(219.6%)
FX	(122)	–	(122)	N/A	384	(507)	(131.8%)
JV Loss (Income)	(200)	(228)	28	(12.4%)	(83)	(117)	141.4%
Other Expenses	885	853	31	3.7%	956	(71)	(7.4%)
Total Opex	\$ 18,603	\$ 19,791	\$ (1,188)	(6.0%)	\$ 17,586	\$ 1,017	5.8%

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	\$	23,342	\$	24,098	\$	(756)	(3.1%)	\$	21,061	\$	2,281	10.8%	18.3%	18.1%	21	1.1%	15.6%	273	17.5%	
Eclipse Shutter Systems		14,108		15,789		(1,681)	(10.6%)		15,365		(1,256)	(8.2%)	3.4%	3.3%	11	3.4%	3.8%	(37)	(9.8%)	
Atis		8,198		9,424		(1,226)	(13.0%)		10,380		(2,183)	(21.0%)	(17.6%)	(19.0%)	148	(7.8%)	(15.4%)	(217)	14.1%	
Simonton		9,959		10,859		(901)	(8.3%)		10,221		(262)	(2.6%)	14.0%	17.6%	(356)	(20.3%)	8.6%	539	62.5%	
Quaker Window Products		5,562		6,028		(465)	(7.7%)		5,345		217	4.1%	11.0%	11.0%	0	0.0%	9.1%	192	21.1%	
Ostaco 2000		3,455		3,820		(365)	(9.5%)		3,716		(261)	(7.0%)	8.8%	7.4%	137	18.5%	20.8%	(1,202)	(57.7%)	
SOLARIS QUEBEC P & F INC.		4,269		4,075		194	4.8%		4,262		7	0.2%	24.3%	24.0%	24	1.0%	9.9%	1,441	146.1%	
Dashwood Industries Inc		3,529		3,764		(236)	(6.3%)		3,898		(370)	(9.5%)	15.8%	14.3%	150	10.5%	16.2%	(45)	(2.8%)	
Windsor Window Co OEM		3,827		3,710		117	3.2%		3,491		336	9.6%	23.5%	23.6%	(17)	(0.7%)	8.8%	1,466	166.7%	
All Weather		4,946		6,731		(1,785)	(26.5%)		3,395		1,551	45.7%	12.9%	14.9%	(197)	(13.2%)	12.6%	26	2.1%	
Polaris Technologies		5,405		5,822		(417)	(7.2%)		3,577		1,828	51.1%	16.6%	17.3%	(67)	(3.9%)	0.0%	1,659	N/A	
A.M.I.		3,871		3,800		71	1.9%		3,511		360	10.3%	5.8%	1.7%	409	245.4%	5.4%	39	7.3%	
ATLANTIC WINDOWS		3,727		3,924		(197)	(5.0%)		3,749		(22)	(0.6%)	13.9%	12.1%	180	14.9%	5.9%	794	134.0%	
Vinyl Profiles, LLC		2,994		3,826		(832)	(21.8%)		1,961		1,033	52.7%	20.5%	20.7%	(20)	(1.0%)	18.8%	168	8.9%	
Comfort View Products		2,413		3,135		(722)	(23.0%)		2,920		(507)	(17.4%)	18.6%	16.7%	189	11.3%	12.3%	629	51.0%	
PORTES & FENETRES ABRITEK		2,804		2,786		18	0.6%		2,889		(85)	(2.9%)	13.5%	18.8%	(524)	(27.9%)	15.4%	(190)	(12.3%)	
Coeur d'Alene		3,629		4,000		(371)	(9.3%)		2,804		825	29.4%	1.8%	4.6%	(284)	(61.7%)	0.5%	129	273.0%	
SCHLUTER SYSTEMS L.P.		2,307		2,558		(251)	(9.8%)		2,796		(489)	(17.5%)	25.6%	24.2%	137	5.7%	16.0%	964	60.4%	
P & F ISOTHERMIC INC		2,811		2,557		254	9.9%		2,978		(167)	(5.6%)	16.4%	20.8%	(440)	(21.2%)	3.8%	1,262	336.4%	
Sierra Pacific Windows		2,596		2,560		36	1.4%		2,632		(36)	(1.4%)	9.3%	9.7%	(45)	(4.6%)	6.3%	299	47.7%	
Other		58,423		64,771		(6,348)	(9.8%)		69,279		(10,856)	(15.7%)	24.5%	25.5%	(100)	(3.9%)	28.1%	(358)	(12.7%)	
Total Gross	\$	172,175	\$	188,036	\$	(15,861)	(8.4%)	\$	180,283	\$	(8,108)	(4.5%)	16.1%	16.7%	(67)	(4.0%)	15.4%	66	4.3%	

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, however some pick-up in 2019 is expected from Atis following closure of PD deal.

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 September 9th, 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 September 10th, 2019 from an anonymous Everett employee
 - Individual has issued a complaint against the Everett Maintenance Dept, indicating that the employees in this department are unprofessional and do not effectively resolve issues
 - A comment was also made that two good maintenance employees left the Company because of being treated poorly by the Tooling Manager
 - Accusations are currently being investigated

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		Fund		Invested	
Investment date	3/31/2016	OpenGate Equity	94.8%	OCGP I	\$	26,000	
Operational data as of	8/31/2019	MGMT	5.3%	OCGP II		–	
Valuation details last updated:	7/31/2019	Other Equity	0.0%	OCGP III		–	
		Total	100.0%	Total	\$	26,000	

Operations										
	Net Revenue					Adj. EBITDA				
	Act	Bud	Variance	PY	Variance	Act	Bud	Variance	PY	
This Month	\$ 14,926	\$ 17,664	-15.5%	\$ 16,133	-7.5%	\$ 949	\$ 1,734	-45.3%	\$ 1,247	
Quarter to Date	\$ 29,594	\$ 33,829	-12.5%	\$ 31,610	-6.4%	\$ 1,636	\$ 3,060	-46.6%	\$ 2,589	
Year to Date	\$ 104,927	\$ 119,704	-12.3%	\$ 117,779	-10.9%	\$ 5,529	\$ 8,004	-30.9%	\$ 6,416	
LTM Trends (\$'000s)	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	
Units Produced ('000)	7,766	7,806	7,934	5,174	7,786	7,371	8,389	7,725	8,493	
Units Shipped ('000)	8,330	9,798	8,838	5,130	6,941	6,590	7,230	8,092	9,414	
Net Revenue	\$ 13,650	\$ 16,233	\$ 14,094	\$ 8,817	\$ 10,942	\$ 10,785	\$ 11,404	\$ 13,094	\$ 15,515	
Gross Margin	2,848	2,592	2,349	909	1,502	1,755	1,910	2,201	2,645	
Gross Margin %	20.9%	16.0%	16.7%	10.3%	13.7%	16.3%	16.7%	16.8%	17.0%	
SG&A	624	1,384	1,301	1,623	1,465	1,496	1,438	1,520	1,579	
Reported EBITDA	2,224	1,207	1,047	(714)	37	259	472	680	1,066	
Rep. EBITDA %	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	
Adj. EBITDA	2,224	1,207	1,047	(714)	37	259	472	680	1,066	
Adj. EBITDA %	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	
Capex	\$ (860)	\$ (991)	\$ (803)	\$ (1,438)	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	
Accounts Receivable, Net	\$ 13,855	\$ 14,273	\$ 13,483	\$ 8,594	\$ 8,789	\$ 9,536	\$ 11,214	\$ 12,944	\$ 14,190	
Inventory, Net	33,773	30,528	29,790	30,309	33,091	34,642	34,150	32,557	30,697	
Accounts Payable	14,088	12,897	12,951	12,709	11,725	12,319	12,200	12,267	12,359	
CCC	\$ 33,541	\$ 31,905	\$ 30,322	\$ 26,194	\$ 30,155	\$ 31,859	\$ 33,165	\$ 33,234	\$ 32,527	
DSO	30.4	27.3	28.7	30.2	24.9	24.8	30.5	29.7	28.4	
DSI	74.2	58.3	63.4	106.6	93.7	89.9	92.8	74.6	61.3	
DPO	39.1	29.3	33.1	49.8	38.5	38.2	39.8	33.8	29.8	
C2C	65.6	56.3	59.0	87.0	80.1	76.5	83.5	70.5	59.9	
Bank revolver	\$ 14,477	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	
Unclassified external debt / OID	14,016	14,344	14,062	13,634	13,926	13,779	13,318	13,257	13,058	
OpenGate debt	–	–	–	–	–	–	–	–	–	
Total Debt Outstanding	28,493	27,170	26,080	23,857	28,266	30,311	32,068	32,761	32,084	
Cash and equivalents	(0)	(0)	(0)	0	3	3	3	3	3	
Total Net Debt	\$ 28,493	\$ 27,170	\$ 26,080	\$ 23,857	\$ 28,263	\$ 30,308	\$ 32,065	\$ 32,758	\$ 32,080	
Beginning Cash Balance	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	
Add / (Less): Operating Cash Flow	1,620	2,174	1,750	3,372	(3,487)	(1,522)	(1,520)	(168)	1,136	
Add / (Less): Investing Cash Flow	(860)	(991)	(803)	(1,438)	(489)	(531)	(560)	(448)	(519)	
Add / (Less): Financing Cash Flow	(760)	(1,183)	(947)	(1,934)	3,979	2,053	2,080	616	(617)	
Effect of FX rates / Other	–	–	–	–	–	–	–	–	–	
Ending Cash Balance	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	

Long-term trend, budget, IC comparison										
Summary Financials	Calendar year ending			Actual		IC Model				
	12/31/2015	12/31/2016	12/31/2017	12/31/2018	8/31/2019	12/31/2016	12/31/2017	12/31/2018		
Total Net Revenue	\$ –	\$ 170,742	\$ 170,574	\$ 163,382	\$ 157,722					
EBITDA, Reported	–	12,278	10,180	8,908	9,293					
EBITDA, Reported %	N/A	7.2%	6.0%	5.5%	5.9%					
EBITDA, Adjusted	–	12,278	10,180	8,908	9,293					
EBITDA, Adjusted %	N/A	7.2%	6.0%	5.5%	5.9%					
Accounts Receivable, Net	–	11,660	8,594	9,802	13,308					
Inventory, Net	–	27,470	30,309	30,962	32,363					
Accounts Payable	–	7,504	12,709	12,627	14,498					
CCC	–	31,626	26,194	28,137	31,172					
Net Debt	\$ –	\$ 3,014	\$ 23,857	\$ 26,089	\$ 29,718					

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	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Bud			\$	%	Act	\$	%
Units Produced ('000)	7,786	7,371	8,389	7,725	8,493	8,905	8,339	9,076	9,308	9,637	9,028	5,886	99,942	108,274	(8,331)	(7.7%)	96,146	3,797	3.9%		
Units Shipped ('000)	6,941	6,590	7,230	8,092	9,414	8,083	9,001	8,865	9,633	10,255	9,358	6,133	99,594	109,580	(9,985)	(9.1%)	104,464	(4,870)	(4.7%)		
Bookings (\$'000)	\$ 11,857	\$ 10,031	\$ 11,903	\$ 14,734	\$ 16,015	\$ 15,048	\$ 15,207	\$ 15,021	\$ 16,578	\$ 17,403	\$ 16,182	\$ 9,356	\$ 169,335	\$ 180,948	\$ (11,613)	(6.4%)	\$ 173,588	\$ (4,253)	(2.5%)		
Backlog ('\$000)	\$ 9,269	\$ 8,356	\$ 8,460	\$ 9,671	\$ 9,716	\$ 11,128	\$ 11,147	\$ 10,612	\$ 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	\$ 15,784	\$ 16,814	\$ 17,766	\$ 16,477	\$ 10,759	\$ 172,175	\$ 188,036	\$ (15,861)	(8.4%)	\$ 180,283	\$ (8,108)	(4.5%)		
Adj. to Gross Revenue	(597)	(464)	(581)	(699)	(787)	(662)	(784)	(859)	(919)	(983)	(916)	(541)	(8,793)	(9,876)	1,084	(11.0%)	(9,708)	916	(9.4%)		
Net Revenue	10,942	10,785	11,404	13,094	15,515	13,593	14,669	14,926	15,895	16,782	15,561	10,218	163,382	178,160	(14,778)	(8.3%)	170,574	(7,192)	(4.2%)		
Material	5,204	5,301	5,464	6,521	7,703	6,428	7,195	7,385	7,768	8,457	7,836	4,565	79,827	88,355	(8,529)	(9.7%)	83,420	(3,593)	(4.3%)		
Labor	2,927	2,714	2,913	2,840	3,198	3,138	3,242	3,263	3,208	3,337	3,197	2,915	36,894	38,371	(1,477)	(3.8%)	38,503	(1,609)	(4.2%)		
Other COGS	1,309	1,015	1,117	1,533	1,968	1,255	2,014	1,776	1,846	2,013	1,780	1,527	19,151	20,261	(1,109)	(5.5%)	20,885	(1,734)	(8.3%)		
Total COGS	9,440	9,030	9,494	10,894	12,869	10,820	12,451	12,424	12,821	13,807	12,814	9,007	135,872	146,986	(11,115)	(7.6%)	142,807	(6,936)	(4.9%)		
Gross Margin	1,502	1,755	1,910	2,201	2,645	2,773	2,217	2,502	3,074	2,975	2,747	1,210	27,511	31,173	(3,663)	(11.7%)	27,767	(256)	(0.9%)		
Gross Margin %	13.7%	16.3%	16.7%	16.8%	17.0%	20.4%	15.1%	16.8%	19.3%	17.7%	17.7%	11.8%	16.8%	17.5%			16.3%				
R&D	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A		
Sales & Marketing	554	603	474	610	586	529	504	534	648	583	633	579	6,836	7,247	(411)	(5.7%)	7,045	(209)	(3.0%)		
Administrative	1,037	968	879	962	997	962	1,026	1,001	1,049	1,094	1,047	1,068	12,089	12,772	(683)	(5.3%)	10,240	1,849	18.1%		
Other Opex	(127)	(75)	85	(51)	(3)	(97)	1	18	(17)	(20)	(20)	(16)	(322)	(228)	(94)	41.1%	302	(624)	(206.7%)		
Total Opex	1,465	1,496	1,438	1,520	1,579	1,394	1,531	1,553	1,680	1,657	1,660	1,631	18,603	19,791	(1,188)	(6.0%)	17,587	1,017	5.8%		
EBITDA	37	259	472	680	1,066	1,379	687	949	1,393	1,318	1,087	(420)	8,908	11,382	(2,475)	(21.7%)	10,180	(1,273)	(12.5%)		
EBITDA %	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.4%	8.8%	7.9%	7.0%	(4.1%)	5.5%	6.4%			6.0%				
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (4,192)	\$ (3,300)	\$ (893)	27.1%	\$ (3,490)	\$ (702)	20.1%		
Capex	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,184)	\$ (8,000)	\$ 1,816	(22.7%)	\$ (10,215)	\$ 4,031	(39.5%)		
Opex Overview:																					
Payroll	\$ 881	\$ 806	\$ 788	\$ 889	\$ 909	\$ 810	\$ 868	\$ 838	\$ 873	\$ 943	\$ 880	\$ 913	\$ 10,398	\$ 10,783	\$ (386)	(3.6%)	\$ 10,318	\$ 79	0.8%		
Bonus	112	113	112	112	111	112	113	112	113	113	113	113	1,351	1,361	(10)	(0.7%)	159	1,192	749.7%		
Commissions	19	19	16	19	18	24	22	26	30	30	30	30	281	358	(77)	(21.5%)	187	94	50.5%		
Marketing	95	180	71	116	110	107	100	123	198	109	186	118	1,512	1,780	(268)	(15.1%)	1,679	(167)	(9.9%)		
Benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A		
Travel and entertainment	107	128	35	105	66	112	99	63	132	132	128	130	1,237	1,587	(350)	(22.1%)	1,231	6	0.5%		
Rent and facilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A		
Insurance	29	21	31	20	28	25	28	32	27	27	28	24	320	336	(17)	(5.0%)	328	(8)	(2.5%)		
Professional fees	45	46	62	45	49	43	45	68	52	45	45	51	597	584	12	2.1%	585	11	2.0%		
Office Expenses	23	26	18	22	33	13	20	18	20	26	22	25	264	287	(23)	(8.1%)	287	(23)	(8.1%)		
IT	166	165	132	159	145	163	162	173	178	182	181	178	1,985	2,092	(107)	(5.1%)	1,634	352	21.5%		
Bad Debts	16	(0)	16	23	42	(0)	(0)	(0)	(0)	(0)	(0)	(0)	95	(5)	100	(2164.2%)	(80)	175	(219.6%)		
FX	(122)	(76)	115	(28)	24	(80)	5	40	–	–	–	–	(122)	–	(122)	N/A	384	(507)	(131.8%)		
JV Loss (Income)	(5)	1	(29)	(23)	(28)	(17)	(4)	(22)	(17)	(20)	(20)	(16)	(200)	(228)	28	(12.4%)	(83)	(117)	141.4%		
Other Expenses	98	67	73	61	70	82	74	82	74	70	67	66	885	853	31	3.7%	956	(71)	(7.4%)		
Total Opex	\$ 1,465	\$ 1,496	\$ 1,438	\$ 1,520	\$ 1,579	\$ 1,394	\$ 1,531	\$ 1,553	\$ 1,680	\$ 1,657	\$ 1,660	\$ 1,631	\$ 18,603	\$ 19,791	\$ (1,188)	(6.0%)	\$ 17,586	\$ 1,017	5.8%		

Monthly EBITDA to Net Income (Loss) Bridge

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	
\$'000	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$
EBITDA - as reported	\$ 37	\$ 259	\$ 472	\$ 680	\$ 1,066	\$ 1,379	\$ 687	\$ 949	\$ 1,393	\$ 1,318	\$ 1,087	\$ (420)	\$ 8,908	\$11,382	\$ (2,475)
Depreciation and amortization	(708)	(721)	(729)	(702)	(725)	(741)	(761)	(768)	(793)	(796)	(799)	(803)	(9,046)	(9,128)	82
Interest and amortization	(156)	(165)	(189)	(184)	(198)	(187)	(191)	(189)	(190)	(190)	(173)	(168)	(2,180)	(2,290)	110
Other financial income/expense	(26)	740	(617)	163	(128)	774	(111)	(238)	–	–	–	–	558	–	558
Monitoring fees (including expenses)	(85)	(97)	(85)	(84)	(84)	(85)	(103)	(82)	(83)	(103)	(83)	(103)	(1,076)	(1,077)	1
Restructuring costs	–	–	–	–	–	36	–	–	–	–	–	–	36	–	36
Non-recurring items	(137)	(201)	(128)	(44)	(42)	(215)	(20)	(45)	–	–	–	–	(833)	(478)	(356)
Taxes	189	(87)	(4)	(72)	(58)	(109)	(29)	(37)	(207)	(170)	(115)	138	(559)	(1,710)	1,151
GAAP Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (4,192)	\$ (3,300)	\$ (893)

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 1.3296 [USD\$0.75] on August 31, 2019
- Non-recurring items in August include OBI projects with The Practical Approach (\$15K) and Smart Ventures LP (\$50K), offset by insurance claim for Laval Water Damage (\$22K)
- US Tax accrual of 37K in August 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	8,864	16,917	59,729
Labor	3,370	6,803	25,713
Other COGS	2,029	3,699	13,096
COGS Budget	\$ 14,263	\$ 27,419	\$ 98,537
<u>Variances:</u>			
Volume	(1,636)	(2,701)	(9,393)
Price	(157)	(333)	(764)
Other	315	698	1,628
Material	(1,478)	(2,336)	(8,529)
Volume	6	(78)	(670)
Price	–	–	–
Other	(113)	(220)	(807)
Labor	(107)	(298)	(1,477)
Volume	(83)	349	253
Price	–	–	–
Other	(171)	(259)	(1,362)
Other COGS	(254)	90	(1,109)
COGS Actual	\$ 12,424	\$ 24,875	\$ 87,423

Management Discussion - MTD

- **Material COGS:** Decrease of \$1,478K due to lower volume impact of \$1,636K (Sales volumes (lbs) lower by 17.0%), favorable resin material prices offset by higher additive pricing & higher glass pricing of \$157K and improved scrap utilization at ECS of \$85K; offset by unfavorable yields lower regrind usage at Woodbridge, Delmont & Everett of \$400K
- **Labor COGS:** Lower costs due to volume impact of -\$6K, a favorable F/X impact of \$42K 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 \$71K
- **Other COGS:** Decrease of \$254K due to a favorable absorption impact of \$83K as a result of building more inventory than Plan, lower overhead spending (ie. Utilities, maintenance, factory supplies) of \$30K, lower freight costs due to sales volume and customer mix of \$117K and a favorable F/X impact of \$24K

Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY
	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Bud
Material														
Material costs at standard	\$ 5,265	\$ 5,218	\$ 5,418	\$ 6,548	\$ 7,512	\$ 6,461	\$ 6,984	\$ 7,167	\$ 7,674	\$ 8,402	\$ 7,886	\$ 4,585	\$ 79,119	\$ 88,508
Materials FX loss / (gain)	0	0	0	0	0	1	(0)	0	0	0	—	—	1	0
Purchase price variance	168	272	211	157	242	141	253	232	354	357	247	128	2,761	2,816
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Freight In	47	46	46	35	43	60	44	55	55	60	57	45	594	663
Scrap costs	(355)	(334)	(282)	(302)	(206)	(307)	(177)	(185)	(419)	(474)	(461)	(273)	(3,773)	(4,885)
Consumables	78	98	72	83	112	72	90	116	104	113	107	81	1,125	1,253
Total Material COGS	\$ 5,204	\$ 5,301	\$ 5,464	\$ 6,521	\$ 7,703	\$ 6,428	\$ 7,195	\$ 7,385	\$ 7,768	\$ 8,457	\$ 7,836	\$ 4,565	\$ 79,827	\$ 88,355
Labor														
Direct labor	\$ 927	\$ 898	\$ 984	\$ 1,008	\$ 1,133	\$ 1,112	\$ 1,216	\$ 1,208	\$ 1,139	\$ 1,188	\$ 1,141	\$ 1,030	\$ 12,984	\$ 13,870
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	51	51	613	618
Direct labor - overtime	70	97	109	92	124	165	125	163	115	124	107	68	1,360	1,163
Direct labor - benefits	290	264	254	235	254	273	250	258	277	281	268	238	3,142	3,262
Direct labor - wcb benefits	18	(20)	17	(66)	22	21	21	21	23	24	23	19	123	265
Direct labor - other	0	(1)	(1)	(1)	(2)	2	(0)	(0)	1	1	1	1	(1)	9
Indirect labor	1,520	1,362	1,447	1,462	1,565	1,463	1,528	1,512	1,540	1,605	1,545	1,448	17,997	18,438
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	51	51	613	618
Sub-contractor costs	—	12	2	10	—	—	—	—	10	11	11	7	64	127
Total Labor COGS	\$ 2,927	\$ 2,714	\$ 2,913	\$ 2,840	\$ 3,198	\$ 3,138	\$ 3,242	\$ 3,263	\$ 3,208	\$ 3,337	\$ 3,197	\$ 2,915	\$ 36,894	\$ 38,371
Other														
Repairs and maintenance	\$ 115	\$ 26	\$ 78	\$ 34	\$ 44	\$ 62	\$ 83	\$ 80	\$ 74	\$ 109	\$ 104	\$ 128	\$ 935	\$ 1,037
Absorption	(234)	(425)	(600)	86	312	(475)	235	(71)	8	122	(4)	(24)	(1,072)	(1,049)
Freight out	625	533	704	712	772	724	752	762	814	863	780	543	8,584	9,368
Rent / facilities	125	167	193	76	185	183	189	208	185	139	138	205	1,993	1,840
Utilities	479	508	539	458	435	590	535	611	573	584	559	512	6,385	6,711
Other cost of sales	199	206	202	167	220	171	221	186	192	197	204	162	2,326	2,355
Total Other COGS	\$ 1,309	\$ 1,015	\$ 1,117	\$ 1,533	\$ 1,968	\$ 1,255	\$ 2,014	\$ 1,776	\$ 1,846	\$ 2,013	\$ 1,780	\$ 1,527	\$ 19,151	\$ 20,261

Management Discussion

Material COGS: Decrease of \$8,529K due to lower volume impact of \$9,393K (Sales volumes (lbs) lower by 13.5%), unfavorable yields and higher scrap (net of regrind usage) at Woodbridge, Delmont & Everett of \$1,581K; unfavorable E&O reserves at Woodbridge, Everett and Terrebonne of \$192K, partially offset by improved scrap and favorable PPV at ECS of \$909K

Labor COGS: Lower costs due to volume impact of \$670K, out-of-period workers' compensation refunds at Laval and Everett of \$170K, a favorable F/X impact of \$318K 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 \$319K

Other COGS: Decrease of \$1,109K due to lower freight costs of \$698K, lower overhead spending of \$248K (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 \$189K partially offset by an unfavorable absorption impact of \$253K

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	Act	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	13,780	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)	(472)	(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	13,308	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	34,146	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)	(1,783)	(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	32,363	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	4,035	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	932	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	50,640	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	70,322	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)	(23,765)	(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	46,557	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	448	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	2,938	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	2,784	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	52,727	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	\$ 103,368	\$ 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	\$ 16,897	\$ 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	1,662	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	14,498	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	3,630	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	3,952	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	86	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	(1,301)	(100.0%)
Other current liabilities	101	97	124	125	132	125	127	122	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	42,149	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	11,163	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	9,713	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	1,577	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	22,453	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	64,602	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	27,095	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)	(938)	(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	38,766	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	\$ 103,368	\$ 107,675	\$ 105,995	\$ 103,630	\$ 99,107	\$ 99,107	\$ 96,127	\$ 2,980	3.1%

Balance Sheet – Year on Year Comparison

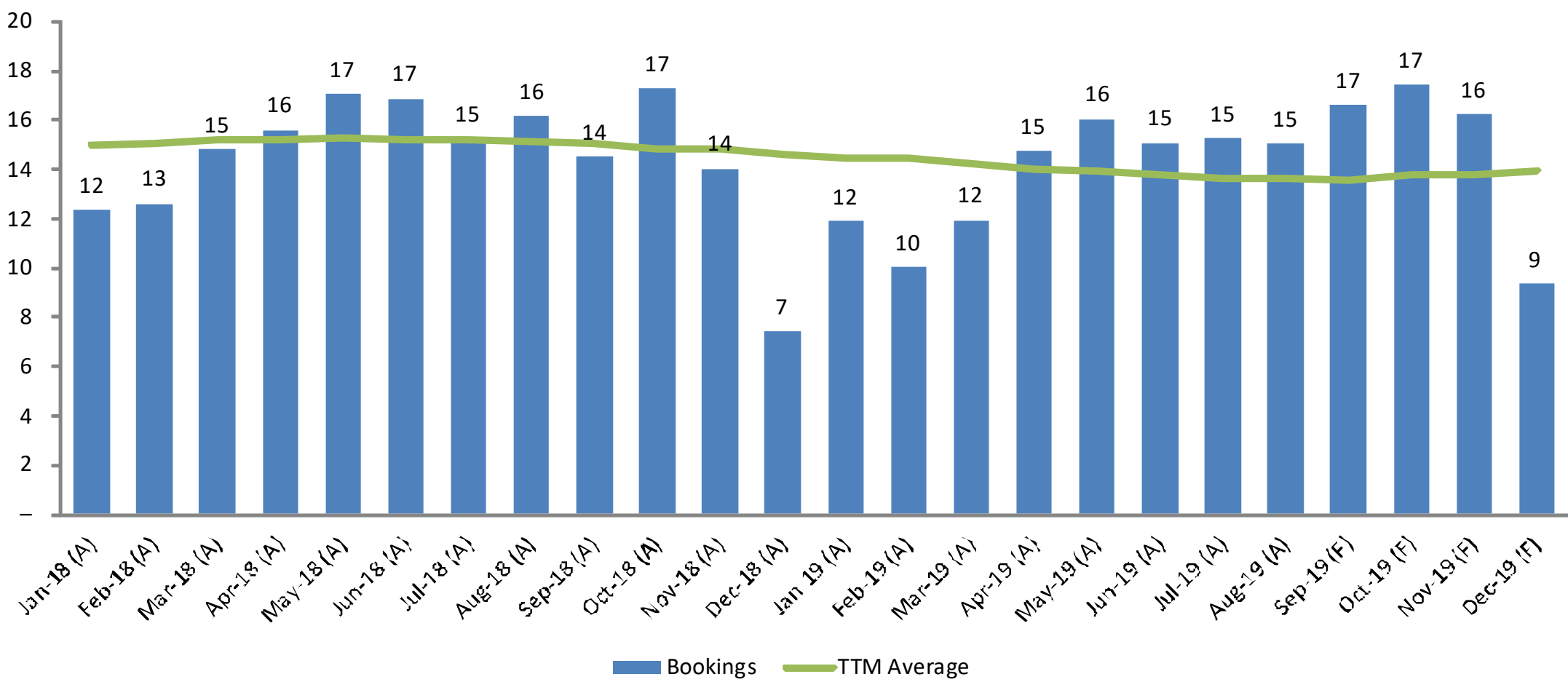
\$'000	YTD		Variance	
	CY	PY	\$	%
<u>Current Assets</u>				
Cash and cash equivalents	\$ 3	\$ 0	\$ 3	2846880.5%
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	13,780	15,900	(2,120)	(13.3%)
<i>Accounts receivable, reserves</i>	(472)	(678)	206	(30.4%)
Accounts receivable, net	13,308	15,221	(1,913)	(12.6%)
<i>Inventory, gross</i>	34,146	34,911	(766)	(2.2%)
<i>Inventory, reserves</i>	(1,783)	(1,560)	(223)	14.3%
Inventory, net	32,363	33,352	(989)	(3.0%)
Prepaid expenses and other current assets	4,035	3,499	536	15.3%
Other current assets	932	1,166	(234)	(20.1%)
Total Current Assets	50,640	53,238	(2,597)	(4.9%)
<u>Non-Current Assets</u>				
<i>Property, plant & equipment, gross</i>	70,322	62,506	7,816	12.5%
<i>Accumulated depreciation</i>	(23,765)	(15,445)	(8,319)	53.9%
Property, plant & equipment, net	46,557	47,061	(504)	(1.1%)
Deferred financing cost	448	610	(162)	(26.6%)
Deferred tax asset	2,938	1,365	1,573	115.3%
Other non-current assets	2,784	2,782	3	0.1%
Total Non-Current Assets	52,727	51,818	910	1.8%
Total Assets	\$ 103,368	\$ 105,055	\$ (1,688)	(1.6%)
<u>Current Liabilities</u>				
Bank Debt	\$ 16,897	\$ 15,128	\$ 1,769	11.7%
Current Portion - Long Term Debt	1,662	1,456	206	14.2%
Accounts payable	14,498	13,525	973	7.2%
Accrued liabilities	3,630	3,846	(216)	(5.6%)
Accrued compensation	3,952	4,037	(85)	(2.1%)
Income taxes payable	86	461	(375)	(81.4%)
Contingent consideration	1,301	1,321	(20)	(1.5%)
Other current liabilities	122	110	12	10.9%
Total Current Liabilities	42,149	39,883	2,265	5.7%
<u>Long-term liabilities</u>				
Long-term debt less current maturities	11,163	12,647	(1,485)	(11.7%)
Deferred income taxes	9,713	7,781	1,933	24.8%
Other non-current liabilities	1,577	1,473	104	7.1%
Total Long-Term Liabilities	22,453	21,901	552	2.5%
Total Liabilities	64,602	61,784	2,817	4.6%
Commitments and contingencies	–	–	–	N/A
<u>Shareholders' Equity</u>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	27,095	31,231	(4,136)	(13.2%)
Accumulated other comprehensive income	(938)	(570)	(368)	64.7%
Total Shareholders' Equity	38,766	43,271	(4,505)	(10.4%)
Total Liabilities and Shareholders' Equity	\$ 103,368	\$ 105,055	\$ (1,688)	(1.6%)

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
\$'000	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst
Cash flow from operations													
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (4,192)
Depreciation, amortization and other	708	721	729	702	725	741	761	768	793	796	799	803	9,046
Non-cash loss/expense (gain)	(161)	(7)	201	(62)	36	(213)	64	83	576	(173)	(145)	(151)	46
Deferred income tax	143	3	(115)	27	(22)	128	(19)	(43)	(1,928)	—	—	—	(1,825)
Change in operating assets and liabilities:													
Accounts receivable	(195)	(747)	(1,678)	(1,730)	(1,246)	(1,124)	2,118	(112)	(1,219)	125	1,560	3,040	(1,208)
Inventory	(2,782)	(1,552)	492	1,593	1,861	(2,190)	181	342	(484)	1,707	371	(193)	(653)
Prepaid expenses and other current assets	(64)	12	39	(843)	(400)	(11)	(173)	316	226	(378)	179	1,425	328
Accounts payable	(984)	594	(119)	68	92	3,128	(340)	(648)	352	(1,542)	1,148	(1,829)	(82)
Accrued expenses	673	(359)	426	249	192	750	(846)	635	442	146	(201)	(12)	2,093
Accrued income taxes	58	87	(242)	69	60	96	164	40	1,478	170	115	(138)	1,956
Other changes in operating assets and liabilities	4	(4)	27	1	7	(7)	1	(5)	(1,296)	1	(17)	(4)	(1,290)
Other cash flow from operations	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Flow from Operations	\$ (3,487)	\$ (1,522)	\$ (1,520)	\$ (168)	\$ 1,136	\$ 2,150	\$ 1,381	\$ 966	\$ (940)	\$ 910	\$ 3,728	\$ 1,584	\$ 4,218
Cash flow from investing													
Additions to property, plant and equipment	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,184)
Earnout payments	—	—	—	—	—	—	—	—	—	—	—	—	—
Other cash flow from investing	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Flow from Investing	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,184)
Cash flow from financing													
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 2,193	\$ 2,218	\$ 754	\$ (479)	\$ (1,207)	\$ (480)	\$ (442)	\$ 1,572	\$ (371)	\$ (3,189)	\$ (1,045)	\$ 3,641
Proceeds from the issuance of debt	(0)	0	(0)	0	(0)	0	0	0	0	0	0	0	0
Repayment of debt	(138)	(139)	(138)	(138)	(137)	(139)	(140)	(139)	(141)	(141)	(141)	(141)	(1,672)
Common stock cash dividends paid	—	—	—	—	—	—	—	—	(0)	—	—	—	(0)
Other cash flow from financing	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Flow from Financing	\$ 3,979	\$ 2,053	\$ 2,080	\$ 616	\$ (617)	\$ (1,345)	\$ (620)	\$ (580)	\$ 1,431	\$ (512)	\$ (3,330)	\$ (1,186)	\$ 1,969
Effect of FX rates on cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net change in cash	\$ 3	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (1)	\$ 0	\$ 0	\$ (0)	\$ 3
Beginning cash	0	3	3	3	3	3	3	3	3	2	3	3	0
Change in cash	3	0	(0)	0	(0)	0	(0)	(0)	(1)	0	0	(0)	3
Ending cash	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3

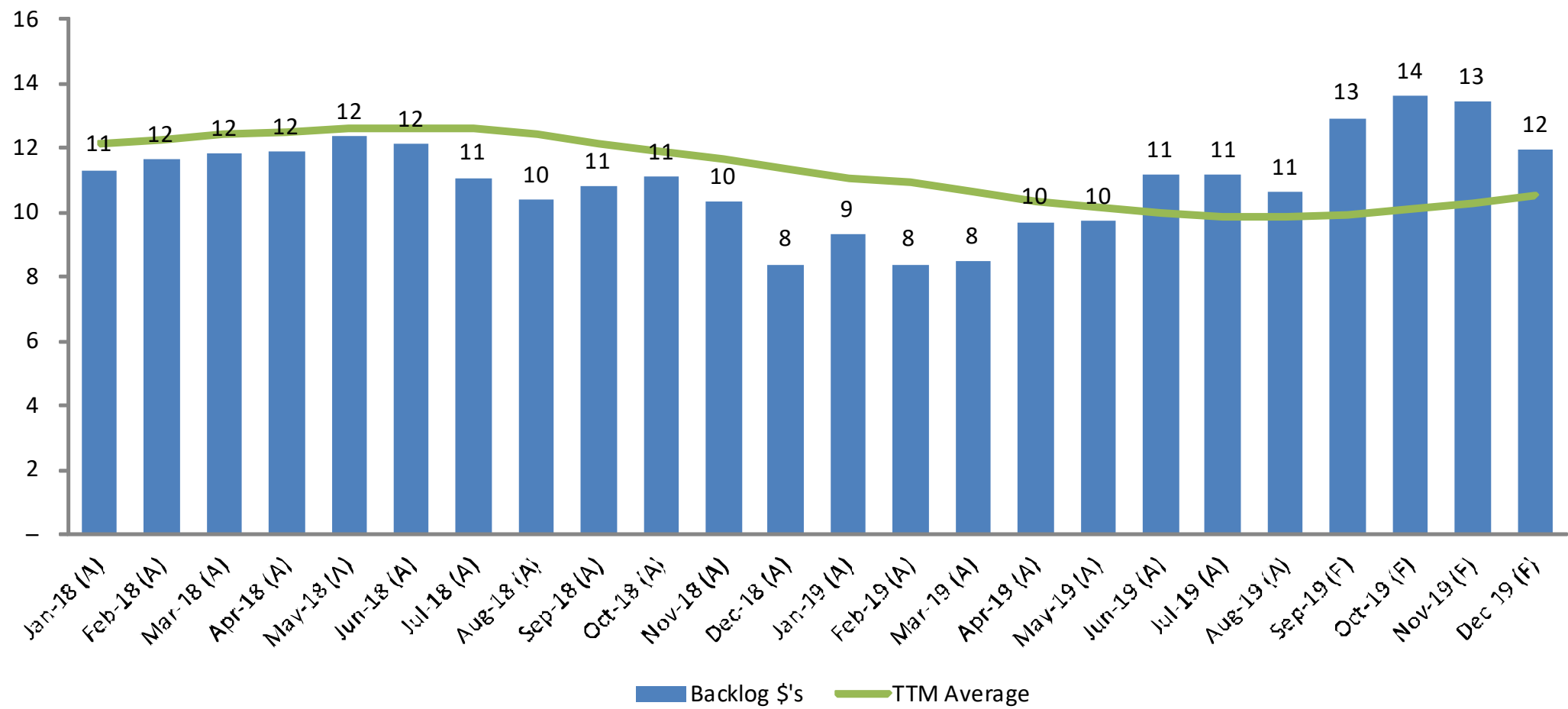
Trended Monthly Bookings

\$ in millions



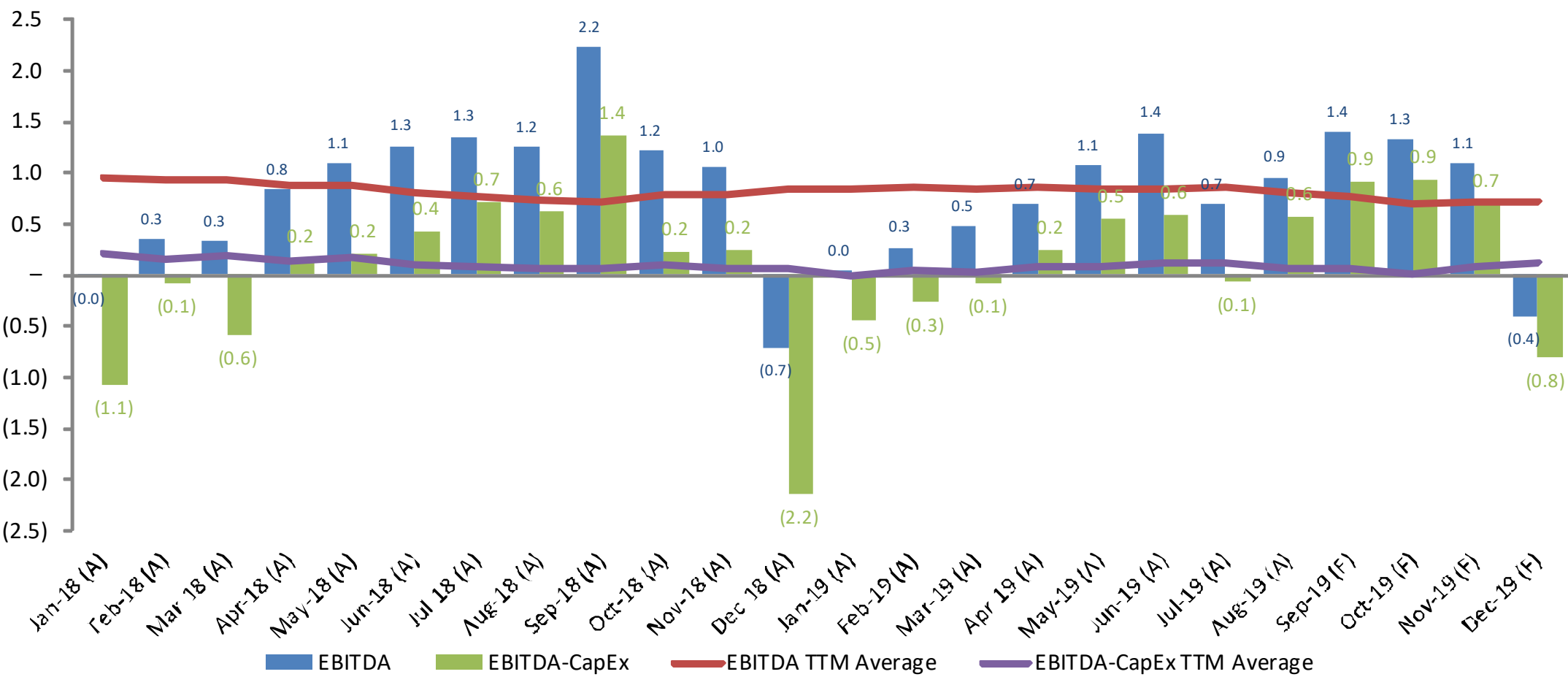
Trended Monthly Backlog

\$ in millions



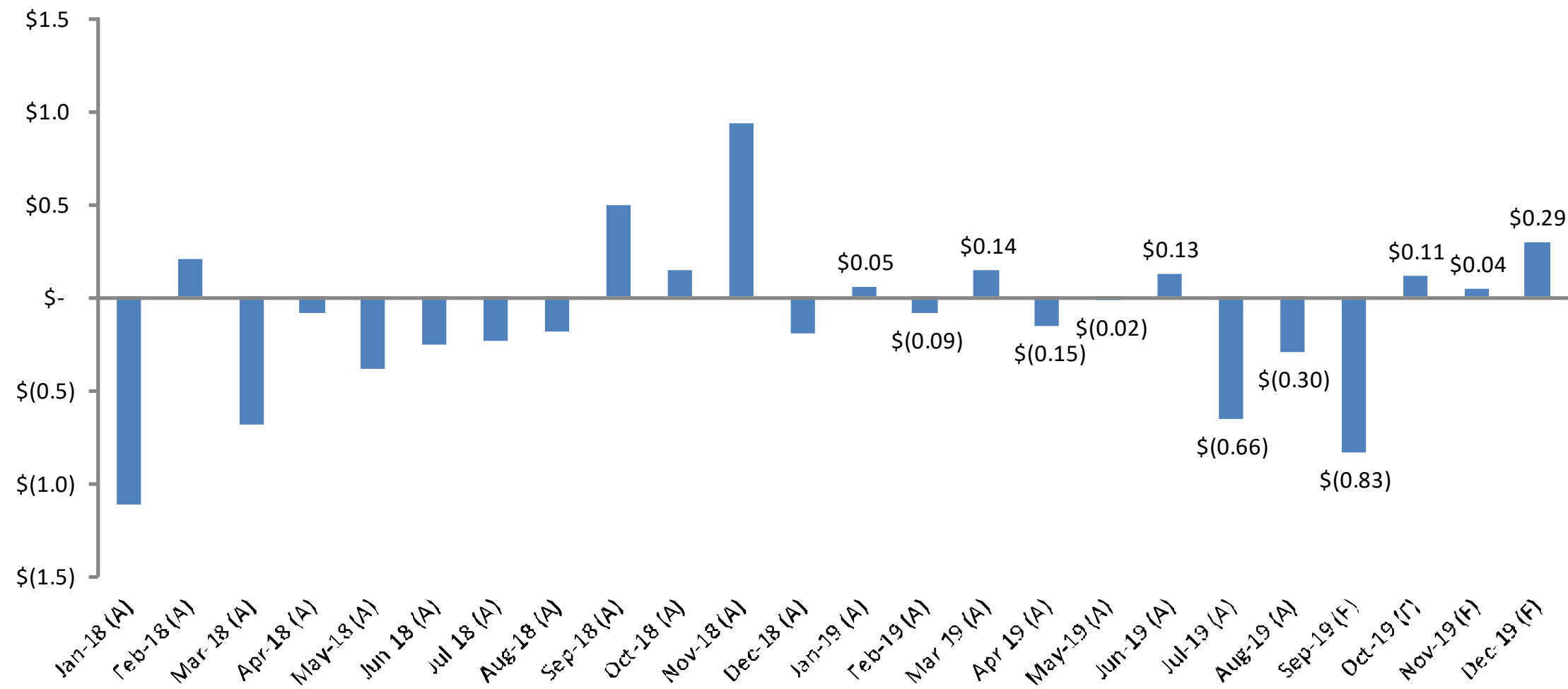
EBITDA and EBITDA-CapEx

\$ in millions



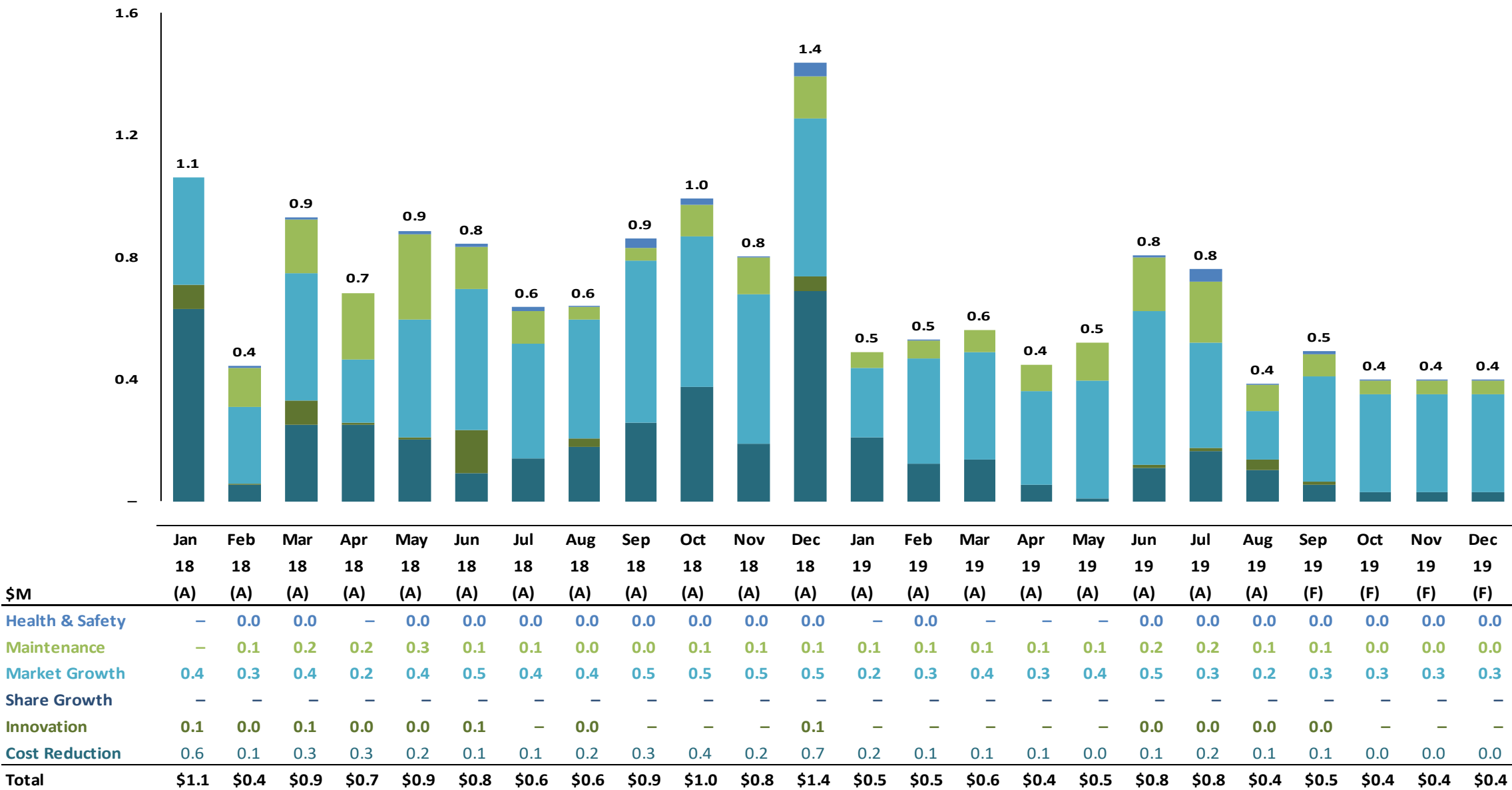
Y-o-Y \$ EBITDA Change

\$ 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
2019 January (A)	324	154	81	35	13	26	59	–	692	24
2019 February (A)	331	156	81	35	13	26	60	–	702	27
2019 March (A)	331	160	81	36	13	26	62	–	709	36
2019 April (A)	321	158	81	36	13	25	61	–	695	29
2019 May (A)	324	161	80	37	13	28	63	–	706	64
2019 June (A)	328	160	79	36	13	24	63	–	703	108
2019 July (A)	320	163	79	36	13	25	62	–	698	125
2019 August (A)	318	160	81	36	13	25	61	–	694	110
2019 September (F)	362	164	88	38	15	30	59	–	756	41
2019 October (F)	357	164	88	37	15	30	59	–	750	47
2019 November (F)	349	164	88	37	15	30	59	–	742	52
2019 December (F)	349	164	88	37	15	30	59	–	742	40
Final Headcount	349	164	88	37	15	30	59	–	742	40

Management Discussion

- Woodbridge: 2 students went back to school. Transfer of CSR to Patio Door
- Terrebonne: 8 students went back to school plus some temps left. Hire of a foreman and a Production Clerk and a CSR
- Laval: 10 students went back to school
- Everett: Resignation of Plant manager

Headcount Hires and Attrition

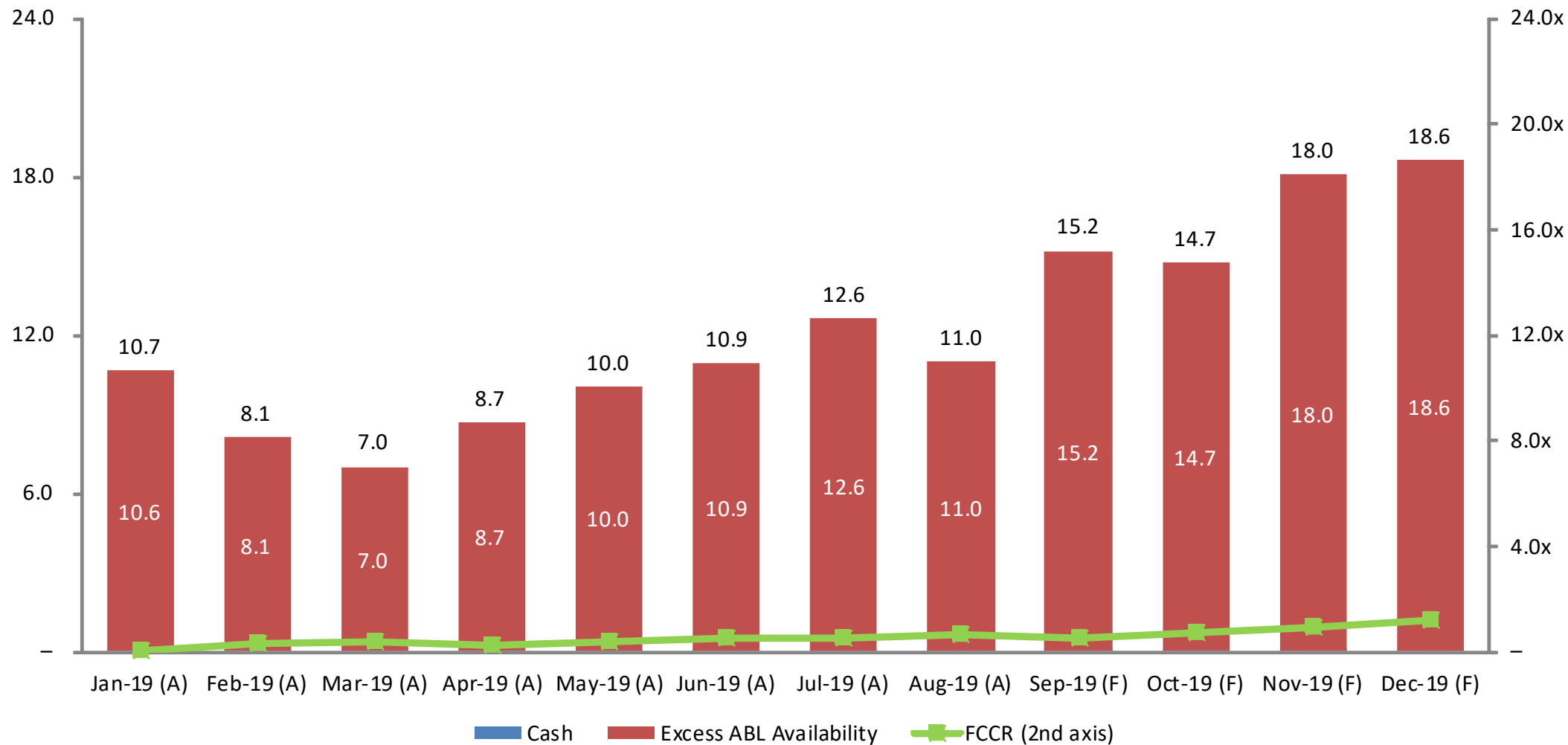
Functional Area	Start of Month	Hires	Transfers	Involuntary Term	Voluntary Term	End of Month	Rfc Headcount	Difference to Rfc
Direct Labor	320	5	(1)	(1)	(5)	318	362	44
Indirect Labor - Hourly	163	–	–	(1)	(2)	160	164	4
Indirect Labor - Salary	79	2	–	–	–	81	88	7
Delivery & Dist.	36	–	–	–	–	36	38	2
Research & Development	13	–	–	–	–	13	15	2
Sales & Marketing	25	–	–	–	–	25	30	5
Administrative	62	–	–	–	(1)	61	59	(2)
Other	-	–	–	–	–	-	-	-
Agency FTE & Temps	125	15	4	(29)	(5)	110	69	(41)
Total	823	22	3	(31)	(13)	804	825	21

Management Discussion

- Net decrease of 19 employees during the month, mainly temps
- Hiring mainly in Terrebonne in response to staff turnover, vacation replacement and production requirements

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)	2,999	3,672	(673)	(18.3%)	21,973	25,560	(3,587)	(14.0%)
Units Shipped ('000)	2,826	3,772	(946)	(25.1%)	20,825	25,410	(4,585)	(18.0%)
Bookings (\$'000)	\$ 3,486	\$ 4,808	\$ (1,322)	(27.5%)	\$ 26,734	\$ 31,262	\$ (4,529)	(14.5%)
Backlog ('000)	\$ 2,076	\$ 2,329	\$ (253)	(10.8%)	\$ 2,076	\$ 2,329	\$ (253)	(10.8%)
Gross Revenue	\$ 4,086	\$ 5,287	\$ (1,201)	(22.7%)	\$ 29,408	\$ 35,278	\$ (5,870)	(16.6%)
Adj. to Gross Revenue	(280)	(325)	45	(14.0%)	(1,654)	(2,088)	433	(20.8%)
Net Revenue	3,806	4,962	(1,156)	(23.3%)	27,753	33,190	(5,436)	(16.4%)
Material	2,518	3,048	(530)	(17.4%)	17,903	20,835	(2,932)	(14.1%)
Labor	881	930	(49)	(5.3%)	6,528	6,744	(216)	(3.2%)
Other COGS	264	250	14	5.5%	1,189	1,228	(39)	(3.2%)
Total COGS	3,664	4,229	(565)	(13.4%)	25,620	28,807	(3,187)	(11.1%)
Gross Margin	143	734	(591)	(80.6%)	2,134	4,383	(2,249)	(51.3%)
Gross Margin %	3.7%	14.8%			7.7%	13.2%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	13	31	(18)	(58.4%)	148	198	(50)	(25.3%)
Administrative	330	331	(1)	(0.2%)	2,544	2,631	(87)	(3.3%)
Other Opex	(32)	(20)	(12)	62.1%	(102)	(155)	54	(34.5%)
Total Opex	311	342	(31)	(9.1%)	2,590	2,674	(84)	(3.1%)
EBITDA	(168)	391	(560)	(143.0%)	(456)	1,709	(2,165)	(126.7%)
EBITDA %	(4.4%)	7.9%			(1.6%)	5.1%		
Net Income (Loss)	\$ (410)	\$ 157	\$ (567)	(360.7%)	\$ (2,286)	\$ (138)	\$ (2,148)	1551.4%
Capex	\$ (143)	\$ —	\$ (143)	N/A	\$ (1,413)	\$ (1,365)	\$ (47)	3.5%
Opex Overview:								
Payroll	\$ 51	\$ 64	\$ (13)	(20.5%)	\$ 425	\$ 476	\$ (50)	(10.6%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	3	10	(7)	(73.3%)	52	80	(28)	(34.9%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	0	3	(3)	(92.6%)	4	3	1	28.5%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	3	5	(2)	(32.2%)	26	34	(8)	(22.6%)
Professional fees	17	—	17	N/A	20	15	5	32.9%
Utilities, repair, maintenance, an	1	3	(2)	(59.3%)	24	18	6	31.3%
Corporate OH Fees	268	275	(7)	(2.5%)	2,141	2,188	(47)	(2.1%)
Bad Debts	(0)	(0)	0	(57.7%)	(2)	(3)	1	(28.0%)
FX	(10)	—	(10)	N/A	25	—	25	N/A
JV Loss (Income)	(22)	(20)	(2)	12.8%	(127)	(155)	28	(18.3%)
Other Expenses	—	3	(3)	(100.0%)	0	17	(17)	(98.0%)
Total Opex	\$ 311	\$ 342	\$ (31)	(9.1%)	\$ 2,590	\$ 2,674	\$ (84)	(3.1%)

Management Discussion

Net Revenue – Aug-19: (\$1,156K):

- Sales volume down 25.1% or \$1,319k due to decreased demand from All Weather, JV, Vinylbilt, Vinyl-Pro, Quaker, Allsco, Ventana (bankrupt) & Oran; offset by higher than expected levels with Terrebonne, Centennial & Seymour
- Favorable rebates/accruals of \$61k primarily due to lower sales volume with ATIS (Vinylbilt & Allsco), partially offset by higher returns of \$22k
- Favorable product/customer mix of \$205k driven by higher ASP from Quaker, Terrebonne and PGT
- Unfavorable F/X of \$81k (actual rate of 1.3277 [or \$USD 0.7532] vs. 1.30 [or \$USD 0.7692])

EBITDA – Aug-19: (\$560K):

- Material COGS:** Decreased costs by \$530k driven by lower sales volumes \$764k; offset by lower yields & additional scrap 76.1% vs 86.0% of \$128k (Shorter production runs, Cellular material issues & increased trial/testing costs); decrease regrind usage (16.9% vs 20.9%) of \$46k (product mix/process issues); and finished goods scrap of \$25k (Joint Venture Pitting & All Weather X0799 out of spec)
- Labor COGS:** Decreased costs by \$49k driven by lower production volumes (-18.3%) \$135k & lower subcontracting (cellular regrind) \$12k; offset by inefficiencies due to poor yields, additional OT to support new product launch, tooling activities, higher inspections/temps & weekend work of \$98k
- Other COGS:** Increased costs by \$14k driven by lower JV overhead recovery \$52k (2 less line charge & lower sales volume); lower T&D recovery \$31k; & additional warehouse costs \$16k (storage trailers); Offset by increased net absorption \$23k; lower maintenance/factory costs \$35k (timing) and freight \$25k (lower sales volume)
- Sales and Marketing:** Decreased costs by \$18k due to lower royalties, wages (1 less headcount) and less travel costs
- Administrative:** In line with budget
- Other Opex:** Decreased costs of \$12k driven by favorable F/X revaluation of working capital balances \$10k

Key Customers – Gross Sales and Gross Margin %: Woodbridge

Customer:	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	Bud	BPs	%	Act	Bud	BPs	%	Act	Bud	BPs	%		
ROYAL VINYL BILT LIMITED	\$ 753	\$ 949	\$ (197)	(20.7%)	\$ 880	\$ (128)	(14.5%)	\$ 6,335	\$ 7,524	\$ (1,189)	(15.8%)	\$ 7,181	\$ (847)	(11.8%)	10.4%	10.4%	—	0.0%	7.9%	250	31.6%	10.8%	10.1%	66	6.6%	7.9%	285	36.0%				
QUAKER WINDOW PRODUCTS	513	602	(89)	(14.8%)	515	(2)	(0.3%)	3,733	4,199	(465)	(11.1%)	3,588	145	4.0%	11.0%	11.0%	0	0.0%	8.5%	250	29.3%	11.5%	10.8%	63	5.8%	8.5%	293	34.4%				
ALL WEATHER WIN. LTD-EDMO	211	637	(426)	(66.9%)	197	13	6.7%	2,014	3,825	(1,811)	(47.3%)	1,204	810	67.3%	19.7%	19.7%	—	0.0%	17.2%	250	14.6%	27.3%	19.7%	755	38.3%	17.2%	1,012	59.0%				
VINYL BILT WINDOWS & DOORS CC	214	371	(157)	(42.3%)	503	(289)	(57.4%)	1,355	2,394	(1,039)	(43.4%)	3,276	(1,921)	(58.6%)	(18.0%)	(18.0%)	—	0.0%	(20.5%)	250	(12.2%)	(19.7%)	(15.8%)	(388)	24.6%	(20.5%)	80	(3.9%)				
VINYL PRO WINDOW SYSTEMS	354	466	(113)	(24.2%)	472	(119)	(25.1%)	2,197	2,471	(273)	(11.1%)	2,519	(322)	(12.8%)	8.2%	8.2%	—	0.0%	5.7%	250	44.0%	6.5%	6.5%	(2)	(0.2%)	5.7%	85	15.1%				
WINDSOR WINDOW CO	353	394	(41)	(10.4%)	401	(48)	(12.1%)	2,562	2,445	117	4.8%	2,489	73	2.9%	23.5%	23.8%	(33)	(1.4%)	21.2%	231	10.9%	20.9%	22.0%	(114)	(5.2%)	20.5%	36	1.8%				
DASHWOOD INDUSTRIES LTD.	235	268	(33)	(12.3%)	282	(47)	(16.8%)	1,433	1,767	(333)	(18.9%)	1,855	(422)	(22.7%)	17.8%	17.8%	—	0.0%	15.3%	250	16.3%	17.9%	16.4%	154	9.4%	15.3%	260	17.0%				
OSTACO 2000 WINDOORS INC	144	172	(28)	(16.1%)	167	(22)	(13.5%)	841	1,187	(347)	(29.2%)	1,158	(317)	(27.4%)	13.8%	13.8%	—	0.0%	11.3%	250	22.0%	17.3%	14.8%	253	17.1%	11.3%	596	52.5%				
ALLSCO BLDG SUPPLIES LTD	115	197	(82)	(41.6%)	201	(86)	(43.0%)	1,041	1,048	(6)	(0.6%)	1,083	(42)	(3.8%)	(18.0%)	(18.0%)	(0)	0.0%	3.9%	(2,195)	(555.9%)	(15.2%)	(15.5%)	24	(1.6%)	3.9%	(1,918)	(485.8%)				
TERREBONNE	271	122	149	121.7%	84	187	222.1%	1,297	908	389	42.8%	1,192	105	8.8%	(6.3%)	(6.3%)	—	0.0%	(8.8%)	250	(28.5%)	(5.1%)	(5.3%)	23	(4.4%)	(8.8%)	372	(42.3%)				
PGT INDUSTRIES	140	103	37	35.6%	53	88	165.8%	818	752	67	8.9%	566	253	44.7%	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	—	80	(80)	(100.0%)	76	(76)	(100.0%)	59	581	(522)	(89.8%)	563	(504)	(89.5%)	#DIV/0!	15.9%	—	#VALUE!	13.4%	NA	#VALUE!	59.7%	15.3%	4,432	288.8%	13.4%	4,626	345.1%				
CLERA	82	81	1	1.4%	96	(14)	(14.6%)	410	574	(164)	(28.6%)	689	(279)	(40.5%)	18.9%	18.9%	—	0.0%	16.4%	250	15.3%	26.0%	21.7%	430	19.8%	16.4%	967	59.1%				
SEYMOUR WINDOWS LTD.	86	38	48	126.2%	39	46	117.2%	482	491	(9)	(1.8%)	515	(33)	(6.4%)	19.6%	19.6%	(0)	(0.0%)	17.1%	250	14.6%	15.2%	14.7%	48	3.3%	17.1%	(187)	(11.0%)				
WARDCO WINDOW & DOOR MFG INC	70	87	(17)	(19.5%)	96	(26)	(27.2%)	437	489	(52)	(10.7%)	548	(111)	(20.3%)	34.7%	34.7%	—	0.0%	32.2%	250	7.8%	34.3%	32.5%	181	5.6%	32.2%	209	6.5%				
CENTENNIAL WINDOWS LTD	82	—	82	N/A	6	76	1275.1%	354	466	(112)	(24.0%)	495	(141)	(28.5%)	39.6%	#DIV/0!	—	#DIV/0!	37.1%	250	6.7%	54.2%	45.4%	875	19.3%	37.1%	1,709	46.1%				
MASON WINDOWS	28	29	(1)	(3.7%)	29	(1)	(3.8%)	230	298	(68)	(22.8%)	304	(74)	(24.2%)	8.0%	8.0%	—	0.0%	8.0%	-	0.0%	9.0%	7.8%	122	15.6%	8.0%	105	13.1%				
GREAT LAKES WINDOW INC.	22	21	0	1.4%	15	7	43.4%	153	334	(182)	(54.3%)	236	(84)	(35.4%)	8.0%	8.0%	—	0.0%	8.0%	-	0.0%	14.0%	8.3%	577	69.7%	8.0%	604	75.5%				
ORAN LTD.	70	148	(78)	(52.9%)	153	(84)	(54.6%)	367	357	11	3.1%	374	(6)	(1.6%)	8.0%	8.0%	—	0.0%	0.0%	800	N/A	10.6%	11.0%	(33)	(3.0%)	6.5%	417	64.7%				
INTEGRAL WINDOW SYSTEMS	27	35	(8)	(22.7%)	39	(12)	(31.7%)	241	205	36	17.4%	234	7	2.8%	8.0%	8.0%	—	0.0%	8.0%	-	0.0%	8.0%	8.0%	—	0.0%	8.0%	(0)	(0.0%)				
Other	318	487	(169)	(34.7%)	654	(337)	(51.5%)	3,048	2,963	85	2.9%	6,540	(3,492)	(53.4%)	(73.0%)	54.5%	(12,751)	(233.9%)	31.8%	(10,481)	(329.5%)	(14.4%)	(25.8%)	1,133	(44.0%)	(9.6%)	(478)	49.6%				
Total Gross	\$ 4,086	\$ 5,287	\$ (1,201)	(22.7%)	\$ 4,961	\$ (875)	(17.6%)	\$ 29,408	\$ 35,278	\$ (5,870)	(16.6%)	\$ 36,607	\$ (7,199)	(19.7%)	3.5%	13.9%	(1,039)	(74.8%)	10.1%	(665)	(65.6%)	11.9%	7.3%	464	63.7%	4.1%	781	189.4%				

Management Discussion

- All Weather – Overestimated launch of new slider system and casement system
- Vinylbilt – losing market share to competitors
- Ventana – Business closed down due to bankruptcy filing
- Royal Vinylbilt – Softer 2019 in line with market
- Vinyl Pro – Market conditions affecting sales

Key Performance Indicators - Woodbridge

ENERGI Woodbridge KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	YTD 2019
Health & Safety										
<i>Recordable Incidents</i>	0	0	0	0	0	1	0	0	0	1
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.46	0.47	0.48	0.49	1	1.02	0.51	0.52	0.51
Quality Performance										
<i>Customer Complaints - per MLBS</i>	3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	2.33	2.9
<i>Return as % of sales</i>	0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.75%	0.44%
Delivery Performance										
<i>% on time in full</i>	95.00%	100%	99%	99%	98%	99%	95%	97%	97%	98%
<i>% by line items</i>	99.00%	100%	99%	99%	98%	99%	95%	97%	97.2%	98%
Costs										
<i>Yield</i>	85.7%	85%	85%	85%	84%	85%	86%	86%	85%	85%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	17%	20%	20%	18%	18%	19%	17%	17%	18%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.173	\$ 0.175	\$ 0.161	\$ 0.202	\$ 0.183	\$ 0.167	\$ 0.177	\$ 0.182	\$ 0.177
<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	\$ 0.208	\$ 0.213
Inventory										
<i>Days - TTM (Trailing 12 Months)</i>	54.1	57	59	62	64	64	65	66	67	62

Comments

Quality: Large rejection from All Weather on a product launch situation accumulated from previous months.

Delivery: Back order activity to Terrebonne and Vinyl-Pro due to problematic dies in Quadrant 4

Costs: Yield: Low Yield in Quadrant 1. Yield pressures from shorter production runs driven by high inventory levels, lower sales and tooling development activity.

Alt/Regrind Cons Ratio: Regrind use in Quadrant 1 curtailed to maximize output to ensure demand met in JV. Need more opportunities to use regrind.

DL: Inventory and reduced orders combined with tooling development volume limiting opportunities to schedule larger, high volume products in Quadrants 2 and 4.

Ind. DL: Higher costs in Production supervision due to weekend work, Higher inspections / temps due to weekend work not included in budget, tool room labor higher than budget due to tool repairs, new tool qualifications / testing

Inventory: Sales lower vs budget.

Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	33,694	37,280	(3,587)	(9.6%)	37,118	(3,425)	(9.2%)	
Units Shipped ('000)	32,646	37,230	(4,585)	(12.3%)	36,738	(4,092)	(11.1%)	
Bookings (\$'000)	\$ 42,313	\$ 46,841	\$ (4,529)	(9.7%)	\$ 50,018	\$ (7,706)	(15.4%)	
Backlog ('\$000)	\$ 2,119	\$ 2,119	\$ –	0.0%	\$ 3,634	\$ (1,515)	(41.7%)	
Gross Revenue	\$ 45,876	\$ 51,746	\$ (5,870)	(11.3%)	\$ 52,687	\$ (6,811)	(12.9%)	
Adj. to Gross Revenue	(2,750)	(3,183)	433	(13.6%)	(2,920)	171	(5.8%)	
Net Revenue	43,127	48,563	(5,436)	(11.2%)	49,767	(6,640)	(13.3%)	
Material	27,637	30,569	(2,932)	(9.6%)	32,620	(4,984)	(15.3%)	
Labor	9,744	9,960	(216)	(2.2%)	10,973	(1,229)	(11.2%)	
Other COGS	1,909	1,948	(39)	(2.0%)	1,960	(51)	(2.6%)	
Total COGS	39,289	42,476	(3,187)	(7.5%)	45,553	(6,264)	(13.8%)	
Gross Margin	3,838	6,087	(2,249)	(36.9%)	4,214	(377)	(8.9%)	
Gross Margin %	8.9%	12.5%			8.5%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	259	309	(50)	(16.2%)	291	(32)	(10.9%)	
Administrative	3,867	3,954	(87)	(2.2%)	4,006	(139)	(3.5%)	
Other Opex	(175)	(228)	54	(23.5%)	(165)	(10)	6.0%	
Total Opex	3,952	4,036	(84)	(2.1%)	4,133	(181)	(4.4%)	
EBITDA	(114)	2,051	(2,165)	(105.6%)	81	(196)	(240.5%)	
EBITDA %	(0.3%)	4.2%			0.2%			
Net Income (Loss)	\$ (2,885)	\$ (738)	\$ (2,148)	291.1%	\$ (2,405)	\$ (481)	20.0%	
Capex	\$ (1,413)	\$ (1,365)	\$ (47)	3.5%	\$ (3,745)	\$ 2,332	(62.3%)	
Opex Overview:								
Payroll	\$ 679	\$ 729	\$ (50)	(6.9%)	\$ 759	\$ (81)	(10.6%)	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	91	119	(28)	(23.4%)	115	(23)	(20.4%)	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	8	7	1	13.7%	10	(2)	(19.8%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	42	49	(8)	(15.4%)	47	(6)	(11.7%)	
Professional fees	36	31	5	16.4%	36	(0)	(0.3%)	
Utilities, repair, maintenance, and security	32	27	6	21.4%	26	6	24.6%	
Corporate OH Fees	3,234	3,281	(47)	(1.4%)	3,299	(65)	(2.0%)	
Bad Debts	(4)	(5)	1	(18.7%)	(13)	9	(70.5%)	
FX	25	–	25	N/A	(82)	107	(130.7%)	
JV Loss (Income)	(200)	(228)	28	(12.4%)	(83)	(117)	141.4%	
Other Expenses	8	25	(17)	(66.9%)	21	(13)	(60.4%)	
Total Opex	\$ 3,952	\$ 4,036	\$ (84)	(2.1%)	\$ 4,136	\$ (184)	(4.4%)	

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	\$	9,867	\$	11,057	\$	(1,189)	(10.8%)	\$	10,577	\$	(710)	(6.7%)	10.8%	10.1%	68	6.8%	7.9%	287	36.3%
QUAKER WINDOW PRODUCTS		5,562		6,028		(465)	(7.7%)		5,345		217	4.1%	11.3%	10.8%	51	4.7%	8.5%	278	32.6%
ALL WEATHER WIN. LTD-EDMO		3,504		5,314		(1,811)	(34.1%)		2,047		1,456	71.1%	25.2%	19.4%	579	29.8%	17.2%	803	46.8%
VINYL BILT WINDOWS & DOORS CC		2,740		3,779		(1,039)	(27.5%)		4,689		(1,949)	(41.6%)	(18.1%)	(15.2%)	(291)	19.2%	(20.5%)	238	(11.6%)
VINYL PRO WINDOW SYSTEMS		3,314		3,587		(273)	(7.6%)		3,893		(580)	(14.9%)	6.1%	6.0%	18	2.9%	5.7%	47	8.2%
WINDSOR WINDOW CO		3,827		3,710		117	3.2%		3,491		336	9.6%	20.8%	21.3%	(47)	(2.2%)	19.0%	184	9.7%
DASHWOOD INDUSTRIES LTD.		2,558		2,891		(333)	(11.5%)		2,976		(419)	(14.1%)	16.9%	15.8%	109	6.9%	15.3%	159	10.4%
OSTACO 2000 WINDOORS INC		1,564		1,911		(347)	(18.1%)		1,810		(246)	(13.6%)	15.5%	13.7%	181	13.2%	11.3%	418	36.9%
ALLSCO BLDG SUPPLIES LTD		1,574		1,580		(6)	(0.4%)		1,520		53	3.5%	(14.5%)	(14.5%)	(2)	0.2%	3.9%	(1,845)	(467.2%)
TERREBONNE		1,586		1,197		389	32.5%		1,510		77	5.1%	(4.6%)	(5.2%)	53	(10.3%)	(8.8%)	414	(47.1%)
PGT INDUSTRIES		1,181		1,115		67	6.0%		954		227	23.8%	0.0%	0.0%	—	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS IN		339		861		(522)	(60.6%)		754		(415)	(55.0%)	31.6%	15.2%	1,642	108.0%	13.4%	1,821	135.8%
CLERA		657		821		(164)	(20.0%)		969		(312)	(32.2%)	23.7%	20.5%	314	15.3%	16.4%	732	44.8%
SEYMOUR WINDOWS LTD.		782		791		(9)	(1.1%)		822		(41)	(5.0%)	14.1%	14.0%	6	0.4%	17.1%	(299)	(17.5%)
WARDCO WINDOW & DOOR MFG		681		733		(52)	(7.1%)		874		(194)	(22.1%)	33.4%	32.1%	132	4.1%	32.2%	122	3.8%
CENTENNIAL WINDOWS LTD		521		633		(112)	(17.7%)		717		(197)	(27.4%)	56.9%	49.3%	755	15.3%	37.1%	1,980	53.4%
MASON WINDOWS		393		462		(68)	(14.8%)		449		(56)	(12.4%)	8.9%	8.1%	84	10.4%	8.0%	93	11.6%
GREAT LAKES WINDOW INC.		218		400		(182)	(45.4%)		364		(145)	(40.0%)	13.8%	9.1%	470	51.7%	8.0%	579	72.4%
ORAN LTD.		367		357		11	3.1%		517		(150)	(28.9%)	10.8%	11.0%	(21)	(1.9%)	8.0%	281	35.2%
INTEGRAL WINDOW SYSTEMS		344		308		36	11.6%		315		29	9.1%	8.0%	8.0%	0	0.0%	8.0%	(0)	(0.0%)
Other		4,297		4,212		85	2.0%		8,091		(3,794)	(46.9%)	(10.5%)	(30.4%)	1,990	(65.5%)	10.5%	(2,105)	(199.6%)
Total Gross	\$	45,876	\$	51,746	\$	(5,870)	(11.3%)	\$	52,687	\$	(6,811)	(12.9%)	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)	1,745	1,787	(42)	(2.4%)	12,733	13,289	(556)	(4.2%)
Units Shipped ('000)	1,838	1,848	(10)	(0.5%)	12,237	12,881	(644)	(5.0%)
Bookings (\$'000)	\$ 3,436	\$ 2,692	\$ 744	27.6%	\$ 21,994	\$ 22,538	\$ (544)	(2.4%)
Backlog (\$'000)	\$ 3,818	\$ 3,314	\$ 504	15.2%	\$ 3,818	\$ 3,314	\$ 504	15.2%
Gross Revenue	\$ 3,400	\$ 3,500	\$ (100)	(2.9%)	\$ 22,273	\$ 24,106	\$ (1,833)	(7.6%)
Adj. to Gross Revenue	(259)	(284)	24	(8.6%)	(1,796)	(1,866)	70	(3.8%)
Net Revenue	3,141	3,216	(76)	(2.3%)	20,478	22,240	(1,763)	(7.9%)
Material	1,498	1,468	30	2.0%	9,404	10,272	(868)	(8.5%)
Labor	509	542	(33)	(6.2%)	3,851	4,213	(362)	(8.6%)
Other COGS	222	214	8	3.9%	1,240	1,224	16	1.3%
Total COGS	2,228	2,223	5	0.2%	14,495	15,710	(1,214)	(7.7%)
Gross Margin	912	993	(80)	(8.1%)	5,982	6,531	(549)	(8.4%)
Gross Margin %	29.1%	30.9%			29.2%	29.4%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	139	169	(30)	(18.0%)	1,111	1,252	(140)	(11.2%)
Administrative	255	252	3	1.2%	1,968	2,023	(55)	(2.7%)
Other Opex	(0)	—	(0)	N/A	(10)	—	(10)	N/A
Total Opex	394	422	(28)	(6.6%)	3,069	3,274	(205)	(6.3%)
EBITDA	518	571	(53)	(9.2%)	2,913	3,256	(343)	(10.5%)
EBITDA %	16.5%	17.8%			14.2%	14.6%		
Net Income (Loss)	\$ 410	\$ 440	\$ (30)	(6.9%)	\$ 2,041	\$ 2,285	\$ (244)	(10.7%)
Capex	\$ (70)	\$ (48)	\$ (22)	44.4%	\$ (687)	\$ (1,045)	\$ 358	(34.3%)
Opex Overview:								
Payroll	\$ 105	\$ 118	\$ (13)	(11.0%)	\$ 834	\$ 914	\$ (80)	(8.7%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	56	80	(23)	(29.1%)	433	552	(119)	(21.5%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	1	2	(2)	(73.6%)	27	21	6	26.3%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	5	5	0	0.1%	37	38	(1)	(3.1%)
Professional fees	13	7	7	104.2%	55	52	3	6.0%
Utilities, repair, maintenance, and	5	4	1	14.3%	44	47	(3)	(6.5%)
Corporate OH Fees	177	182	(5)	(2.5%)	1,411	1,452	(41)	(2.8%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	(0)	—	(0)	N/A	(10)	—	(10)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	32	25	7	30.1%	237	198	39	19.8%
Total Opex	\$ 394	\$ 422	\$ (28)	(6.6%)	\$ 3,069	\$ 3,274	\$ (205)	(6.3%)

Management Discussion

Net Revenue – Aug-19: (\$76K):

- Sales volume down 0.5% or \$17k due to decreased demand from Laflamme, Nordist, Fenetres Concept & Abritek; offset by increased demand from Atlantic Windows, LGC and Qualum
- Favorable rebates and discounts \$12k driven by lower volumes from Laflamme
- Unfavorable mix impact of \$7k primarily driven by customer mix
- Unfavorable F/X of \$64k (actual rate of 1.3277 [or \$USD 0.7532] vs. 1.30 [or \$USD 0.7692])

EBITDA – Aug-19: (\$53K):

- Material COGS:** Increase in costs by \$30k driven by product mix \$47k (increased sales on products purchased for resale) & increase in inventory reserves \$5k; offset by improved yields \$22k (87.5% vs 84%)
- Labor COGS:** Decrease in costs by \$33k driven by lower staffing and vacations taken (timing)
- Other COGS:** Increase in cost by \$8k driven by unfavorable net absorption of \$24k; offset by lower utilities \$7k and maintenance/factory expenses \$5k
- Sales and Marketing:** Decrease in cost by \$30k driven by lower advertising (timing) \$23k; lower wages \$13k (vacations taken); offset by increased product development costs \$7k
- Administrative:** Increase in cost by \$3k primarily driven by professional fees related to the study of electricity claims for QST
- 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.	\$	377	\$	399	\$	(22)	(5.6%)	\$	404	\$	(27)	(6.7%)	\$	2,859	\$	2,665	\$	194	7.3%	\$	2,767	\$	92	3.3%	25.4%	23.3%	206	8.8%	23.0%	234	10.2%	23.9%	23.5%	46	2.0%	22.8%	117	5.1%
ATLANTIC WINDOWS		360		250		110	43.9%		237		123	51.8%		2,187		2,384		(197)	(8.3%)		2,324		(137)	(5.9%)	14.5%	13.6%	90	6.7%	13.9%	58	4.2%	14.9%	12.2%	265	21.7%	12.2%	264	21.6%
SCHLUTER SYSTEMS L.P.		244		237		7	3.0%		236		8	3.4%		1,550		1,801		(251)	(13.9%)		1,794		(244)	(13.6%)	24.2%	21.9%	226	10.3%	22.0%	217	9.8%	24.1%	21.5%	263	12.3%	21.2%	291	13.7%
LAFLAMME PORTES		184		252		(68)	(27.2%)		245		(61)	(25.1%)		1,260		1,675		(415)	(24.8%)		1,648		(388)	(23.5%)	(11.9%)	(19.4%)	758	(39.0%)	(13.5%)	161	(11.9%)	(13.3%)	(19.5%)	619	(31.8%)	(13.7%)	41	(3.0%)
PTES & FEN ISOTHERMIC INC		200		176		24	13.7%		182		18	10.0%		1,307		1,268		39	3.0%		1,323		(16)	(1.2%)	22.7%	29.0%	(627)	(21.6%)	27.5%	(477)	(17.3%)	21.6%	29.0%	(743)	(25.6%)	26.4%	(481)	(18.2%)
PORTES & FENETRES ABRITEK		164		213		(49)	(23.1%)		206		(42)	(20.5%)		984		1,185		(201)	(16.9%)		1,192		(208)	(17.4%)	29.6%	31.9%	(228)	(7.1%)	32.0%	(239)	(7.5%)	30.7%	32.0%	(129)	(4.0%)	30.8%	(15)	(0.5%)
ATIS PORTES & FENETRES		156		171		(15)	(8.7%)		175		(19)	(10.8%)		1,104		921		183	19.9%		1,038		66	6.4%	(17.4%)	(25.7%)	831	(32.3%)	(14.9%)	(256)	17.2%	(16.3%)	(25.7%)	946	(36.8%)	(14.9%)	(137)	9.2%
EXTREME ENTRANCE SYSTEMS		148		140		8	5.9%		134		14	10.7%		979		1,153		(174)	(15.1%)		1,151		(172)	(15.0%)	15.7%	25.0%	(931)	(37.2%)	17.2%	(147)	(8.6%)	15.6%	24.8%	(915)	(36.9%)	16.6%	(97)	(5.8%)
FENERGIC INC		91		113		(22)	(19.2%)		122		(31)	(25.1%)		630		703		(73)	(10.4%)		815		(185)	(22.7%)	15.7%	24.8%	(908)	(36.6%)	16.4%	(69)	(4.2%)	15.8%	25.2%	(942)	(37.3%)	16.1%	(28)	(1.7%)
LES FENETRES CONCEPT.		128		180		(52)	(28.7%)		151		(23)	(15.0%)		819		859		(40)	(4.6%)		760		59	7.8%	16.0%	16.1%	(12)	(0.7%)	18.5%	(255)	(13.8%)	15.2%	16.3%	(118)	(7.2%)	17.5%	(237)	(13.5%)
P & C EDDY BOULET INC		94		102		(8)	(7.4%)		59		35	60.0%		591		530		61	11.6%		528		63	12.0%	25.3%	5.9%	1,937	329.3%	27.1%	(186)	(6.9%)	22.2%	6.1%	1,608	264.3%	18.6%	361	19.5%
PRODUITS DALMEN PRODUCTS		57		58		(1)	(1.8%)		44		13	29.5%		322		612		(290)	(47.3%)		498		(176)	(35.2%)	18.5%	15.5%	297	19.1%	11.4%	712	62.7%	18.0%	16.0%	199	12.4%	13.4%	456	33.9%
KENTO WINDOWS & DOORS		65		95		(30)	(31.4%)		94		(29)	(30.7%)		464		489		(25)	(5.0%)		488		(24)	(4.8%)	26.9%	30.5%	(359)	(11.8%)	26.6%	34	1.3%	32.2%	30.7%	146	4.8%	31.2%	94	3.0%
GENTEK BUILDING PROD. LTD		23		51		(28)	(54.2%)		40		(17)	(41.6%)		141		504		(363)	(72.0%)		398		(257)	(64.6%)	4.6%	11.8%	(718)	(61.0%)	15.0%	(1,041)	(69.4%)	6.2%	12.1%	(586)	(48.4%)	15.6%	(934)	(59.9%)
GOLDEN WINDOWS		60		35		25	71.4%		50		10	20.0%		417		242		175	72.5%		358		59	16.6%	(2.3%)	(2.9%)	56	(19.5%)	6.0%	(830)	(138.3%)	(1.8%)	(2.9%)	112	(38.7%)	5.7%	(743)	(131.2%)
ENTREPRISES DOCO INC.		37		49		(12)	(24.9%)		39		(2)	(5.6%)		283		394		(111)	(28.1%)		346		(63)	(18.1%)	23.1%	22.4%	67	3.0%	0.0%	2,312	N/A	23.3%	21.8%	146	6.7%	(5.3%)	2,857	(542.0%)
FUTURA MANUFACTURIER		51		48		3	7.0%		52		(1)	(1.2%)		249		269		(20)	(7.5%)		296		(47)	(15.9%)	8.4%	20.8%	(1,241)	(59.5%)	17.3%	(888)	(51.3%)	6.4%	20.8%	(1,435)	(69.2%)	26.2%	(1,980)	(75.6%)
G.R. THÉRIAULT		61		50		11	21.1%		29		32	108.8%		271		277		(6)	(2.2%)		257		14	5.4%	23.7%	34.0%	(1,032)	(30.4%)	17.2%	644	37.3%	23.1%	34.0%	(1,093)	(32.2%)	9.7%	1,340	138.6%
PORTES ET FENETRES LGC		87		40		47	118.1%		40		47	118.1%		317		249		68	27.1%		291		26	8.8%	42.0%	55.0%	(1,296)	(23.6%)	17.5%	2,454	140.2%	39.6%	55.0%	(1,540)	(28.0%)	20.1%	1,951	97.0%
LAS ENTERPRISES		27		49		(22)	(45.6%)		50		(23)	(46.7%)		263		287		(24)	(8.5%)		296		(33)	(11.2%)	54.4%	51.0%	335	6.6%	28.0%	2,637	94.2%	49.1%	51.2%	(214)	(4.2%)	36.0%	1,307	36.3%
Other		785		792		(6)	(0.8%)		840		(55)	(6.5%)		5,275		5,639		(364)	(6.5%)		6,587		(1,312)	(19.9%)	60.2%	70.9%	(1,078)	(15.2%)	3.1%	5,707	1843.7%	61.7%	61.8%	(5)	(0.1%)	22.5%	3,929	174.9%
Total Gross	\$	3,400	\$	3,500	\$	(100)	(2.9%)	\$	3,429	\$	(29)	(0.9%)	\$	22,273	\$	24,106	\$	(1,833)	(7.6%)	\$	25,155	\$	(2,882)	(11.5%)	26.8%	28.4%	(153)	(5.4%)	26.4%	48	1.8%	27.0%	26.8%	23	0.9%	23.9%	312	13.1%

Management Discussion

- Strong performance despite soft market conditions with some customers performing better vs budget
- La Flamme, Abritek and Fenetres Concept being the major contributors to the miss vs budget
- Atlantic strong sales after a quiet Q2

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	Aug-19	YTD 2019
Health & Safety										
Recordable Incidents	0	1	1	0	0	0	1	0	0	3
TRIR (Total Recordable Incident Rate)	<1	4.95	4.95	4.12	4.3	4.31	4.31	4.15	4.10	4.15
Quality Performance										
Customer Complaints - per MLBS	22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	18.34	25.9
Return as % of sales	0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.25%	0.45%
Delivery Performance										
% on time in full	95.00%	99.73%	99.75%	99.58%	99.82%	99.81%	100%	100%	99.59%	100%
% by line items	99.00%	99.73%	99.75%	99.58%	99.82%	99.81%	100%	100%	99.59%	100%
Costs										
Yield	84.00%	85.48%	85.19%	87%	88%	87%	87%	86%	87.53%	87%
Alt/Regrind Compound Consumption Ratio	20.89%	20.18%	19.41%	18%	16%	20%	20%	19%	18.85%	19%
Direct Labour \$/lb produced	\$0.192	\$ 0.195	\$0.184	\$ 0.186	\$ 0.115	\$ 0.191	\$ 0.194	\$ 0.217	\$ 0.194	\$ 0.183
Indirect Labour (incl D&D) \$/lb produced	\$0.237	\$ 0.267	\$0.219	\$ 0.208	\$ 0.216	\$ 0.223	\$ 0.196	\$ 0.255	\$ 0.192	\$ 0.219
Inventory										
Days - TTM (Trailing 12 Months)	69.3	67	66.4	68	69	68	70	70	70	68

Comments:

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

Labour: Low output jobs running

Inventory: Sales lower vs budget

Full Year Laval P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	18,482	19,038	(556)	(2.9%)	19,947	(1,465)	(7.3%)
Units Shipped ('000)	18,471	19,115	(644)	(3.4%)	19,803	(1,331)	(6.7%)
Bookings (\$'000)	\$ 32,225	\$ 32,769	\$ (544)	(1.7%)	\$ 36,193	\$ (3,968)	(11.0%)
Backlog ('\$000)	\$ 1,897	\$ 1,897	\$ –	0.0%	\$ 2,942	\$ (1,045)	(35.5%)
Gross Revenue	\$ 33,851	\$ 35,684	\$ (1,833)	(5.1%)	\$ 37,211	\$ (3,360)	(9.0%)
Adj. to Gross Revenue	(2,753)	(2,824)	70	(2.5%)	(3,256)	502	(15.4%)
Net Revenue	31,098	32,861	(1,763)	(5.4%)	33,956	(2,858)	(8.4%)
Material	14,342	15,210	(868)	(5.7%)	16,229	(1,887)	(11.6%)
Labor	5,886	6,249	(362)	(5.8%)	6,587	(701)	(10.6%)
Other COGS	2,090	2,074	16	0.8%	2,233	(142)	(6.4%)
Total COGS	22,319	23,533	(1,214)	(5.2%)	25,049	(2,730)	(10.9%)
Gross Margin	8,779	9,328	(549)	(5.9%)	8,907	(128)	(1.4%)
Gross Margin %	28.2%	28.4%			26.2%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	1,713	1,853	(140)	(7.6%)	2,003	(290)	(14.5%)
Administrative	2,975	3,030	(55)	(1.8%)	3,071	(97)	(3.1%)
Other Opex	(10)	–	(10)	N/A	17	(26)	(158.2%)
Total Opex	4,678	4,883	(205)	(4.2%)	5,090	(413)	(8.1%)
EBITDA	4,101	4,445	(343)	(7.7%)	3,816	285	7.5%
EBITDA %	13.2%	13.5%			11.2%		
Net Income (Loss)	\$ 2,692	\$ 2,936	\$ (244)	(8.3%)	\$ 2,573	\$ 119	4.6%
Capex	\$ (687)	\$ (1,235)	\$ 549	(44.4%)	\$ (1,614)	\$ 928	(57.5%)
Opex Overview:							
Payroll	\$ 1,298	\$ 1,377	\$ (80)	(5.8%)	\$ 1,449	\$ (151)	(10.4%)
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	681	799	(119)	(14.8%)	819	(138)	(16.9%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	37	31	6	17.8%	44	(7)	(16.9%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	56	57	(1)	(2.1%)	51	5	9.5%
Professional fees	82	78	3	4.0%	95	(14)	(14.3%)
Utilities, repair, maintenance, and security	61	64	(3)	(4.8%)	71	(9)	(13.3%)
Corporate OH Fees	2,138	2,178	(41)	(1.9%)	2,180	(42)	(1.9%)
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	(10)	–	(10)	N/A	17	(26)	(158.2%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	336	297	39	13.2%	365	(29)	(8.0%)
Total Opex	\$ 4,678	\$ 4,883	\$ (205)	(4.2%)	\$ 5,093	\$ (416)	(8.2%)

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.	\$	4,269	\$	4,075	\$	194	4.8%	\$	4,262	\$	7	0.2%	24.2%	23.7%	42	1.8%	22.9%	122	5.3%
ATLANTIC WINDOWS		3,438		3,635		(197)	(5.4%)		3,475		(37)	(1.1%)	14.1%	12.3%	180	14.6%	12.7%	143	11.3%
SCHLUTER SYSTEMS L.P.		2,307		2,557		(250)	(9.8%)		2,796		(489)	(17.5%)	24.8%	22.8%	199	8.7%	21.4%	334	15.6%
LAFLAMME PORTES		2,062		2,478		(416)	(16.8%)		2,426		(364)	(15.0%)	(15.0%)	(19.4%)	442	(22.7%)	(13.3%)	(172)	12.9%
PTES & FEN ISOTHERMIC INC		2,038		1,999		39	1.9%		2,163		(125)	(5.8%)	23.8%	29.0%	(527)	(18.2%)	21.9%	184	8.4%
PORTES & FENETRES ABRITEK		1,624		1,824		(200)	(11.0%)		1,742		(118)	(6.8%)	31.1%	32.0%	(88)	(2.8%)	31.2%	(8)	(0.3%)
ATIS PORTES & FENETRES		1,735		1,552		183	11.8%		1,669		66	4.0%	(18.8%)	(25.7%)	687	(26.7%)	(15.4%)	(340)	22.1%
EXTREME ENTRANCE SYSTEMS		1,413		1,587		(174)	(11.0%)		1,619		(206)	(12.7%)	17.7%	24.8%	(707)	(28.5%)	16.9%	78	4.6%
FENERGIC INC		1,031		1,105		(74)	(6.7%)		1,260		(229)	(18.2%)	18.4%	25.1%	(678)	(26.9%)	14.8%	353	23.8%
LES FENETRES CONCEPT.		1,191		1,231		(40)	(3.3%)		1,131		60	5.3%	15.5%	16.3%	(79)	(4.9%)	17.9%	(247)	(13.7%)
P & C EDDY BOULET INC		1,032		971		61	6.3%		849		183	21.6%	17.3%	6.1%	1,120	183.7%	21.3%	(402)	(18.8%)
PRODUITS DALMEN PRODUCTS		583		873		(290)	(33.2%)		692		(109)	(15.8%)	17.4%	16.0%	136	8.5%	14.5%	294	20.4%
KENTO WINDOWS & DOORS		670		694		(24)	(3.5%)		674		(4)	(0.6%)	31.7%	30.6%	111	3.6%	31.2%	53	1.7%
GENTEK BUILDING PROD. LTD		284		646		(362)	(56.1%)		528		(244)	(46.3%)	8.5%	12.0%	(344)	(28.7%)	12.5%	(397)	(31.8%)
GOLDEN WINDOWS		526		350		176	50.3%		512		14	2.7%	(2.2%)	(3.0%)	87	(28.5%)	5.3%	(745)	(141.3%)
ENTREPRISES DOCO INC.		466		576		(110)	(19.0%)		503		(37)	(7.3%)	22.7%	21.9%	87	4.0%	(3.2%)	2,593	(815.2%)
FUTURA MANUFACTURIER		455		475		(20)	(4.2%)		453		2	0.4%	11.6%	20.9%	(925)	(44.3%)	23.2%	(1,155)	(49.8%)
G.R. THÉRIAULT		444		449		(5)	(1.1%)		433		11	2.5%	26.9%	34.2%	(732)	(21.4%)	9.7%	1,715	176.8%
PORTES ET FENETRES LGC		452		384		68	17.8%		435		17	4.0%	43.4%	55.0%	(1,157)	(21.1%)	22.8%	2,064	90.7%
LAS ENTERPRISES		396		420		(24)	(5.8%)		423		(27)	(6.4%)	49.8%	51.3%	(145)	(2.8%)	37.6%	1,225	32.6%
Other		7,437		7,803		(367)	(4.7%)		9,166		(1,730)	(18.9%)	61.5%	63.2%	(170)	(2.7%)	2.4%	5,908	2472.7%
Total Gross	\$	33,851	\$	35,684	\$	(1,833)	(5.1%)	\$	37,211	\$	(3,360)	(9.0%)	26.3%	26.5%	(21)	(0.8%)	23.9%	238	9.9%

Delmont Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,875	2,204	(329)	(14.9%)	14,400	16,508	(2,108)	(12.8%)
Units Shipped ('000)	1,918	2,298	(380)	(16.5%)	14,907	16,855	(1,948)	(11.6%)
Bookings (\$'000)	\$ 3,333	\$ 3,830	\$ (497)	(13.0%)	\$ 25,442	\$ 28,134	\$ (2,692)	(9.6%)
Backlog (\$'000)	\$ 1,624	\$ 1,812	\$ (188)	(10.4%)	\$ 1,624	\$ 1,812	\$ (188)	(10.4%)
Gross Revenue	\$ 3,568	\$ 3,998	\$ (430)	(10.7%)	\$ 26,694	\$ 29,300	\$ (2,607)	(8.9%)
Adj. to Gross Revenue	(103)	(113)	10	(8.5%)	(714)	(841)	127	(15.1%)
Net Revenue	3,465	3,885	(420)	(10.8%)	25,980	28,459	(2,479)	(8.7%)
Material	1,748	1,879	(132)	(7.0%)	12,812	13,897	(1,085)	(7.8%)
Labor	670	709	(39)	(5.6%)	5,073	5,590	(517)	(9.3%)
Other COGS	295	331	(36)	(10.8%)	2,395	2,304	92	4.0%
Total COGS	2,713	2,919	(207)	(7.1%)	20,280	21,791	(1,511)	(6.9%)
Gross Margin	752	966	(213)	(22.1%)	5,700	6,668	(968)	(14.5%)
Gross Margin %	21.7%	24.9%			21.9%	23.4%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	8	15	(7)	(47.4%)	92	121	(28)	(23.5%)
Administrative	223	226	(2)	(1.0%)	1,750	1,796	(46)	(2.5%)
Other Opex	—	—	—	N/A	—	—	—	N/A
Total Opex	231	241	(9)	(3.9%)	1,843	1,917	(74)	(3.9%)
EBITDA	521	725	(204)	(28.1%)	3,857	4,751	(894)	(18.8%)
EBITDA %	15.0%	18.7%			14.8%	16.7%		
Net Income (Loss)	\$ 357	\$ 572	\$ (215)	(37.5%)	\$ 2,605	\$ 3,576	\$ (970)	(27.1%)
Capex	\$ (72)	\$ (73)	\$ 1	(1.4%)	\$ (691)	\$ (959)	\$ 268	(28.0%)
Opex Overview:								
Payroll	\$ 59	\$ 64	\$ (5)	(8.0%)	\$ 432	\$ 501	\$ (69)	(13.7%)
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	0	—	0	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)	(24.3%)	23	30	(7)	(22.1%)
Corporate OH Fees	167	165	2	1.0%	1,328	1,322	7	0.5%
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	—	—	—	N/A	—	—	—	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	3	8	(5)	(63.4%)	58	64	(6)	(9.8%)
Total Opex	\$ 231	\$ 241	\$ (9)	(3.9%)	\$ 1,843	\$ 1,917	\$ (74)	(3.9%)

Management Discussion

Net Revenue – Aug-19: (\$420K)

- Sales volume down 16.9% or \$661k driven by decreased demand from PGT (\$429k), Polaris (\$109k), Columbia (\$58k), and NewSouth (\$56k); offset by increased demand from Brunswick Bowling +\$70k
- Favorable Rebates/returns/accruals \$10k primarily driven by lower PGT sales volume
- Favorable mix impact of \$231k or \$0.12/lb primarily driven by product mix – increased PGT Dark Cap Sales, Polaris new launch slower than expected and Qubicaamf bowling

EBITDA – Aug-19: (\$204K)

- Material COGS:** Decrease in costs by \$132k primarily driven by decreased sales volumes \$248k; offset by decreased alt material/regrind usage \$55k, lower yields \$39k (83.7% vs 84.6%), increased inventory reserves \$15k (Comfortview Clay products) and Vytron price increase \$7k (3rd party)
- Labor COGS:** Decrease in cost by \$39K driven by lower headcount (9) due to reduced production volumes (14.9%)
- Other COGS:** Decrease in cost by \$36k driven by higher tooling recovery \$23k, lower utilities & factory expense \$18k (decreased production) and lower freight costs \$22k (lower sales volume); offset by lower net absorption of \$27k
- Sales and Marketing:** Decrease in costs by \$7k, primarily driven by 1 less headcount (CSR temp)
- 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	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																																
PGT Industries Inc	\$ 1,789	\$ 2,217	\$ (428)	(19.3%)	\$ 2,140	\$ (351)	(16.4%)	\$ 14,379	\$ 15,202	\$ (823)	(5.4%)	\$ 14,137	\$ 242	1.7%	19.7%	19.4%	30	1.5%	17.8%	198	11.2%	20.4%	19.8%	60	3.0%	13.5%	691	51.3%				
Polaris Technologies	420	507	(87)	(17.2%)	293	127	43.3%	3,548	3,965	(417)	(10.5%)	2,362	1,186	50.2%	17.1%	19.7%	(260)	(13.2%)	21.5%	(438)	(20.4%)	16.2%	17.5%	(135)	(7.7%)	15.1%	111	7.4%				
Comfort View Products	249	271	(22)	(8.1%)	251	(2)	(0.8%)	1,480	2,202	(722)	(32.8%)	2,095	(615)	(29.4%)	18.5%	18.5%	0	0.0%	15.1%	332	21.9%	19.8%	15.6%	418	26.8%	11.7%	812	69.4%				
Sierra Pacific Windows	234	211	23	10.9%	186	48	25.8%	1,806	1,770	36	2.0%	1,695	111	6.5%	5.0%	11.8%	(685)	(57.8%)	3.2%	177	55.0%	9.2%	9.7%	(44)	(4.6%)	5.1%	412	80.7%				
Atrium Windows & Doors	146	160	(14)	(8.8%)	159	(13)	(8.2%)	971	1,092	(121)	(11.1%)	1,029	(58)	(5.6%)	39.7%	46.3%	(656)	(14.2%)	37.1%	258	7.0%	38.2%	46.3%	(813)	(17.6%)	36.2%	193	5.3%				
Regency Plus, Inc.	168	206	(38)	(18.4%)	156	12	7.7%	1,339	1,388	(49)	(3.5%)	1,183	156	13.2%	17.3%	17.5%	(17)	(1.0%)	20.5%	(321)	(15.7%)	20.8%	18.3%	247	13.5%	12.8%	798	62.4%				
Brunswick Bowling And Billiards	237	167	70	41.9%	167	70	41.9%	1,130	1,345	(215)	(16.0%)	1,345	(215)	(16.0%)	39.2%	52.1%	(1,286)	(24.7%)	40.1%	(89)	(2.2%)	40.6%	44.4%	(383)	(8.6%)	41.3%	(72)	(1.7%)				
Qubicaamf Worlwide LCC	88	58	30	51.7%	38	50	131.6%	661	645	16	2.5%	665	(4)	(0.6%)	42.8%	84.5%	(4,171)	(49.4%)	34.2%	856	25.0%	45.7%	51.0%	(529)	(10.4%)	45.0%	79	1.8%				
NewSouth Window Solutions, LLC	–	56	(56)	(100.0%)	15	(15)	(100.0%)	239	503	(264)	(52.5%)	497	(258)	(51.9%)	#DIV/0!	48.2%	–	#VALUE!	20.0%	NA	#VALUE!	36.0%	35.9%	10	0.3%	30.7%	522	17.0%				
Great Day Improvement, LLC	71	18	53	294.4%	19	52	273.7%	239	303	(64)	(21.1%)	303	(64)	(21.1%)	33.9%	100.0%	(6,613)	(66.1%)	21.1%	1,282	60.9%	35.3%	38.2%	(293)	(7.7%)	31.1%	421	13.5%				
Yoders Window & Siding	47	–	47	N/A	–	47	N/A	213	208	5	2.4%	258	(45)	(17.4%)	42.4%	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	29.3%	43.0%	(1,374)	(31.9%)	35.9%	(656)	(18.3%)				
Fairway Building Products	–	–	-	N/A	–	-	N/A	60	121	(61)	(50.4%)	121	(61)	(50.4%)	#DIV/0!	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	11.7%	22.7%	(1,093)	(48.3%)	20.2%	(847)	(41.9%)				
Grabner 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!	28.8%	–	#VALUE!	42.4%	NA	#VALUE!				
Columbia Industries, Inc.	–	58	(58)	(100.0%)	58	(58)	(100.0%)	53	58	(5)	(8.6%)	58	(5)	(8.6%)	#DIV/0!	1.7%	–	#VALUE!	19.0%	NA	#VALUE!	1.8%	24.1%	(2,235)	(92.6%)	19.0%	(1,717)	(90.6%)				
Jeld-Wen Windows & Doors	5	2	3	150.0%	2	3	150.0%	19	25	(6)	(24.0%)	30	(11)	(36.7%)	19.3%	50.0%	(3,068)	(61.4%)	0.0%	1,932	N/A	20.9%	17.4%	354	20.3%	14.3%	664	46.5%				
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	18	5	13	260.0%	–	18	N/A	73	28	45	160.7%	4	69	1725.0%	27.1%	0.0%	2,707	#DIV/0!	#DIV/0!	NA	#DIV/0!	7.8%	0.0%	784	N/A	0.0%	784	N/A				
East Central Indiana Vinyl MFG, LL	3	5	(2)	(40.0%)	5	(2)	(40.0%)	19	22	(3)	(13.6%)	27	(8)	(29.6%)	42.5%	20.0%	2,253	112.7%	0.0%	4,253	N/A	16.2%	35.9%	(1,973)	(55.0%)	36.7%	(2,056)	(56.0%)				
Lakeland Polymers, LLC	1	1	-	0.0%	1	-	0.0%	11	8	3	37.5%	32	(21)	(65.6%)	(183.0%)	(300.0%)	11,700	(39.0%)	(400.0%)	21,700	(54.3%)	(138.9%)	(271.4%)	13,248	(48.8%)	(50.8%)	(8,816)	173.6%				
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	92	56	36	64.9%	107	(15)	(13.7%)	447	323	123	38.1%	975	(528)	(54.2%)	3.1%	81.5%	(7,844)	(96.2%)	8.0%	(490)	(61.2%)	19.8%	77.2%	(5,737)	(74.3%)	7.4%	1,237	166.2%				
Total Gross	\$ 3,568	\$ 3,998	\$ (430)	(10.7%)	\$ 3,597	\$ (29)	(0.8%)	\$ 26,694	\$ 29,300	\$ (2,607)	(8.9%)	\$ 26,915	\$ (221)	(0.8%)	21.1%	24.2%	(307)	(12.7%)	18.9%	217	11.5%	21.3%	22.6%	(124)	(5.5%)	16.6%	471	28.3%				

Management Discussion

- Softer market conditions affecting overall sales with most customers coming in short vs budget
- PGT & Regency – Slower in August however YTD sales stable
- Polaris – lower vs budget but better vs PY
- New South Window – Market slowdown affecting sales

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	Aug-19	YTD 2019
Health & Safety										
<i>Recordable Incidents</i>	0	0	0	2	1	0	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	3.59	4.25
Quality Performance										
<i>Customer Complaints - per MLBS</i>	3.2	2.76	3.16	3.68	2.94	3.03	3.42	3.6	4.80	3
<i>Return as % of sales</i>	0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.373%	0.02%
Delivery Performance										
<i>% on time in full</i>	95.00%	99.71%	99.80%	100%	100%	100%	100%	100%	99.51%	100%
<i>% by line items</i>	99.00%	99.50%	99.38%	99%	99%	99%	99%	99%	99.05%	99%
Costs										
<i>Yield</i>	85.7%	81.36%	82.71%	83%	83%	83%	82%	82%	83.65%	83%
<i>Alt/Regrind Compound Consumption Ratio</i>	17.1%	25.4%	19.8%	19.5%	23%	18%	21%	19%	28.0%	22%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$0.178	\$0.174	\$ 0.165	\$ 0.181	\$ 0.178	\$ 0.180	\$ 0.183	\$ 0.186	\$ 0.178
<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	\$ 0.171
Inventory										
<i>Days - TTM (Trailing 12 Months)</i>	58.7	62.0	62.1	65	67	67	70	71	73.0	66

Comments:

Quality: 9 Customer Concerns - 4 PGT, 4 SP, 1 Polaris. YTD returns \$61K vs \$124K in 2018.

Cost: Yield: Launched yield workshop. Meetings held every Thursday

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)	22,235	24,343	(2,108)	(8.7%)	20,561	1,674	8.1%
Units Shipped ('000)	22,938	24,886	(1,948)	(7.8%)	21,921	1,017	4.6%
Bookings (\$'000)	\$ 38,668	\$ 41,360	\$ (2,692)	(6.5%)	\$ 35,856	\$ 2,812	7.8%
Backlog ('\$000)	\$ 1,812	\$ 1,812	\$ –	0.0%	\$ 1,483	\$ 329	22.2%
Gross Revenue	\$ 40,493	\$ 43,100	\$ (2,607)	(6.0%)	\$ 38,138	\$ 2,355	6.2%
Adj. to Gross Revenue	(1,115)	(1,242)	127	(10.2%)	(1,103)	(12)	1.1%
Net Revenue	39,378	41,858	(2,479)	(5.9%)	37,036	2,343	6.3%
Material	19,309	20,394	(1,085)	(5.3%)	18,975	334	1.8%
Labor	7,856	8,373	(517)	(6.2%)	7,668	188	2.4%
Other COGS	3,486	3,394	92	2.7%	3,615	(129)	(3.6%)
Total COGS	30,650	32,161	(1,511)	(4.7%)	30,257	393	1.3%
Gross Margin	8,728	9,697	(968)	(10.0%)	6,778	1,950	28.8%
Gross Margin %	22.2%	23.2%			18.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	153	181	(28)	(15.7%)	121	31	25.6%
Administrative	2,650	2,695	(46)	(1.7%)	2,623	27	1.0%
Other Opex	–	–	–	N/A	–	–	N/A
Total Opex	2,802	2,876	(74)	(2.6%)	2,745	58	2.1%
EBITDA	5,926	6,820	(894)	(13.1%)	4,034	1,893	46.9%
EBITDA %	15.0%	16.3%			10.9%		
Net Income (Loss)	\$ 4,035	\$ 5,006	\$ (970)	(19.4%)	\$ 2,400	\$ 1,635	68.1%
Capex	\$ (691)	\$ (1,171)	\$ 480	(41.0%)	\$ (1,425)	\$ 734	(51.5%)
Opex Overview:							
Payroll	\$ 684	\$ 753	\$ (69)	(9.2%)	\$ 639	\$ 45	7.1%
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)	(66.6%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	–	–	N/A
Professional fees	–	–	–	N/A	–	–	N/A
Utilities, repair, maintenance, and security	38	45	(7)	(14.7%)	43	(4)	(10.1%)
Corporate OH Fees	1,989	1,983	7	0.3%	1,985	5	0.2%
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	–	–	–	N/A	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	90	96	(6)	(6.5%)	76	14	17.8%
Total Opex	\$ 2,802	\$ 2,876	\$ (74)	(2.6%)	\$ 2,747	\$ 55	2.0%

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	\$	22,161	\$	22,984	\$	(823)	(3.6%)	\$	20,107	\$	2,054	10.2%	19.7%	19.2%	46	2.4%	15.4%	426	27.6%
Polaris Technologies		5,405		5,822		(417)	(7.2%)		3,577		1,828	51.1%	16.7%	17.7%	(103)	(5.8%)	16.2%	45	2.8%
Comfort View Products		2,413		3,135		(722)	(23.0%)		2,920		(507)	(17.4%)	19.0%	16.1%	288	17.9%	12.3%	670	54.4%
Sierra Pacific Windows		2,596		2,560		36	1.4%		2,632		(36)	(1.4%)	9.2%	9.9%	(70)	(7.1%)	6.3%	295	47.1%
Atrium Windows & Doors		1,459		1,580		(121)	(7.7%)		1,581		(122)	(7.7%)	40.8%	47.4%	(655)	(13.8%)	35.7%	509	14.3%
Regency Plus, Inc.		2,011		2,060		(49)	(2.4%)		1,662		349	21.0%	19.7%	17.9%	183	10.2%	15.0%	468	31.1%
Brunswick Bowling And Billiards		1,514		1,729		(215)	(12.4%)		1,751		(237)	(13.5%)	45.7%	48.9%	(318)	(6.5%)	40.9%	478	11.7%
Qubicaamf Worlwide LCC		908		892		16	1.8%		864		44	5.1%	48.9%	55.0%	(612)	(11.1%)	44.0%	491	11.2%
NewSouth Window Solutions, LLC		418		682		(264)	(38.7%)		769		(351)	(45.6%)	40.4%	39.6%	76	1.9%	35.2%	514	14.6%
Great Day Improvement, LLC		399		463		(64)	(13.8%)		482		(83)	(17.2%)	35.0%	40.1%	(509)	(12.7%)	30.5%	448	14.7%
Yoders Window & Siding		305		300		5	1.7%		259		46	17.8%	32.7%	43.5%	(1,080)	(24.8%)	35.5%	(277)	(7.8%)
Fairway Building Products		78		139		(61)	(43.9%)		121		(43)	(35.5%)	21.8%	26.9%	(513)	(19.1%)	19.8%	196	9.9%
Graber Manufacturing Llc		–		92		(92)	(100.0%)		92		(92)	(100.0%)	#DIV/0!	42.9%	–	#VALUE!	42.4%	NA	#VALUE!
Columbia Industries, Inc.		53		58		(5)	(8.6%)		63		(10)	(15.9%)	5.6%	17.2%	(1,168)	(67.7%)	19.0%	(1,348)	(70.8%)
Jeld-Wen Windows & Doors		21		27		(6)	(22.2%)		36		(15)	(41.7%)	29.7%	26.9%	278	10.3%	11.1%	1,859	167.3%
Constant Distribution LLC		7		–		7	N/A		7		-	0.0%	(12.3%)	#DIV/0!	–	#DIV/0!	(57.1%)	4,489	(78.6%)
CGI		93		48		45	93.8%		11		82	745.5%	9.3%	0.0%	932	N/A	0.0%	932	N/A
East Central Indiana Vinyl MFG, LL		19		22		(3)	(13.6%)		43		(24)	(55.8%)	33.0%	45.5%	(1,242)	(27.3%)	37.2%	(417)	(11.2%)
Lakeland Polymers, LLC		12		9		3	33.3%		53		(41)	(77.4%)	(183.4%)	(316.7%)	13,329	(42.1%)	(37.7%)	(14,564)	385.9%
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		621		498		123	24.7%		1,108		(487)	(43.9%)	31.5%	81.3%	(4,980)	(61.3%)	7.0%	2,445	347.3%
Total Gross	\$	40,493	\$	43,100	\$	(2,607)	(6.0%)	\$	38,138	\$	2,355	6.2%	21.6%	22.7%	(106)	(4.7%)	17.8%	383	21.5%

Everett Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,556	1,477	79	5.3%	10,694	11,494	(800)	(7.0%)
Units Shipped ('000)	1,359	1,690	(331)	(19.6%)	10,225	11,489	(1,264)	(11.0%)
Bookings (\$'000)	\$ 2,226	\$ 2,812	\$ (585)	(20.8%)	\$ 16,646	\$ 19,913	\$ (3,267)	(16.4%)
Backlog ('\$000)	\$ 1,334	\$ 2,328	\$ (994)	(42.7%)	\$ 1,334	\$ 2,328	\$ (994)	(42.7%)
Gross Revenue	\$ 2,192	\$ 2,851	\$ (658)	(23.1%)	\$ 16,560	\$ 19,691	\$ (3,131)	(15.9%)
Adj. to Gross Revenue	(104)	(154)	50	(32.3%)	(683)	(1,048)	365	(34.8%)
Net Revenue	2,088	2,697	(609)	(22.6%)	15,877	18,643	(2,767)	(14.8%)
Material	1,057	1,287	(230)	(17.9%)	8,179	8,707	(528)	(6.1%)
Labor	551	526	25	4.8%	4,138	4,073	65	1.6%
Other COGS	160	375	(215)	(57.4%)	1,554	1,980	(426)	(21.5%)
Total COGS	1,768	2,189	(421)	(19.2%)	13,871	14,760	(889)	(6.0%)
Gross Margin	320	509	(188)	(37.0%)	2,006	3,883	(1,878)	(48.4%)
Gross Margin %	15.3%	18.9%			12.6%	20.8%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	32	20	12	61.8%	228	257	(29)	(11.2%)
Administrative	241	265	(24)	(9.2%)	2,034	2,095	(61)	(2.9%)
Other Opex	1	—	1	N/A	(5)	—	(5)	N/A
Total Opex	274	285	(11)	(3.8%)	2,258	2,353	(95)	(4.0%)
EBITDA	46	224	(177)	(79.3%)	(252)	1,530	(1,782)	(116.5%)
EBITDA %	2.2%	8.3%			(1.6%)	8.2%		
Net Income (Loss)	\$ (90)	\$ 117	\$ (207)	(176.6%)	\$ (1,160)	\$ 700	\$ (1,860)	(265.8%)
Capex	\$ (41)	\$ —	\$ (41)	N/A	\$ (1,495)	\$ (752)	\$ (742)	98.7%
Opex Overview:								
Payroll	\$ 50	\$ 70	\$ (21)	(29.1%)	\$ 513	\$ 554	\$ (41)	(7.3%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	19	7	12	190.7%	130	154	(24)	(15.7%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	0	4	(4)	(96.1%)	4	11	(7)	(60.7%)
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	16	15	2	10.4%	103	111	(8)	(7.2%)
Professional fees	—	—	—	N/A	—	—	—	N/A
Utilities, repair, maintenance, and	0	0	0	231.5%	3	5	(2)	(33.4%)
Corporate OH Fees	177	177	0	0.2%	1,421	1,419	2	0.2%
Bad Debts	0	—	0	N/A	0	—	0	N/A
FX	1	—	1	N/A	(5)	—	(5)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	9	12	(3)	(21.3%)	87	99	(12)	(11.7%)
Total Opex	\$ 274	\$ 285	\$ (11)	(3.8%)	\$ 2,258	\$ 2,353	\$ (95)	(4.0%)

Management Discussion

Net Revenue – Aug-19: (\$609K)

- Sales volume down 19.6% or \$559k driven by decreased volume from Simonton, Win-dor, Modern, Cascade & Lindsay; offset by increased volume from Northern Yukon
- Lower returns & accruals of \$16k primarily driven by improved quality processes
- Lower rebates & discounts of \$34k driven by lower volumes
- Lower ASP by \$99k primarily driven by delay in capstock sales (\$44k) and new agreements with lower ASP for Cascade (\$30k)

EBITDA – Aug-19: (\$177K)

- Material COGS:** Decrease in costs by \$230k driven by sales volume decrease \$252k; offset by decreased regrind/alt material usage (19.6% vs 25% - primarily lack of WHT 801 regrind) \$35k
- Labor COGS:** Increase in costs by \$25k driven by increased production volume \$17k (5.3%) and higher tooling labor \$13k to support tooling requirements, dark capstock launch and training
- Other COGS:** Decrease in cost by \$215k driven by favorable net absorption \$187k (plan was to pull 213k lbs from inventory, actual build of 197k lbs), lower utilities \$10k; and freight costs \$22k (lower sales volume)
- Sales and Marketing:** Increase in costs by \$12k driven by customer fabrication tooling support related to the West Coast Platform
- Administrative:** Decrease in costs by \$24k primarily driven by lower labor (2 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's	%	Act	BP's	%	Act	Bud	BP's	%	Act	BP's	%
Customer:																												
Simonton	\$ 884	\$ 1,116	\$ (232)	(20.8%)	\$ 1,045	\$ (161)	(15.4%)	\$ 6,337	\$ 7,238	\$ (901)	(12.4%)	\$ 7,169	\$ (832)	(11.6%)	15.1%	19.5%	(433)	(22.2%)	15.0%	12	0.8%	13.5%	20.3%	(687)	(33.8%)	8.8%	471	53.6%
Coeur d'Alene	358	385	(27)	(7.0%)	277	81	29.4%	2,180	2,550	(371)	(14.5%)	1,905	275	14.4%	5.1%	6.2%	(117)	(18.7%)	15.9%	(1,081)	(68.0%)	1.6%	7.6%	(596)	(78.9%)	3.2%	(159)	(49.9%)
Westeck	120	174	(54)	(30.9%)	108	12	11.0%	1,108	1,298	(191)	(14.7%)	1,155	(47)	(4.1%)	27.8%	25.4%	237	9.3%	28.7%	(91)	(3.2%)	23.9%	26.4%	(242)	(9.2%)	18.8%	519	27.7%
Cascade	154	219	(65)	(29.5%)	143	11	7.9%	1,430	1,145	286	25.0%	1,321	109	8.3%	(28.2%)	(3.3%)	(2,487)	756.0%	(40.6%)	1,240	(30.6%)	(24.4%)	(2.0%)	(2,238)	1104.3%	(10.9%)	(1,347)	123.2%
All Weather	151	124	26	21.1%	91	60	65.6%	929	762	167	22.0%	831	98	11.8%	(0.4%)	(0.3%)	(14)	48.7%	(11.0%)	1,057	(96.1%)	(4.3%)	1.0%	(531)	(533.7%)	(1.7%)	(265)	159.7%
KGW	125	110	15	13.9%	91	34	37.8%	731	781	(50)	(6.4%)	752	(21)	(2.8%)	32.3%	12.4%	1,992	161.3%	37.4%	(509)	(13.6%)	32.8%	13.7%	1,911	139.9%	30.4%	241	7.9%
Lindsay	60	122	(63)	(51.1%)	103	(43)	(41.9%)	586	840	(254)	(30.3%)	823	(237)	(28.9%)	14.5%	14.2%	33	2.3%	(13.6%)	2,813	(207.0%)	11.8%	15.5%	(372)	(23.9%)	9.2%	259	28.1%
Solar	54	25	29	117.6%	101	(47)	(46.1%)	453	200	253	126.4%	1,305	(852)	(65.3%)	4.3%	11.7%	(737)	(63.0%)	15.8%	(1,152)	(72.7%)	14.2%	13.0%	116	8.9%	6.1%	810	133.6%
ATI	–	39	(39)	(100.0%)	7	(7)	(100.0%)	17	255	(238)	(93.3%)	310	(293)	(94.5%)	#DIV/0!	11.0%	–	#VALUE!	(14.3%)	NA	#VALUE!	(316.6%)	12.3%	(32,889)	(2679.5%)	13.4%	(33,002)	(2462.4%)
Win-Dor	–	97	(97)	(100.0%)	70	(70)	(100.0%)	9	681	(672)	(98.7%)	525	(516)	(98.3%)	#DIV/0!	19.7%	–	#VALUE!	18.6%	NA	#VALUE!	136.5%	20.0%	11,645	581.9%	14.4%	12,204	846.2%
Northern - Yukon	101	32	69	216.3%	61	40	66.0%	410	485	(76)	(15.6%)	513	(103)	(20.1%)	44.4%	42.3%	209	5.0%	31.1%	1,322	42.4%	40.7%	43.2%	(253)	(5.9%)	42.8%	(211)	(4.9%)
Van Isle	–	52	(52)	(100.0%)	54	(54)	(100.0%)	315	454	(139)	(30.6%)	481	(166)	N/A	#DIV/0!	23.1%	–	#VALUE!	90.7%	NA	#VALUE!	12.0%	24.1%	(1,216)	(50.4%)	75.8%	(6,381)	(84.2%)
Whisper Walls	63	76	(12)	(16.4%)	42	21	50.6%	471	404	67	16.6%	477	(6)	(1.3%)	50.4%	45.9%	455	9.9%	47.6%	279	5.9%	50.0%	46.7%	328	7.0%	48.2%	173	3.6%
West Coast Designed	34	30	4	14.6%	33	1	4.4%	253	308	(55)	(17.8%)	281	(28)	(10.1%)	43.2%	43.0%	18	0.4%	54.5%	(1,136)	(20.8%)	44.8%	43.6%	117	2.7%	33.4%	1,135	34.0%
Hometime	5	11	(6)	(52.5%)	19	(14)	(71.5%)	88	291	(203)	(69.6%)	236	(148)	(62.5%)	30.5%	34.9%	(438)	(12.6%)	26.3%	418	15.9%	24.4%	35.4%	(1,095)	(31.0%)	31.0%	(662)	(21.3%)
Western	11	56	(45)	(79.6%)	–	#VALUE!	#VALUE!	293	455	(162)	(35.6%)	196	97	49.4%	23.3%	42.7%	(1,939)	(45.4%)	#VALUE!	NA	#VALUE!	30.2%	44.1%	(1,392)	(31.6%)	20.4%	976	47.8%
Coastal	–	–	-	N/A	2	(2)	(100.0%)	171	253	(82)	(32.6%)	229	(58)	(25.5%)	#DIV/0!	#DIV/0!	–	#DIV/0!	0.0%	NA	N/A	43.1%	31.6%	1,153	36.5%	37.5%	560	14.9%
Modern	–	83	(83)	(100.0%)	70	(70)	(100.0%)	132	275	(144)	(52.2%)	245	(113)	(46.3%)	#DIV/0!	36.1%	–	#VALUE!	27.1%	NA	#VALUE!	17.9%	36.7%	(1,881)	(51.2%)	16.9%	104	6.1%
Avanti	–	55	(55)	(100.0%)	46	(46)	(100.0%)	98	198	(100)	(50.6%)	217	(119)	(55.0%)	#DIV/0!	39.8%	–	#VALUE!	45.7%	NA	#VALUE!	34.6%	41.2%	(659)	(16.0%)	33.2%	137	4.1%
Oasis	–	–	-	N/A	–	#VALUE!	#VALUE!	30	135	(105)	(77.8%)	135	(105)	(77.7%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	22.3%	17.7%	455	25.7%	8.4%	1,387	165.0%
Other	69	43	27	62.2%	45	24	54.4%	522	684	(163)	(23.8%)	602	(80)	(13.4%)	49.5%	46.6%	296	6.4%	56.0%	(652)	(11.6%)	33.2%	33.3%	(7)	(0.2%)	39.7%	(650)	(16.4%)
Total Gross	\$ 2,192	\$ 2,851	\$ (658)	(23.1%)	\$ 2,408	\$ (216)	(8.9%)	\$ 16,560	\$ 19,691	\$ (3,131)	(15.9%)	\$ 19,708	\$ (3,148)	(16.0%)	14.6%	17.8%	(323)	(18.1%)	16.1%	(151)	(9.4%)	12.4%	19.8%	(738)	(37.3%)	13.6%	(113)	(8.4%)

Management Discussion

- Softer market conditions affecting overall sales with most customers coming in short vs budget. Major impact from Simonton, Modern, Coeur d’Alene and Lindsay
- Win-dor – Lost business to competitor at the start of the year

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	Aug-19	YTD 2019
Health & Safety										
Recordable Incidents	1	0	0	0	1	1	0	0	0	2
TRIR (Total Recordable Incident Rate)	<1	0	0	0	1	2.12	1.8	2.14	2.14	2.14
Quality Performance										
Customer Complaints - per MLBS	8.0	1.7	2.8	4.1	2.1	2.4	3.8	2.8	4.4	3.0
Return as % of sales	0.30%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	0.06%	0.28%	0.30%
Delivery Performance										
% on time in full	95.00%	100%	100%	100%	100%	100%	100%	100%	100%	99.97%
% by line items	99.00%	100%	100%	100%	100%	100%	100%	99%	100%	99.89%
Costs										
Yield	85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.7%	83.8%	89.8%	89.8%
Alt/Regrind Compound Consumption Ratio	19.9%	32.0%	18.4%	21.4%	18.3%	17.3%	16.4%	19.8%	19.6%	20.5%
Direct Labour \$/lb produced	\$0.167	\$ 0.182	\$ 0.189	\$ 0.170	\$ 0.166	\$ 0.209	\$ 0.184	\$ 0.223	\$ 0.172	\$ 0.185
Indirect Labour (incl D&D) \$/lb produced	\$0.176	\$ 0.180	\$ 0.201	\$ 0.191	\$ 0.192	\$ 0.209	\$ 0.199	\$ 0.282	\$ 0.182	\$ 0.201
Inventory										
Days - TTM (Trailing 12 Months)	84.5	84.4	85.6	87.2	87.8	88.8	91.7	92.7	93.6	88.0

Comments

Cost: 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 tooling absorption did not fully offset incremental tool room labor costs. More labor was used in tuning and running dark capstock.

Inventory: Sales lower vs budget.

Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	15,727	16,527	(800)	(4.8%)	18,519	(2,792)	(15.1%)
Units Shipped ('000)	15,999	17,263	(1,264)	(7.3%)	16,932	(933)	(5.5%)
Bookings (\$'000)	\$ 26,540	\$ 29,808	\$ (3,267)	(11.0%)	\$ 26,978	\$ (437)	(1.6%)
Backlog ('\$000)	\$ 2,601	\$ 2,601	\$ –	0.0%	\$ 1,148	\$ 1,453	126.5%
Gross Revenue	\$ 26,317	\$ 29,448	\$ (3,131)	(10.6%)	\$ 28,090	\$ (1,773)	(6.3%)
Adj. to Gross Revenue	(1,203)	(1,568)	365	(23.3%)	(1,483)	279	(18.8%)
Net Revenue	25,113	27,880	(2,767)	(9.9%)	26,607	(1,494)	(5.6%)
Material	12,576	13,105	(528)	(4.0%)	13,359	(782)	(5.9%)
Labor	6,208	6,142	65	1.1%	6,705	(498)	(7.4%)
Other COGS	2,954	3,380	(426)	(12.6%)	2,876	77	2.7%
Total COGS	21,738	22,627	(889)	(3.9%)	22,941	(1,203)	(5.2%)
Gross Margin	3,376	5,253	(1,878)	(35.7%)	3,667	(291)	(7.9%)
Gross Margin %	13.4%	18.8%			13.8%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	306	335	(29)	(8.6%)	247	59	23.9%
Administrative	3,058	3,119	(61)	(2.0%)	3,129	(71)	(2.3%)
Other Opex	(5)	–	(5)	N/A	11	(15)	(143.4%)
Total Opex	3,360	3,455	(95)	(2.8%)	3,387	(27)	(0.8%)
EBITDA	16	1,798	(1,782)	(99.1%)	280	(264)	(94.3%)
EBITDA %	0.1%	6.5%			1.1%		
Net Income (Loss)	\$ (1,319)	\$ 541	\$ (1,860)	(344.0%)	\$ (775)	\$ (544)	70.2%
Capex	\$ (1,495)	\$ (752)	\$ (742)	98.7%	\$ (1,856)	\$ 361	(19.5%)
<u>Opex Overview:</u>							
Payroll	\$ 786	\$ 827	\$ (41)	(4.9%)	\$ 816	\$ (30)	(3.7%)
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	156	180	(24)	(13.5%)	104	51	49.4%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	10	17	(7)	(39.6%)	14	(4)	(28.3%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	153	161	(8)	(5.0%)	162	(9)	(5.5%)
Professional fees	–	–	–	N/A	–	–	N/A
Utilities, repair, maintenance, and security	5	7	(2)	(24.3%)	7	(2)	(28.2%)
Corporate OH Fees	2,131	2,129	2	0.1%	2,129	3	0.1%
Bad Debts	0	–	0	N/A	(3)	3	(104.1%)
FX	(5)	–	(5)	N/A	11	(15)	(143.4%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	123	134	(12)	(8.6%)	149	(27)	(17.9%)
Total Opex	\$ 3,360	\$ 3,455	\$ (95)	(2.8%)	\$ 3,390	\$ (30)	(0.9%)

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	\$	9,959	\$	10,859	\$	(901)	(8.3%)	\$	10,221	\$	(262)	(2.6%)	14.0%	19.5%	(552)	(28.3%)	8.6%	538	62.4%
Coeur d'Alene		3,629		4,000		(371)	(9.3%)		2,804		825	29.4%	2.0%	6.4%	(445)	(69.4%)	3.3%	(131)	(40.0%)
Westeck		1,781		1,972		(191)	(9.7%)		1,791		(10)	(0.5%)	23.4%	25.4%	(209)	(8.2%)	18.3%	504	27.5%
Cascade		2,274		1,988		286	14.4%		2,083		191	9.2%	(20.2%)	(3.4%)	(1,684)	501.4%	(10.7%)	(954)	89.5%
All Weather		1,284		1,117		167	15.0%		1,309		(25)	(1.9%)	(3.7%)	0.2%	(396)	(1870.6%)	(3.1%)	(61)	19.5%
KGW		1,105		1,155		(50)	(4.4%)		1,081		24	2.2%	26.9%	12.8%	1,417	111.0%	29.3%	(239)	(8.2%)
Lindsay		1,024		1,278		(254)	(19.9%)		1,145		(121)	(10.6%)	11.5%	14.3%	(284)	(19.8%)	8.5%	302	35.6%
Solar		553		300		253	84.2%		1,651		(1,098)	(66.5%)	12.7%	11.9%	83	7.0%	7.6%	511	67.5%
ATI		148		387		(238)	(61.6%)		345		(197)	(57.0%)	(46.9%)	11.1%	(5,800)	(522.6%)	13.3%	(6,023)	(451.7%)
Win-Dor		99		771		(672)	(87.2%)		626		(527)	(84.2%)	32.0%	19.8%	1,220	61.6%	18.1%	1,395	77.3%
Northern - Yukon		619		694		(76)	(10.9%)		789		(170)	(21.6%)	41.0%	43.0%	(195)	(4.5%)	39.4%	159	4.0%
Van Isle		556		694		(139)	(20.0%)		697		(141)	(20.3%)	15.3%	23.3%	(808)	(34.6%)	72.2%	(5,690)	(78.8%)
Whisper Walls		671		604		67	11.1%		681		(10)	(1.5%)	47.9%	45.8%	211	4.6%	46.0%	191	4.1%
West Coast Designed		384		439		(55)	(12.5%)		429		(45)	(10.4%)	43.4%	43.1%	26	0.6%	36.1%	722	20.0%
Hometime		199		402		(203)	(50.4%)		327		(128)	(39.0%)	29.1%	35.2%	(612)	(17.4%)	28.4%	63	2.2%
Western		509		671		(162)	(24.1%)		238		271	114.0%	33.5%	43.0%	(951)	(22.1%)	22.3%	1,120	50.3%
Coastal		284		366		(82)	(22.5%)		321		(37)	(11.6%)	36.9%	30.2%	677	22.4%	38.3%	(140)	(3.6%)
Modern		230		374		(144)	(38.4%)		351		(121)	(34.4%)	23.2%	36.4%	(1,316)	(36.2%)	18.2%	499	27.4%
Avanti		198		298		(100)	(33.6%)		249		(51)	(20.5%)	36.1%	40.5%	(437)	(10.8%)	35.7%	37	1.0%
Oasis		88		193		(105)	(54.5%)		188		(100)	(53.2%)	19.2%	17.5%	176	10.1%	9.6%	964	100.7%
Other		722		885		(163)	(18.4%)		764		(42)	(5.5%)	35.4%	34.6%	88	2.5%	41.5%	(603)	(14.5%)
Total Gross	\$	26,317	\$	29,448	\$	(3,131)	(10.6%)	\$	28,090	\$	(1,773)	(6.3%)	12.9%	18.6%	(567)	(30.5%)	13.1%	(13)	(1.0%)

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)	\$ 1,805	\$ 2,318	\$ (513)	(22.1%)	\$ 13,674	\$ 13,546	\$ 128	0.9%
Backlog (\$'000)	\$ 1,573	\$ 2,690	\$ (1,118)	(41.5%)	\$ 1,573	\$ 2,690	\$ (1,118)	(41.5%)
Gross Revenue	\$ 2,285	\$ 2,394	\$ (109)	(4.5%)	\$ 13,156	\$ 13,967	\$ (811)	(5.8%)
Adj. to Gross Revenue	(112)	(113)	1	(0.5%)	(585)	(654)	69	(10.6%)
Net Revenue	2,173	2,281	(108)	(4.7%)	12,571	13,313	(741)	(5.6%)
Material	1,365	1,344	20	1.5%	7,891	7,807	84	1.1%
Labor	404	388	16	4.1%	2,640	2,934	(295)	(10.0%)
Other COGS	176	219	(43)	(19.8%)	1,214	1,544	(331)	(21.4%)
Total COGS	1,944	1,951	(7)	(0.4%)	11,745	12,286	(541)	(4.4%)
Gross Margin	229	330	(101)	(30.6%)	827	1,027	(201)	(19.5%)
Gross Margin %	10.5%	14.5%			6.6%	7.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	42	35	7	19.5%	275	270	5	2.0%
Administrative	191	207	(16)	(7.7%)	1,516	1,571	(55)	(3.5%)
Other Opex	(13)	–	(13)	N/A	11	–	11	N/A
Total Opex	220	242	(22)	(9.0%)	1,802	1,840	(38)	(2.1%)
EBITDA	9	88	(79)	(90.2%)	(976)	(813)	(162)	20.0%
EBITDA %	0.4%	3.9%			(7.8%)	(6.1%)		
Net Income (Loss)	\$ 0	\$ 75	\$ (75)	(100.0%)	\$ (1,031)	\$ (911)	\$ (119)	13.1%
Capex	\$ (16)	\$ –	\$ (16)	N/A	\$ (113)	\$ (287)	\$ 174	(60.5%)
Opex Overview:								
Payroll	\$ 89	\$ 92	\$ (3)	(2.9%)	\$ 659	\$ 701	\$ (42)	(6.0%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	2	6	(4)	(60.1%)	30	48	(18)	(36.6%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	2	(1)	(60.4%)	6	9	(3)	(38.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	4	3	1	24.4%	31	20	11	56.8%
Utilities, repair, maintenance, and	3	9	(5)	(60.9%)	39	50	(11)	(22.9%)
Corporate OH Fees	127	125	1	0.9%	967	983	(15)	(1.5%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(13)	–	(13)	N/A	11	–	11	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	6	5	2	33.7%	59	30	29	96.9%
Total Opex	\$ 220	\$ 242	\$ (22)	(9.0%)	\$ 1,802	\$ 1,840	\$ (38)	(2.1%)

Management Discussion

Net Revenue – Aug-19: (\$108K)

- Sales volume decreased \$180k due to decreased demand from Abritek, Ventana, Ostaco & Fenergic; offset by increased demand from Isothermic, Vaillancourt & Extreme
- Unfavorable rebates of \$6k primarily driven by new rebate program for all ATIS customers offset by favorable returns & allowances of \$5k
- Favorable ASP of \$117k due to customer/product mix
- Unfavorable F/X of \$46k (actual rate of 1.3277 [or \$USD 0.7532] vs. 1.30 [or \$USD 0.7692])

EBITDA – Aug-19: (\$79K)

- Material COGS:** Increase in costs by \$20K primarily driven by increased supplier price increases for glass (custom & price), steel and aluminum costs of \$75k and increased inventory reserves \$9k (discontinued Everest door); offset by lower sales volume \$69k
- Labor COGS:** Increase in costs by \$16k due to inefficiencies with new employees not producing at full capacity and higher turnover rates
- Other COGS:** Decrease in cost by \$43k driven by decreased freight \$24k (lower sales volume), lower maintenance & factory expenses \$12k (decreased production volumes) & lower utilities \$7k
- Sales and Marketing:** Increase in costs by \$7k driven by increased wages
- Administrative:** Decrease in costs by \$16k driven by lower wages (vacations); offset by increased IST costs for programming new online quotation tool
- Other Opex:** Decrease in cost by \$13k driven by favorable 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	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
A.M.I.	\$	416	\$	413	\$	3	0.7%	\$	402	\$	14	3.4%	\$	2,484	\$	2,413	\$	71	2.9%	\$	2,427	\$	57	2.3%	14.3%	0.0%	1,426	N/A	0.0%	1,426	N/A	8.0%	0.0%	804	N/A	0.0%	804	N/A
GOLDEN WINDOWS		236		225		11	5.0%		180		56	31.3%		1,398		1,312		86	6.5%		1,608		(210)	(13.1%)	(16.0%)	0.0%	(1,605)	N/A	0.0%	(1,605)	N/A	(19.3%)	0.0%	(1,932)	N/A	0.0%	(1,932)	N/A
OSTACO 2000 WINDOORS INC		160		207		(47)	(22.5%)		172		(12)	(6.8%)		1,193		1,211		(18)	(1.5%)		1,271		(78)	(6.2%)	11.7%	0.0%	1,169	N/A	0.0%	1,169	N/A	6.5%	0.0%	645	N/A	0.0%	645	N/A
PORTES & FENETRES ABRITEK		124		105		19	18.1%		131		(7)	(5.3%)		829		611		218	35.7%		754		75	10.0%	(3.0%)	0.0%	(302)	N/A	0.0%	(302)	N/A	(15.6%)	0.0%	(1,558)	N/A	0.0%	(1,558)	N/A
DASHWOOD INDUSTRIES INC		77		95		(18)	(19.4%)		99		(22)	(22.7%)		652		554		98	17.7%		620		32	5.1%	4.1%	0.0%	407	N/A	0.0%	407	N/A	16.9%	0.0%	1,687	N/A	0.0%	1,687	N/A
P & F ISOTHERMIC INC		164		61		103	169.4%		68		96	141.7%		570		355		215	60.7%		475		95	20.1%	0.9%	0.0%	87	N/A	0.0%	87	N/A	(7.0%)	0.0%	(702)	N/A	0.0%	(702)	N/A
VAILLANCOURT INC.		147		251		(104)	(41.5%)		152		(5)	(3.3%)		617		1,465		(848)	(57.9%)		630		(13)	(2.0%)	5.9%	0.0%	587	N/A	0.0%	587	N/A	(6.6%)	0.0%	(664)	N/A	0.0%	(664)	N/A
CANADIAN VINYLTEK WINDOWS C		51		39		12	31.6%		84		(33)	(38.9%)		271		228		43	19.0%		397		(126)	(31.7%)	51.7%	0.0%	5,175	N/A	0.0%	5,175	N/A	44.2%	0.0%	4,417	N/A	0.0%	4,417	N/A
FENERGIC INC		26		55		(29)	(52.4%)		80		(54)	(67.3%)		93		318		(225)	(70.7%)		286		(193)	(67.5%)	21.4%	0.0%	2,140	N/A	0.0%	2,140	N/A	13.0%	0.0%	1,298	N/A	0.0%	1,298	N/A
EXTREME WINDOW AND		105		61		44	71.5%		46		59	127.5%		322		356		(34)	(9.5%)		373		(51)	(13.6%)	9.4%	0.0%	942	N/A	0.0%	942	N/A	11.0%	0.0%	1,096	N/A	0.0%	1,096	N/A
VENTANA WINDOWS & DOORS INC		–		53		(53)	(100.0%)		29		(29)	(100.0%)		68		311		(243)	(78.1%)		329		(261)	(79.3%)	#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		64		44		20	44.7%		51		13	24.9%		281		257		24	9.3%		272		9	3.3%	4.5%	0.0%	450	N/A	0.0%	450	N/A	(6.1%)	0.0%	(609)	N/A	0.0%	(609)	N/A
MASON WINDOWS LTD		30		34		(4)	(11.6%)		62		(32)	(51.5%)		229		196		33	16.9%		236		(7)	(2.9%)	(12.9%)	0.0%	(1,286)	N/A	0.0%	(1,286)	N/A	(14.2%)	0.0%	(1,418)	N/A	0.0%	(1,418)	N/A
CEN		19		33		(14)	(43.5%)		29		(10)	(35.7%)		285		193		92	47.7%		192		93	48.5%	4.3%	0.0%	432	N/A	0.0%	432	N/A	9.6%	0.0%	965	N/A	0.0%	965	N/A
TRI-STATE WINDOW FACTORY		31		13		18	136.5%		23		8	33.7%		252		121		131	108.2%		234		18	7.6%	25.8%	0.0%	2,583	N/A	0.0%	2,583	N/A	24.3%	0.0%	2,425	N/A	0.0%	2,425	N/A
FMC		42		32		10	32.3%		32		10	32.3%		238		143		95	66.7%		185		53	28.9%	4.9%	0.0%	491	N/A	0.0%	491	N/A	(1.1%)	0.0%	(112)	N/A	0.0%	(112)	N/A
ATLANTIC WINDOWS		22		31		(9)	(28.4%)		9		13	146.5%		183		184		(1)	(0.4%)		193		(10)	(5.0%)	17.8%	0.0%	1,781	N/A	0.0%	1,781	N/A	23.6%	0.0%	2,357	N/A	0.0%	2,357	N/A
YKK AP VINYL		18		37		(19)	(50.4%)		16		2	14.7%		234		204		30	14.6%		122		112	91.6%	45.4%	0.0%	4,537	N/A	0.0%	4,537	N/A	35.9%	0.0%	3,591	N/A	0.0%	3,591	N/A
LORENDO INC.		34		17		17	100.5%		30		4	13.6%		149		147		2	1.2%		156		(7)	(4.7%)	(4.7%)	0.0%	(468)	N/A	0.0%	(468)	N/A	(2.2%)	0.0%	(215)	N/A	0.0%	(215)	N/A
MAR		18		12		6	53.8%		36		(18)	(48.7%)		153		83		70	84.8%		177		(24)	(13.4%)	(21.0%)	0.0%	(2,095)	N/A	0.0%	(2,095)	N/A	(2.1%)	0.0%	(211)	N/A	0.0%	(211)	N/A
Other		500		576		(76)	(13.2%)		493		7	1.5%		2,654		3,305		(651)	(19.7%)		3,026		(372)	(12.3%)	24.1%	57.3%	(3,315)	(57.9%)	(18.0%)	4,216	(233.7%)	17.4%	306.0%	(28,865)	(94.3%)	4.6%	1,275	276.8%
Total Gross	\$	2,285	\$	2,394	\$	(109)	(4.5%)	\$	2,224	\$	61	2.8%	\$	13,156	\$	13,967	\$	(811)	(5.8%)	\$	13,963	\$	(807)	(5.8%)	10.0%	13.8%	(376)	(27.3%)	(4.0%)	1,401	(350.4%)	5.9%	6.9%	(96)	(13.9%)	1.0%	494	496.0%

Management Discussion

- Vaillancourt– Soft sales in 2019 with no big projects at hand, almost in line with PY YTD
- Ventana – Customer went bankrupt
- Fenergie – No big projects in 2019
- Ostaco – Slower August vs budget. However YTD sales almost in line with Budget
- Strong Sales YTD from PF Aritek, PF Isothermic and Tristate

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	Aug-19	YTD 2019
Health & Safety										
<i>Recordable Incidents</i>	0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.9	2
Quality Performance										
<i>Customer Complaints - per MLBS</i>	3.2	3.98	3.9	3.6	3.7	3.4	2	2	1.9	3
<i>Return as % of sales</i>	1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	1.02%	0.83%
Delivery Performance										
<i>% on time in full</i>	95.00%	100%	96%	96%	78%	80%	74%	71%	83%	85%
<i>% by line items</i>	95.00%	95%	96%	96%	78%	80%	74%	71%	83%	84%
Costs										
<i>Direct Labour \$/FPV</i>	\$0.174	\$ 0.143	\$0.148	\$ 0.159	\$ 0.165	\$ 0.185	\$ 0.198	\$ 0.192	\$ 0.168	\$ 0.172
<i>Indirect Labour (incl D&D) \$/FPV</i>	\$0.069	\$ 0.096	\$0.073	\$ 0.063	\$ 0.054	\$ 0.055	\$ 0.056	\$ 0.048	\$ 0.044	\$ 0.058
Inventory										
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75	71.4	70	69	66	65	62	62	68

Comments:

Delivery & Labour: High employee turnover and training, causing delays.

Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	—	—	—	N/A	—	—	N/A
Units Shipped ('000)	—	—	—	N/A	—	—	N/A
Bookings (\$'000)	\$ 21,471	\$ 21,343	\$ 128	0.6%	\$ 20,249	\$ 1,222	6.0%
Backlog ('\$000)	\$ 3,301	\$ 3,301	\$ —	0.0%	\$ 1,025	\$ 2,275	222.0%
Gross Revenue	\$ 21,197	\$ 22,008	\$ (811)	(3.7%)	\$ 20,687	\$ 511	2.5%
Adj. to Gross Revenue	(962)	(1,032)	69	(6.7%)	(1,023)	61	(5.9%)
Net Revenue	20,235	20,976	(741)	(3.5%)	19,664	571	2.9%
Material	12,413	12,328	84	0.7%	12,124	288	2.4%
Labor	4,108	4,402	(295)	(6.7%)	4,530	(422)	(9.3%)
Other COGS	1,998	2,329	(331)	(14.2%)	3,397	(1,399)	(41.2%)
Total COGS	18,519	19,059	(541)	(2.8%)	20,052	(1,533)	(7.6%)
Gross Margin	1,716	1,917	(201)	(10.5%)	(388)	2,104	(542.4%)
Gross Margin %	8.5%	9.1%			(2.0%)		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	429	424	5	1.3%	383	46	11.9%
Administrative	2,316	2,370	(55)	(2.3%)	2,381	(65)	(2.7%)
Other Opex	11	—	11	N/A	(63)	75	(117.6%)
Total Opex	2,756	2,794	(38)	(1.4%)	2,701	55	2.0%
EBITDA	(1,040)	(877)	(162)	18.5%	(3,089)	2,049	(66.3%)
EBITDA %	(5.1%)	(4.2%)			(15.7%)		
Net Income (Loss)	\$ (1,146)	\$ (1,027)	\$ (119)	11.6%	\$ (3,162)	\$ 2,016	(63.8%)
Capex	\$ (113)	\$ (287)	\$ 174	(60.5%)	\$ (517)	\$ 404	(78.1%)
Opex Overview:							
Payroll	\$ 1,016	\$ 1,058	\$ (42)	(3.9%)	\$ 1,029	\$ (13)	(1.2%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	70	87	(18)	(20.1%)	57	13	22.1%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	11	15	(3)	(24.1%)	15	(4)	(25.4%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	—	—	—	N/A	0	(0)	(100.0%)
Professional fees	42	31	11	36.1%	59	(16)	(27.7%)
Utilities, repair, maintenance, and security	67	79	(11)	(14.6%)	70	(3)	(3.7%)
Corporate OH Fees	1,463	1,478	(15)	(1.0%)	1,484	(21)	(1.4%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	11	—	11	N/A	(63)	75	(117.6%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	75	46	29	62.5%	51	24	48.0%
Total Opex	\$ 2,756	\$ 2,794	\$ (38)	(1.4%)	\$ 2,704	\$ 52	1.9%

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.	\$	3,871	\$	3,800	\$	71	1.9%	\$	3,511	\$	360	10.3%	6.6%	0.0%	663	N/A	0.0%	663	N/A
GOLDEN WINDOWS		2,153		2,067		86	4.1%		2,290		(137)	(6.0%)	(16.2%)	0.0%	(1,623)	N/A	0.0%	(1,623)	N/A
OSTACO 2000 WINDOORS INC		1,891		1,909		(18)	(1.0%)		1,906		(15)	(0.8%)	5.3%	0.0%	535	N/A	0.0%	535	N/A
PORTES & FENETRES ABRITEK		1,180		962		218	22.7%		1,147		33	2.9%	(12.1%)	0.0%	(1,214)	N/A	0.0%	(1,214)	N/A
DASHWOOD INDUSTRIES INC		971		873		98	11.2%		922		49	5.3%	11.7%	0.0%	1,171	N/A	0.0%	1,171	N/A
P & F ISOTHERMIC INC		773		558		215	38.6%		815		(42)	(5.1%)	(5.4%)	0.0%	(542)	N/A	0.0%	(542)	N/A
VAILLANCOURT INC.		1,461		2,309		(848)	(36.7%)		800		661	82.7%	(3.0%)	0.0%	(305)	N/A	0.0%	(305)	N/A
CANADIAN VINYLTEK WINDOWS C		403		360		43	12.0%		555		(152)	(27.3%)	34.3%	0.0%	3,430	N/A	0.0%	3,430	N/A
FENERGIC INC		277		502		(225)	(44.8%)		532		(255)	(47.9%)	6.0%	0.0%	604	N/A	0.0%	604	N/A
EXTREME WINDOW AND		527		561		(34)	(6.0%)		511		16	3.2%	7.9%	0.0%	790	N/A	0.0%	790	N/A
VENTANA WINDOWS & DOORS IN		247		490		(243)	(49.6%)		484		(237)	(49.0%)	(2.3%)	0.0%	(233)	N/A	0.0%	(233)	N/A
Fenêtres Concept		429		405		24	5.9%		437		(8)	(1.9%)	(4.8%)	0.0%	(477)	N/A	0.0%	(477)	N/A
MASON WINDOWS LTD		343		310		33	10.7%		328		15	4.6%	(11.9%)	0.0%	(1,186)	N/A	0.0%	(1,186)	N/A
CEN		395		303		92	30.4%		292		103	35.3%	6.5%	0.0%	647	N/A	0.0%	647	N/A
TRI-STATE WINDOW FACTORY		296		165		131	79.3%		356		(60)	(16.9%)	21.4%	0.0%	2,145	N/A	0.0%	2,145	N/A
FMC		344		249		95	38.3%		259		85	33.0%	0.0%	0.0%	2	N/A	0.0%	2	N/A
ATLANTIC WINDOWS		289		290		(1)	(0.2%)		274		15	5.6%	16.4%	0.0%	1,640	N/A	0.0%	1,640	N/A
YKK AP VINYL		359		329		30	9.0%		225		134	59.5%	27.7%	0.0%	2,771	N/A	0.0%	2,771	N/A
LORENDO INC.		207		205		2	0.8%		226		(19)	(8.5%)	(1.7%)	0.0%	(165)	N/A	0.0%	(165)	N/A
MAR		192		122		70	57.7%		250		(58)	(23.1%)	(3.7%)	0.0%	(372)	N/A	0.0%	(372)	N/A
Other		4,588		5,239		(651)	(12.4%)		4,567		21	0.5%	26.2%	207.1%	(18,087)	(87.4%)	(8.5%)	3,468	(408.1%)
Total Gross	\$	21,197	\$	22,008	\$	(811)	(3.7%)	\$	20,687	\$	511	2.5%	7.7%	8.4%	(73)	(8.6%)	(1.9%)	956	(509.5%)

ECS Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	8,782	9,424	(642)	(6.8%)	66,148	69,626	(3,478)	(5.0%)
Units Shipped ('000)	9,223	9,424	(201)	(2.1%)	66,255	69,626	(3,370)	(4.8%)
Bookings (\$'000)	\$ 735	\$ 853	\$ (119)	(13.9%)	\$ 5,325	\$ 6,034	\$ (709)	(11.7%)
Backlog ('\$000)	\$ 186	\$ 181	\$ 6	3.3%	\$ 186	\$ 181	\$ 6	3.3%
External Revenue	\$ 742	\$ 855	\$ (113)	(13.3%)	\$ 5,360	\$ 6,051	\$ (691)	(11.4%)
Affiliate Revenue	\$ 5,743	\$ 5,901	\$ (158)	(2.7%)	\$ 42,089	\$ 43,725	\$ (1,636)	(3.7%)
Gross Revenue	\$ 6,484	\$ 6,756	\$ (271)	(4.0%)	\$ 47,449	\$ 49,776	\$ (2,327)	(4.7%)
Adj. to Gross Revenue	(0)	(2)	2	(97.4%)	16	(20)	36	(182.4%)
Net Revenue	6,484	6,754	(269)	(4.0%)	47,465	49,756	(2,291)	(4.6%)
Material	5,431	5,987	(556)	(9.3%)	39,747	43,360	(3,613)	(8.3%)
Labor	146	171	(25)	(14.4%)	1,193	1,334	(142)	(10.6%)
Other COGS	566	548	18	3.3%	3,775	4,079	(304)	(7.5%)
Total COGS	6,144	6,706	(562)	(8.4%)	44,715	48,773	(4,058)	(8.3%)
Gross Margin	341	48	293	608.0%	2,751	983	1,767	179.7%
Gross Margin %	5.3%	0.7%			5.8%	2.0%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	16	14	1	9.7%	113	108	4	3.8%
Administrative	146	152	(6)	(3.9%)	1,159	1,197	(38)	(3.2%)
Other Opex	36	—	36	N/A	(182)	—	(182)	N/A
Total Opex	198	166	32	19.2%	1,089	1,305	(216)	(16.5%)
EBITDA	143	(118)	261	(221.8%)	1,661	(322)	1,983	(616.1%)
EBITDA %	2.2%	(1.7%)			3.5%	(0.6%)		
Net Income (Loss)	\$ 86	\$ (179)	\$ 266	(148.1%)	\$ 1,213	\$ (814)	\$ 2,028	(249.0%)
Capex	\$ (12)	\$ (38)	\$ 26	(68.4%)	\$ (82)	\$ (464)	\$ 382	(82.3%)
Opex Overview:								
Payroll	\$ 48	\$ 49	\$ (0)	(0.7%)	\$ 373	\$ 379	\$ (5)	(1.3%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	1	1	(0)	(35.4%)	2	8	(7)	(77.6%)
Marketing	—	—	—	N/A	—	—	—	N/A
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	0	1	(1)	(80.8%)	8	6	3	47.1%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	8	5	2	43.0%	47	47	0	0.3%
Professional fees	0	—	0	N/A	1	—	1	N/A
Utilities, repair, maintenance, and	1	2	(0)	(24.1%)	8	15	(7)	(46.9%)
Corporate OH Fees	103	107	(5)	(4.4%)	828	850	(22)	(2.6%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	36	—	36	N/A	(182)	—	(182)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	0	0	(0)	(98.2%)	4	1	3	260.0%
Total Opex	\$ 198	\$ 166	\$ 32	19.2%	\$ 1,089	\$ 1,305	\$ (216)	(16.5%)

Management Discussion

Net Revenue – Aug-19: (\$269K)

- Sales volume down 2.1% or \$144k mainly driven by decreased demand from affiliate customers \$42k (Delmont -6.8%) and lower external customers demand (Vinyl Profiles)
- Unfavorable price/mix of \$42K driven by customer mix
- Unfavorable F/X of \$83k (actual rate of 1.3277 [or \$USD 0.7532] vs. 1.30 [or \$USD 0.7692])

EBITDA – Aug-19: +\$261K

- Material COGS:** Decrease in costs by \$556k due to decreased sales volume \$128k, improved scrap utilization & MUV \$79k, lower resin prices \$228k and favorable F/X of \$121k
- Labor COGS:** Decrease in cost by \$25k driven by lower headcount due to lower production volumes (6.8%)
- Other COGS:** Increase in cost by \$18k primarily driven by unfavorable net absorption of \$18k and utilities \$60k (global rate – no longer Class A customer); offset by favorable freight expenses \$42k (lower volume, new PDI contract); decreased maintenance/factory cost \$17k
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in cost by \$6k primarily driven by favorable FX
- Other Opex:** Increase in cost by \$36k 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	Bud	BPs	%										
Customer:																																								
Vinyl Profiles, LLC	\$	195	\$	355	\$	(160)	(45.1%)	\$	108	\$	87	81.0%	\$	1,771	\$	2,603	\$	(832)	(32.0%)	\$	1,611	\$	160	9.9%	23.5%	20.7%	274	13.2%	17.3%	615	35.6%	34.0%	49.2%	(1,515)	(30.8%)	13.4%	2,067	154.7%		
Nuform Building Technologies Inc		226		146		80	54.8%		318		(92)	(29.0%)		1,093		1,093		0	0.0%		2,015		(922)	(45.8%)	25.0%	27.8%	(278)	(10.0%)	20.5%	447	21.8%	16.7%	11.7%	497	42.4%	22.7%	(601)	(26.5%)		
The Vinyl Company Inc.		134		101		33	32.2%		127		7	5.8%		871		741		130	17.5%		1,261		(390)	(31.0%)	21.6%	17.9%	373	20.8%	25.9%	(425)	(16.4%)	16.2%	17.9%	(173)	(9.7%)	27.1%	(1,087)	(40.2%)		
Vinylume Products Inc		66		96		(30)	(31.6%)		96		(30)	(31.4%)		458		476		(19)	(3.9%)		500		(42)	(8.4%)	30.9%	21.3%	962	45.2%	21.3%	955	44.8%	24.3%	21.3%	307	14.4%	20.3%	409	20.2%		
Accord Plastics Corp.		54		56		(2)	(3.7%)		20		34	172.6%		441		401		40	10.1%		126		315	250.7%	19.2%	19.4%	(19)	(1.0%)	20.8%	(158)	(7.6%)	18.5%	19.4%	(95)	(4.9%)	9.7%	872	89.5%		
Window Seal Limited		27		44		(17)	(39.2%)		–		27	N/A		57		311		(254)	(81.7%)		7		50	717.9%	#DIV/O!	10.9%	–		#VALUE!	#DIV/O!	NA	#DIV/O!	8.6%	109.3%	(10,069)	(92.1%)	5.0%	360	71.6%	
New Customers (L.B. Plastics)		–		44		(44)	(100.0%)		10		(10)	(100.0%)		–		266		(266)	(100.0%)		94		(94)	(100.0%)	#DIV/O!	10.9%	–		#VALUE!	25.3%	NA	#VALUE!	0.0%	26.0%	(2,599)	(100.0%)	104.0%	(10,399)	(100.0%)	
Prasad Plastics Limited		15		9		6	60.3%		20		(5)	(25.2%)		34		101		(67)	(66.4%)		32		2	6.9%	#DIV/O!	26.7%	–		#VALUE!	21.3%	NA	#VALUE!	6.0%	#DIV/O!	–		#DIV/O!	106.4%	(10,049)	(94.4%)
Superior Extrusions Ltd		12		–		12	N/A		–		12	N/A		35		27		8	31.8%		26		9	35.1%	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!	#DIV/O!	3.7%	–		#VALUE!	7.4%	NA	#VALUE!
Vytron Corporation		–		–		–	N/A		–		–	N/A		13		13		0	1.4%		29		(16)	(55.0%)	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!	19.0%	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!
Plastibec Ltee		–		–		–	N/A		–		–	N/A		6		–		6	N/A		6		(0)	(5.3%)	66.7%	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!	8.4%	#DIV/O!	–		#DIV/O!	15.5%	(704)	(45.5%)
Vinyl Profiles (2011)		12		–		12	N/A		–		12	N/A		63		–		63	N/A		6		57	988.7%	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!	42.2%	0.0%	4,216	N/A	47.6%	(544)	(11.4%)	
Fence Outlet MDC, LLC		–		–		–	N/A		–		–	N/A		21		–		21	N/A		–		21	N/A	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!	46.2%	0.0%	4,615	N/A	(5.3%)	5,144	(973.6%)	
INFINITY EXTRUSIONS INC.		7		–		7	N/A		–		7	N/A		51		–		51	N/A		20		31	159.1%	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!	133.3%	#DIV/O!	–		#DIV/O!	21.4%	11,189	521.9%
Resin Technology, LLC		–		–		–	N/A		–		–	N/A		327		–		327	N/A		–		327	N/A	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!	52.6%	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!
0		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/O!	58.6%	–		#VALUE!	0.0%	NA	N/A	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!
0		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/O!	58.6%	–		#VALUE!	0.0%	NA	N/A	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!
0		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/O!	58.6%	–		#VALUE!	0.0%	NA	N/A	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!
		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/O!	58.6%	–		#VALUE!	0.0%	NA	N/A	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!
		–		–		–	N/A		–		–	N/A		–		–		–	N/A		–		–	N/A	#DIV/O!	58.6%	–		#VALUE!	0.0%	NA	N/A	#DIV/O!	#DIV/O!	–		#DIV/O!	#DIV/O!	NA	#DIV/O!
Other		5,736		5,903		(166)	(2.8%)		5,805		(68)	(1.2%)		42,209		43,744		(1,535)	(3.5%)		48,752		(6,543)	(13.4%)	3.2%	(2.2%)	538	(248.9%)	10.7%	(747)	(69.9%)	3.6%	(0.3%)	397	(1226.5%)	9.9%	(623)	(63.1%)		
Total Gross	\$	6,484	\$	6,756	\$	(271)	(4.0%)	\$	6,503	\$	(19)	(0.3%)	\$	47,449	\$	49,776	\$	(2,327)	(4.7%)	\$	54,484	\$	(7,035)	(12.9%)	5.3%	0.7%	454	637.7%	11.8%	(656)	(55.5%)	5.9%	2.2%	363	162.7%	11.0%	(510)	(46.6%)		

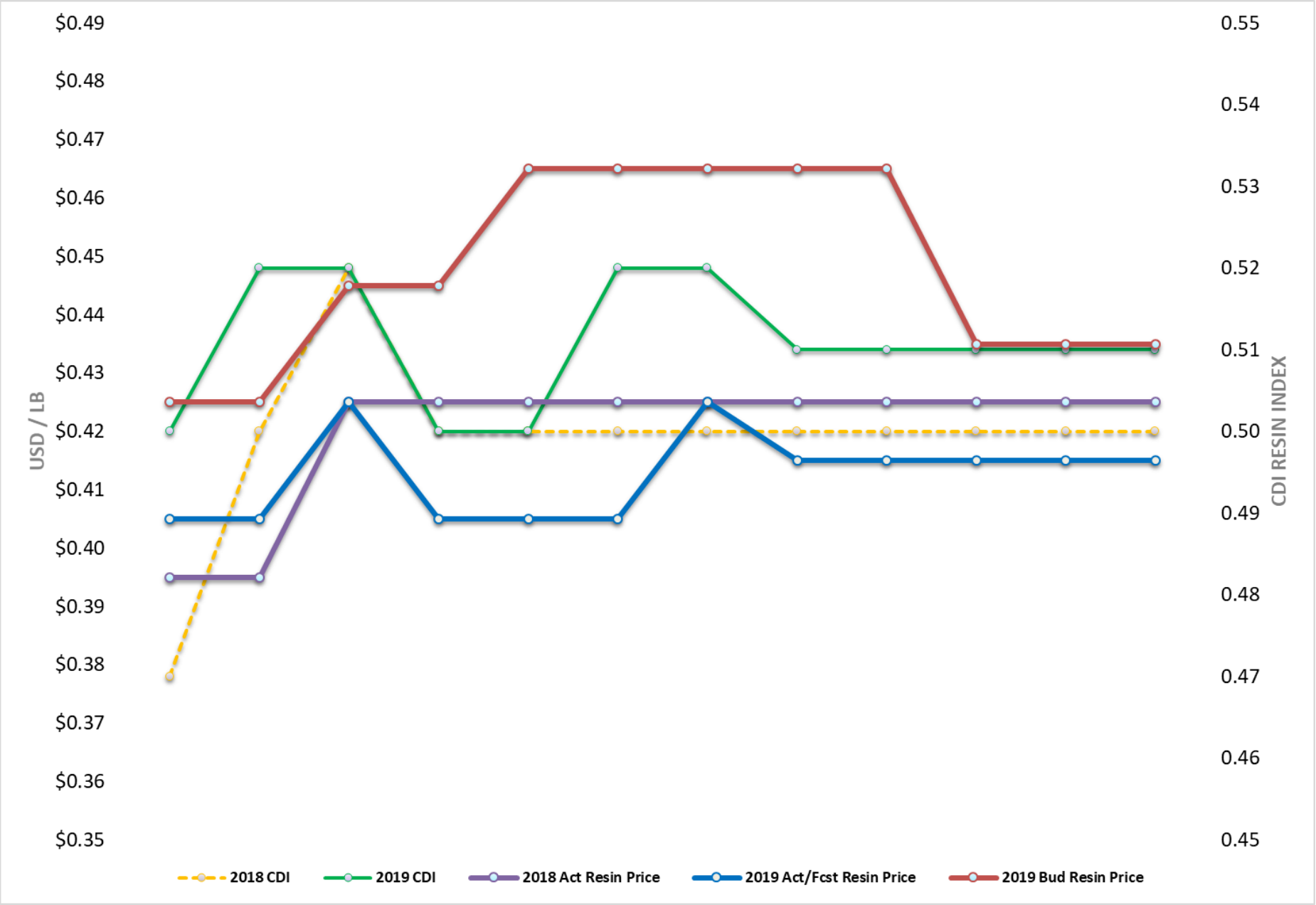
Management Discussion

- Vinyl Profiles – Market conditions impacting sales. However, 9.9% improvement in YTD vs PY.

ECS Material Cost Summary

US \$'000	H1 2019	Jul-19	Aug-19	H1 2019	Jul-19	Aug-19	H1 2019	Jul-19	Aug-19
	Act	Act	Act	AOP	AOP	AOP	Actual-AOP	Actual-AOP	Actual-AOP
Sales									
Total Sales - Non-Patio & Doors - S'000	\$ 34,751	\$ 6,230	\$ 6,484	\$ 36,560	\$ 6,443	\$ 6,754	\$ (1,809)	\$ (212)	\$ (269)
Total Sales - Non-Patio & Doors - Lbs	48,339	8,694	9,223	51,181	9,020	9,424	(2,843)	(326)	(201)
FX Rate	1.3333	1.3101	1.3277	1.3000	1.3000	1.3000			
Materials - units									
ADDITIVE	201	36	43	233	41	43	(32)	(5)	0
ADDITIVE (IMPACT MODIFIER)	1,795	309	330	1,867	329	344	(72)	(20)	(13)
ADDITIVE (PROCESSING AID)	312	53	57	329	58	61	(17)	(5)	(3)
FILLER	2,738	571	518	2,894	510	533	(155)	61	(15)
LUBRICANT	1,096	191	201	1,123	198	207	(27)	(7)	(6)
PIGMENT - C	1	—	—	6	1	1	(5)	(1)	(1)
PIGMENT - G	172	26	31	187	33	34	(15)	(7)	(4)
PIGMENT - HC	61	9	11	69	12	13	(8)	(3)	(2)
PIGMENT - PC	8	2	1	7	1	1	0	1	0
PKG	—	—	—	—	—	—	—	—	—
PLASTICIZER	166	41	39	194	34	36	(27)	7	3
RESIN	37,585	6,700	7,270	39,753	7,006	7,320	(2,168)	(306)	(50)
STABILIZER	589	103	113	626	110	115	(37)	(7)	(2)
TIO2	3,606	645	608	3,858	680	710	(252)	(35)	(102)
Material Other	—	—	—	—	—	—	—	—	—
Total Materials - Lbs	48,330	8,687	9,223	51,146	9,014	9,417	—	—	—
	0			—			—		
Materials - \$'000									
ADDITIVE	\$ 728	\$ 130	\$ 155	\$ 825	\$ 148	\$ 155	\$ (97)	\$ (18)	\$ 0
ADDITIVE (IMPACT MODIFIER)	\$ 2,846	\$ 459	\$ 491	\$ 3,109	\$ 548	\$ 572	\$ (263)	\$ (89)	\$ (82)
ADDITIVE (PROCESSING AID)	\$ 505	\$ 81	\$ 85	\$ 560	\$ 99	\$ 103	\$ (55)	\$ (18)	\$ (18)
FILLER	\$ 553	\$ 121	\$ 110	\$ 603	\$ 108	\$ 112	\$ (50)	\$ 13	\$ (3)
LUBRICANT	\$ 1,015	\$ 175	\$ 183	\$ 1,048	\$ 185	\$ 193	\$ (33)	\$ (10)	\$ (10)
PIGMENT - C	\$ 4	\$ —	\$ —	\$ 17	\$ 3	\$ 3	\$ (13)	\$ (3)	\$ (3)
PIGMENT - G	\$ 513	\$ 69	\$ 87	\$ 590	\$ 104	\$ 109	\$ (76)	\$ (35)	\$ (21)
PIGMENT - HC	\$ 333	\$ 53	\$ 58	\$ 409	\$ 72	\$ 75	\$ (76)	\$ (19)	\$ (18)
PIGMENT - PC	\$ 54	\$ 13	\$ 11	\$ 52	\$ 9	\$ 10	\$ 1	\$ 4	\$ 1
PKG	\$ —	\$ —	\$ —	\$ 189	\$ 27	\$ 34	\$ (189)	\$ (27)	\$ (34)
PLASTICIZER	\$ 143	\$ 36	\$ 33	\$ 174	\$ 31	\$ 32	\$ (31)	\$ 5	\$ 1
RESIN	\$ 15,530	\$ 2,848	\$ 3,019	\$ 18,080	\$ 3,296	\$ 3,443	\$ (2,550)	\$ (447)	\$ (424)
STABILIZER	\$ 2,022	\$ 341	\$ 373	\$ 2,077	\$ 366	\$ 382	\$ (55)	\$ (25)	\$ (9)
TIO2	\$ 5,140	\$ 930	\$ 877	\$ 5,566	\$ 987	\$ 1,031	\$ (426)	\$ (58)	\$ (154)
Scrap	\$ 172	\$ 20	\$ 31	\$ —	\$ —	\$ —	\$ 172	\$ 20	\$ 31
BOM Scrap (not in P&L and 2019 AOP)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
PIP Savings	\$ (20)	\$ —	\$ —	\$ (111)	\$ (16)	\$ (16)	\$ 91	\$ 16	\$ 16
Kronos Rebates (\$0.075/lb/0.065)	\$ (250)	\$ 3	\$ (49)	\$ (289)	\$ (51)	\$ (53)	\$ 39	\$ 54	\$ 4
Resin Rebate & Discount	\$ (424)	\$ (105)	\$ (83)	\$ (536)	\$ (102)	\$ (100)	\$ 112	\$ (2)	\$ 17
Amortization Timing	\$ 154	\$ (22)	\$ 56	\$ (451)	\$ 33	\$ (9)	\$ 604	\$ (55)	\$ 65
Packaging	\$ 152	\$ 32	\$ 30	\$ 167	\$ 35	\$ 37	\$ (15)	\$ (3)	\$ (8)
Material Other	\$ (90)	\$ 47	\$ (28)	\$ (454)	\$ (133)	\$ (127)	\$ 364	\$ 180	\$ 98
Total Material Costs	\$ 29,078	\$ 5,231	\$ 5,439	\$ 31,625	\$ 5,748	\$ 5,987	\$ (2,547)	\$ (517)	\$ (548)

Historical Resin Price Chart



Key Performance Indicators - ECS

ENERGI Compound Solutions	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	YTD 2019
Health & Safety										
Recordable(effects TRIR)	0	0	0	0	0	0	0	0	0	0
Near Misses	2	0	0	0	0	0	0	0	0	0
Environmental										
Recordable(effects TRIR)	0	0	0	0	0	0	0	0	0	0
Near Misses	2	0	1	0	0	0	0	0	0	1
Quality Performance										
Concerns per million Good Lbs	0.3	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Return as % of sales (%)	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Delivery Performance										
% on time	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Material Cost										
Yield	99%	100%	100%	100%	100%	100%	100%	100%	99%	100%
Production Scrap	1.00%	0.5%	0.4%	0.2%	0.2%	0.1%	0.5%	0.4%	0	0%
Total Material Usage Variance	2.00%	0.7%	0.7%	0.4%	0.5%	0	(0)	(0)	0	0%
Direct Labour \$/lb produced	0.009	0.009	0.008	0.007	0.008	0.009	0.005	0.008	0.007	0.008
Indirect Labour (incl D&D) \$/lb produced	0.017	0.020	0.018	0.015	0.018	0.018	0.014	0.014	0.012	0.016
Inventory										
Days - TTM (Trailing 12 Months)	46	50	49	42	41	32	31	43	42	41
Freight										
Freight \$ as % of net sales	3.9%	3.2%	3.6%	4.0%	4.1%	3.2%	3.4%	2.7%	3.5%	3.5%

COMMENTS:

Full Year ECS P&L Summary

\$'000		FY		Var		PY	Var	
		Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)		97,868	101,346	(3,478)	(3.4%)	106,695	(8,827)	(8.3%)
Units Shipped ('000)		97,976	101,346	(3,370)	(3.3%)	106,807	(8,831)	(8.3%)
Bookings (\$'000)		\$ 8,118	\$ 8,827	\$ (709)	(8.0%)	\$ 7,907	\$ 211	2.7%
Backlog ('\$000)		\$ 181	\$ 181	\$ –	0.0%	\$ 119	\$ 61	51.5%
	External Revenue	\$ 8,161	\$ 8,852	\$ (691)	(7.8%)	\$ 8,388	\$ (227)	(2.7%)
	Affiliate Revenue	\$ 61,936	\$ 63,572	\$ (1,636)	(2.6%)	\$ 68,481	\$ (6,545)	(9.6%)
Gross Revenue		\$ 70,097	\$ 72,424	\$ (2,327)	(3.2%)	\$ 76,869	\$ (6,772)	(8.8%)
Adj. to Gross Revenue		8	(28)	36	(130.1%)	(14)	23	(158.2%)
Net Revenue		70,105	72,396	(2,291)	(3.2%)	76,854	(6,749)	(8.8%)
Material		59,675	63,287	(3,613)	(5.7%)	60,763	(1,088)	(1.8%)
Labor		1,867	2,009	(142)	(7.0%)	1,880	(13)	(0.7%)
Other COGS		5,728	6,032	(304)	(5.0%)	5,926	(198)	(3.3%)
Total COGS		67,270	71,328	(4,058)	(5.7%)	68,569	(1,299)	(1.9%)
Gross Margin		2,835	1,068	1,767	165.5%	8,286	(5,450)	(65.8%)
Gross Margin %		4.0%	1.5%			10.8%		
R&D		–	–	–	N/A	–	–	N/A
Sales & Marketing		167	163	4	2.5%	156	11	7.0%
Administrative		1,744	1,782	(38)	(2.1%)	1,765	(21)	(1.2%)
Other Opex		(182)	–	(182)	N/A	369	(551)	(149.3%)
Total Opex		1,729	1,945	(216)	(11.1%)	2,290	(561)	(24.5%)
EBITDA		1,106	(877)	1,983	(226.2%)	5,996	(4,889)	(81.5%)
EBITDA %		1.6%	(1.2%)			7.8%		
Net Income (Loss)		\$ 411	\$ (1,616)	\$ 2,028	(125.4%)	\$ 5,305	\$ (4,894)	(92.2%)
Capex		\$ (82)	\$ (601)	\$ 519	(86.4%)	\$ (600)	\$ 518	(86.3%)
Opex Overview:								
Payroll		\$ 557	\$ 562	\$ (5)	(0.9%)	\$ 550	\$ 7	1.3%
Bonus		–	–	–	N/A	–	–	N/A
Commissions		6	13	(7)	(50.9%)	1	5	667.0%
Marketing		1	1	–	0.0%	–	1	N/A
Benefits		–	–	–	N/A	–	–	N/A
Travel and entertainment		12	9	3	29.1%	9	3	35.2%
Rent and facilities		–	–	–	N/A	–	–	N/A
Insurance		69	69	0	0.2%	68	2	2.9%
Professional fees		1	(0)	1	(415.8%)	–	1	N/A
Utilities, repair, maintenance, and security		13	20	(7)	(35.4%)	18	(5)	(29.0%)
Corporate OH Fees		1,249	1,271	(22)	(1.7%)	1,276	(27)	(2.1%)
Bad Debts		–	–	–	N/A	3	(3)	(100.0%)
FX		(182)	–	(182)	N/A	369	(551)	(149.3%)
JV Loss (Income)		–	–	–	N/A	–	–	N/A
Other Expenses		4	1	3	365.0%	0	3	7937.5%
Total Opex		\$ 1,729	\$ 1,945	\$ (216)	(11.1%)	\$ 2,293	\$ (564)	(24.6%)

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	\$	2,994	\$	3,826	\$	(832)	(21.8%)	\$	1,961	\$	1,033	52.7%	36.9%	49.6%	(1,272)	(25.7%)	16.2%	2,062	127.0%	
Nuform Building Technologies Inc		1,596		1,596		0	0.0%		2,950		(1,354)	(45.9%)	15.3%	11.6%	365	31.4%	20.0%	(470)	(23.5%)	
The Vinyl Company Inc.		1,229		1,099		130	11.8%		1,834		(604)	(33.0%)	16.4%	17.9%	(153)	(8.5%)	27.0%	(1,065)	(39.4%)	
Vinylume Products Inc		631		650		(19)	(2.9%)		688		(57)	(8.3%)	23.5%	21.3%	226	10.6%	20.7%	282	13.6%	
Accord Plastics Corp.		633		593		40	6.8%		378		255	67.6%	18.5%	19.4%	(87)	(4.5%)	16.1%	248	15.5%	
Window Seal Limited		220		474		(254)	(53.6%)		17		203	1220.9%	36.5%	124.7%	(8,821)	(70.7%)	27.9%	853	30.5%	
New Customers (L.B. Plastics)		155		422		(266)	(63.2%)		113		42	37.4%	28.1%	37.6%	(954)	(25.4%)	26.8%	133	5.0%	
Prasad Plastics Limited		43		111		(67)	(60.7%)		36		7	19.7%	11.6%	#DIV/0! –		#DIV/0!	25.7%	(1,410)	(54.9%)	
Superior Extrusions Ltd		46		38		8	22.5%		46		0	0.7%	13.0%	3.1%	994	321.2%	25.5%	(1,249)	(48.9%)	
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%)	7.8%	#DIV/0! –		#DIV/0!	24.0%	(1,616)	(67.3%)	
Vinyl Profiles (2011)		63		–		63	N/A		6		57	988.7%	9.3%	0.0%	934	N/A	57.5%	(4,816)	(83.7%)	
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.		51		–		51	N/A		20		31	159.1%	150.0%	#DIV/0! –		#DIV/0!	13.8%	13,619	986.0%	
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		62,064		63,600		(1,535)	(2.4%)		68,786		(6,722)	(9.8%)	2.2%	(1.1%)	326	(305.2%)	9.6%	(741)	(77.2%)	
Total Gross	\$	70,097	\$	72,424	\$	(2,327)	(3.2%)	\$	76,869	\$	(6,772)	(8.8%)	4.5%	1.6%	292	183.1%	10.8%	(626)	(58.1%)	

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%)	\$ –	\$ 103	\$ (103)	(100.0%)
Adj. to Gross Revenue	–	–	–	N/A	–	–	–	N/A
Net Revenue	–	18	(18)	(100.0%)	–	103	(103)	(100.0%)
Material	1	–	1	N/A	519	850	(331)	(38.9%)
Labor	102	103	(1)	(1.1%)	814	824	(10)	(1.2%)
Other COGS	93	92	1	0.6%	696	736	(41)	(5.5%)
Total COGS	196	195	1	0.4%	2,029	2,410	(381)	(15.8%)
Gross Margin	(196)	(177)	(19)	10.7%	(2,029)	(2,308)	278	(12.1%)
Gross Margin %		(979.6%)				(2248.5%)		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	285	310	(25)	(8.1%)	2,426	2,599	(173)	(6.7%)
Administrative	(385)	(340)	(45)	13.4%	(3,139)	(2,799)	(340)	12.1%
Other Opex	24	–	24	N/A	38	–	38	N/A
Total Opex	(76)	(30)	(46)	154.7%	(675)	(200)	(475)	238.1%
EBITDA	(120)	(147)	27	(18.4%)	(1,354)	(2,108)	754	(35.8%)
EBITDA %		(815.0%)				(2054.0%)		
Net Income (Loss)	\$ (526)	\$ (724)	\$ 198	(27.3%)	\$ (4,545)	\$ (6,738)	\$ 2,193	(32.5%)
Capex	\$ (32)	\$ (320)	\$ 288	(90.0%)	\$ (20)	\$ (1,566)	\$ 1,546	(98.7%)
Opex Overview:								
Payroll	\$ 435	\$ 469	\$ (34)	(7.3%)	\$ 3,551	\$ 3,651	\$ (99)	(2.7%)
Bonus	112	113	(1)	(1.0%)	897	907	(10)	(1.1%)
Commissions	25	29	(3)	(11.6%)	160	230	(71)	(30.7%)
Marketing	42	25	17	69.6%	256	336	(80)	(23.8%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	61	124	(63)	(50.7%)	666	1,015	(350)	(34.4%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	33	35	(1)	(4.1%)	296	305	(8)	(2.7%)
Office Expense	4	5	(1)	(19.3%)	30	30	1	2.8%
IT	145	154	(9)	(5.8%)	1,090	1,199	(109)	(9.1%)
Bad Debts	–	–	–	N/A	99	–	99	N/A
FX	24	–	24	N/A	38	–	38	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(959)	(985)	25	(2.6%)	(7,758)	(7,872)	114	(1.4%)
Total Opex	\$ (76)	\$ (30)	\$ (46)	154.7%	\$ (675)	\$ (200)	\$ (475)	238.1%

Management Discussion

EBITDA – August 2019: +\$27K

- **Gross Revenue:** Represents Consolidated price increase adjustment not achieved
- **Material COGS:** In line
- **Other COGS:** Adjustment for tax on insurance cost
- **Sales & Marketing:** Lower wages by \$22K due to lower headcount. Lower commissions by \$3K as a result of lower sales, and lower Travel and Entertainment by \$17K due to less travel by Sales staff. Offset by higher marketing expenditure of \$18K as a result of delay in timing vs budget
- **Administrative:** lower by \$45K due to lower wages by \$14K, lower Travel costs by \$46K and lower IT costs by \$13K, offset by unfavorable FX on Corporate OH Recovery of \$14K and Hilco valuation services for Debt collateral of \$18K
- **Other Opex:** represents FX Loss 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	\$ 62	\$ 164	\$ (103)	(62.4%)	\$ 0	\$ 62	39308.1%
Adj. to Gross Revenue	–	–	–	N/A	72	(72)	(100.0%)
Net Revenue	62	164	(103)	(62.4%)	72	(10)	(13.8%)
Material	(331)	–	(331)	N/A	(293)	(38)	12.8%
Labor	1,226	1,236	(10)	(0.8%)	159	1,067	671.0%
Other COGS	1,064	1,104	(41)	(3.7%)	802	262	32.7%
Total COGS	1,959	2,340	(381)	(16.3%)	668	1,291	193.3%
Gross Margin	(1,897)	(2,175)	278	(12.8%)	(596)	(1,301)	218.3%
Gross Margin %	(3066.4%)	(1322.6%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,808	3,982	(173)	(4.4%)	3,842	(34)	(0.9%)
Administrative	(4,519)	(4,179)	(340)	8.1%	(6,735)	2,216	(32.9%)
Other Opex	38	–	38	N/A	134	(96)	(71.8%)
Total Opex	(673)	(198)	(475)	240.4%	(2,759)	2,086	(75.6%)
EBITDA	(1,224)	(1,978)	754	(38.1%)	2,163	(3,387)	(156.6%)
EBITDA %	(1978.5%)	(1202.4%)			3013.6%		
Net Income (Loss)	\$ (6,208)	\$ (8,401)	\$ 2,193	(26.1%)	\$ (3,324)	\$ (2,884)	86.7%
Capex	\$ (20)	\$ (2,706)	\$ 2,686	(99.3%)	\$ (366)	\$ 346	(94.6%)
Opex Overview:							
Payroll	\$ 5,378	\$ 5,478	\$ (99)	(1.8%)	\$ 5,077	\$ 301	5.9%
Bonus	1,351	1,361	(10)	(0.7%)	159	1,192	749.7%
Commissions	275	345	(71)	(20.5%)	186	89	47.8%
Marketing	514	594	(80)	(13.4%)	584	(70)	(12.0%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,159	1,509	(350)	(23.2%)	1,137	22	1.9%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	436	444	(8)	(1.9%)	395	41	10.2%
Office Expense	47	46	1	1.8%	53	(6)	(11.4%)
IT	1,721	1,830	(109)	(5.9%)	1,367	355	26.0%
Bad Debts	99	–	99	N/A	(58)	157	(270.4%)
FX	38	–	38	N/A	134	(96)	(71.8%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,691)	(11,805)	114	(1.0%)	(11,793)	102	(0.9%)
Total Opex	\$ (673)	\$ (198)	\$ (475)	240.4%	\$ (2,757)	\$ 2,084	(75.6%)

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	1,555,970	-	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	60%	46%	59%	56%	58%	58%	42%	64%	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	1,874,721	-	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	57%	56%	60%	54%	52%	55%	61%	59%	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	2,999,000	-	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	50%	44%	53%	43%	52%	63%	64%	58%	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	1,744,864	-	-	-	-
Monthly capacity utilization(L/K)%	36%	41%	45%	46%	49%	48%	32%	47%	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	8,781,712	-	-	-	-
Monthly Capacity utilization %(B/A)%	54%	55%	66%	58%	66%	72%	62%	66%	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 Finished Production Value (000)(\$CAD)	\$ 1,313	\$ 1,519	\$ 1,703	\$ 1,707	\$ 2,101	\$ 1,997	\$ 2,317	\$ 2,536	\$ -	\$ -	\$ -	\$ -
Capacity utilization based on NO seasonal adjustment and one 10hr shift	44%	51%	57%	57%	70%	67%	77%	85%	0%	0%	0%	0%