



## 2019 Monthly Operating Review – May 2019

June 21, 2019



<b>Executive Summary</b>
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**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 approx. \$1.1 million due to lower than anticipated demand at all the extrusion plants due to softer market conditions at both Canadian and US customers impacted by the unseasonal winter weather conditions and shortage of skilled labor at our customers. Extrusion sales impacted by colder temperatures and higher than normal precipitation levels throughout Canada and the US. Continued market softness extending throughout Q2 with some positive signs of increased orders in certain regions
- 2. EBITDA:** EBITDA behind Plan by \$307K, impacted by lower sales volumes and lower production volumes resulting in an unfavorable absorption impact and lower regrind usage. EBITDA also impacted by production challenges at Woodbridge and Delmont resulting in lower production yields and higher scrap. These unfavorable impacts were partially offset by lower material cost inputs, continued focus on alternative material usage, optimization of labor costs and lower overhead spending across the business. EBITDA also benefiting from lower OPEX costs including labor and all discretionary spending
- 3. Vs Prior Year:** Overall sales revenues and volumes were behind Prior Year by approx. \$0.5 million due to lower than anticipated demand across the business due to the extended winter weather conditions in 2019 and the impact of government incentive programs in 2018, no longer offered in the current year. EBITDA was behind the Prior Year by only \$16K. EBITDA significantly impacted by volume declines at most plants, but offset by operational improvements at the Extrusion plants as a result of the continuous improvement initiatives implemented concerning material, labor and overhead spending and the favorable volumes at Delmont. EBITDA also significantly improved at Terrebonne year-over-year with improvements in margins, quality, delivery and labor utilization.
- 4. TTM:** 2019 May TTM Revenue of \$162.5M and EBITDA of \$10.4M 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 June at the mid-month point is currently in line vs the prior year on a Month to Date basis. Extrusion orders are slightly behind the prior year by 0.8% while Patio Door sales orders are ahead of prior year orders on a Month to Date basis by 4.8%. Both Laval and Delmont are currently seeing some favorable orders vs the prior year, but there are lower orders at Woodbridge and Everett. All Plants are reviewing their labor production plans for June and will start to bring in additional labor to keep inventory level as the orders start to ramp up in June and Q3
6. **Material/Supplier Price Increases:** CDI Resin Index remained unchanged for May, maintaining the 2cpp decrease posted in April. Industry consensus is that resin will remain flat for the remainder of the year, but resin producers are attempting to get an increase before the end of the year, announcing a 2cpp increase for June that did not get approved by the market. TiO2 price increase negotiated at 3cpp to become effective July 1<sup>st</sup> – inventory increased with purchases ahead of the price increase. Alternative compounding source RFQ in process and discussions ongoing with alternative suppliers for TiO2, Masterbatch, Acrylic Dark Cap, Stabilizer and Filler materials
7. **Bank Covenants:** Excess Availability covenant for May-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target due to TTM EBITDA falling below budget. Continue to monitor June & Q3 2019 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly
8. **Sales Account Manager:** David Defelice, sales account manager for Ontario and Western Canada, has resigned from ENERGI effective July 2<sup>nd</sup>. David has accepted a General Manager position with Ostaco Windows, one of ENERGI's top customers. A search for David's replacement has commenced

## Executive Summary (Continued)

	Description	Potential Impact	Plan to Address
<b>Risks</b>	▪ Aggressive Competition and related pricing pressures	<ul style="list-style-type: none"> <li>▪ Customer losses</li> <li>▪ Revenue and EBITDA loss</li> <li>▪ Reduction in profitability vs Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuing to visit major customers to solidify ENERGI's relationship as a strategic partner through "Huddle" meetings</li> <li>▪ Close on and lock in potential new customers – contacting several non-ENERGI customers and presenting our capabilities/innovations</li> </ul>
	▪ Raw Material Costs	<ul style="list-style-type: none"> <li>▪ Resin, TiO2 and other raw material price increases impacting EBITDA</li> <li>▪ Freight and logistics cost increases</li> <li>▪ Reduction in profitability by using virgin material due to lack of supply</li> </ul>	<ul style="list-style-type: none"> <li>▪ VP Supply Chain conducting Global Sourcing search for alternative material suppliers and conducting resin compound RFQ</li> <li>▪ Accelerating alternative material usage through increased regrind purchasing opportunities including customer scrap buy-back</li> <li>▪ VP Supply Chain assisting plants with warehousing and logistics cost and resource optimization, as well as SIOp</li> </ul>
	▪ Terrebonne (Patio Doors)	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA loss</li> <li>▪ Turnaround plan not achieved</li> <li>▪ Employee retention</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain stability of leadership for Terrebonne – internal promotions</li> <li>▪ Executing on labor balancing/planning</li> <li>▪ Obtain new business and take market share – quoting several projects and new business opportunities with new customers</li> <li>▪ Working with Infor to improve reliability of ERP system</li> </ul>
	▪ 2019 Canadian Industry and Market continues to stall beyond April 2019	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA loss</li> <li>▪ Employee retention issue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to stay in touch with all major customers</li> <li>▪ Develop production scheduling discipline to ensure not over or under producing and not creating backorders</li> </ul>
<b>Opportunities</b>	▪ External Compound Sales	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA growth</li> <li>▪ Absorption of ECS overheads</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quoting non-fenestration compound opportunities</li> <li>▪ Developing natural/green core compound for alt. materials initiative</li> </ul>
	▪ Operations Excellence Initiatives	<ul style="list-style-type: none"> <li>▪ Operational efficiencies</li> <li>▪ Profitability improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on operation optimization and lean strategies to eliminate waste</li> <li>▪ Focus on use of alternative materials in existing and new business</li> <li>▪ Tracking Plant level continuous improvement project savings</li> </ul>
	▪ Supply Chain Initiatives	<ul style="list-style-type: none"> <li>▪ Improvement in profitability</li> <li>▪ Offset raw material increases</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reviewing alternative supply options for all resources</li> <li>▪ Challenging price increases from all suppliers</li> </ul>
	▪ Pipeline Growth	<ul style="list-style-type: none"> <li>▪ Revenue and EBITDA growth</li> <li>▪ Plant capacity utilization</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sales prospecting efforts continue to grow the sales pipeline for extrusion, patio door and external compound opportunities</li> <li>▪ Completion and launch of Woodbridge Modular Platform</li> <li>▪ Increased prospecting efforts for Woodbridge &amp; Everett plants</li> </ul>

## Key Wins and Losses – May 2019



### Key Wins

- None


### Key Losses

- Van Isle
  - Everett
  - 2019 Plan Sales = \$700K

## Key Initiatives Update


Initiative	Status	Recent Progress	Next Steps	Risks
1. Develop/Enhance Systems and Processes		<ul style="list-style-type: none"> <li>• Production run cards developed for alternative BOMs at Woodbridge, Everett &amp; Delmont</li> <li>• OBI project completed at Everett</li> <li>• OBI project at ECS commenced</li> <li>• Created manufacturing tooling status and production release process</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize production run cards for alternative BOMs at Woodbridge, Delmont &amp; Everett</li> <li>• OBI project at Everett – working on recertification schedule and “train the trainer”</li> <li>• OBI project at ECS – most of the processes have been completed</li> </ul>	<ul style="list-style-type: none"> <li>• Production planning inefficiencies</li> <li>• Labor planning inefficiencies</li> </ul>
2. Develop Safety, Quality, Delivery & Cost culture		<ul style="list-style-type: none"> <li>• All plants have integrated daily Gemba walks and shift hand-off boards into their culture</li> <li>• Continuous education discipline and training on the use of shift hand-off boards</li> </ul>	<ul style="list-style-type: none"> <li>• Implement changes to the Gemba process with lessons learned to enhance their value and effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Disorganized plants impairs production efficiencies sends a negative message to customers</li> </ul>

## Key Initiatives Update (Continued)



Initiative	Status	Recent Progress	Next Steps	Risks
3. Develop Alternative Compounds		<ul style="list-style-type: none"> <li>• Discussions ongoing with suppliers regarding alternative material compound and regrind – continuing to obtain quotes and test samples</li> <li>• Continuing to refine Natural PVC formula at ECS, reviewing costs to develop and lab testing standard</li> <li>• Continued progress with purchasing regrind material with separate suppliers at Woodbridge, Laval, Everett and Delmont</li> <li>• Several responses received from RFQ package sent out to suppliers</li> <li>• Testing trials on mixed white regrind material with Bulldog Polymers</li> <li>• Awaiting AAMA test results on natural core profiles</li> <li>• End-cut Buy-back program – Everett testing material from Simonton and Solar Industries</li> <li>• End-cut Buy-back program – Delmont working with JPI on using PGT end-cuts in their process</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing capabilities of each supplier, pricing quoted, material specifications and obtaining samples for testing</li> <li>• Awaiting response from Aurora Plastics on ECS business</li> <li>• Meeting with Westlake and PolyOne in June to discuss compound pricing quotes</li> <li>• Awaiting AAMA test results on natural core profiles</li> <li>• Awaiting test standard data from lab for Natural Core testing in-house</li> <li>• Working with AAMA Task Group on how to deal with recycled material</li> </ul>	<ul style="list-style-type: none"> <li>• Margin erosion due to rising resin, TiO2 and other additive costs</li> <li>• Loss of market share due to not being able to compete</li> </ul>




## Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
4. Improve Terrebonne profitability		<ul style="list-style-type: none"> <li>• Objective Based Instructions project – conducting job recertification process</li> <li>• KPIs being tracked and integrated into SQDC Boards</li> <li>• Daily labor tracking measurement in place and integrated into SQDC Boards</li> <li>• Caron &amp; Guay start up originally had disappointing results, but this has been corrected</li> <li>• Ramp Up Ready meetings held to ensure plans are in place to handle peak season demand</li> <li>• New Performer door launch pre-production trials ongoing</li> <li>• Cross training of target areas to create flexibility ongoing</li> <li>• Ostaco will be converting to new Performer door in June</li> </ul>	<ul style="list-style-type: none"> <li>• ERP system improvements – project on track and to be concluded by end of July</li> <li>• Working through Plant &amp; Line Balancing plan – challenged with employee turnover and lack of skilled labor to hire</li> <li>• Reviewing several commercial growth opportunities – continuing to quote</li> <li>• Finalizing agreement with Atis on a \$2.5M opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Customer retention may also impact extrusion side of the business</li> <li>• EBITDA losses</li> </ul>

## Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
5. Planning Disciplines and overall Communication Practices		<ul style="list-style-type: none"> <li>• Weekly updates on status of “Big 3” initiatives and identify next initiatives once completed</li> <li>• Communications between plants and sharing of best practices conducted on a weekly basis</li> <li>• Visual Control Boards implemented to track progress on certain lines and improve change over times &amp; yields</li> <li>• Weekly Tooling Status meetings being conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly Quality Assurance calls continue to evolve yielding improved team problem solving and systemic solution to issues</li> <li>• Implementation of the APQP process with initial projects</li> <li>• Schedule Quarterly meetings with extended management team to communicate overall financial results, metrics and strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of Accountability and Ownership from employees</li> </ul>
6. Safety		<ul style="list-style-type: none"> <li>• 8 recordable incidents YTD with 2 occurring at Laval, 3 at Delmont, 2 at Everett and 1 at Woodbridge</li> <li>• Weekly management safety meetings being held</li> <li>• Accelerating more aggressive safety program at Laval and Delmont</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance plant safety programs and accelerate the safety awareness culture at all plants</li> <li>• Incorporating safety reviews during Gemba walks; additional communications</li> </ul>	

## Key Initiatives Update (Continued)

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

# Key Performance Indicators - Summary

## **Safety:**

- Two (2) recordable incidents in May: (i) Woodbridge worker pinched finger when using a make-shift tool to clear out an obstructed venting port channel resulting in sutures and lost time; and (ii) Everett worker's finger made contact with punch cylinder requiring prescription meds and antibiotics, no stitches (no lost time); Root cause analysis resulted in plan to modify; corrective actions identified and immediately implemented
- May 2019 TRIR of 2.32 vs 2018 TRIR of 1.97; Total Recordable Cases – 8 for 2019 YTD vs 14 for 2018 FY & 16 for 2017 FY
- 30 months incident free record at ECS;

## **Quality:**

- Within targets for May

## **Delivery:**

- Terrebonne – Staff turnover and related training time resulted in delays in average turn around time affecting delivery

## **Efficiencies:**

- Woodbridge yields impacted by combination of cold starts, problem tools, long overall change-overs, capstock & regrind trials and power outages
- Laval Alt/Regrind consumption ratio below target due to insufficient scrap generation and Alt material purchases
- Delmont yields impacted by lower lbs production due to lower sales

## **Inventory:**

- Strategic build up of inventory in response to anticipated demand in coming months
- Higher Inventory Days on Hand due to build up of raw material and purchasing ahead of expected TiO2 price increases

## **Customer Retention:**

- Loss of Van Isle to competitor in May; Complete switch over expected in August 2019; Expected annual sales of \$0.7M

## **Employees:**

- Employee retention stable at 98.45%

# Key Performance Indicators – Plant Summary

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	YTD 2019
<b>Health &amp; Safety</b>								
# Recordables (affects TRIR)	# in Month	0	1	1	2	2	2	8
Woodbridge		0	0	0	0	0	1	1
Laval		0	1	1	0	0	0	2
Terrebonne		0	0	0	0	0	0	0
Delmont		0	0	0	2	1	0	3
Everett		0	0	0	0	1	1	2
ECS		0	0	0	0	0	0	0
<b>Quality Performance</b>								
Returns as % of sales	# of Plants Green	6	4	4	5	6	6	5
Woodbridge		0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.44%
Laval		0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.44%
Terrebonne		1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.86%
Delmont		0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.13%
Everett		0.60%	0.43%	0.32%	0.06%	0.40%	0.55%	0.36%
ECS		0.20%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
<b>Delivery Performance</b>								
% by line items	# of Plants Green	6	6	5	6	4	5	5
Woodbridge		99.0%	99.6%	98.8%	99.4%	98.1%	99.0%	99.0%
Laval		99.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%
Terrebonne ****		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	89.1%
Delmont		99.0%	99.5%	99.4%	99.4%	99.3%	99.1%	99.3%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ECS		99.0%	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
Woodbridge		95.0%	99.6%	98.8%	99.4%	98.1%	99.0%	99.0%
Laval		95.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%
Terrebonne		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	89.1%
Delmont		95.0%	99.7%	99.8%	99.7%	99.6%	99.6%	99.7%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Costs</b>								
Yield*	# of Plants Green	5	3	3	3	3	3	3
Woodbridge		85.7%	84.7%	85.5%	85.2%	84.5%	85.0%	85.0%
Laval		84.0%	85.5%	85.2%	86.9%	88.0%	87.3%	86.7%
Delmont		85.7%	81.4%	82.7%	83.3%	83.4%	82.8%	82.7%
Everett		85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.6%
ECS		99.2%	99.5%	99.6%	99.8%	99.8%	99.9%	99.7%

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

# Key Performance Indicators – Plant Summary (Cont'd)

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	YTD 2019
<b>Costs</b>								
Alt. Compound Consumption Ratio*		5	3	2	4	2	2	3
Woodbridge		19.9%	17.4%	20.1%	20.0%	18.4%	18.4%	18.8%
Laval		20.9%	20.2%	19.4%	18.4%	16.3%	19.9%	18.8%
Delmont		17.1%	25.4%	19.8%	19.5%	23.3%	17.9%	21.2%
Everett		20.0%	32.0%	18.4%	21.4%	18.3%	17.3%	21.7%
ECS		0.0%	0.4%	0.1%	0.4%	0.6%	0.6%	0.2%
<b>Inventory</b>								
Days - TTM*	# of Plants Green	5	2	1	3	3	3	
Woodbridge		54.1	57.3	59.1	61.8	63.6	63.8	
Laval		69.3	66.7	66.4	67.7	69.0	68.4	
Terrebonne		71.0	74.8	71.4	70.2	68.8	66.3	
Delmont		58.7	62.0	62.1	64.6	66.8	67.4	
Everett		84.5	84.4	85.6	87.2	87.8	88.8	
ECS		46.0	50.0	49.0	42.0	41.0	32.0	
<b>Customer Service</b>								
Customer Experience - NPS Improvement		20%	NA	NA	NA	NA	NA	NA
Customer Complaints - per MLBS ***	# of Plants Green	6	5	4	2	4	2	4
Woodbridge		3.2	2.6	2.3	3.0	3.1	4.9	3.2
Delmont		3.2	2.8	3.2	3.7	2.9	3.0	3.1
Everett		3.2	1.4	2.7	3.5	2.2	3.6	2.7
ECS		0.3	0.3	0.1	0.0	0.1	0.0	0.1
Customer Retention		100%	100.0%	100.0%	98.9%	100.0%	99.4%	98.3%
<b>Employees</b>								
Employee Engagement		80%	76.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Employee Retention		90%	99.2%	98.1%	99.2%	98.4%	98.5%	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 – May 2019

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	8,493	9,900	(1,407)	(14.2%)	39,764	44,126	(4,362)	(9.9%)
Units Shipped ('000)	9,414	10,258	(844)	(8.2%)	38,266	43,098	(4,832)	(11.2%)
Bookings (\$'000)	\$ 16,015	\$ 16,974	\$ (960)	(5.7%)	\$ 64,540	\$ 69,750	\$ (5,210)	(7.5%)
Backlog (\$'000)	\$ 9,716	\$ 12,555	\$ (2,839)	(22.6%)	\$ 9,716	\$ 12,555	\$ (2,839)	(22.6%)
Gross Revenue	\$ 16,301	\$ 17,567	\$ (1,266)	(7.2%)	\$ 64,868	\$ 72,521	\$ (7,653)	(10.6%)
Adj. to Gross Revenue	(787)	(975)	188	(19.3%)	(3,129)	(3,677)	548	(14.9%)
Net Revenue	15,515	16,593	(1,078)	(6.5%)	61,739	68,845	(7,105)	(10.3%)
Material	7,703	8,236	(532)	(6.5%)	30,193	34,205	(4,012)	(11.7%)
Labor	3,198	3,359	(161)	(4.8%)	14,592	15,669	(1,076)	(6.9%)
Other COGS	1,968	1,917	51	2.7%	6,942	7,503	(561)	(7.5%)
Total COGS	12,869	13,512	(642)	(4.8%)	51,727	57,376	(5,649)	(9.8%)
Gross Margin	2,645	3,081	(436)	(14.1%)	10,012	11,469	(1,456)	(12.7%)
Gross Margin %	17.0%	18.6%			16.2%	16.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	586	631	(44)	(7.0%)	2,827	3,046	(219)	(7.2%)
Administrative	997	1,099	(103)	(9.4%)	4,843	5,268	(425)	(8.1%)
Other Opex	(3)	(21)	18	(83.8%)	(171)	(94)	(77)	82.3%
Total Opex	1,579	1,708	(129)	(7.6%)	7,498	8,220	(722)	(8.8%)
EBITDA	1,066	1,372	(307)	(22.3%)	2,514	3,248	(734)	(22.6%)
EBITDA %	6.9%	8.3%			4.1%	4.7%		
Net Income (Loss)	\$ (169)	\$ 74	\$ (243)	(328.4%)	\$ (2,849)	\$ (2,886)	\$ 38	(1.3%)
Capex	\$ (519)	\$ (943)	\$ 424	(45.0%)	\$ (2,547)	\$ (4,389)	\$ 1,842	(42.0%)
<b>Opex Overview:</b>								
Payroll	\$ 909	\$ 952	\$ (43)	(4.6%)	\$ 4,273	\$ 4,441	\$ (167)	(3.8%)
Bonus	111	113	(2)	(1.7%)	560	567	(7)	(1.3%)
Commissions	18	30	(12)	(40.4%)	90	149	(59)	(39.7%)
Marketing	110	149	(39)	(25.9%)	572	798	(226)	(28.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	66	139	(73)	(52.2%)	442	658	(216)	(32.8%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	28	29	(0)	(1.5%)	128	137	(9)	(6.3%)
Professional fees	49	44	5	11.0%	248	251	(3)	(1.3%)
Office Expenses	33	27	6	24.0%	121	119	2	2.0%
IT	145	176	(31)	(17.4%)	769	837	(69)	(8.2%)
Bad Debts	42	(0)	42	(10993.5%)	97	(2)	99	(5163.4%)
FX	24	–	24	N/A	(87)	–	(87)	N/A
JV Loss (Income)	(28)	(21)	(6)	28.7%	(84)	(94)	10	(10.4%)
Other Expenses	70	72	(1)	(1.6%)	369	360	10	2.7%
Total Opex	\$ 1,579	\$ 1,708	\$ (129)	(7.6%)	\$ 7,498	\$ 8,220	\$ (722)	(8.8%)

## Management Discussion

### Net Revenue – May -\$1,078K:

- Extrusion external sales volume unfavorable by 7.9% or \$988K due to continued soft market conditions across North America; with lower sales out of Woodbridge by \$549K, Laval by \$132K, Delmont by \$172K and Everett by \$135K
- Patio Door gross sales were behind Budget by \$242K mainly driven by decreased demand from Vaillancourt, AMI, Fennergic and the Concerto Group of customers. External compound sales were behind Budget by \$57K due to reduced orders from Vinyl Profiles (lost business)
- Favorable product/customer mix impact of \$377K primarily from Woodbridge, Delmont and ECS (new compound tolling business); Favorable rebates & discounts variance of \$169K due to lower volumes and customer sales mix; and Returns & allowances in line with Budget
- Unfavorable F/X impact of \$336K (actual rate of 1.3459 [or \$USD 0.743] vs. Budget rate of 1.30 [or \$USD 0.7692])

### EBITDA – May -\$307K:

- Material COGS:** Decrease of \$532K primarily due to the mix and volume impact from lower sales of \$800K offset by offset by unfavorable yields at Woodbridge & Delmont and lower regrind usage at Woodbridge, Delmont & Everett due to lower production volumes of \$268K; with favorable resin material prices offset by higher additive pricing, higher glass pricing and higher inventory reserves for E&O and LCM adjustments
- Labor COGS:** Decrease of \$161K due to a volume impact of \$83K, a favorable impact of \$12K from headcount reduction initiatives and improved labor efficiency at Laval, Delmont and Terrebonne and a favorable F/X impact of \$66K
- Other COGS:** Increase of \$51K comprised of: an unfavorable absorption impact of \$312K as a result of selling more out of inventory and reduced production output; offset by lower freight costs due to sales volume and customer mix of \$84K, lower overhead spending (ie. utilities, maintenance, factory supplies) of \$89K due to lower production, a higher tool & die absorption recovery impact of \$52K and a favorable F/X impact of \$36K
- Sales and Marketing:** Lower costs due to lower marketing costs of \$36K (timing), lower T&E spend of \$29K, lower commissions of \$11K and a favorable F/X impact of \$16K; partially offset by a Bad Debts reserve impact of \$42K for high risk collection issues
- Administrative:** Lower costs due to lower headcount & benefit costs of \$20K, lower T&E of \$41K, lower IT costs of \$27K and a favorable F/X impact of \$28K
- Other Opex:** Unfavorable realized F/X re-valuation impact of \$24K due to net USD working capital held by the Canadian entity (change in F/X from 1.3440 on April 30<sup>th</sup>, 2019 to 1.3514 on May 31<sup>st</sup>, 2019)

# Consolidated Summary P&L (vs PY) – May 2019

\$'000	MTD		Var		YTD		Var	
	Act	PY-Act	\$	%	Act	PY-Act	\$	%
Units Produced ('000)	8,493	8,856	(363)	(4.1%)	39,764	42,218	(2,454)	(5.8%)
Units Shipped ('000)	9,414	10,037	(623)	(6.2%)	38,266	43,188	(4,922)	(11.4%)
Bookings (\$'000)	\$ 16,015	\$ 17,029	\$ (1,014)	(6.0%)	\$ 64,540	\$ 72,273	\$ (7,733)	(10.7%)
Backlog ('\$000)	\$ 9,716	\$ 12,340	\$ (2,624)	(21.3%)	\$ 9,716	\$ 12,340	\$ (2,624)	(21.3%)
Gross Revenue	\$ 16,301	\$ 16,978	\$ (677)	(4.0%)	\$ 64,868	\$ 73,745	\$ (8,877)	(12.0%)
Adj. to Gross Revenue	(787)	(959)	173	(18.0%)	(3,129)	(3,895)	766	(19.7%)
Net Revenue	15,515	16,019	(504)	(3.1%)	61,739	69,850	(8,111)	(11.6%)
Material	7,703	7,827	(124)	(1.6%)	30,193	33,753	(3,560)	(10.5%)
Labor	3,198	3,779	(581)	(15.4%)	14,592	17,552	(2,959)	(16.9%)
Other COGS	1,968	1,667	301	18.1%	6,942	7,635	(693)	(9.1%)
Total COGS	12,869	13,273	(404)	(3.0%)	51,727	58,939	(7,212)	(12.2%)
Gross Margin	2,645	2,746	(101)	(3.7%)	10,012	10,911	(899)	(8.2%)
Gross Margin %	17.0%	17.1%			16.2%	15.6%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	586	607	(20)	(3.3%)	2,827	3,318	(491)	(14.8%)
Administrative	997	1,015	(18)	(1.8%)	4,843	5,029	(186)	(3.7%)
Other Opex	(3)	43	(46)	(108.1%)	(171)	(9)	(162)	1766.3%
Total Opex	1,579	1,664	(85)	(5.1%)	7,498	8,337	(839)	(10.1%)
EBITDA	1,066	1,081	(16)	(1.4%)	2,514	2,573	(59)	(2.3%)
EBITDA %	6.9%	6.7%			4.1%	3.7%		
Net Income (Loss)	\$ (169)	\$ (130)	\$ (39)	29.8%	\$ (2,849)	\$ (2,406)	\$ (443)	18.4%
Capex	\$ (519)	\$ (887)	\$ 368	(41.5%)	\$ (2,547)	\$ (4,004)	\$ 1,457	(36.4%)
<b>Opex Overview:</b>								
Payroll	\$ 909	\$ 971	\$ (62)	(6.4%)	\$ 4,273	\$ 4,690	\$ (417)	(8.9%)
Bonus	111	112	(1)	(0.7%)	560	566	(7)	(1.2%)
Commissions	18	14	4	25.0%	90	65	25	38.5%
Marketing	110	56	55	98.5%	572	866	(293)	(33.9%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	66	114	(48)	(41.8%)	442	543	(101)	(18.6%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	28	27	2	5.8%	128	137	(9)	(6.7%)
Professional fees	49	66	(16)	(24.9%)	248	273	(25)	(9.2%)
Office Expenses	33	31	2	5.0%	121	144	(23)	(15.9%)
IT	145	129	16	12.4%	769	720	48	6.7%
Bad Debts	42	13	29	219.3%	97	(63)	160	(255.2%)
FX	24	59	(35)	(59.0%)	(87)	63	(150)	(238.2%)
JV Loss (Income)	(28)	(16)	(11)	71.3%	(84)	(72)	(12)	16.6%
Other Expenses	70	88	(18)	(20.1%)	369	404	(35)	(8.7%)
Total Opex	\$ 1,579	\$ 1,664	\$ (85)	(5.1%)	\$ 7,498	\$ 8,337	\$ (839)	(10.1%)

## Management Discussion

### Net Revenue – May -\$504K:

- Extrusion external sales volume unfavorable by 3.5% or \$453K million due to soft market conditions across North America as a result of the extended winter weather, the impact from government incentive programs in place in 2018 and lost business (ie. SI, Thompson Creek, KP Building, Ventana, Van Isle)
- Patio Door gross sales were only slightly behind Prior Year by \$9K. External compound sales were behind Prior Year's sales by \$219K due to lower volumes from The Vinyl Company
- Favorable product/customer mix impact of \$366K primarily from Delmont (PGT DarkCap) and ECS (new compound tolling business); favorable rebates & discounts variance of \$133K due to lower volumes and customer sales mix; and favorable returns & allowances by \$12K
- Unfavorable F/X impact of \$334K (actual rate of 1.3459 [or \$USD 0.7430] vs. Prior Year rate of 1.2873 [or \$USD 0.7768])

### EBITDA – May -\$16K:

- Unfavorable impact to Gross Margin of \$101K due to significant volume shortfall
- Gross Margin improvement of \$392K due to headcount reduction initiatives implemented and improved labor efficiency across the business
- Labor costs were also favorable due to an F/X impact of \$84K
- Other COGS higher than the Prior Year as a result of an unfavorable absorption impact of \$528K as a result of selling more out of inventory and lower production than the Prior Year, being offset by lower freight costs, lower overhead spending (ie. utilities, maintenance, factory supplies) and a favorable F/X impact
- EBITDA favorable impact due to lower OPEX costs as a result of lower spending, timing of certain expenses (ie. T&E, Marketing expenses) and a favorable F/X impact



# May 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 <b>(A)</b>	\$ 4,394	\$ 3,399	\$ 3,793	\$ 2,486	\$ 6,668	\$ 2,061	\$ 17	\$ (6,226)	\$ 16,593
Volume impact (external sales)	(549)	(132)	(172)	(135)	(57)	(242)	-	-	<b>(1,286)</b>
Volume impact (intercompany sales)	(7)	(70)	6	-	(536)	-	-	607	-
Rebates & discounts	85	17	3	59	(1)	6	-	-	<b>169</b>
Price / Mix impact	163	92	111	(112)	178	(37)	(17)	-	<b>377</b>
Returns & allowances	5	(34)	6	8	(2)	15	-	-	<b>(2)</b>
Other - F/X	(135)	(105)	(0)	0	(34)	(62)	(0)	(0)	<b>(336)</b>
<b>Actual Net Sales (B)</b>	<b>\$ 3,956</b>	<b>\$ 3,166</b>	<b>\$ 3,747</b>	<b>\$ 2,306</b>	<b>\$ 6,216</b>	<b>\$ 1,742</b>	<b>\$ -</b>	<b>\$ (5,619)</b>	<b>\$ 15,515</b>
Actual vs Budget, as reported Variance <b>(B) - (A)</b>	\$ (438)	\$ (233)	\$ (46)	\$ (180)	\$ (452)	\$ (319)	\$ (17)	\$ 607	<b>\$ (1,078)</b>
Actual vs Prior Year, as reported Variance	\$ (437)	\$ (170)	\$ 294	\$ (100)	\$ (1,199)	\$ (116)	\$ (0)	\$ 1,226	<b>\$ (504)</b>

# May 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 <b>(A)</b>	\$ 192	\$ 549	\$ 685	\$ 224	\$ 5	\$ (37)	\$ (245)	\$ 0	\$ 1,372
Volume & Mix impact	(31)	(118)	37	(135)	209	(137)	(5)	-	<b>(180)</b>
Labor - DL/IDL FAV/(UNF)	36	16	121	(52)	7	28	-	-	<b>156</b>
Alt. Materials FAV/(UNF)	(141)	18	(76)	(69)	-	-	-	-	<b>(268)</b>
Other Materials - FAV/(UNF)	-	5	(30)	(34)	108	(40)	-	-	<b>9</b>
Absorption impact FAV/(UNF)	(124)	6	(282)	30	8	50	-	-	<b>(312)</b>
Overhead Spending FAV/(UNF)	(2)	11	46	56	55	21	(18)	-	<b>169</b>
Other	35	15	5	(17)	0	14	67	0	<b>119</b>
<b>Actual EBITDA (B)</b>	<b>\$ (36)</b>	<b>\$ 503</b>	<b>\$ 505</b>	<b>\$ 3</b>	<b>\$ 392</b>	<b>\$ (101)</b>	<b>\$ (201)</b>	<b>\$ 0</b>	<b>\$ 1,066</b>
Actual vs Budget, as reported Variance <b>(B) - (A)</b>	\$ (227)	\$ (46)	\$ (179)	\$ (221)	\$ 387	\$ (64)	\$ 44	\$ 0	<b>\$ (307)</b>
Actual vs Prior Year, as reported Variance	\$ (108)	\$ (31)	\$ 139	\$ 17	\$ (0)	\$ 84	\$ (116)	\$ 0	<b>\$ (16)</b>

# Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	May-19			May-19 YTD			Comments
	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance <sup>(1)</sup>	\$ (50)	36	\$ (86)	\$ (73)	\$ 198	\$ (271)	Higher production scrap and lower yields
Woodbridge - Alt Materials Usage <sup>(2)</sup>	\$ 89	\$ 144	\$ (55)	\$ 584	\$ 571	\$ 13	Lower regrind usage due to lower production volumes
<b>Woodbridge - Total</b>	<b>\$ 39</b>	<b>\$ 180</b>	<b>\$ (141)</b>	<b>\$ 511</b>	<b>\$ 769</b>	<b>\$ (258)</b>	
Laval - Scrap Variance <sup>(1)</sup>	\$ 29	\$ 7	\$ 22	\$ 98	\$ 20	\$ 79	Favorable yields due to longer runs and product mix
Laval - Alt Materials Usage <sup>(2)</sup>	\$ 38	\$ 42	\$ (4)	\$ 118	\$ 106	\$ 12	Regrind usage slight below target due to lower yields and scrap
<b>Laval - Total</b>	<b>\$ 68</b>	<b>\$ 50</b>	<b>\$ 18</b>	<b>\$ 217</b>	<b>\$ 126</b>	<b>\$ 90</b>	
Delmont - Scrap Variance <sup>(1)</sup>	\$ 91	\$ 115	\$ (24)	\$ 404	\$ 505	\$ (101)	Unfavorable yields due to increased dark capstock runs
Delmont - Alt Materials Usage <sup>(2)</sup>	\$ 20	\$ 72	\$ (52)	\$ 269	\$ 357	\$ (88)	Reduced regrind/alt material usage due to lower volumes
<b>Delmont - Total</b>	<b>\$ 111</b>	<b>\$ 187</b>	<b>\$ (76)</b>	<b>\$ 673</b>	<b>\$ 862</b>	<b>\$ (189)</b>	
Everett - Scrap Variance <sup>(1)</sup>	\$ (52)	\$ (63)	\$ 11	\$ (480)	\$ (431)	\$ (49)	Lower regrind usage due to volumes and external supply
Everett - Alt Materials Usage <sup>(2)</sup>	\$ 109	\$ 189	\$ (80)	\$ 852	\$ 1,013	\$ (161)	
<b>Everett - Total</b>	<b>\$ 57</b>	<b>\$ 126</b>	<b>\$ (69)</b>	<b>\$ 372</b>	<b>\$ 582</b>	<b>\$ (210)</b>	
Total Scrap Variance <sup>(1)</sup>	\$ 18	\$ 95	\$ (77)	\$ (50)	\$ 292	\$ (343)	
Total Alt Materials Usage <sup>(2)</sup>	\$ 257	\$ 447	\$ (191)	\$ 1,823	\$ 2,047	\$ (224)	
<b>Grand Total</b>	<b>\$ 275</b>	<b>\$ 543</b>	<b>\$ (268)</b>	<b>\$ 1,773</b>	<b>\$ 2,340</b>	<b>\$ (566)</b>	

Notes:

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

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

# Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Q1-19	Apr-19	May-19	YTD
Budget Production Volume (Lbs)	24,736	9,490	9,900	44,126
Budget Direct Labor	\$ 4,262	\$ 1,603	\$ 1,650	\$ 7,515
Budget Indirect and SG&A Labor	\$ 7,052	\$ 2,466	\$ 2,558	\$ 12,075
Budget Total Labor	<u>\$ 11,314</u>	<u>\$ 4,069</u>	<u>\$ 4,207</u>	<u>\$ 19,590</u>
Actual Production Volume (Lbs)	23,546	7,725	8,493	39,764
Actual Direct Labor	\$ 3,908	\$ 1,268	\$ 1,534	\$ 6,710
Budget Direct Labor (Flexed for Actual Volume)	\$ 4,060	\$ 1,305	\$ 1,415	\$ 6,780
<b>Direct Labor Savings - FAV(UNF)</b>	<u>\$ 152</u>	<u>\$ 37</u>	<u>\$ (119)</u>	<u>\$ 71</u>
Actual Indirect and SG&A Labor	\$ 6,818	\$ 2,361	\$ 2,474	\$ 11,653
Budget Indirect and SG&A Labor (Flexed for Actual Volume)	\$ 7,052	\$ 2,466	\$ 2,558	\$ 12,075
<b>Indirect and SG&amp;A Labor Savings - FAV(UNF)</b>	<u>\$ 233</u>	<u>\$ 105</u>	<u>\$ 84</u>	<u>\$ 422</u>
<b>Total Labor</b>	<b>\$ 10,726</b>	<b>\$ 3,629</b>	<b>\$ 4,008</b>	<b>\$ 18,363</b>
<b>Budget Total Labor (Flexed for Actual Volume)</b>	<b>\$ 11,112</b>	<b>\$ 3,771</b>	<b>\$ 3,973</b>	<b>\$ 18,855</b>
<b>Total Labor Savings - FAV(UNF)</b>	<u><b>\$ 386</b></u>	<u><b>\$ 142</b></u>	<u><b>\$ (35)</b></u>	<u><b>\$ 493</b></u>

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

**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
<b>Budget</b>	<b>\$ 16,593</b>	<b>\$ 1,372</b>	<b>\$ 32,255</b>	<b>\$ 2,483</b>	<b>\$ 68,845</b>	<b>\$ 3,248</b>
<b><u>Net Revenue Delta</u></b>						
Volume	(1,286)	(377)	(3,728)	(1,142)	(6,754)	(1,600)
Pricing	—	—	—	—	—	—
Mix	377	377	346	346	185	185
Discounts	39	39	72	72	147	147
Returns	(2)	(2)	33	33	41	41
Rebates	130	130	195	195	324	324
F/X	(336)	(164)	(564)	(199)	(1,048)	(350)
<b>Total Net Revenue Delta</b>	<b>(1,078)</b>	<b>3</b>	<b>(3,646)</b>	<b>(695)</b>	<b>(7,105)</b>	<b>(1,253)</b>
<b><u>Cost Delta</u></b>						
Absorption		(312)		(449)		(346)
SG&A		108		223		462
Variances		(247)		(195)		(207)
Other		141		379		610
<b>Total Cost Delta</b>		<b>(310)</b>		<b>(42)</b>		<b>519</b>
<b>Actual</b>	<b>\$ 15,515</b>	<b>\$ 1,066</b>	<b>\$ 28,609</b>	<b>\$ 1,746</b>	<b>\$ 61,739</b>	<b>\$ 2,514</b>

## Management Discussion - MTD

- Extrusion external sales volume unfavorable by 7.9% or \$988K, lower external compound sales by \$57K and lower Terrebonne sales of \$242K, contributing to the volume impact of \$1,286K
- Favorable customer sales mix of \$377K primarily from Woodbridge, Delmont and ECS (new compound tolling business)
- Unfavorable F/X impact of \$336K (actual rate of 1.3459 [or \$USD 0.743] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$140K, in addition to an unfavorable realized balance sheet re-valuation impact of \$24K due to a change in the month-end rate from 1.3440 on April 30<sup>th</sup>, 2019 to 1.3514 on May 31<sup>st</sup>, 2019
- Unfavorable absorption impact of \$312K as a result of lower production levels and a drawdown in inventory
- Favorable SG&A due to lower G&A labor & benefits costs and lower OPEX spending (ie. Marketing costs, T&E, commissions)
- Unfavorable variances of \$247K due to unfavorable yields and higher scrap costs at Woodbridge & Delmont and lower regrind usage at Woodbridge, Delmont & Everett due to lower production volumes of \$268K, partially offset by lower labor costs of \$12K (exclusive of volume impacts) and lower resin material prices net of higher additive and glass pricing and unfavorable E&O reserve adjustments of \$9K
- Other costs favorable by \$141K due to lower overhead spending (ie. Maintenance, factory suppliers, utilities) of \$89K due to lower production, a higher tool & die absorption recovery impact of \$52K

# Key Customers – Gross Sales and Gross Margin %: Consolidated

	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var		MTD		Var		PY-MTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
PGT Industries Inc	\$	2,099	\$	2,066	\$	33	1.6%	\$	1,729	\$	370	21.4%	\$	9,494	\$	9,154	\$	340	3.7%	\$	8,796	\$	697	7.9%	16.4%	20.1%	(370)	(18.4%)	15.2%	123	8%	18.8%	18.1%	75	4.2%	13.4%	546	40.8%
Eclipse Shutter Systems		1,276		1,486		(210)	(14.1%)		1,341		(65)	(4.9%)		5,806		6,507		(701)	(10.8%)		6,779		(973)	(14.4%)	5.5%	3.3%	222	68.1%	5.4%	9	2%	3.6%	3.3%	26	7.7%	4.9%	(130)	(26.5%)
Atis		693		1,042		(349)	(33.5%)		1,190		(497)	(41.7%)		2,572		3,273		(701)	(21.4%)		3,900		(1,327)	(34.0%)	(15.5%)	(19.4%)	388	(20.1%)	(13.1%)	(237)	18%	(16.4%)	(19.2%)	283	(14.7%)	(17.0%)	61	(3.6%)
Simonton		933		1,005		(72)	(7.2%)		985		(52)	(5.3%)		3,898		4,218		(320)	(7.6%)		4,369		(471)	(10.8%)	11.5%	20.4%	(890)	(43.6%)	5.4%	609	112%	14.5%	18.0%	(351)	(19.4%)	7.5%	700	92.9%
Quaker Window Products		475		561		(86)	(15.3%)		479		(4)	(0.9%)		2,015		2,477		(462)	(18.6%)		2,117		(102)	(4.8%)	11.0%	11.0%	—	0.0%	11.1%	(6)	(1%)	11.0%	11.0%	0	0.0%	4.7%	635	135.8%
Ostaco 2000		267		272		(5)	(2.0%)		281		(14)	(5.1%)		1,099		1,255		(157)	(12.5%)		1,174		(75)	(6.4%)	8.9%	4.3%	453	104.3%	22.2%	(1,336)	(60%)	8.8%	7.2%	162	22.5%	19.5%	(1,070)	(54.8%)
SOLARIS QUEBEC P & F INC.		457		410		47	11.5%		419		38	9.0%		1,828		1,625		203	12.5%		1,721		107	6.2%	24.1%	23.6%	53	2.2%	10.9%	1,319	121%	23.8%	23.9%	(16)	(0.7%)	8.1%	1,565	192.8%
Dashwood Industries Inc		297		379		(82)	(21.7%)		350		(54)	(15.3%)		1,120		1,269		(149)	(11.7%)		1,378		(258)	(18.7%)	15.1%	13.8%	135	9.8%	14.9%	21	1%	14.6%	13.8%	79	5.7%	14.1%	52	3.7%
Windsor Window Co OEM		454		362		92	25.2%		367		87	23.7%		1,501		1,312		189	14.4%		1,334		167	12.5%	24.0%	24.6%	(55)	(2.3%)	15.2%	880	58%	23.2%	23.6%	(40)	(1.7%)	6.6%	1,658	250.2%
All Weather		511		536		(25)	(4.7%)		254		257	101.4%		1,765		2,895		(1,131)	(39.1%)		1,305		459	35.2%	10.2%	15.2%	(501)	(32.9%)	14.2%	(401)	(28%)	11.5%	14.9%	(339)	(22.7%)	11.4%	13	1.2%
Polaris Technologies		561		565		(4)	(0.7%)		355		206	58.0%		2,070		2,419		(349)	(14.4%)		1,454		616	42.4%	14.5%	17.2%	(267)	(15.5%)	0.0%	1,450	N/A	15.9%	17.3%	(135)	(7.8%)	0.0%	1,593	N/A
A.M.I.		296		373		(77)	(20.7%)		394		(98)	(25.0%)		1,253		1,333		(80)	(6.0%)		1,371		(118)	(8.6%)	10.6%	0.0%	1,062	N/A	15.2%	(459)	(30%)	3.2%	0.6%	254	390.7%	2.9%	33	11.7%
ATLANTIC WINDOWS		400		354		46	13.1%		356		44	12.4%		1,268		1,469		(201)	(13.7%)		1,476		(208)	(14.1%)	14.9%	12.4%	243	19.5%	3.8%	1,108	292%	15.1%	11.9%	326	27.4%	3.7%	1,148	313.5%
Vinyl Profiles, LLC		253		355		(102)	(28.7%)		236		17	7.2%		1,049		1,538		(489)	(31.8%)		966		83	8.6%	20.6%	20.7%	(16)	(0.8%)	23.0%	(240)	(10%)	21.0%	20.7%	24	1.2%	20.4%	53	2.6%
Comfort View Products		188		270		(82)	(30.4%)		270		(82)	(30.4%)		855		1,366		(511)	(37.4%)		1,299		(444)	(34.2%)	15.2%	17.8%	(261)	(14.7%)	12.6%	257	20%	19.8%	16.5%	323	19.5%	11.5%	831	72.4%
PORTES & FENETRES ABRITEK		358		269		89	33.0%		275		83	30.1%		967		929		38	4.1%		1,101		(134)	(12.2%)	10.6%	20.7%	(1,017)	(49.0%)	19.9%	(931)	(47%)	7.0%	19.1%	(1,214)	(63.6%)	17.4%	(1,048)	(60.1%)
Coeur d'Alene		345		393		(48)	(12.2%)		329		16	4.8%		1,257		1,453		(197)	(13.5%)		1,114		143	12.8%	2.8%	7.2%	(437)	(60.6%)	(1.3%)	414	(320%)	1.7%	5.0%	(330)	(65.6%)	(1.2%)	294	(242.8%)
SCHLUTER SYSTEMS L.P.		295		255		40	15.9%		254		41	16.3%		856		1,056		(201)	(19.0%)		1,053		(197)	(18.7%)	23.7%	18.2%	556	30.6%	21.3%	241	11%	24.3%	24.1%	23	1.0%	19.3%	505	26.2%
P & F ISOTHERMIC INC		330		301		29	9.6%		315		15	4.8%		1,025		973		52	5.3%		1,122		(97)	(8.6%)	13.0%	23.7%	(1,074)	(45.2%)	13.0%	4	0%	13.4%	21.2%	(780)	(36.9%)	5.7%	763	133.0%
Sierra Pacific Windows		213		246		(33)	(13.4%)		286		(73)	(25.5%)		1,002		1,089		(87)	(8.0%)		1,079		(77)	(7.1%)	5.9%	9.8%	(387)	(39.6%)	6.6%	(75)	(11%)	9.6%	9.9%	(27)	(2.7%)	5.6%	403	72.5%
Other		5,601		6,067		(466)	(7.7%)		6,514		(913)	(14.0%)		22,170		24,910		(2,740)	(11.0%)		28,837		(6,667)	(23.1%)	25.2%	28.5%	(333)	(11.6%)	28.2%	(295)	(10%)	22.2%	25.6%	(338)	(13.2%)	27.0%	(486)	(18.0%)
Total Gross	\$	16,301	\$	17,567	\$	(1,266)	(7.2%)	\$	16,978	\$	(677)	(4.0%)	\$	64,868	\$	72,521	\$	(7,653)	(10.6%)	\$	73,745	\$	(8,877)	(12.0%)	16.2%	17.5%	(131)	(7.5%)	16.2%	5	0%	15.2%	15.4%	(13)	(0.8%)	14.4%	80	5.5%

## Management Discussion

- Eclipse – Lower vs anticipated sales, in line with market which has been softer in 2019
  - Atis – extended winter weather conditions in Canada impacting sales, some market share loss
  - Quaker, Dashwood, Simonton and Comfort View – Slow start to the year and colder weather leading to softness in orders
  - Vinyl Profiles – Loss of anticipated sales to its competitor
- Solaris, Windsor and P&F Abritek - strong/improved sales in May showing recovery following slow start to the year
  - Other – shortfall to prior year includes lost business (Jeld-Wen, Thompson Creek, KP Building, ) and bankruptcies (Ventana Windows, Duraco, Concept MAT)

# Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
<b>Opening Pipeline</b>	<b>\$ 72,607</b>	<b>\$ 24,924</b>
Additions	–	95,132
Changes:		
Converted	–	(15,631)
Lost	(192)	(31,635)
Other	–	(374)
Total Net Changes	(192)	(47,640)
<b>Closing Pipeline</b>	<b>\$ 72,415</b>	<b>\$ 72,415</b>

## Management Discussion

- Loss of West Coast Contemporary opportunity with Van Isle valued at \$192K and 140K Lbs as a result of customer switching to different supplier.



# 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			
												\$	-	-

# 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											
								\$	-	-	
LOST											
Van Isle	Martin St-Arnaud	Y	West Coast Contemporary	Deceuninck	NA	NA	NA	(192)	(140)	2	
								\$	(192)	(140)	
OTHER											
									-	-	
Reason Code for Win											
1. Price		2. Service/Support		3. Relationship							
4. Incumbency		5. Product		6. No decision							
7. Other (Explain in comment field)											

# Total Closing Pipeline – Current Extrusions and Patio Doors

\$ and units '000																
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status						Comments		
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)		Signed Contract (100%)	
Existing Customers																
All Weather Windows	\$	577	500	\$	-	TBD	TBD	TBD	Complete	In process, on track	In process, delayed	In process, at risk	In process, on track	In process, on track	Viscount Patio Door	
Atrium	\$	325	200	\$	65	TBD	TBD	TBD							Single Hung	
Moss Supply	\$	3,000	2,000	\$	-	TBD	TBD	TBD							Customer looking at launch timing for the platform extrusions	
Solar Innovations	\$	500	350	\$	100	TBD	TBD	TBD							Ultra-Weld	
Polaris	\$	4,000	2,500	\$	-	TBD	TBD	TBD							Performer-Fusion Patio Doors (Partly converted)	
Vaillancourt	\$	2,116	450	\$	-	TBD	TBD	TBD							Full Program. Still waiting on decision. Gentek strategy is to run Veka and ENERGI and allow ENERGI to cannibilize Veka programs.	
Gentek	\$	2,308	1,700	\$	1,095	TBD	TBD	TBD							Customer still reviewing casement	
Hometime	\$	200	100	\$	75	TBD	TBD	TBD							Patio Door program	
Fene-Tech	\$	77	40	\$	-	TBD	TBD	TBD							Dual stucco wall Slider	
Simonton	\$	1,154	1,500	\$	-	TBD	TBD	TBD							Tilt and Turn	
Dalmen	\$	154	200	\$	-	TBD	TBD	TBD	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	New 90 Degree Corner Post for 425		
Cascade	\$	200	160	\$	-	TBD	TBD	TBD						New Slider Frame		
Centennial	\$	115	75	\$	-	TBD	TBD	TBD						Customer still reviewing		
Magistral	\$	115	75	\$	100	TBD	TBD	TBD						New Multi slide/425 door		
Simonton	\$	769	1,000	\$	-	TBD	TBD	TBD						Initial sampling to begin		
LGC	\$	77	50	\$	25	TBD	TBD	TBD						425 Multi-Slide patio door lineal program		
Futura	\$	77	50	\$	25	TBD	TBD	TBD						4 1/2" Casement		
Fenêtres Concept	\$	58	25	\$	25	TBD	TBD	TBD						Working on new formulation and design		
Cascade	\$	750	600	\$	750	TBD	TBD	TBD						Multi-Track Door		
Vinylpro	\$	385	300	\$	-	TBD	TBD	TBD						Multi Track Door		
Seymour Windows	\$	1,429	1,000	\$	241	TBD	TBD	TBD	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Lift/Slide Lineal		
Westek	\$	77	50	\$	-	TBD	TBD	TBD						Launch Hung/Slidr other locations		
Solar Innovations	\$	250	150	\$	-	TBD	TBD	TBD						FullProgram - Dark Cap		
Solar Innovations	\$	100	50	\$	-	TBD	TBD	TBD						West Coast Contemporary series (shared capital)		
Cascade	\$	16,500	15,000	\$	-	TBD	TBD	TBD						Patio Door program		
Avanti	\$	1,000	700	\$	-	TBD	TBD	TBD						Opera lineal program from Soni Plastics		
ATI	\$	500	300	\$	450	TBD	TBD	TBD						Entry door Program		
Gentek	\$	1,538	-	\$	-	TBD	TBD	TBD						Casement		
Dalmen	\$	192	125	\$	-	TBD	TBD	TBD						4600 Series		
All Weather Windows	\$	1,923	1,800	\$	-	TBD	TBD	TBD						Multi Track Door		
Aluminart	\$	192	125	\$	-	TBD	TBD	TBD	In process, on track	In process, on track	In process, on track	In process, on track	In process, on track	Contemporary Casement		
Entreprises AM	\$	577	350	\$	-	TBD	TBD	TBD						Opera lineal		
Euroclad Windows	\$	100	50	\$	-	TBD	TBD	TBD						4600 Series		
Mason Windows	\$	192	160	\$	-	TBD	TBD	TBD						Orchestra		
Vaillancourt	\$	769	500	\$	-	TBD	TBD	TBD						New Astragal		
Durabuilt	\$	385	250	\$	-	TBD	TBD	TBD								
All Weather	\$	192	50	\$	-	TBD	TBD	TBD								
Windsor	\$	50	25	\$	-	TBD	TBD	TBD								
TOTAL EXISTING CUSTOMERS	\$	42,923	\$	32,560	\$	2,951										
Legend																
								Complete								
								In process, on track								
								In process, delayed								
								In process, at risk								

# 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			Start	End	Length	Initial		Designing	Proposal	Negotiation	Finalizing	Signed	
New Customers															
Gilkey	\$	600	370	\$	400	TBD	TBD	TBD							In final stages; seeking 5 year agreement
Fenetres Contemporaine	\$	58	\$	75	\$	-	TBD	TBD	TBD						Hybrid Casement
Reflec	\$	154	\$	200	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	577	\$	750	\$	-	TBD	TBD	TBD						4600 Series/Marquis
Del Windows	\$	385	\$	500	\$	-	TBD	TBD	TBD						Hybrid casement
Del Windows	\$	1,538	\$	1,000	\$	-	TBD	TBD	TBD						Woodbridge Platform
Atelier Jean Cyr	\$	38	\$	50	\$	-	TBD	TBD	TBD						Hybrid hung
Verdun	\$	769		500	\$	-	TBD	TBD	TBD						4600 Casement
Elite	\$	308		200	\$	-	TBD	TBD	TBD						In early discussions
Formtech	\$	231		100	\$	-	TBD	TBD	TBD						Tilt/Turn, 4600 Series
Progressive Windows	\$	500		250	\$	-	TBD	TBD	TBD						3 1/4" Program
Hayfield Windows	\$	2,000		1,250	\$	-	TBD	TBD	TBD						Casement
Laugitech	\$	308		200	\$	50	TBD	TBD	TBD						Prospect wants to start fabricating windows
Scheel	\$	308		175	\$	100	TBD	TBD	TBD						Prospect wants to switch away from PH Tech - dissatisfied
President Windows	\$	150		-	\$	100	TBD	TBD	TBD						Patio Doors
Minnkota Window	\$	1,500		850	\$	-	TBD	TBD	TBD						Casement SH/DH
Diamond	\$	1,000		700	\$	-	TBD	TBD	TBD						3 1/4" Program
Bonnecherre Valley	\$	115		75	\$	-	TBD	TBD	TBD						T/T, CA, Hung
Gilkey Windows	\$	500		3,600	\$	-	TBD	TBD	TBD						Patio Door
Gilkey Windows	\$	750		600	\$	-	TBD	TBD	TBD						DH
Versatile	\$	192		125	\$	-	TBD	TBD	TBD						Casement-Slider
Group Atlanta	\$	154		100	\$	-	TBD	TBD	TBD						Hybrid Slider
Amerimax	\$	350		-	\$	-	TBD	TBD	TBD						Opus PD
Thermovision	\$	115		75	\$	-	TBD	TBD	TBD						Hung/Slider Hybrid
Artesia Glass	\$	860		525	\$	-	TBD	TBD	TBD						154 Series
Artik	\$	58		37	\$	-	TBD	TBD	TBD						PD Lineal
Wasco	\$	400		225	\$	-	TBD	TBD	TBD						Casement/SH/DH (Rehau)
Yellow Dog	\$	3,750		3,000	\$	-	TBD	TBD	TBD						5000 Series
SI	\$	2,308		2,500	\$	-	TBD	TBD	TBD						Recut tools in Dark Cap
Maritime	\$	385		250	\$	-	TBD	TBD	TBD						Early discussions
Heartland	\$	900		650	\$	-	TBD	TBD	TBD						
Menuiserie Belisle	\$	231		125	\$	-	TBD	TBD	TBD						4600 Series
Vector Windows	\$	500		350	\$	-	TBD	TBD	TBD						
Supreme	\$	500		375	\$	-	TBD	TBD	TBD						Strong relationship with Westech but concerned
TOTAL NEW CUSTOMERS															
	\$	22,492	\$	19,782	\$	650									
Total Extrusion and Patio Doors															
	\$	65,415		52,342	\$	3,601									
Legend															
									Complete						
									In process, on track						
									In process, delayed						
									In process, at risk						

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

\$ and units '000														
Customer Name	Total Contract Value		1x Costs	Contract Timing			Sales Process Status							Comments
	\$	Units ('000s Lbs)		Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
<u>Existing Customers</u>														
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-									
<u>New Customers</u>														
Fence Outlet	\$	6,000	10,000	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					Quote accepted. Customer want formulation improved. Capital required for Dosing unit Natural Formulation for RV's Pursuit/ New formulation required Provided quote
Accord	\$	300	300	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					
Mor-X Plastics	\$	200	200	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					
Vinylcraft	\$	500	500	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div></div>					
TOTAL NEW CUSTOMERS	\$	7,000	\$	11,000	\$	-								
Total External Compound Sales	\$	7,000	11,000	\$	-									
TOTAL SALES PIPELINE	\$	72,415	63,342	\$	3,601									
<u>Legend</u>														
<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		
	Act	Bud	Variance (B) / W	One-Time / Non-recurring	Timing	Change in Run-rate	Other/FX	Total Variance (B) / W	YoY Impact (B) / W	Annualized (B) / W	
Payroll	\$ 4,273	\$ 4,441	\$ (167)	\$ (45)	\$ (15)	\$ (32)	\$ (75)	\$ (167)	\$ (417)	\$ -	
Bonus	\$ 560	\$ 567	\$ (7)	\$ -	\$ -	\$ -	\$ (7)	\$ (7)	\$ (7)	\$ -	
Commissions	\$ 90	\$ 149	\$ (59)	\$ (13)	\$ -	\$ (44)	\$ (2)	\$ (59)	\$ 25	\$ -	
Marketing	\$ 572	\$ 798	\$ (226)	\$ -	\$ (214)	\$ -	\$ (12)	\$ (226)	\$ (293)	\$ -	
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Travel and entertainment	\$ 442	\$ 658	\$ (216)	\$ (93)	\$ (60)	\$ (56)	\$ (7)	\$ (216)	\$ (101)	\$ -	
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Insurance	\$ 128	\$ 137	\$ (9)	\$ (8)	\$ -	\$ (0)	\$ (0)	\$ (9)	\$ (9)	\$ -	
Professional fees	\$ 248	\$ 251	\$ (3)	\$ 3	\$ -	\$ -	\$ (6)	\$ (3)	\$ (25)	\$ -	
Office expense	\$ 121	\$ 119	\$ 2	\$ 5		\$ -	\$ (3)	\$ 2	\$ (23)	\$ -	
IT	\$ 769	\$ 837	\$ (69)	\$ -	\$ (50)	\$ -	\$ (18)	\$ (69)	\$ 48	\$ -	
Bad Debts	\$ 97	\$ (2)	\$ 99	\$ 102	\$ -	\$ -	\$ (3)	\$ 99	\$ 160	\$ -	
FX	\$ (87)	\$ -	\$ (87)	\$ -	\$ -	\$ -	\$ (87)	\$ (87)	\$ (150)	\$ -	
JV Loss (Income)	\$ (84)	\$ (94)	\$ 10	\$ (2)	\$ 20	\$ (5)	\$ (3)	\$ 10	\$ (12)	\$ -	
Other Expenses	\$ 369	\$ 360	\$ 10	\$ (4)	\$ -	\$ 26	\$ (12)	\$ 10	\$ (35)	\$ -	
<b>Total Opex</b>	<b>\$ 7,498</b>	<b>\$ 8,220</b>	<b>\$ (722)</b>	<b>\$ (56)</b>	<b>\$ (319)</b>	<b>\$ (112)</b>	<b>\$ (235)</b>	<b>\$ (722)</b>	<b>\$ (839)</b>	<b>\$ -</b>	

## 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
- Travel and Entertainment lower due to less travel by staff due to inclement weather impacting Customer operations
- IT coming in slightly behind budget due to timing as a result of contract negotiations and a positive Canadian FX impact
- Top up of Bad Debts provision in May 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	\$ 118	\$ 70	\$ (48)	\$ (31)	\$ -	\$ (16)	(48)	\$ (31)
Legal Fees	\$ 23	\$ -	\$ (23)	\$ -	\$ -	\$ (23)	(23)	\$ -
Professional Fees	\$ 84	\$ 65	\$ (19)	\$ -	\$ (4)	\$ (14)	(19)	\$ -
Mgmt Incentive	\$ 207	\$ 285	\$ 78	\$ 78	\$ -	\$ -	78	\$ 78
Laval Water Damage	\$ 119	\$ -	\$ (119)	\$ -	\$ -	\$ (119)	(119)	\$ -
Profit Velocity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAD Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3	\$ -	\$ (3)	\$ -	\$ -	\$ (3)	(3)	\$ -
<b>Total 1X Costs</b>	<b>\$ 554</b>	<b>\$ 420</b>	<b>\$ (134)</b>	<b>\$ 46</b>	<b>\$ (4)</b>	<b>\$ (176)</b>	<b>\$ (134)</b>	<b>\$ 46</b>

## Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$62K), 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 OBI projects with The Practical Approach (\$65K), Project Monaco costs (\$14K) and Management Tools Inc (\$5K)
- Management staff incentive accrual (\$207K)
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$119K, not planned); to be claimed through insurance provider net of a deductible of \$100K

# Balance Sheet

\$'000	Dec-18	Feb-19	Mar-19	Apr-19	May-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
<b>Current Assets</b>								
Cash and cash equivalents	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	10.3%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	8,958	9,929	11,613	13,369	14,654	15,980	(1,326)	(8.3%)
<i>Accounts receivable, reserves</i>	(363)	(393)	(399)	(425)	(465)	(679)	214	(31.6%)
Accounts receivable, net	8,594	9,536	11,214	12,944	14,190	15,301	(1,111)	(7.3%)
<i>Inventory, gross</i>	31,776	36,157	35,647	34,119	32,304	34,833	(2,529)	(7.3%)
<i>Inventory, reserves</i>	(1,467)	(1,514)	(1,497)	(1,562)	(1,608)	(1,698)	90	(5.3%)
Inventory, net	30,309	34,642	34,150	32,557	30,697	33,136	(2,439)	(7.4%)
Prepaid expenses and other current assets	2,942	3,030	3,051	3,909	4,233	3,814	419	11.0%
Other current assets	901	864	804	790	865	796	69	8.7%
<b>Total Current Assets</b>	<b>42,746</b>	<b>48,076</b>	<b>49,223</b>	<b>50,203</b>	<b>49,987</b>	<b>53,050</b>	<b>(3,062)</b>	<b>(5.8%)</b>
<b>Non-Current Assets</b>								
<i>Property, plant &amp; equipment, gross</i>	64,977	67,249	66,818	67,503	67,826	70,963	(3,137)	(4.4%)
<i>Accumulated depreciation</i>	(17,639)	(19,488)	(19,863)	(20,649)	(21,300)	(20,042)	(1,259)	6.3%
Property, plant & equipment, net	47,338	47,761	46,955	46,853	46,525	50,921	(4,395)	(8.6%)
Deferred financing cost	548	533	510	499	484	491	(7)	(1.4%)
Deferred tax asset	2,879	2,963	2,898	2,913	2,901	1,367	1,534	112.3%
Other non-current assets	2,616	2,690	2,644	2,685	2,698	3,113	(415)	(13.3%)
<b>Total Non-Current Assets</b>	<b>53,382</b>	<b>53,947</b>	<b>53,007</b>	<b>52,950</b>	<b>52,607</b>	<b>55,891</b>	<b>(3,283)</b>	<b>(5.9%)</b>
<b>Total Assets</b>	<b>\$ 96,127</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 103,153</b>	<b>\$ 102,595</b>	<b>\$ 108,940</b>	<b>\$ (6,345)</b>	<b>(5.8%)</b>
<b>Current Liabilities</b>								
Bank Debt	\$ 10,222	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 21,733	\$ (2,708)	(12.5%)
Current Portion - Long Term Debt	1,628	1,665	1,639	1,648	1,640	1,800	(160)	(8.9%)
Accounts payable	12,709	12,319	12,200	12,267	12,359	14,749	(2,390)	(16.2%)
Accrued liabilities	3,343	3,378	3,727	3,515	3,556	3,798	(242)	(6.4%)
Accrued compensation	2,521	2,800	2,877	3,338	3,488	3,617	(128)	(3.5%)
Income taxes payable	(246)	(102)	(344)	(275)	(215)	690	(905)	(131.1%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	—	1,301	N/A
Other current liabilities	97	97	124	125	132	141	(9)	(6.4%)
<b>Total Current Liabilities</b>	<b>31,576</b>	<b>37,990</b>	<b>40,273</b>	<b>41,423</b>	<b>41,287</b>	<b>46,529</b>	<b>(5,242)</b>	<b>(11.3%)</b>
<b>Long-term liabilities</b>								
Long-term debt less current maturities	12,006	12,114	11,679	11,609	11,418	11,430	(12)	(0.1%)
Deferred income taxes	9,610	9,757	9,642	9,669	9,647	7,785	1,862	23.9%
Other non-current liabilities	1,468	1,530	1,491	1,503	1,497	1,440	57	4.0%
<b>Total Long-Term Liabilities</b>	<b>23,084</b>	<b>23,400</b>	<b>22,812</b>	<b>22,781</b>	<b>22,562</b>	<b>20,655</b>	<b>1,907</b>	<b>9.2%</b>
<b>Total Liabilities</b>	<b>54,660</b>	<b>61,391</b>	<b>63,085</b>	<b>64,205</b>	<b>63,849</b>	<b>67,184</b>	<b>(3,335)</b>	<b>(5.0%)</b>
<b>Commitments and contingencies</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>N/A</b>
<b>Shareholders' Equity</b>								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	30,039	28,871	27,592	27,350	27,180	29,676	(2,496)	(8.4%)
Accumulated other comprehensive income	(1,181)	(850)	(1,058)	(1,011)	(1,045)	(530)	(515)	97.2%
<b>Total Shareholders' Equity</b>	<b>41,467</b>	<b>40,632</b>	<b>39,144</b>	<b>38,948</b>	<b>38,746</b>	<b>41,756</b>	<b>(3,011)</b>	<b>(7.2%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 96,127</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 103,153</b>	<b>\$ 102,595</b>	<b>\$ 108,940</b>	<b>\$ (6,345)</b>	<b>(5.8%)</b>

## Management Discussion

- Net A/R vs. Budget is lower by \$1,111K (7.3%) largely due to reduction in Sales by 6.5% vs Budget. Furthermore, there is an unfavorable F/X impact of \$302K (actual rate of 1.3514 [or USD\$ 0.74] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Decrease in inventory levels vs Bud by \$2,439K due to reduced production in response to shortfall in Sales and an unfavorable F/X impact of \$297K (actual rate of 1.3514 [or USD\$ 0.74] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Increase in Prepaid expenses vs Bud and vs prior month due to payment of property insurance premium renewal for 2019/2020 period
- PP&E lower vs Bud by \$4,395K largely due to an unfavorable F/X impact of \$656K (actual rate of 1.3514 [or USD\$ 0.74] vs. the Budget rate of 1.30 [or USD\$ 0.77]) and lower Capex spending than budgeted YTD of \$1,842K
- Other non-current assets reduction of \$415K 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 and lower purchases as a result of inventory reaching optimum levels and lower than anticipated Sales. Also, a favorable FX impact on Canadian Debt (actual rate of 1.3514 [or USD\$ 0.74] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Decrease in AP of \$2.4M (16.2%) vs Bud as a result of lower Capex purchases than Plan and a favorable F/X impact on Canadian liabilities (actual rate of 1.34 [or USD\$ 0.74] vs. the Budget rate of 1.30 [or USD\$ 0.77])



# Cash Flow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	(169)	\$	74	\$	(243)	(328.4%)	\$	(130)	\$	(39)	29.8%	\$	(2,849)	\$	(2,886)	\$	38	(1.3%)	\$	(2,406)	\$	(443)	18.4%
Depreciation, amortization and other		725		745		(19)	(2.6%)		623		102	16.4%		3,586		3,626		(40)	(1.1%)		3,158		428	13.5%
Non-cash loss/expense (gain)		36		(262)		298	(113.5%)		4		32	808.9%		6		472		(467)	(98.8%)		84		(78)	(93.0%)
Deferred income tax		(22)		—		(22)	N/A		(19)		(3)	18.3%		37		148		(111)	(74.8%)		(1,134)		1,171	(103.3%)
Change in operating assets and liabilities:																								
Accounts receivable		(1,246)		(724)		(522)	72.0%		(686)		(559)	81.4%		(5,595)		(6,794)		1,199	(17.6%)		(3,747)		(1,848)	49.3%
Inventory		1,861		(28)		1,889	(6792.7%)		58		1,803	3126.0%		(388)		(2,827)		2,439	(86.3%)		(6,059)		5,671	(93.6%)
Prepaid expenses and other current assets		(400)		270		(670)	(247.8%)		623		(1,022)	(164.2%)		(1,256)		(768)		(488)	63.6%		(538)		(718)	133.5%
Accounts payable		92		1,135		(1,043)	(91.9%)		(197)		289	(146.6%)		(350)		2,040		(2,390)	(117.2%)		1,529		(1,880)	(122.9%)
Accrued expenses		192		(51)		243	(475.0%)		190		2	0.9%		1,180		1,802		(622)	(34.5%)		(845)		2,025	(239.6%)
Accrued income taxes		60		195		(135)	(69.3%)		69		(9)	(13.5%)		32		41		(9)	(22.5%)		197		(166)	(83.9%)
Other changes in operating assets and liabilities		7		(2)		9	(464.9%)		6		1	20.7%		35		(1,257)		1,292	(102.8%)		30		5	16.7%
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	1,136	\$	1,352	\$	(216)	(16.0%)	\$	540	\$	596	110.4%	\$	(5,562)	\$	(6,403)	\$	841	(13.1%)	\$	(9,730)	\$	4,168	(42.8%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(519)	\$	(943)	\$	424	(45.0%)	\$	(887)	\$	368	(41.5%)	\$	(2,547)	\$	(4,389)	\$	1,842	(42.0%)	\$	(4,004)	\$	1,457	(36.4%)
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(519)	\$	(943)	\$	424	(45.0%)	\$	(887)	\$	368	(41.5%)	\$	(2,547)	\$	(4,389)	\$	1,842	(42.0%)	\$	(4,004)	\$	1,457	(36.4%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-term debt	\$	(479)	\$	(265)	\$	(214)	80.6%	\$	462	\$	(941)	(203.8%)	\$	8,803	\$	11,511	\$	(2,708)	(23.5%)	\$	13,676	\$	(4,873)	(35.6%)
Proceeds from the issuance of debt		(0)		—		(0)	N/A		—		(0)	N/A		0		—		0	N/A		630		(630)	(100.0%)
Repayment of debt		(137)		(143)		6	(4.3%)		(114)		(23)	19.9%		(691)		(716)		26	(3.6%)		(572)		(119)	20.7%
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Financing	\$	(617)	\$	(409)	\$	(208)	50.9%	\$	347	\$	(964)	(277.5%)	\$	8,112	\$	10,794	\$	(2,682)	(24.8%)	\$	13,734	\$	(5,622)	(40.9%)
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	(0)	\$	(0)	\$	(0)	9535%	\$	0	\$	(0)	(2689.9%)	\$	3	\$	3	\$	0	10.3%	\$	(0)	\$	3	(1204.7%)
Beginning cash		3		3		0	11.0%		(0)		3	(653927.2%)		0		0		—	0.0%		(0)		0	(100.1%)
Change in cash		(0)		(0)		(0)	9535%		0		(0)	(2689.9%)		3		3		0	10.3%		(0)		3	(1204.7%)
Ending cash	\$	3	\$	3	\$	0	10.3%	\$	0	\$	3	1094086.3%	\$	3	\$	3	\$	0	10.3%	\$	0	\$	3	1094086.3%

# Covenant Analysis

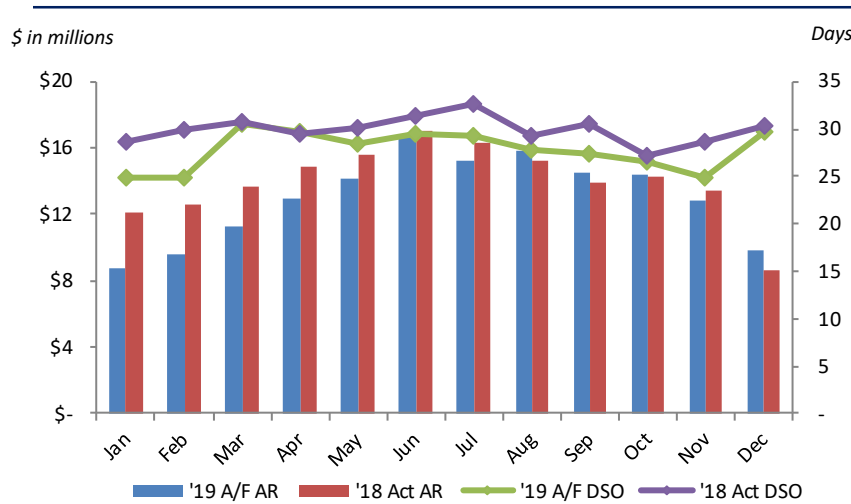
(US\$ '000s)	Actual Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Budget Jun-19	Budget Jul-19	Budget Aug-19	Budget Sep-19	Budget Oct-19	Budget Nov-19	Budget Dec-19
<b>Excess Availability</b>													
Borrowing Base	27,127	24,989	24,640	25,741	28,175	29,067	31,111	33,609	32,672	33,629	32,828	32,953	32,448
Total Revolver Debt	10,222	14,340	16,533	18,750	19,505	19,025	21,463	20,653	20,722	18,469	18,098	14,909	13,864
<b>Excess Availability</b>	<b>16,904</b>	<b>10,649</b>	<b>8,107</b>	<b>6,991</b>	<b>8,670</b>	<b>10,042</b>	<b>9,648</b>	<b>12,956</b>	<b>11,950</b>	<b>15,160</b>	<b>14,730</b>	<b>18,044</b>	<b>18,584</b>
<b>EA % of Borrowing Base</b>	<b>62.3%</b>	<b>42.6%</b>	<b>32.9%</b>	<b>27.2%</b>	<b>30.8%</b>	<b>34.5%</b>	<b>31.0%</b>	<b>38.5%</b>	<b>36.6%</b>	<b>45.1%</b>	<b>44.9%</b>	<b>54.8%</b>	<b>57.3%</b>
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%
<b>Compliance</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>
<b>FCCR Calculation</b>													
<b>TTM EBITDA</b>	<b>8,112</b>	<b>7,865</b>	<b>8,971</b>	<b>8,618</b>	<b>8,575</b>	<b>8,526</b>	<b>9,485</b>	<b>9,136</b>	<b>9,621</b>	<b>8,878</b>	<b>9,482</b>	<b>9,766</b>	<b>10,781</b>
Total Capex	462	489	531	560	448	519	943	492	492	492	398	398	398
TTM Capex	7,822	7,266	7,354	7,115	7,577	7,209	7,453	7,162	7,016	6,897	6,753	6,223	6,158
Cash Taxes	-	(252)	-	257	-	-	-	-	-	-	-	-	-
TTM Cash Taxes	671	418	418	140	5	5	5	5	5	5	5	5	5
<b>Numerator</b>	<b>(381)</b>	<b>180</b>	<b>1,198</b>	<b>1,364</b>	<b>993</b>	<b>1,313</b>	<b>2,028</b>	<b>1,969</b>	<b>2,600</b>	<b>1,976</b>	<b>2,724</b>	<b>3,539</b>	<b>4,617</b>
Cash Interest on existing ABL	161	156	165	189	184	198	203	201	202	190	190	173	168
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	1,869	1,918	1,966	2,019	2,051	2,087	2,115	2,135	2,159	2,180	2,200	2,212	2,219
Principal Payments on additional debt	138	138	139	138	138	137	141	141	141	141	141	141	141
TTM Principal Payments	1,387	1,412	1,436	1,462	1,490	1,516	1,547	1,578	1,610	1,641	1,673	1,675	1,678
<b>Denominator</b>	<b>3,256</b>	<b>3,330</b>	<b>3,402</b>	<b>3,482</b>	<b>3,541</b>	<b>3,603</b>	<b>3,662</b>	<b>3,713</b>	<b>3,769</b>	<b>3,822</b>	<b>3,873</b>	<b>3,887</b>	<b>3,897</b>
<b>FCCR Ratio</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>1.2</b>
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
<b>Compliance</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>Breach</b>	<b>OK</b>

# 13-Week Cash Flow Forecast

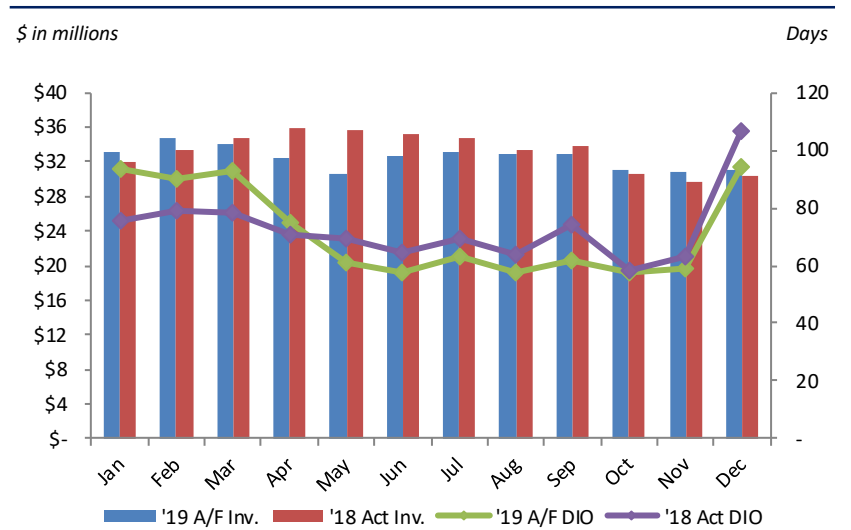
Days in Week	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Date	05/31/19	06/07/19	06/14/19	06/21/19	06/28/19	07/05/19	07/12/19	07/19/19	07/26/19	08/02/19	08/09/19	08/16/19	08/23/19	08/30/19
<b>Cash Flow Roll-Up:</b>														
<b>Total Inflows - Operational</b>	2,425	2,300	2,930	2,972	2,972	3,624	3,934	5,089	4,220	4,431	4,379	4,151	4,135	4,198
Receipts from Customers based on AR /	2,933	2,793	2,928	2,970	2,970	3,072	1,582	1,623	169	169	169	-	-	-
New Net External Sales	-	-	-	-	-	549	1,869	2,982	3,568	3,769	3,691	3,632	3,617	3,679
New Affiliate Sales	- 508	- 493	2	2	2	2	483	483	483	493	519	519	519	519
<b>Total Outflows - Operational</b>	(4,577)	(5,717)	(5,087)	(6,159)	(2,079)	(4,954)	(2,955)	(5,484)	(3,542)	(4,060)	(3,856)	(5,462)	(3,508)	(3,959)
Payments to Suppliers based on AP Agir	(1,277)	(1,149)	(1,287)	(1,240)	(962)	(961)	(736)	(732)	(731)	(663)	0	0	0	0
Materials	(522)	(805)	(244)	(1,895)	(244)	(1,395)	(1,120)	(1,720)	(1,720)	(1,176)	(1,916)	(1,916)	(1,916)	(1,916)
Conversion Costs	(442)	(894)	(532)	(790)	(442)	(1,067)	(542)	(929)	(553)	(961)	(897)	(1,307)	(555)	(787)
Other COGS	(195)	(236)	(196)	(196)	(201)	(241)	(200)	(200)	(191)	(228)	(188)	(188)	(192)	(240)
Selling Costs	(38)	(175)	(38)	(106)	(34)	(208)	(122)	(115)	(37)	(318)	(38)	(114)	(37)	(315)
General and Administrative	(108)	(234)	(108)	(154)	(98)	(315)	(98)	(160)	(106)	(512)	(108)	(160)	(105)	(497)
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(97)	(98)	(98)	(98)	(98)	(137)	(137)	(53)	(203)	(203)	(203)	(203)	(203)	(203)
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	(600)	(320)	(321)	0	0	0	0	0	0	0	0	0	0	0
Performance Payment to Westlake	(1,300)	(1,300)	(1,300)	(1,300)	0	0	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	(507)	(964)	(380)	0	(380)	0	(1,575)	0	0	(507)	(1,575)	(500)	0
<b>Projected Operational Cash Flow</b>	(2,153)	(3,417)	(2,157)	(3,187)	893	(1,330)	979	(396)	678	371	523	(1,312)	627	239
Cash receipts more (less) than projection	129	830	616	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	2,436	2,448	965	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	1,423	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Actual Operational Cash Flow</b>	412	(139)	847	(3,187)	893	(1,330)	979	(396)	678	371	523	(1,312)	627	239
Bank interest	(0)	(182)	0	0	0	(147)	0	0	0	(147)	0	0	0	0
Bridge Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Term Loan	0	(138)	0	0	0	(138)	0	0	0	(138)	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	2	0	0	0	0	0	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Fees	0	(3)	(1)	(10)	0	(3)	0	(10)	0	(3)	0	(10)	0	0
<b>Total Financial Cash Flow</b>	(0)	(322)	0	(10)	0	(288)	0	(10)	0	(288)	0	(10)	0	0
<b>Total Cash Flow</b>	411	(461)	847	(3,197)	893	(1,618)	979	(405)	678	83	523	(1,322)	627	239
<b>Adjusted Loan Balance</b>	17,938	19,319	18,311	21,508	20,614	22,231	21,253	21,659	20,981	20,898	20,375	21,697	21,069	20,831
Term Loan	13,068	13,044	13,075	13,075	13,075	12,937	12,937	12,937	12,937	12,799	12,799	12,799	12,799	12,799
<b>Total Debt</b>	31,006	32,363	31,386	34,583	33,689	35,168	34,190	34,596	33,918	33,696	33,174	34,495	33,868	33,629
<b>Revolver Availability</b>	11,144	9,929	10,984	7,870	8,763	7,146	8,125	7,719	12,213	12,297	12,819	11,498	11,102	11,340

# Working Capital and Cash Conversion Cycle

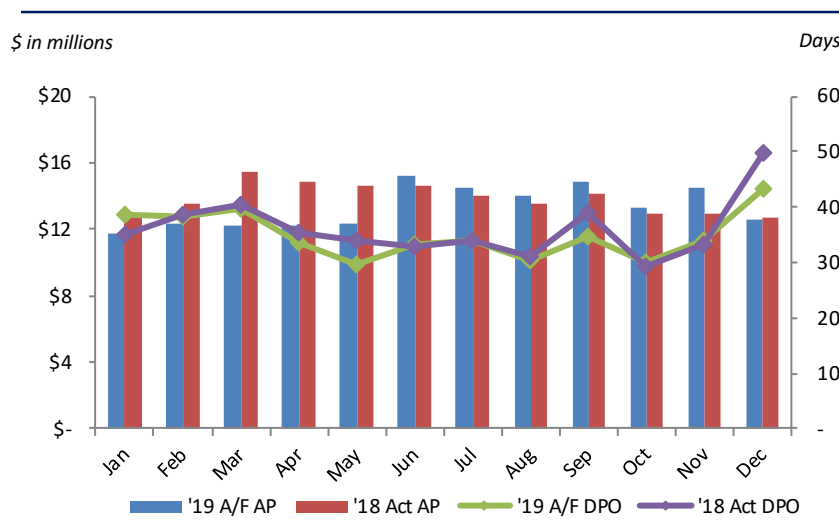
### Accounts Receivable



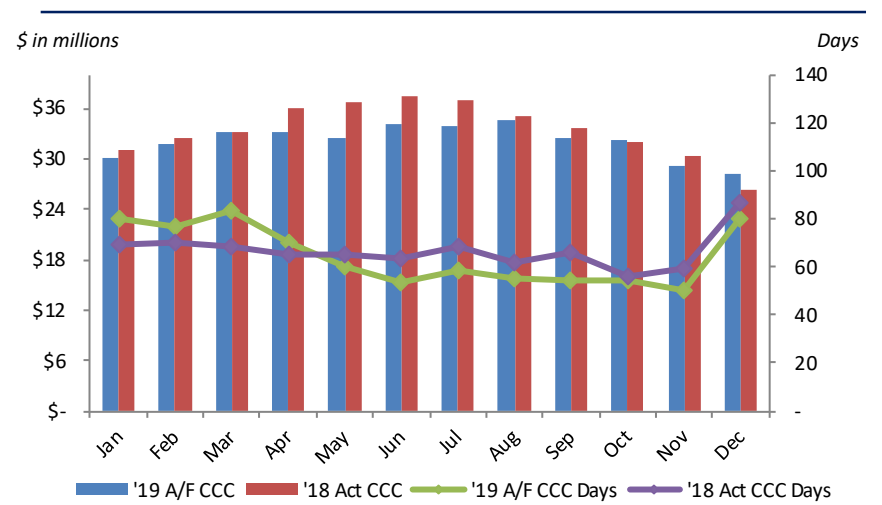
### Inventory



### Accounts Payable



### Cash Conversion Cycle



# AR and AP Aging Detail

\$'000

AR Aging				
Days	Mar-19	Apr-19	May-19	%
0-30	\$ 9,132	\$ 10,855	\$ 12,174	85.8%
30-60	1,725	1,324	1,365	9.6%
60-90	119	413	124	0.9%
>90	238	352	527	3.7%
<b>Total</b>	<b>\$ 11,214</b>	<b>\$ 12,944</b>	<b>\$ 14,190</b>	<b>100.0%</b>

AP Aging				
Days	Mar-19	Apr-19	May-19	%
0-30	\$ 9,266	\$ 9,331	\$ 10,035	81.2%
30-60	2,374	2,144	1,881	15.2%
60-90	449	633	423	3.4%
>90	111	159	20	0.2%
<b>Total</b>	<b>\$ 12,200</b>	<b>\$ 12,267</b>	<b>\$ 12,359</b>	<b>100.0%</b>

## Management Discussion

- Stable DSO at 28 days in 2019
- Increase in AR balance due to improved Sales vs Apr
- Reduction in 60-90 category due to increase in customer receipts as well as certain receivables dropping into the >90 category (e.g. Ventana, Deluxe and Fence outlet).
- Decrease in DPO days from 34 to 30 following payments due on a few large invoices from prior months

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# Full Year Outlook Consolidated P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	103,912	108,274	(4,362)	(4.0%)	96,146	7,766	8.1%
Units Shipped ('000)	104,747	109,580	(4,832)	(4.4%)	104,464	283	0.3%
Bookings (\$'000)	\$ 175,738	\$ 180,948	\$ (5,210)	(2.9%)	\$ 173,588	\$ 2,149	1.2%
Backlog (\$'000)	\$ 11,911	\$ 11,911	\$ –	0.0%	\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 180,383	\$ 188,036	\$ (7,653)	(4.1%)	\$ 180,283	\$ 100	0.1%
Adj. to Gross Revenue	(9,328)	(9,876)	548	(5.5%)	(9,708)	380	(3.9%)
Net Revenue	171,055	178,160	(7,105)	(4.0%)	170,574	480	0.3%
Material	84,343	88,355	(4,012)	(4.5%)	83,420	924	1.1%
Labor	37,294	38,371	(1,076)	(2.8%)	38,503	(1,208)	(3.1%)
Other COGS	19,700	20,261	(561)	(2.8%)	20,885	(1,185)	(5.7%)
Total COGS	141,337	146,986	(5,649)	(3.8%)	142,807	(1,470)	(1.0%)
Gross Margin	29,717	31,173	(1,456)	(4.7%)	27,767	1,950	7.0%
Gross Margin %	17.4%	17.5%			16.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	7,028	7,247	(219)	(3.0%)	7,045	(16)	(0.2%)
Administrative	12,346	12,772	(425)	(3.3%)	10,240	2,106	20.6%
Other Opex	(305)	(228)	(77)	33.9%	302	(607)	(201.2%)
Total Opex	19,069	19,791	(722)	(3.6%)	17,587	1,482	8.4%
EBITDA	10,648	11,382	(734)	(6.5%)	10,180	468	4.6%
EBITDA %	6.2%	6.4%			6.0%		
Net Income (Loss)	\$ (3,262)	\$ (3,300)	\$ 38	(1.1%)	\$ (3,490)	\$ 228	(6.5%)
Capex	\$ (6,158)	\$ (8,000)	\$ 1,842	(23.0%)	\$ (10,215)	\$ 4,057	(39.7%)
<b>Opex Overview:</b>							
Payroll	\$ 10,616	\$ 10,783	\$ (167)	(1.6%)	\$ 10,318	\$ 298	2.9%
Bonus	1,353	1,361	(7)	(0.5%)	159	1,194	751.5%
Commissions	299	358	(59)	(16.5%)	187	112	60.2%
Marketing	1,554	1,780	(226)	(12.7%)	1,679	(125)	(7.4%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,372	1,587	(216)	(13.6%)	1,231	141	11.4%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	328	336	(9)	(2.6%)	328	(0)	(0.0%)
Professional fees	581	584	(3)	(0.6%)	585	(4)	(0.7%)
Office Expenses	290	287	2	0.8%	287	3	0.9%
IT	2,023	2,092	(69)	(3.3%)	1,634	390	23.9%
Bad Debts	95	(5)	99	(2151.4%)	(80)	174	(218.8%)
FX	(87)	–	(87)	N/A	384	(472)	(122.7%)
JV Loss (Income)	(218)	(228)	10	(4.3%)	(83)	(136)	163.9%
Other Expenses	863	853	10	1.1%	956	(93)	(9.7%)
Total Opex	\$ 19,069	\$ 19,791	\$ (722)	(3.6%)	\$ 17,586	\$ 1,483	8.4%

# Full Year Outlook Key Customers – ENERGI Consolidated

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	BPs	%
<b>Customer:</b>																				
PGT Industries Inc	\$	24,438	\$	24,098	\$	340	1.4%	\$	21,061	\$	3,377	16.0%	18.0%	18.0%	(0)	(0.0%)	15.6%	243	15.6%	
Eclipse Shutter Systems		15,088		15,789		(701)	(4.4%)		15,365		(277)	(1.8%)	3.4%	3.3%	10	2.9%	3.8%	(39)	(10.3%)	
Atis		8,723		9,424		(701)	(7.4%)		10,380		(1,657)	(16.0%)	(18.6%)	(19.3%)	68	(3.5%)	(15.4%)	(324)	21.0%	
Simonton		10,539		10,859		(320)	(2.9%)		10,221		318	3.1%	16.8%	18.3%	(152)	(8.3%)	8.6%	815	94.4%	
Quaker Window Products		5,566		6,028		(462)	(7.7%)		5,345		220	4.1%	11.0%	11.0%	0	0.0%	9.1%	192	21.1%	
Ostaco 2000		3,663		3,820		(157)	(4.1%)		3,716		(53)	(1.4%)	7.7%	7.1%	53	7.4%	20.8%	(1,316)	(63.2%)	
SOLARIS QUEBEC P & F INC.		4,278		4,075		203	5.0%		4,262		16	0.4%	23.9%	23.9%	1	0.1%	9.9%	1,409	142.8%	
Dashwood Industries Inc		3,615		3,764		(149)	(4.0%)		3,898		(283)	(7.3%)	14.0%	13.8%	25	1.8%	16.2%	(217)	(13.4%)	
Windsor Window Co OEM		3,899		3,710		189	5.1%		3,491		408	11.7%	23.4%	23.6%	(22)	(0.9%)	8.8%	1,459	165.9%	
All Weather		5,600		6,731		(1,131)	(16.8%)		3,395		2,205	65.0%	13.8%	15.0%	(126)	(8.4%)	12.6%	113	8.9%	
Polaris Technologies		5,473		5,822		(349)	(6.0%)		3,577		1,896	53.0%	17.2%	17.4%	(26)	(1.5%)	0.0%	1,715	N/A	
A.M.I.		3,720		3,800		(80)	(2.1%)		3,511		209	5.9%	1.1%	0.3%	77	255.4%	5.4%	(430)	(80.0%)	
ATLANTIC WINDOWS		3,723		3,924		(201)	(5.1%)		3,749		(26)	(0.7%)	12.9%	11.8%	107	9.1%	5.9%	693	117.0%	
Vinyl Profiles, LLC		3,337		3,826		(489)	(12.8%)		1,961		1,376	70.2%	20.8%	20.7%	6	0.3%	18.8%	202	10.8%	
Comfort View Products		2,624		3,135		(511)	(16.3%)		2,920		(296)	(10.1%)	18.1%	16.6%	144	8.7%	12.3%	574	46.6%	
PORTES & FENETRES ABRITEK		2,824		2,786		38	1.4%		2,889		(65)	(2.2%)	16.3%	19.6%	(325)	(16.6%)	15.4%	89	5.7%	
Coeur d'Alene		3,803		4,000		(197)	(4.9%)		2,804		999	35.6%	3.6%	5.1%	(146)	(28.7%)	0.5%	315	665.6%	
SCHLUTER SYSTEMS L.P.		2,357		2,558		(201)	(7.8%)		2,796		(439)	(15.7%)	24.9%	24.1%	86	3.6%	16.0%	895	56.0%	
P & F ISOTHERMIC INC		2,609		2,557		52	2.0%		2,978		(369)	(12.4%)	18.9%	21.6%	(273)	(12.6%)	3.8%	1,510	402.7%	
Sierra Pacific Windows		2,473		2,560		(87)	(3.4%)		2,632		(159)	(6.0%)	10.0%	9.9%	11	1.1%	6.3%	376	60.0%	
Other		62,031		64,771		(2,740)	(4.2%)		69,279		(7,248)	(10.5%)	25.8%	25.8%	(6)	(0.2%)	28.1%	(230)	(8.2%)	
Total Gross	\$	180,383	\$	188,036	\$	(7,653)	(4.1%)	\$	180,283	\$	100	0.1%	16.6%	16.7%	(11)	(0.7%)	15.4%	122	8.0%	

## Management Discussion

- Overall bad weather has impacted sales across all customers especially in Canada where winter has extended late into April
- 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
- PGT, 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



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# Management Governance Report

## **Disclosure Committee:**

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

## **Anonymous Hotline:**

- Hotline Web message received on June 13<sup>th</sup>, 2019 from an anonymous former Everett employee
  - Individual has issued a complaint against the Everett Tooling Manager, indicating that the Manager portrays a hostile attitude towards employees, berating and belittling them, using foul language and other behaviors not appropriate for a manager
  - Individual worked at the Everett facility for 6 years (2013 – 2019)
  - Individual indicates that Tooling Manager used ENERGI employees to complete personal tasks during work hours
  - VP of Ops has been made aware of the hotline complaint and is currently investigating the issue

## **Modification of Delegation of Authority:**

- To be reviewed and updated in Q2 2019 QOR based on recent changes in org structure

## 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

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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

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# Squeeze Report

Monthly operating report (\$'000)

Investment date 3/31/2016  
Operational data as of 5/31/2019  
Valuation details last updated: 10/31/2018

Fully-diluted ownership	
OpenGate Equity	94.8%
MGMT	5.3%
Other Equity	0.0%
Total	100.0%

Fund	Invested Capital (\$M)			Valuation		Returns	
	Invested	Realized	Unrealized	Total Value	MOI		
OCGP I	\$ 26,000	\$ –	\$ –	\$ 45,500		0.6x	
OCGP II	–	–	–	–		NA	
OCGP III	–	–	–	–		NA	
Total	\$ 26,000	\$ –	\$ –	\$ 45,500		0.6x	

Operations													
	Net Revenue				Adj. EBITDA				Net Debt				
	Act	Bud	Variance	PY	Act	Bud	Variance	PY	Act	Bud	PY		
This Month	\$ 15,515	\$ 16,593	-6.5%	\$ 16,019	\$ 1,066	\$ 1,372	-22.3%	\$ 1,081	\$ 32,080	\$ 33,161	\$ 32,144		
Quarter to Date	\$ 28,609	\$ 32,255	-11.3%	\$ 31,184	\$ 1,746	\$ 2,483	-29.7%	\$ 1,914					
Year to Date	\$ 61,739	\$ 68,845	-10.3%	\$ 69,850	\$ 2,514	\$ 3,248	-22.6%	\$ 2,573					
LTM Trends (\$'000s)	6/30/18	7/31/18	8/31/18	9/30/18	10/31/18	11/30/18	12/31/18	1/31/19	2/28/19	3/31/19	4/30/19	5/31/19	LTM
Units Produced ('000)	8,570	7,954	8,723	7,766	7,806	7,934	5,174	7,786	7,371	8,389	7,725	8,493	93,692
Units Shipped ('000)	10,076	9,436	9,668	8,330	9,798	8,838	5,130	6,941	6,590	7,230	8,092	9,414	99,543
Net Revenue	\$ 16,319	\$ 15,478	\$ 16,133	\$ 13,650	\$ 16,233	\$ 14,094	\$ 8,817	\$ 10,942	\$ 10,785	\$ 11,404	\$ 13,094	\$ 15,515	\$ 162,463
Gross Margin	2,869	2,620	2,670	2,848	2,592	2,349	909	1,502	1,755	1,910	2,201	2,645	26,868
Gross Margin %	17.6%	16.9%	16.5%	20.9%	16.0%	16.7%	10.3%	13.7%	16.3%	16.7%	16.8%	17.0%	16.5%
SG&A	1,616	1,278	1,422	624	1,384	1,301	1,623	1,465	1,496	1,438	1,520	1,579	16,747
Reported EBITDA	1,253	1,342	1,247	2,224	1,207	1,047	(714)	37	259	472	680	1,066	10,121
Rep. EBITDA %	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	6.2%
Adj. EBITDA	1,253	1,342	1,247	2,224	1,207	1,047	(714)	37	259	472	680	1,066	10,121
Adj. EBITDA %	7.7%	8.7%	7.7%	16.3%	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	6.2%
Capex	\$ (844)	\$ (637)	\$ (638)	\$ (860)	\$ (991)	\$ (803)	\$ (1,438)	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (8,758)
Accounts Receivable, Net	\$ 17,009	\$ 16,284	\$ 15,221	\$ 13,855	\$ 14,273	\$ 13,483	\$ 8,594	\$ 8,789	\$ 9,536	\$ 11,214	\$ 12,944	\$ 14,190	\$ 14,190
Inventory, Net	35,140	34,779	33,352	33,773	30,528	29,790	30,309	33,091	34,642	34,150	32,557	30,697	30,697
Accounts Payable	14,670	14,056	13,525	14,088	12,897	12,951	12,709	11,725	12,319	12,200	12,267	12,359	12,359
CCC	\$ 37,478	\$ 37,007	\$ 35,048	\$ 33,541	\$ 31,905	\$ 30,322	\$ 26,194	\$ 30,155	\$ 31,859	\$ 33,165	\$ 33,234	\$ 32,527	\$ 32,527
DSO	31.3	32.6	29.2	30.4	27.3	28.7	30.2	24.9	24.8	30.5	29.7	28.4	31.9
DSI	64.6	69.7	64.1	74.2	58.3	63.4	106.6	93.7	89.9	92.8	74.6	61.3	69.0
DPO	32.7	33.9	31.1	39.1	29.3	33.1	49.8	38.5	38.2	39.8	33.8	29.8	33.3
C2C	63.1	68.4	62.2	65.6	56.3	59.0	87.0	80.1	76.5	83.5	70.5	59.9	67.6
Bank revolver	\$ 18,192	\$ 17,156	\$ 15,128	\$ 14,477	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 19,025
Unclassified external debt / OID	14,126	14,212	14,103	14,016	14,344	14,062	13,634	13,926	13,779	13,318	13,257	13,058	13,058
OpenGate debt	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Debt Outstanding	32,318	31,368	29,231	28,493	27,170	26,080	23,857	28,266	30,311	32,068	32,761	32,084	32,084
Cash and equivalents	(0)	0	0	(0)	(0)	(0)	0	3	3	3	3	3	3
Total Net Debt	\$ 32,318	\$ 31,368	\$ 29,231	\$ 28,493	\$ 27,170	\$ 26,080	\$ 23,857	\$ 28,263	\$ 30,308	\$ 32,065	\$ 32,758	\$ 32,080	\$ 32,080
Beginning Cash Balance	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0
Add / (Less): Operating Cash Flow	383	1,782	2,775	1,620	2,174	1,750	3,372	(3,487)	(1,522)	(1,520)	(168)	1,136	8,294
Add / (Less): Investing Cash Flow	(844)	(637)	(638)	(860)	(991)	(803)	(1,438)	(489)	(531)	(560)	(448)	(519)	(8,758)
Add / (Less): Financing Cash Flow	461	(1,145)	(2,137)	(760)	(1,183)	(947)	(1,934)	3,979	2,053	2,080	616	(617)	468
Effect of FX rates / Other	–	–	–	–	–	–	–	–	–	–	–	–	–
Ending Cash Balance	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Long-term trend, budget, IC comparison													
Calendar year ending				Actual		IC Model							
				12/31/2018	LTM Actual 5/31/2019	12/31/2016	12/31/2017	12/31/2018	LTM v 2017 IC	Variance to IC		2018 FC v IC	
Summary Financials										%		%	
Total Net Revenue	\$ –	\$ 170,742	\$ 170,574	\$ 171,055	\$ 162,463								
EBITDA, Reported	–	12,278	10,180	10,648	10,121								
EBITDA, Reported %	N/A	7.2%	6.0%	6.2%	6.2%								
EBITDA, Adjusted	–	12,278	10,180	10,648	10,121								
EBITDA, Adjusted %	N/A	7.2%	6.0%	6.2%	6.2%								
Accounts Receivable, Net	–	11,660	8,594	9,802	14,190								
Inventory, Net	–	27,470	30,309	30,962	30,697								
Accounts Payable	–	7,504	12,709	12,627	12,359								
CCC	–	31,626	26,194	28,137	32,527								
Net Debt	\$ –	\$ 3,014	\$ 23,857	\$ 26,089	\$ 32,080								

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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud			\$	%	Act	\$	%
Units Produced ('000)	7,786	7,371	8,389	7,725	8,493	10,019	10,057	10,212	9,308	9,637	9,028	5,886	103,912	108,274	(4,362)	(4.0%)			96,146	7,766	8.1%
Units Shipped ('000)	6,941	6,590	7,230	8,092	9,414	10,359	10,062	10,681	9,633	10,255	9,358	6,133	104,747	109,580	(4,832)	(4.4%)			104,464	283	0.3%
Bookings (\$'000)	\$ 11,857	\$ 10,031	\$ 11,903	\$ 14,734	\$ 16,015	\$ 17,860	\$ 16,506	\$ 17,313	\$ 16,578	\$ 17,403	\$ 16,182	\$ 9,356	\$ 175,738	\$ 180,948	\$ (5,210)	(2.9%)			\$ 173,588	\$ 2,149	1.2%
Backlog ('\$000)	\$ 9,269	\$ 8,356	\$ 8,460	\$ 9,671	\$ 9,716	\$ 12,824	\$ 11,864	\$ 12,654	\$ 12,898	\$ 13,594	\$ 13,391	\$ 11,911	\$ 11,911	\$ 11,911	\$ –	0.0%			\$ 8,368	\$ 3,543	42.3%
Gross Revenue	\$ 11,539	\$ 11,249	\$ 11,985	\$ 13,794	\$ 16,301	\$ 17,993	\$ 17,052	\$ 18,655	\$ 16,814	\$ 17,766	\$ 16,477	\$ 10,759	\$ 180,383	\$ 188,036	\$ (7,653)	(4.1%)			\$ 180,283	\$ 100	0.1%
Adj. to Gross Revenue	(597)	(464)	(581)	(699)	(787)	(963)	(887)	(990)	(919)	(983)	(916)	(541)	(9,328)	(9,876)	548	(5.5%)			(9,708)	380	(3.9%)
Net Revenue	10,942	10,785	11,404	13,094	15,515	17,030	16,165	17,664	15,895	16,782	15,561	10,218	171,055	178,160	(7,105)	(4.0%)			170,574	480	0.3%
Material	5,204	5,301	5,464	6,521	7,703	8,608	8,053	8,864	7,768	8,457	7,836	4,565	84,343	88,355	(4,012)	(4.5%)			83,420	924	1.1%
Labor	2,927	2,714	2,913	2,840	3,198	3,241	3,433	3,370	3,208	3,337	3,197	2,915	37,294	38,371	(1,076)	(2.8%)			38,503	(1,208)	(3.1%)
Other COGS	1,309	1,015	1,117	1,533	1,968	1,893	1,670	2,029	1,846	2,013	1,780	1,527	19,700	20,261	(561)	(2.8%)			20,885	(1,185)	(5.7%)
Total COGS	9,440	9,030	9,494	10,894	12,869	13,742	13,157	14,263	12,821	13,807	12,814	9,007	141,337	146,986	(5,649)	(3.8%)			142,807	(1,470)	(1.0%)
Gross Margin	1,502	1,755	1,910	2,201	2,645	3,288	3,008	3,402	3,074	2,975	2,747	1,210	29,717	31,173	(1,456)	(4.7%)			27,767	1,950	7.0%
Gross Margin %	13.7%	16.3%	16.7%	16.8%	17.0%	19.3%	18.6%	19.3%	19.3%	17.7%	17.7%	11.8%	17.4%	17.5%					16.3%		
R&D	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Sales & Marketing	554	603	474	610	586	557	607	595	648	583	633	579	7,028	7,247	(219)	(3.0%)			7,045	(16)	(0.2%)
Administrative	1,037	968	879	962	997	1,057	1,096	1,092	1,049	1,094	1,047	1,068	12,346	12,772	(425)	(3.3%)			10,240	2,106	20.6%
Other Opex	(127)	(75)	85	(51)	(3)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(305)	(228)	(77)	33.9%			302	(607)	(201.2%)
Total Opex	1,465	1,496	1,438	1,520	1,579	1,593	1,682	1,668	1,680	1,657	1,660	1,631	19,069	19,791	(722)	(3.6%)			17,587	1,482	8.4%
EBITDA	37	259	472	680	1,066	1,695	1,326	1,734	1,393	1,318	1,087	(420)	10,648	11,382	(734)	(6.5%)			10,180	468	4.6%
EBITDA %	0.3%	2.4%	4.1%	5.2%	6.9%	10.0%	8.2%	9.8%	8.8%	7.9%	7.0%	(4.1%)	6.2%	6.4%					6.0%		
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,262)	\$ (3,300)	\$ 38	(1.1%)			\$ (3,490)	\$ 228	(6.5%)
Capex	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,158)	\$ (8,000)	\$ 1,842	(23.0%)			\$ (10,215)	\$ 4,057	(39.7%)
Opex Overview:																					
Payroll	\$ 881	\$ 806	\$ 788	\$ 889	\$ 909	\$ 855	\$ 952	\$ 926	\$ 873	\$ 943	\$ 880	\$ 913	\$ 10,616	\$ 10,783	\$ (167)	(1.6%)			\$ 10,318	\$ 298	2.9%
Bonus	112	113	112	112	111	113	113	113	113	113	113	113	1,353	1,361	(7)	(0.5%)			159	1,194	751.5%
Commissions	19	19	16	19	18	30	30	30	30	30	30	30	299	358	(59)	(16.5%)			187	112	60.2%
Marketing	95	180	71	116	110	122	122	127	198	109	186	118	1,554	1,780	(226)	(12.7%)			1,679	(125)	(7.4%)
Benefits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Travel and entertainment	107	128	35	105	66	130	142	137	132	132	128	130	1,372	1,587	(216)	(13.6%)			1,231	141	11.4%
Rent and facilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A			–	–	N/A
Insurance	29	21	31	20	28	30	32	30	27	27	28	24	328	336	(9)	(2.6%)			328	(0)	(0.0%)
Professional fees	45	46	62	45	49	52	44	45	52	45	45	51	581	584	(3)	(0.6%)			585	(4)	(0.7%)
Office Expenses	23	26	18	22	33	29	20	26	20	26	22	25	290	287	2	0.8%			287	3	0.9%
IT	166	165	132	159	145	179	177	181	178	182	181	178	2,023	2,092	(69)	(3.3%)			1,634	390	23.9%
Bad Debts	16	(0)	16	23	42	(0)	(0)	(0)	(0)	(0)	(0)	(0)	95	(5)	99	(2151.4%)			(80)	174	(218.8%)
FX	(122)	(76)	115	(28)	24	–	–	–	–	–	–	–	(87)	–	(87)	N/A			384	(472)	(122.7%)
JV Loss (Income)	(5)	1	(29)	(23)	(28)	(21)	(21)	(20)	(17)	(20)	(20)	(16)	(218)	(228)	10	(4.3%)			(83)	(136)	163.9%
Other Expenses	98	67	73	61	70	73	71	72	74	70	67	66	863	853	10	1.1%			956	(93)	(9.7%)
Total Opex	\$ 1,465	\$ 1,496	\$ 1,438	\$ 1,520	\$ 1,579	\$ 1,593	\$ 1,682	\$ 1,668	\$ 1,680	\$ 1,657	\$ 1,660	\$ 1,631	\$ 19,069	\$ 19,791	\$ (722)	(3.6%)			\$ 17,586	\$ 1,483	8.4%

# Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>EBITDA - as reported</b>	\$ 37	\$ 259	\$ 472	\$ 680	\$ 1,066	\$ 1,695	\$ 1,326	\$ 1,734	\$ 1,393	\$ 1,318	\$ 1,087	\$ (420)	\$10,648	\$11,382	\$ (734)	(6.5%)	\$ 10,180	\$ 468	4.6%
Depreciation and amortization	(708)	(721)	(729)	(702)	(725)	(759)	(771)	(781)	(793)	(796)	(799)	(803)	(9,088)	(9,128)	40	(0.4%)	(7,801)	(1,286)	16.5%
Interest and amortization	(156)	(165)	(189)	(184)	(198)	(203)	(201)	(202)	(190)	(190)	(173)	(168)	(2,219)	(2,290)	71	(3.1%)	(1,869)	(350)	18.7%
Other financial income/expense	(26)	740	(617)	163	(128)	–	–	–	–	–	–	–	132	–	132	N/A	(1,463)	1,596	(109.0%)
Monitoring fees (including expenses)	(85)	(97)	(85)	(84)	(84)	(83)	(103)	(83)	(83)	(103)	(83)	(103)	(1,076)	(1,077)	1	(0.1%)	(1,091)	15	(1.4%)
Restructuring costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	(776)	776	(100.0%)
Non-recurring items	(137)	(201)	(128)	(44)	(42)	(58)	–	–	–	–	–	–	(610)	(478)	(132)	27.7%	(770)	160	(20.7%)
Taxes	189	(87)	(4)	(72)	(58)	(236)	(220)	(210)	(207)	(170)	(115)	138	(1,051)	(1,710)	659	(38.6%)	99	(1,149)	(1163.4%)
<b>GAAP Net Income (Loss)</b>	<b>\$ (886)</b>	<b>\$ (271)</b>	<b>\$ (1,280)</b>	<b>\$ (242)</b>	<b>\$ (169)</b>	<b>\$ 356</b>	<b>\$ 30</b>	<b>\$ 458</b>	<b>\$ 121</b>	<b>\$ 59</b>	<b>\$ (82)</b>	<b>\$ (1,356)</b>	<b>\$ (3,262)</b>	<b>\$ (3,300)</b>	<b>\$ 38</b>	<b>(1.1%)</b>	<b>\$ (3,490)</b>	<b>\$ 228</b>	<b>(6.5%)</b>

## 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 1.3514 [USD\$0.74] on May 31, 2019
- Non-recurring items in May include IT Costs related to Terrebonne ERP Syteline (\$11K), OBI projects with The Practical Approach (\$15K) and Management Tools Inc (\$5K) and Management staff incentive accrual (\$37K). The was offset by insurance refund of \$26K pertaining to the Laval Water Damage repair costs
- US Tax accrual of 58K in May 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	8,236	16,072	34,205
Labor	3,359	6,628	15,669
Other COGS	1,917	3,663	7,503
<b>COGS Budget</b>	<b>\$ 13,512</b>	<b>\$ 26,362</b>	<b>\$ 57,376</b>
<b><u>Variances:</u></b>			
Volume	(800)	(2,219)	(4,508)
Price	–	(82)	(132)
Other	268	453	628
<b>Material</b>	<b>(532)</b>	<b>(1,848)</b>	<b>(4,012)</b>
Volume	(83)	(467)	(574)
Price	–	–	–
Other	(78)	(123)	(502)
<b>Labor</b>	<b>(161)</b>	<b>(590)</b>	<b>(1,076)</b>
Volume	312	449	346
Price	–	–	–
Other	(261)	(610)	(907)
<b>Other COGS</b>	<b>51</b>	<b>(161)</b>	<b>(561)</b>
<b>COGS Actual</b>	<b>\$ 12,869</b>	<b>\$ 23,763</b>	<b>\$ 51,727</b>

## Management Discussion - MTD

- **Material COGS:** Decrease of \$532K due to lower volume impact of \$800K (Sales volumes (lbs) lower by 8.2%), unfavorable yields at Woodbridge & Delmont and lower regrind usage at Woodbridge, Delmont & Everett due to lower production volumes of \$268K; with favorable resin material prices offset by higher additive pricing, higher glass pricing and higher inventory reserves for E&O and LCM adjustments
- **Labor COGS:** Lower costs due to volume impact of \$83K, a favorable F/X impact of \$66K and headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$12K
- **Other COGS:** Increase of \$51K due to an unfavorable absorption impact of \$312K as a result of lower sales and lower production output than Plan; partially offset by lower freight costs of \$84K, lower overhead spending of \$89K (ie. Maintenance costs, utilities, factory supplies), a higher tool & die absorption recovery impact of \$52K and a favorable F/X impact of \$36K



# Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>Material</b>																			
Material costs at standard	\$ 5,265	\$ 5,218	\$ 5,418	\$ 6,548	\$ 7,512	\$ 8,447	\$ 7,988	\$ 8,815	\$ 7,674	\$ 8,402	\$ 7,886	\$ 4,585	\$ 83,756	\$ 88,508	\$ (4,752)	(5.4%)	\$ 84,102	\$ (346)	(0.4%)
Materials FX loss / (gain)	0	0	0	0	0	(0)	0	0	0	0	—	—	0	0	0	96.0%	0	0	21.2%
Purchase price variance	168	272	211	157	242	419	389	369	354	357	247	128	3,313	2,816	497	17.6%	(421)	3,734	(886.8%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	47	46	46	35	43	59	56	63	55	60	57	45	613	663	(50)	(7.6%)	680	(68)	(10.0%)
Scrap costs	(355)	(334)	(282)	(302)	(206)	(432)	(488)	(501)	(419)	(474)	(461)	(273)	(4,525)	(4,885)	360	(7.4%)	(2,101)	(2,424)	115.4%
Consumables	78	98	72	83	112	114	108	118	104	113	107	81	1,187	1,253	(67)	(5.3%)	1,159	28	2.4%
<b>Total Material COGS</b>	<b>\$ 5,204</b>	<b>\$ 5,301</b>	<b>\$ 5,464</b>	<b>\$ 6,521</b>	<b>\$ 7,703</b>	<b>\$ 8,608</b>	<b>\$ 8,053</b>	<b>\$ 8,864</b>	<b>\$ 7,768</b>	<b>\$ 8,457</b>	<b>\$ 7,836</b>	<b>\$ 4,565</b>	<b>\$ 84,343</b>	<b>\$ 88,355</b>	<b>\$ (4,012)</b>	<b>(4.5%)</b>	<b>\$ 83,420</b>	<b>\$ 924</b>	<b>1.1%</b>
<b>Labor</b>																			
Direct labor	\$ 927	\$ 898	\$ 984	\$ 1,008	\$ 1,133	\$ 1,213	\$ 1,272	\$ 1,234	\$ 1,139	\$ 1,188	\$ 1,141	\$ 1,030	\$ 13,168	\$ 13,870	\$ (703)	(5.1%)	\$ 13,874	\$ (706)	(5.1%)
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	51	51	614	618	(4)	(0.6%)	79	535	672.8%
Direct labor - overtime	70	97	109	92	124	102	123	125	115	124	107	68	1,256	1,163	93	8.0%	1,594	(338)	(21.2%)
Direct labor - benefits	290	264	254	235	254	274	286	283	277	281	268	238	3,203	3,262	(59)	(1.8%)	3,366	(162)	(4.8%)
Direct labor - wcb benefits	18	(20)	17	(66)	22	22	24	23	23	24	23	19	129	265	(137)	(51.6%)	321	(193)	(60.0%)
Direct labor - other	0	(1)	(1)	(1)	(2)	0	1	1	1	1	1	1	0	9	(9)	(98.8%)	(1)	1	(108.9%)
Indirect labor	1,520	1,362	1,447	1,462	1,565	1,514	1,613	1,588	1,540	1,605	1,545	1,448	18,210	18,438	(228)	(1.2%)	19,031	(822)	(4.3%)
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	51	51	614	618	(4)	(0.6%)	79	535	672.8%
Sub-contractor costs	—	12	2	10	—	12	12	13	10	11	11	7	100	127	(27)	(21.0%)	159	(59)	(36.9%)
<b>Total Labor COGS</b>	<b>\$ 2,927</b>	<b>\$ 2,714</b>	<b>\$ 2,913</b>	<b>\$ 2,840</b>	<b>\$ 3,198</b>	<b>\$ 3,241</b>	<b>\$ 3,433</b>	<b>\$ 3,370</b>	<b>\$ 3,208</b>	<b>\$ 3,337</b>	<b>\$ 3,197</b>	<b>\$ 2,915</b>	<b>\$ 37,294</b>	<b>\$ 38,371</b>	<b>\$ (1,076)</b>	<b>(2.8%)</b>	<b>\$ 38,503</b>	<b>\$ (1,208)</b>	<b>(3.1%)</b>
<b>Other</b>																			
Repairs and maintenance	\$ 115	\$ 26	\$ 78	\$ 34	\$ 44	\$ 87	\$ 77	\$ 103	\$ 74	\$ 109	\$ 104	\$ 128	\$ 978	\$ 1,037	\$ (59)	(5.7%)	\$ 1,222	\$ (245)	(20.0%)
Absorption	(234)	(425)	(600)	86	312	44	(140)	67	8	122	(4)	(24)	(790)	(1,049)	260	(24.7%)	(622)	(167)	26.9%
Freight out	625	533	704	712	772	863	834	893	814	863	780	543	8,937	9,368	(431)	(4.6%)	9,785	(849)	(8.7%)
Rent / facilities	125	167	193	76	185	117	117	157	185	139	138	205	1,804	1,840	(36)	(1.9%)	1,511	293	19.4%
Utilities	479	508	539	458	435	573	580	587	573	584	559	512	6,388	6,711	(323)	(4.8%)	6,579	(191)	(2.9%)
Other cost of sales	199	206	202	167	220	209	202	223	192	197	204	162	2,383	2,355	28	1.2%	2,409	(26)	(1.1%)
<b>Total Other COGS</b>	<b>\$ 1,309</b>	<b>\$ 1,015</b>	<b>\$ 1,117</b>	<b>\$ 1,533</b>	<b>\$ 1,968</b>	<b>\$ 1,893</b>	<b>\$ 1,670</b>	<b>\$ 2,029</b>	<b>\$ 1,846</b>	<b>\$ 2,013</b>	<b>\$ 1,780</b>	<b>\$ 1,527</b>	<b>\$ 19,700</b>	<b>\$ 20,261</b>	<b>\$ (561)</b>	<b>(2.8%)</b>	<b>\$ 20,885</b>	<b>\$ (1,185)</b>	<b>(5.7%)</b>

## Management Discussion

**Material COGS:** Decrease of \$4,012K due to lower volume impact of \$4,508K (Sales volumes (lbs) lower by 11.2%), unfavorable yields and higher scrap (net of regrind usage) at Woodbridge, Delmont & Everett of \$567K; unfavorable E&O reserves at Woodbridge, Everett and Terrebonne of \$123K, partially offset by improved scrap and favorable PPV at ECS of \$62K

**Labor COGS:** Lower costs due to volume impact of \$574K, out-of-period workers' compensation refunds at Laval and Everett of \$170K, a favorable F/X impact of \$219K 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 \$113K

**Other COGS:** Decrease of \$561K due to lower freight costs of \$374K, lower overhead spending of \$269K (ie. Maintenance costs, utilities, factory supplies), a higher tool & die absorption recovery impact of \$52K, lower property tax adjustment at Everett of \$87K and a favorable F/X impact of \$125K; partially offset by an unfavorable absorption impact of \$346K as a result of lower sales and lower production than Plan

# 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	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
<b>Current Assets</b>																
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	17,404	15,960	16,509	15,206	15,081	13,521	10,481	10,481	8,958	1,523	17.0%
<i>Accounts receivable, reserves</i>	(393)	(393)	(399)	(425)	(465)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(363)	(316)	86.9%
Accounts receivable, net	8,789	9,536	11,214	12,944	14,190	16,726	15,281	15,830	14,527	14,402	12,842	9,802	9,802	8,594	1,208	14.1%
<i>Inventory, gross</i>	34,588	36,157	35,647	34,119	32,304	34,311	34,732	34,475	34,521	32,837	32,471	32,668	32,668	31,776	892	2.8%
<i>Inventory, reserves</i>	(1,497)	(1,514)	(1,497)	(1,562)	(1,608)	(1,687)	(1,649)	(1,660)	(1,674)	(1,696)	(1,702)	(1,706)	(1,706)	(1,467)	(239)	16.3%
Inventory, net	33,091	34,642	34,150	32,557	30,697	32,624	33,083	32,815	32,847	31,140	30,769	30,962	30,962	30,309	653	2.2%
Prepaid expenses and other current assets	3,145	3,030	3,051	3,909	4,233	3,663	3,627	3,336	3,216	3,348	3,110	2,832	2,832	2,942	(109)	(3.7%)
Other current assets	761	864	804	790	865	854	857	1,050	1,525	1,771	1,829	682	682	901	(218)	(24.2%)
<b>Total Current Assets</b>	<b>45,790</b>	<b>48,076</b>	<b>49,223</b>	<b>50,203</b>	<b>49,987</b>	<b>53,869</b>	<b>52,851</b>	<b>53,034</b>	<b>52,117</b>	<b>50,663</b>	<b>48,552</b>	<b>44,281</b>	<b>44,281</b>	<b>42,746</b>	<b>1,536</b>	<b>3.6%</b>
<b>Non-Current Assets</b>																
<i>Property, plant &amp; equipment, gross</i>	66,687	67,249	66,818	67,503	67,826	71,660	72,208	72,661	73,107	73,531	73,935	74,303	74,303	64,977	9,326	14.4%
<i>Accumulated depreciation</i>	(18,755)	(19,488)	(19,863)	(20,649)	(21,300)	(20,661)	(21,293)	(21,936)	(22,589)	(23,245)	(23,906)	(24,569)	(24,569)	(17,639)	(6,930)	39.3%
Property, plant & equipment, net	47,932	47,761	46,955	46,853	46,525	50,999	50,915	50,725	50,518	50,286	50,028	49,734	49,734	47,338	2,395	5.1%
Deferred financing cost	546	533	510	499	484	477	463	450	436	422	408	395	395	548	(153)	(27.9%)
Deferred tax asset	2,961	2,963	2,898	2,913	2,901	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	2,879	(1,513)	(52.5%)
Other non-current assets	2,688	2,690	2,644	2,685	2,698	3,134	3,155	3,216	3,237	3,257	3,274	3,331	3,331	2,616	715	27.3%
<b>Total Non-Current Assets</b>	<b>54,127</b>	<b>53,947</b>	<b>53,007</b>	<b>52,950</b>	<b>52,607</b>	<b>55,977</b>	<b>55,900</b>	<b>55,757</b>	<b>55,558</b>	<b>55,332</b>	<b>55,077</b>	<b>54,826</b>	<b>54,826</b>	<b>53,382</b>	<b>1,444</b>	<b>2.7%</b>
<b>Total Assets</b>	<b>\$ 99,917</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 103,153</b>	<b>\$ 102,595</b>	<b>\$ 109,846</b>	<b>\$ 108,751</b>	<b>\$ 108,791</b>	<b>\$ 107,675</b>	<b>\$ 105,995</b>	<b>\$ 103,630</b>	<b>\$ 99,107</b>	<b>\$ 99,107</b>	<b>\$ 96,127</b>	<b>\$ 2,980</b>	<b>3.1%</b>
<b>Current Liabilities</b>																
Bank Debt	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 21,463	\$ 20,653	\$ 20,722	\$ 18,469	\$ 18,098	\$ 14,909	\$ 13,864	\$ 13,864	\$ 10,222	\$ 3,641	35.6%
Current Portion - Long Term Debt	1,678	1,665	1,639	1,648	1,640	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,628	172	10.6%
Accounts payable	11,725	12,319	12,200	12,267	12,359	15,234	14,482	14,035	14,850	13,308	14,456	12,627	12,627	12,709	(82)	(0.6%)
Accrued liabilities	4,045	3,378	3,727	3,515	3,556	3,824	3,699	3,689	3,439	3,366	3,189	2,808	2,808	3,343	(535)	(16.0%)
Accrued compensation	2,492	2,800	2,877	3,338	3,488	3,826	4,303	4,195	4,585	4,804	4,780	5,149	5,149	2,521	2,628	104.2%
Income taxes payable	(189)	(102)	(344)	(275)	(215)	927	1,147	1,357	1,564	1,734	1,848	1,710	1,710	(246)	1,956	(793.7%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	—	—	—	—	—	—	—	—	1,301	(1,301)	(100.0%)
Other current liabilities	101	97	124	125	132	139	137	139	127	128	111	107	107	97	11	11.0%
<b>Total Current Liabilities</b>	<b>35,493</b>	<b>37,990</b>	<b>40,273</b>	<b>41,423</b>	<b>41,287</b>	<b>47,212</b>	<b>46,222</b>	<b>45,937</b>	<b>44,835</b>	<b>43,238</b>	<b>41,094</b>	<b>38,065</b>	<b>38,065</b>	<b>31,576</b>	<b>6,490</b>	<b>20.6%</b>
<b>Long-term liabilities</b>																
Long-term debt less current maturities	12,248	12,114	11,679	11,609	11,418	11,287	11,144	11,001	10,857	10,714	10,571	10,428	10,428	12,006	(1,579)	(13.1%)
Deferred income taxes	9,753	9,757	9,642	9,669	9,647	7,785	7,785	7,785	7,785	7,785	7,785	7,785	7,785	9,610	(1,825)	(19.0%)
Other non-current liabilities	1,525	1,530	1,491	1,503	1,497	1,449	1,458	1,467	1,476	1,477	1,482	1,486	1,486	1,468	18	1.2%
<b>Total Long-Term Liabilities</b>	<b>23,526</b>	<b>23,400</b>	<b>22,812</b>	<b>22,781</b>	<b>22,562</b>	<b>20,521</b>	<b>20,387</b>	<b>20,253</b>	<b>20,119</b>	<b>19,976</b>	<b>19,838</b>	<b>19,699</b>	<b>19,699</b>	<b>23,084</b>	<b>(3,386)</b>	<b>(14.7%)</b>
<b>Total Liabilities</b>	<b>59,019</b>	<b>61,391</b>	<b>63,085</b>	<b>64,205</b>	<b>63,849</b>	<b>67,733</b>	<b>66,609</b>	<b>66,190</b>	<b>64,953</b>	<b>63,214</b>	<b>60,931</b>	<b>57,764</b>	<b>57,764</b>	<b>54,660</b>	<b>3,104</b>	<b>5.7%</b>
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Shareholders' Equity</b>																
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	30,032	30,062	30,521	30,641	30,701	30,619	29,263	29,263	30,039	(776)	(2.6%)
Accumulated other comprehensive income	(855)	(850)	(1,058)	(1,011)	(1,045)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(1,181)	652	(55.2%)
<b>Total Shareholders' Equity</b>	<b>40,898</b>	<b>40,632</b>	<b>39,144</b>	<b>38,948</b>	<b>38,746</b>	<b>42,112</b>	<b>42,142</b>	<b>42,601</b>	<b>42,722</b>	<b>42,781</b>	<b>42,699</b>	<b>41,343</b>	<b>41,343</b>	<b>41,467</b>	<b>(124)</b>	<b>(0.3%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 99,917</b>	<b>\$ 102,023</b>	<b>\$ 102,229</b>	<b>\$ 103,153</b>	<b>\$ 102,595</b>	<b>\$ 109,846</b>	<b>\$ 108,751</b>	<b>\$ 108,791</b>	<b>\$ 107,675</b>	<b>\$ 105,995</b>	<b>\$ 103,630</b>	<b>\$ 99,107</b>	<b>\$ 99,107</b>	<b>\$ 96,127</b>	<b>\$ 2,980</b>	<b>3.1%</b>

# Balance Sheet – Year on Year Comparison

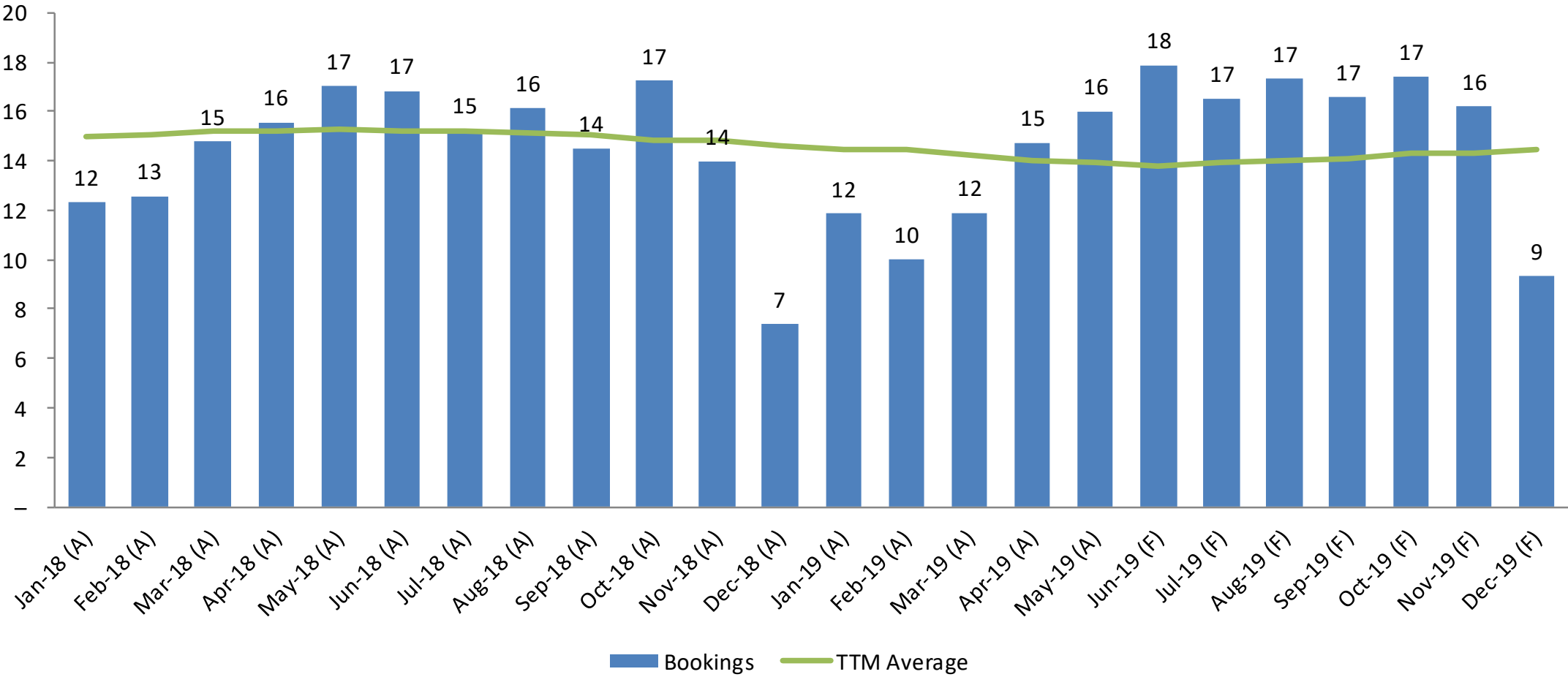
\$'000	YTD		Variance	
	CY	PY	\$	%
<b><u>Current Assets</u></b>				
Cash and cash equivalents	\$ 3	\$ 0	\$ 3	1155.7%
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	14,654	16,276	(1,621)	(10.0%)
<i>Accounts receivable, reserves</i>	(465)	(682)	218	(31.9%)
Accounts receivable, net	14,190	15,593	(1,404)	(9.0%)
<i>Inventory, gross</i>	32,304	37,472	(5,167)	(13.8%)
<i>Inventory, reserves</i>	(1,608)	(1,699)	91	(5.3%)
Inventory, net	30,697	35,773	(5,077)	(14.2%)
Prepaid expenses and other current assets	4,233	3,816	417	10.9%
Other current assets	865	1,020	(154)	(15.1%)
<b>Total Current Assets</b>	<b>49,987</b>	<b>56,203</b>	<b>(6,215)</b>	<b>(11.1%)</b>
<b><u>Non-Current Assets</u></b>				
<i>Property, plant &amp; equipment, gross</i>	67,826	60,613	7,212	11.9%
<i>Accumulated depreciation</i>	(21,300)	(13,602)	(7,699)	56.6%
Property, plant & equipment, net	46,525	47,012	(486)	(1.0%)
Deferred financing cost	484	471	12	2.6%
Deferred tax asset	2,901	1,372	1,528	111.4%
Other non-current assets	2,698	2,733	(35)	(1.3%)
<b>Total Non-Current Assets</b>	<b>52,607</b>	<b>51,588</b>	<b>1,019</b>	<b>2.0%</b>
<b>Total Assets</b>	<b>\$ 102,595</b>	<b>\$ 107,791</b>	<b>\$ (5,196)</b>	<b>(4.8%)</b>
<b><u>Current Liabilities</u></b>				
Bank Debt	\$ 19,025	\$ 17,616	\$ 1,409	8.0%
Current Portion - Long Term Debt	1,640	1,395	246	17.6%
Accounts payable	12,359	14,617	(2,258)	(15.4%)
Accrued liabilities	3,556	3,590	(34)	(0.9%)
Accrued compensation	3,488	3,745	(256)	(6.8%)
Income taxes payable	(215)	96	(311)	(323.4%)
Contingent consideration	1,301	1,265	36	2.8%
Other current liabilities	132	98	34	34.7%
<b>Total Current Liabilities</b>	<b>41,287</b>	<b>42,423</b>	<b>(1,135)</b>	<b>(2.7%)</b>
<b><u>Long-term liabilities</u></b>				
Long-term debt less current maturities	11,418	13,133	(1,715)	(13.1%)
Deferred income taxes	9,647	7,804	1,843	23.6%
Other non-current liabilities	1,497	1,318	178	13.5%
<b>Total Long-Term Liabilities</b>	<b>22,562</b>	<b>22,255</b>	<b>307</b>	<b>1.4%</b>
<b>Total Liabilities</b>	<b>63,849</b>	<b>64,678</b>	<b>(829)</b>	<b>(1.3%)</b>
<b>Commitments and contingencies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>N/A</b>
<b><u>Shareholders' Equity</u></b>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	27,180	30,984	(3,804)	(12.3%)
Accumulated other comprehensive income	(1,045)	(481)	(564)	117.3%
<b>Total Shareholders' Equity</b>	<b>38,746</b>	<b>43,113</b>	<b>(4,367)</b>	<b>(10.1%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 102,595</b>	<b>\$ 107,791</b>	<b>\$ (5,196)</b>	<b>(4.8%)</b>

# Monthly Cash Flow

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
\$'000	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
<b>Cash flow from operations</b>																			
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 356	\$ 30	\$ 458	\$ 121	\$ 59	\$ (82)	\$ (1,356)	\$ (3,262)	\$ (3,300)	\$ 38	(1.1%)	\$ (3,987)	\$ 724	(18.2%)
Depreciation, amortization and other	708	721	729	702	725	759	771	781	793	796	799	803	9,088	9,128	(40)	(0.4%)	7,801	1,286	16.5%
Non-cash loss/expense (gain)	(161)	(7)	201	(62)	36	(52)	(196)	(139)	(95)	(173)	(145)	(151)	(946)	(307)	(639)	208.2%	377	(1,323)	(350.7%)
Deferred income tax	143	3	(115)	27	(22)	(1,862)	–	–	–	–	–	–	(1,825)	148	(1,973)	(1331.0%)	(1,301)	(524)	40.3%
<b>Change in operating assets and liabilities:</b>																N/A			
Accounts receivable	(195)	(747)	(1,678)	(1,730)	(1,246)	(2,536)	1,444	(549)	1,304	125	1,560	3,040	(1,208)	(1,173)	(35)	3.0%	3,252	(4,460)	(137.1%)
Inventory	(2,782)	(1,552)	492	1,593	1,861	(1,927)	(459)	267	(32)	1,707	371	(193)	(653)	(690)	37	(5.4%)	(594)	(59)	9.9%
Prepaid expenses and other current assets	(64)	12	39	(843)	(400)	581	32	99	(355)	(378)	179	1,425	328	328	–	0.0%	456	(128)	(28.1%)
Accounts payable	(984)	594	(119)	68	92	2,875	(752)	(447)	815	(1,542)	1,148	(1,829)	(82)	(82)	–	0.0%	(379)	296	(78.3%)
Accrued expenses	673	(359)	426	249	192	605	352	(118)	140	146	(201)	(12)	2,093	2,344	(251)	(10.7%)	(2,316)	4,408	(190.4%)
Accrued income taxes	58	87	(242)	69	60	1,141	220	210	207	170	115	(138)	1,956	1,060	896	84.5%	751	1,205	160.6%
Other changes in operating assets and liabilities	4	(4)	27	1	7	(1,294)	(2)	2	(12)	1	(17)	(4)	(1,290)	(1,290)	–	0.0%	65	(1,355)	(2097.6%)
Other cash flow from operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
<b>Total Cash Flow from Operations</b>	<b>\$ (3,487)</b>	<b>\$ (1,522)</b>	<b>\$ (1,520)</b>	<b>\$ (168)</b>	<b>\$ 1,136</b>	<b>\$ (1,354)</b>	<b>\$ 1,442</b>	<b>\$ 564</b>	<b>\$ 2,885</b>	<b>\$ 910</b>	<b>\$ 3,728</b>	<b>\$ 1,584</b>	<b>\$ 4,198</b>	<b>\$ 6,166</b>	<b>\$ (1,968)</b>	<b>(31.9%)</b>	<b>\$ 4,126</b>	<b>\$ 72</b>	<b>1.8%</b>
<b>Cash flow from investing</b>																			
Additions to property, plant and equipment	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (943)	\$ (492)	\$ (492)	\$ (492)	\$ (398)	\$ (398)	\$ (398)	\$ (6,158)	\$ (8,000)	\$ 1,842	(23.0%)	\$ (10,215)	\$ 4,057	(39.7%)
Earnout payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Other cash flow from investing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
<b>Total Cash Flow from Investing</b>	<b>\$ (489)</b>	<b>\$ (531)</b>	<b>\$ (560)</b>	<b>\$ (448)</b>	<b>\$ (519)</b>	<b>\$ (943)</b>	<b>\$ (492)</b>	<b>\$ (492)</b>	<b>\$ (492)</b>	<b>\$ (398)</b>	<b>\$ (398)</b>	<b>\$ (398)</b>	<b>\$ (6,158)</b>	<b>\$ (8,000)</b>	<b>\$ 1,842</b>	<b>(23.0%)</b>	<b>\$ (10,215)</b>	<b>\$ 4,057</b>	<b>(39.7%)</b>
<b>Cash flow from financing</b>																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 2,193	\$ 2,218	\$ 754	\$ (479)	\$ 2,438	\$ (809)	\$ 69	\$ (2,253)	\$ (371)	\$ (3,189)	\$ (1,045)	\$ 3,641	\$ 3,556	\$ 85	2.4%	\$ 6,282	\$ (2,641)	(42.0%)
Proceeds from the issuance of debt	(0)	0	(0)	0	(0)	0	0	0	0	0	0	0	0	–	0	N/A	1,207	(1,207)	(100.0%)
Repayment of debt	(138)	(139)	(138)	(138)	(137)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(1,678)	(1,719)	41	(2.4%)	(1,400)	(278)	19.9%
Common stock cash dividends paid	–	–	–	–	–	(0)	–	–	–	–	–	–	(0)	–	(0)	N/A	–	(0)	N/A
Other cash flow from financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
<b>Total Cash Flow from Financing</b>	<b>\$ 3,979</b>	<b>\$ 2,053</b>	<b>\$ 2,080</b>	<b>\$ 616</b>	<b>\$ (617)</b>	<b>\$ 2,297</b>	<b>\$ (950)</b>	<b>\$ (72)</b>	<b>\$ (2,394)</b>	<b>\$ (512)</b>	<b>\$ (3,330)</b>	<b>\$ (1,186)</b>	<b>\$ 1,963</b>	<b>\$ 1,837</b>	<b>\$ 126</b>	<b>6.9%</b>	<b>\$ 6,089</b>	<b>\$ (4,126)</b>	<b>(67.8%)</b>
<b>Effect of FX rates on cash and cash equivalents</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>N/A</b>	<b>\$ –</b>	<b>\$ -</b>	<b>N/A</b>
<b>Net change in cash</b>	<b>\$ 3</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ (0)</b>	<b>(0.0%)</b>	<b>\$ (0)</b>	<b>\$ 3</b>	<b>(1065.9%)</b>
Beginning cash	0	3	3	3	3	3	3	3	3	2	3	3	0	0	–	–	(0)	\$ 0	(100.1%)
Change in cash	3	0	(0)	0	(0)	(0)	0	(0)	(0)	0	0	(0)	3	3	(0)	(0.0%)	(0)	\$ 3	(1065.9%)
<b>Ending cash</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 2</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 0</b>	<b>\$ 3</b>	<b>26325688.9%</b>

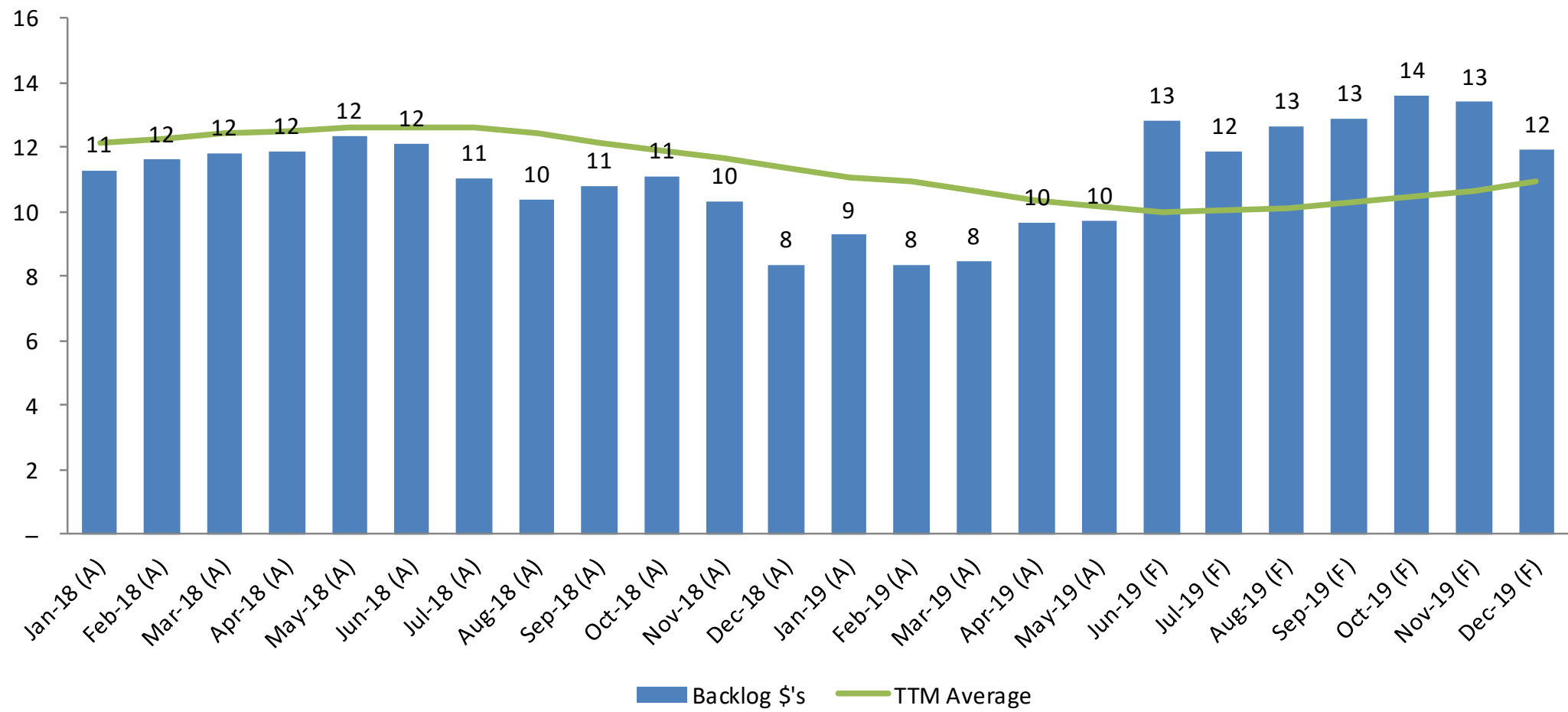
# Trended Monthly Bookings

\$ in millions



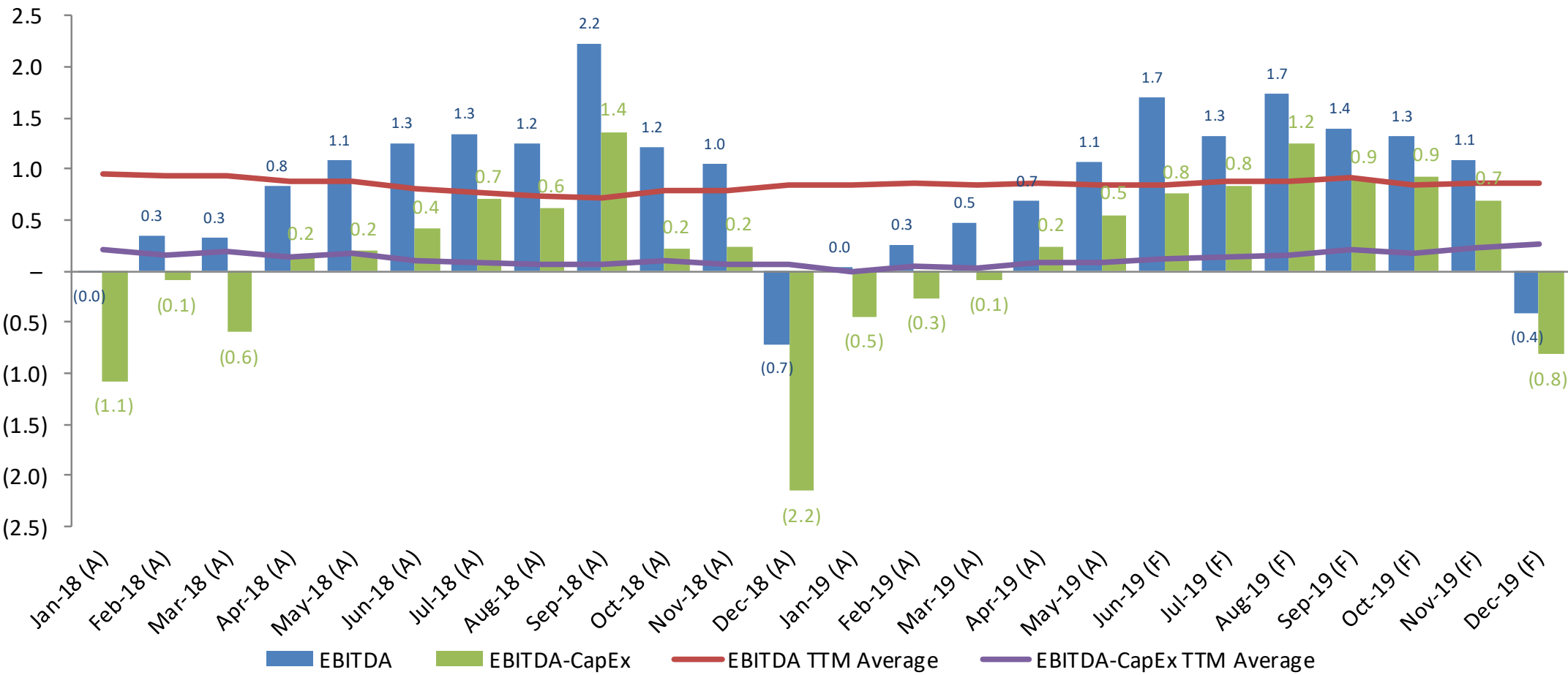
# Trended Monthly Backlog

\$ in millions



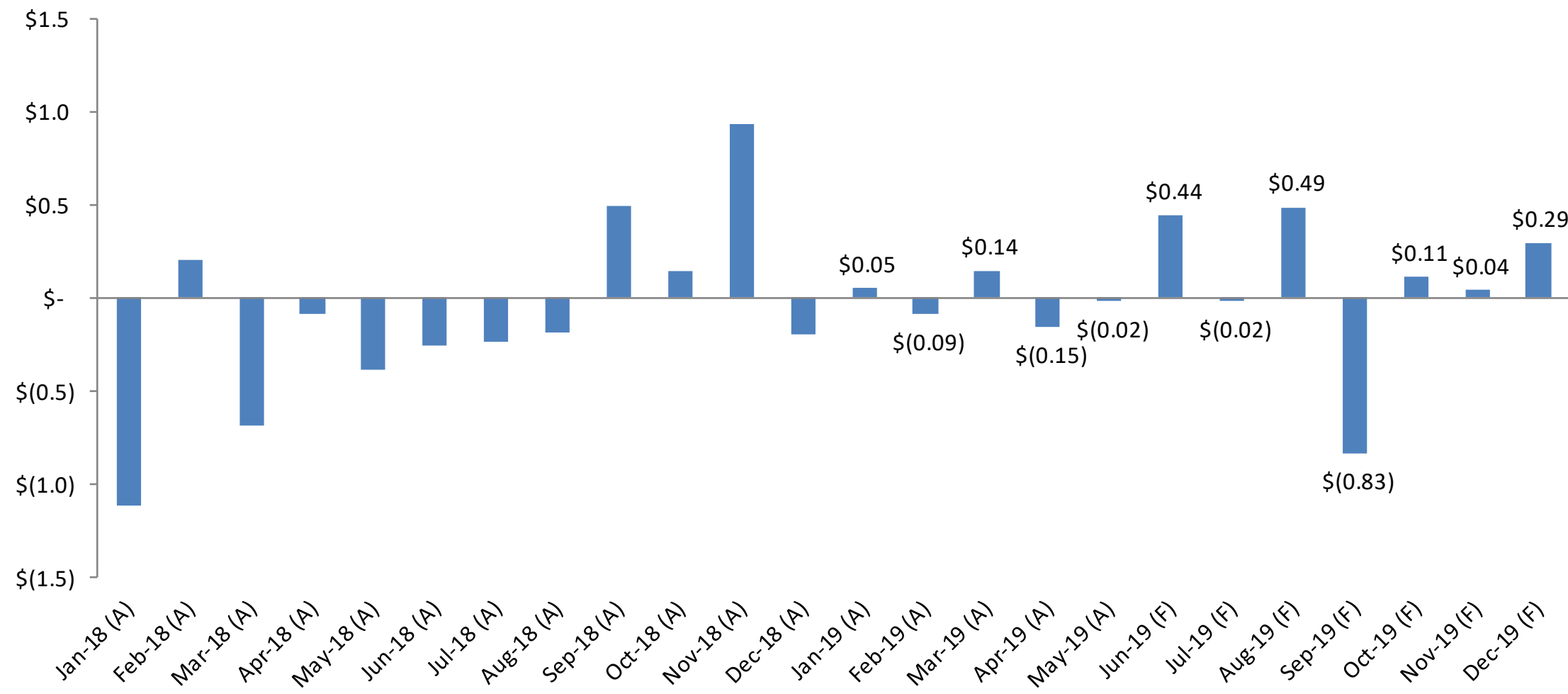
# EBITDA and EBITDA-CapEx

\$ in millions



# Y-o-Y \$ EBITDA Change

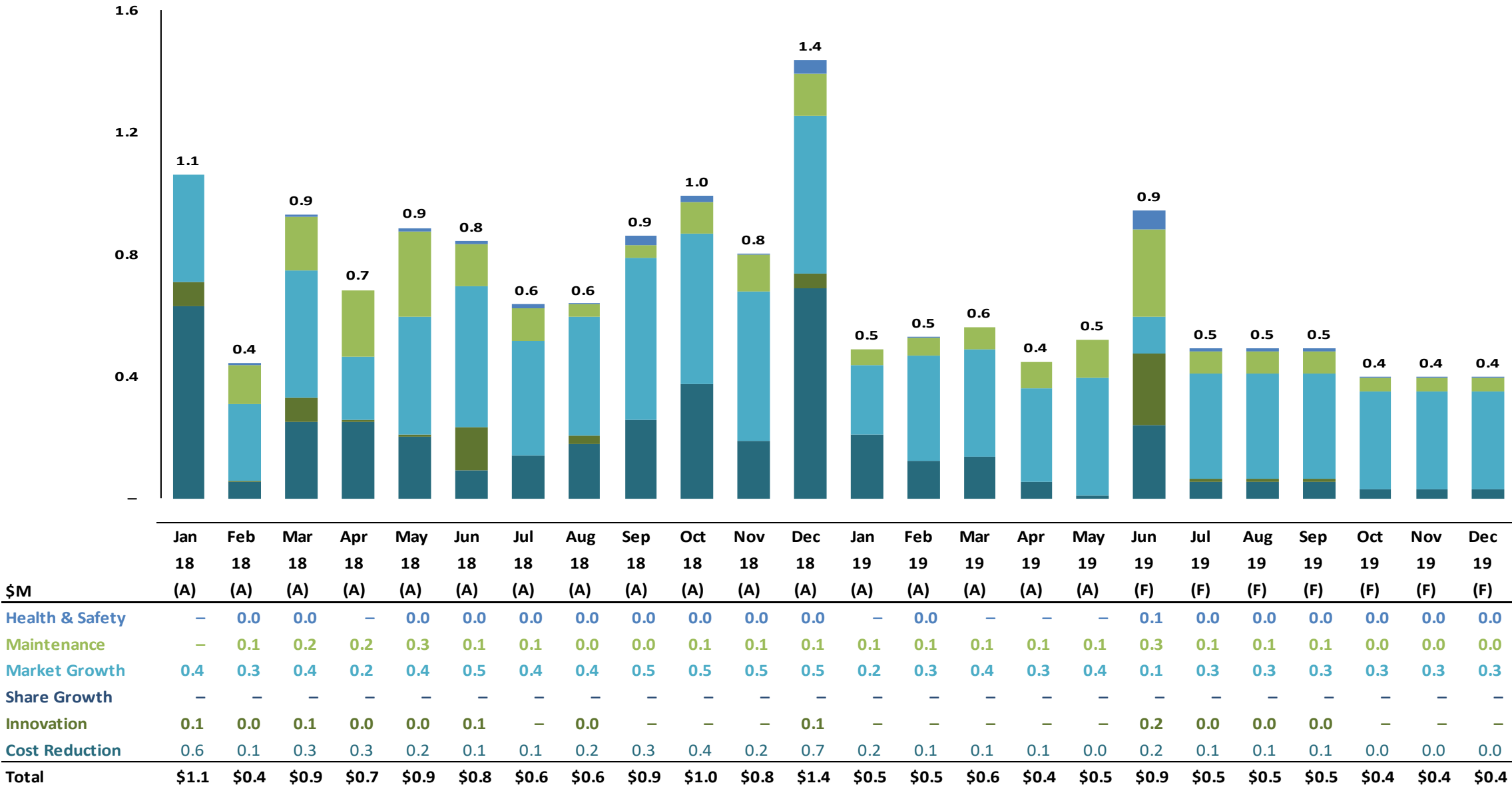
\$ in millions





# Capital Expenditures

\$ in millions



# Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2019 January (A)	324	154	81	35	13	26	59	–	692	24	716	780	(64)
2019 February (A)	331	156	81	35	13	26	60	–	702	27	729	802	(73)
2019 March (A)	331	160	81	36	13	26	62	–	709	36	745	802	(57)
2019 April (A)	321	158	81	36	13	25	61	–	695	29	724	813	(89)
2019 May (A)	324	161	80	37	13	28	63	–	706	64	770	818	(48)
2019 June (F)	366	164	88	38	15	29	59	–	759	73	832	832	–
2019 July (F)	362	164	88	38	15	30	59	–	756	70	826	826	–
2019 August (F)	362	164	88	38	15	30	59	–	756	69	825	825	–
2019 September (F)	362	164	88	38	15	30	59	–	756	41	797	797	–
2019 October (F)	357	164	88	37	15	30	59	–	750	47	797	797	–
2019 November (F)	349	164	88	37	15	30	59	–	742	52	794	794	–
2019 December (F)	349	164	88	37	15	30	59	–	742	40	782	782	–
Final Headcount	349	164	88	37	15	30	59	–	742	40	782	782	–

## Management Discussion

- Net increase of 46 employees in May (10 permanent and 36 temporary)
- Increase primarily at Woodbridge and Terrebonne in response to staff turnover and production requirements

# Headcount Hires and Attrition

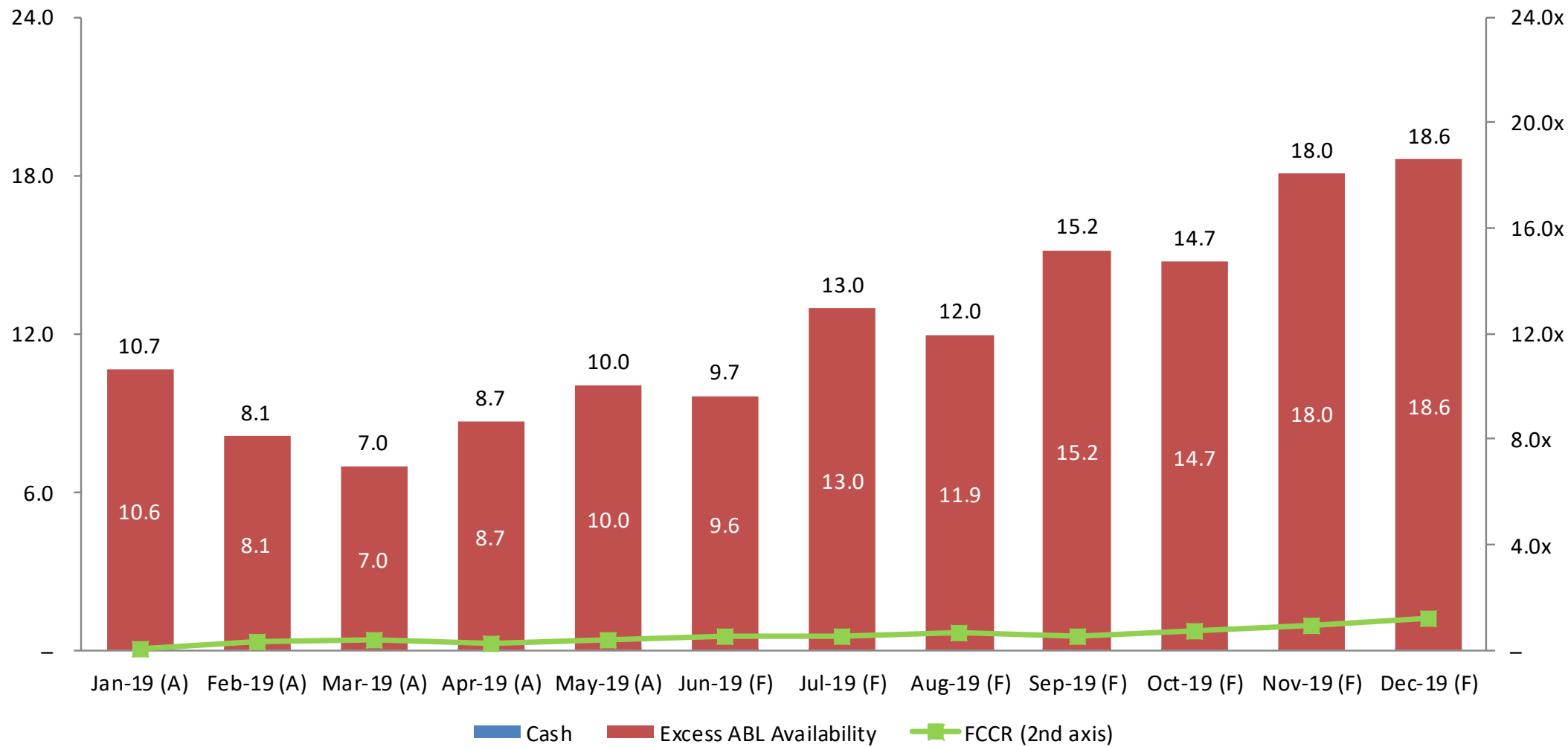
Functional Area	Start of Month	Hires	Transfers	Involuntary Term	Voluntary Term	End of Month	Rfc Headcount	Difference to Rfc
Direct Labor	321	10	2	(4)	(5)	324	366	42
Indirect Labor - Hourly	158	4			(1)	161	164	3
Indirect Labor - Salary	81				(1)	80	88	8
Delivery & Dist.	36		1			37	38	1
Research & Development	13					13	15	2
Sales & Marketing	25	2	2		(1)	28	29	1
Administrative	61	2				63	59	(4)
Other	-					-	-	-
Agency FTE & Temps	29	39		(1)	(3)	64	59	(5)
<b>Total</b>	<b>724</b>	<b>57</b>	<b>5</b>	<b>(5)</b>	<b>(11)</b>	<b>770</b>	<b>818</b>	<b>48</b>

## Management Discussion

- Terrebonne – Addition of 29 people for production (mainly from agencies)
- Terrebonne – Hiring of Customer Service Rep (Eric Belisle)
- Woodbridge – Addition of 10 people in permanent and temporary positions in Production and Quality Control
- Woodbridge – Hiring of Plant Manager (Joseph Stefanov)
- Delmont – Hiring of Health & Safety Business Partner (Nick Lamantia)
- HO – Hiring of Sales Account Manager for Quebec and Eastern region (Samuel St-Pierre) to replace Benoit Audette, who moved to the Terrebonne customer service department

# 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)	2,658	3,257	(599)	(18.4%)	12,475	14,785	(2,310)	(15.6%)
Units Shipped ('000)	2,985	3,407	(422)	(12.4%)	12,061	14,535	(2,473)	(17.0%)
Bookings (\$'000)	\$ 3,925	\$ –	\$ 3,925	N/A	\$ 15,573	\$ –	\$ 15,573	N/A
Backlog ('000)	\$ 2,305	\$ –	\$ 2,305	N/A	\$ 2,305	\$ –	\$ 2,305	N/A
Gross Revenue	\$ 4,162	\$ 4,697	\$ (535)	(11.4%)	\$ 16,802	\$ 20,059	\$ (3,257)	(16.2%)
Adj. to Gross Revenue	(206)	(302)	96	(31.9%)	(922)	(1,134)	212	(18.7%)
Net Revenue	3,956	4,394	(438)	(10.0%)	15,879	18,924	(3,045)	(16.1%)
Material	2,530	2,799	(270)	(9.6%)	10,098	11,973	(1,875)	(15.7%)
Labor	825	861	(36)	(4.2%)	3,865	3,994	(129)	(3.2%)
Other COGS	338	210	128	60.8%	589	689	(100)	(14.5%)
Total COGS	3,693	3,871	(178)	(4.6%)	14,552	16,656	(2,103)	(12.6%)
Gross Margin	263	523	(261)	(49.8%)	1,327	2,269	(942)	(41.5%)
Gross Margin %	6.6%	11.9%			8.4%	12.0%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	14	24	(10)	(41.4%)	84	115	(30)	(26.5%)
Administrative	315	329	(14)	(4.2%)	1,566	1,635	(69)	(4.2%)
Other Opex	(31)	(21)	(10)	45.9%	(78)	(94)	16	(16.6%)
Total Opex	298	332	(33)	(10.1%)	1,572	1,655	(84)	(5.1%)
EBITDA	(36)	192	(227)	(118.6%)	(244)	614	(858)	(139.8%)
EBITDA %	(0.9%)	4.4%			(1.5%)	3.2%		
Net Income (Loss)	\$ (261)	\$ (40)	\$ (221)	554.7%	\$ (1,389)	\$ (534)	\$ (855)	160.1%
Capex	\$ (196)	\$ (335)	\$ 139	(41.4%)	\$ (782)	\$ (1,212)	\$ 431	(35.5%)
<b>Opex Overview:</b>								
Payroll	\$ 57	\$ 60	\$ (3)	(5.6%)	\$ 257	\$ 289	\$ (32)	(10.9%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	1	10	(9)	(88.2%)	29	50	(21)	(41.8%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	–	0	(0)	(100.0%)	–	0	(0)	(100.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	3	5	(1)	(26.3%)	16	19	(3)	(16.6%)
Professional fees	–	–	–	N/A	–	8	(8)	(100.0%)
Utilities, repair, maintenance, and	4	2	2	73.4%	17	10	6	61.5%
Corporate OH Fees	264	274	(10)	(3.6%)	1,333	1,365	(33)	(2.4%)
Bad Debts	(0)	(0)	0	(79.1%)	(2)	(2)	0	(16.7%)
FX	(4)	–	(4)	N/A	6	–	6	N/A
JV Loss (Income)	(28)	(21)	(6)	28.7%	(84)	(94)	10	(10.4%)
Other Expenses	–	2	(2)	(100.0%)	–	10	(10)	(100.0%)
Total Opex	\$ 298	\$ 332	\$ (33)	(10.1%)	\$ 1,572	\$ 1,655	\$ (84)	(5.1%)

## Management Discussion

### Net Revenue – May-19: (\$438K):

- Sales volume down 12.4% or \$544k due to decreased demand from All Weather, Vinylbilt, Ventana, Quaker & Joint Venture; offset by higher than expected levels with Windsor & Oran.
- Lower return of products than budget by \$2k
- Favorable rebates/accruals \$56k primarily due to lower sales volume with ATIS
- Favorable product/customer mix of \$167k driven by price increase to the JV and customer/product mix (higher ASP from Quaker, Terrebonne and PGT).
- Unfavorable F/X of \$119k (actual rate of 1.3459 [or \$USD 0.743] vs. 1.30 [or \$USD 0.7692])

### EBITDA – May-19: (\$227K):

- Material COGS:** Decreased costs by \$270k driven by lower sales volumes \$347k and product mix \$25k; offset by increased finished goods scrap \$43k (Joint Venture Pitting & Quaker Dimension & Flex), lower yields 81.9% vs 85.5% \$22k and decrease regrind usage \$37k driven by product mix.
- Labor COGS:** Decreased costs by \$36k driven by favorable F/X of \$29k, lower production volumes (decrease of 18.4%) \$119k and lower subcontracting of cellular regrind \$11k; offset by inefficiencies due to poor yields, start-up and additional overtime to support tooling activities and weekend work \$123k.
- Other COGS:** Increased costs by \$128k driven by increased net absorption \$69k (lower demand), decreased tooling recovery \$60k, premise cost \$54k (one less line charge & lower sales volume) and warehouse costs \$14k (additional trailers for storage); Offset by lower utilities \$48k (volume driven) and lower factory & maintenance expenses \$21k (volume driven)
- Sales and Marketing:** Decreased costs by \$10k due to lower royalties
- Administrative:** Decreased costs of \$14k driven by favorable F/X of \$11k and 1 less headcount than budgeted
- Other Opex:** Increased costs of \$10k driven by lower JV equity income \$6k (lower sales volume) and unfavorable F/X revaluation of working capital balances \$4k

# Key Customers – Gross Sales and Gross Margin %: Woodbridge

	Gross Sales (\$'000)														Gross Margin %													
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BP's	%	Act	BP's	%	Act	Bud	BP's	%	Act	BP's	%
Customer:																												
ROYAL VINYL BILT LIMITED	\$ 895	\$ 1,040	\$ (145)	(13.9%)	\$ 875	\$ 20	2.3%	\$ 4,073	\$ 4,557	\$ (483)	(10.6%)	\$ 4,437	\$ (364)	(8.2%)	10.4%	10.4%	—	0.0%	7.9%	250	31.6%	10.8%	10.4%	40	3.8%	7.9%	290	36.7%
QUAKER WINDOW PRODUCTS	475	561	(86)	(15.3%)	479	(4)	(0.9%)	2,015	2,477	(462)	(18.6%)	2,117	(102)	(4.8%)	11.0%	11.0%	—	0.0%	8.5%	250	29.3%	12.1%	11.0%	110	10.0%	8.5%	360	42.3%
ALL WEATHER WIN. LTD-EDMO	335	412	(76)	(18.5%)	130	206	158.9%	1,195	2,386	(1,190)	(49.9%)	759	436	57.5%	19.7%	19.7%	—	0.0%	17.2%	250	14.6%	27.3%	19.7%	766	39.0%	17.2%	1,016	59.3%
VINYL BILT WINDOWS & DOORS CC	206	368	(162)	(44.0%)	507	(300)	(59.3%)	716	1,247	(530)	(42.5%)	1,725	(1,009)	(58.5%)	(18.0%)	(18.0%)	—	0.0%	(20.5%)	250	(12.2%)	(21.4%)	(18.0%)	(344)	19.2%	(20.5%)	(94)	4.6%
VINYL PRO WINDOW SYSTEMS	359	360	(1)	(0.2%)	370	(11)	(3.0%)	1,118	1,127	(9)	(0.8%)	1,163	(44)	(3.8%)	8.2%	8.2%	—	0.0%	5.7%	250	44.0%	7.8%	8.2%	(38)	(4.7%)	5.7%	212	37.3%
WINDSOR WINDOW CO	454	362	92	25.2%	367	87	23.7%	1,501	1,312	189	14.4%	1,334	167	12.5%	24.0%	24.6%	(55)	(2.3%)	22.0%	203	9.2%	22.4%	24.0%	(152)	(6.3%)	20.6%	184	8.9%
DASHWOOD INDUSTRIES LTD.	230	293	(63)	(21.4%)	311	(81)	(26.0%)	743	963	(220)	(22.8%)	1,019	(276)	(27.1%)	17.8%	17.8%	—	0.0%	15.3%	250	16.3%	19.6%	17.8%	181	10.1%	15.3%	431	28.1%
OSTACO 2000 WINDOORS INC	82	85	(4)	(4.4%)	84	(3)	(3.0%)	431	586	(155)	(26.4%)	579	(148)	(25.5%)	13.8%	13.8%	—	0.0%	11.3%	250	22.0%	17.4%	13.8%	360	26.0%	11.3%	610	53.7%
ALLSCO BLDG SUPPLIES LTD	149	196	(47)	(24.0%)	204	(55)	(26.9%)	566	542	24	4.4%	567	(1)	(0.1%)	(18.0%)	(18.0%)	0	(0.0%)	3.9%	(2,195)	(555.9%)	(17.0%)	(18.0%)	102	(5.7%)	3.9%	(2,093)	(530.0%)
TERREBONNE	136	148	(12)	(8.4%)	154	(18)	(11.6%)	646	510	136	26.7%	802	(156)	(19.5%)	(6.3%)	(6.3%)	—	0.0%	(8.8%)	250	(28.5%)	(5.2%)	(6.3%)	113	(17.9%)	(8.8%)	363	(41.3%)
PGT INDUSTRIES	97	96	1	1.5%	127	(30)	(23.4%)	493	439	54	12.2%	320	172	53.7%	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	—	74	(74)	(100.0%)	90	(90)	(100.0%)	59	339	(280)	(82.6%)	286	(227)	(79.4%)	#DIV/0!	15.9%	—	#VALUE!	13.4%	NA	#VALUE!	33.8%	15.9%	1,790	112.6%	13.4%	2,040	152.2%
CLERA	38	19	20	104.9%	26	13	49.1%	251	327	(76)	(23.2%)	396	(145)	(36.6%)	18.9%	18.9%	—	0.0%	16.4%	250	15.3%	21.6%	18.9%	270	14.3%	16.4%	520	31.8%
SEYMOUR WINDOWS LTD.	76	71	5	6.7%	75	1	0.9%	252	282	(30)	(10.6%)	297	(46)	(15.4%)	19.6%	19.6%	—	0.0%	17.1%	250	14.6%	16.7%	19.6%	(288)	(14.7%)	17.1%	(38)	(2.2%)
WARDCO WINDOW & DOOR MFG INC	51	61	(10)	(15.9%)	68	(17)	(25.1%)	232	277	(45)	(16.2%)	314	(81)	(26.0%)	34.7%	34.7%	—	0.0%	32.2%	250	7.8%	36.5%	34.7%	180	5.2%	32.2%	430	13.3%
CENTENNIAL WINDOWS LTD	30	—	30	N/A	7	23	353.6%	234	322	(88)	(27.4%)	345	(111)	(32.2%)	39.6%	#DIV/0!	—	#DIV/0!	37.1%	250	6.7%	58.4%	39.6%	1,886	47.7%	37.1%	2,136	57.6%
MASON WINDOWS	37	40	(3)	(7.6%)	40	(4)	(9.1%)	160	194	(34)	(17.3%)	199	(39)	(19.6%)	8.0%	8.0%	—	0.0%	8.0%	-	0.0%	8.8%	8.0%	76	9.5%	8.0%	76	9.5%
GREAT LAKES WINDOW INC.	25	22	4	18.3%	15	10	67.2%	100	187	(87)	(46.3%)	132	(32)	(24.0%)	8.0%	8.0%	(0)	(0.0%)	8.0%	(0)	(0.0%)	12.0%	8.0%	398	49.8%	8.0%	398	49.8%
ORAN LTD.	70	—	70	N/A	—	70	N/A	147	209	(61)	(29.4%)	217	(70)	(32.1%)	8.0%	#DIV/0!	—	#DIV/0!	#DIV/0!	NA	#DIV/0!	19.3%	8.0%	1,132	141.6%	8.0%	1,132	141.6%
INTEGRAL WINDOW SYSTEMS	35	30	5	17.2%	34	1	2.1%	119	124	(6)	(4.5%)	143	(24)	(17.1%)	8.0%	8.0%	—	0.0%	8.0%	-	0.0%	8.0%	8.0%	(0)	(0.0%)	8.0%	(0)	(0.0%)
Other	381	460	(79)	(17.1%)	726	(345)	(47.5%)	1,749	1,653	96	5.8%	4,587	(2,838)	(61.9%)	(34.7%)	31.0%	(6,570)	(211.9%)	26.0%	(6,068)	(233.6%)	(6.5%)	(36.0%)	2,955	(82.0%)	(16.2%)	968	(59.9%)
Total Gross	\$ 4,162	\$ 4,697	\$ (535)	(11.4%)	\$ 4,689	\$ (527)	(11.2%)	\$ 16,802	\$ 20,059	\$ (3,257)	(16.2%)	\$ 21,740	\$ (4,938)	(22.7%)	6.3%	11.1%	(483)	(43.4%)	9.4%	(307)	(32.7%)	10.5%	7.3%	315	42.9%	2.5%	797	317.5%

## Management Discussion

- All Weather – Sales picking up but still behind budget caused by a general slow sales seen in the market due to weather.
- Vinylbilt – loss of major customer
- Ventana – Business closing down
- Quaker – Sales have been consistent but still behind budget due to less than anticipated demand.
- Royal Vinylbilt – Softer 2019 in line with market.

# Key Performance Indicators - Woodbridge

ENERGI Woodbridge January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	YTD 2019
<b>Health &amp; Safety</b>							
Recordable Incidents	0	0	0	0	0	1	1
TRIR (Total Recordable Incident Rate)	<1	0.46	0.47	0.48	0.49	1	0.48
<b>Quality Performance</b>							
Customer Complaints - per MLBS	3.2	2.61	2.26	3.02	3.076923077	4.89089541	3
Return as % of sales	0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.44%
<b>Delivery Performance</b>							
% on time in full	95.00%	99.56%	98.80%	99%	98%		99%
% by line items	99.00%	99.56%	98.80%	99%	98%	99%	99%
<b>Costs</b>							
Yield	85.7%	85%	85%	85%	84%	85%	85%
Alt/Regrind Compound Consumption Ratio	19.9%	17%	20%	20%	18%	18%	19%
Direct Labour \$/lb produced	\$0.167	\$ 0.173	\$ 0.175	\$ 0.161	\$ 0.202	\$ 0.183	\$ 0.178
<b>Inventory</b>							
Days - TTM (Trailing 12 Months)	54.1	57	59	62	64	64	58

## Comments

**Safety:** 1 recordable: Staff cut finger trying to clear some junk from extruder. First reportable accident in 338 days, plant wide corrective actions taken

**Quality:** 13 complaints, 8 from 2019 4 from 2018 and 1 from Accord

**Costs:** Combination of cold starts, problem tools, long overall change overs, higher scrap, capstock experimentation in Eclipse and power outages.

**Inventory:** Inventory has strategically been increase to address the upcoming surge demand without increasing head count and meeting customer delivery schedules



# Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	34,971	37,280	(2,310)	(6.2%)	37,118	(2,147)	(5.8%)	
Units Shipped ('000)	34,757	37,230	(2,473)	(6.6%)	36,738	(1,981)	(5.4%)	
Bookings (\$'000)	\$ 45,314	\$ –	\$ 45,314	N/A	\$ 50,018	\$ (4,704)	(9.4%)	
Backlog ('\$000)	\$ 2,119	\$ –	\$ 2,119	N/A	\$ 3,634	\$ (1,515)	(41.7%)	
Gross Revenue	\$ 48,489	\$ 51,746	\$ (3,257)	(6.3%)	\$ 52,687	\$ (4,198)	(8.0%)	
Adj. to Gross Revenue	(2,971)	(3,183)	212	(6.7%)	(2,920)	(51)	1.7%	
Net Revenue	45,518	48,563	(3,045)	(6.3%)	49,767	(4,249)	(8.5%)	
Material	28,694	30,569	(1,875)	(6.1%)	32,620	(3,926)	(12.0%)	
Labor	9,831	9,960	(129)	(1.3%)	10,973	(1,142)	(10.4%)	
Other COGS	1,848	1,948	(100)	(5.1%)	1,960	(112)	(5.7%)	
Total COGS	40,373	42,476	(2,103)	(5.0%)	45,553	(5,180)	(11.4%)	
Gross Margin	5,145	6,087	(942)	(15.5%)	4,214	931	22.1%	
Gross Margin %	11.3%	12.5%			8.5%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	279	309	(30)	(9.8%)	291	(12)	(4.1%)	
Administrative	3,886	3,954	(69)	(1.7%)	4,006	(121)	(3.0%)	
Other Opex	(212)	(228)	16	(6.8%)	(165)	(48)	29.1%	
Total Opex	3,952	4,036	(84)	(2.1%)	4,133	(181)	(4.4%)	
EBITDA	1,193	2,051	(858)	(41.8%)	81	1,111	1366.0%	
EBITDA %	2.6%	4.2%			0.2%			
Net Income (Loss)	\$ (1,593)	\$ (738)	\$ (855)	115.9%	\$ (2,405)	\$ 812	(33.8%)	
Capex	\$ (782)	\$ (1,365)	\$ 584	(42.8%)	\$ (3,745)	\$ 2,963	(79.1%)	
<u>Opex Overview:</u>								
Payroll	\$ 697	\$ 729	\$ (32)	(4.3%)	\$ 759	\$ (62)	(8.1%)	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	98	119	(21)	(17.5%)	115	(16)	(14.2%)	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	7	7	(0)	(0.3%)	10	(3)	(29.7%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	46	49	(3)	(6.5%)	47	(1)	(2.3%)	
Professional fees	23	31	(8)	(25.0%)	36	(13)	(35.8%)	
Utilities, repair, maintenance, and security	33	27	6	24.0%	26	7	27.3%	
Corporate OH Fees	3,248	3,281	(33)	(1.0%)	3,299	(51)	(1.5%)	
Bad Debts	(4)	(5)	0	(6.9%)	(13)	8	(66.2%)	
FX	6	–	6	N/A	(82)	88	(107.2%)	
JV Loss (Income)	(218)	(228)	10	(4.3%)	(83)	(136)	163.9%	
Other Expenses	15	25	(10)	(39.0%)	21	(6)	(27.1%)	
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	\$	10,573	\$	11,057	\$	(483)	(4.4%)	\$	10,577	\$	(4)	(0.0%)	10.4%	10.1%	26	2.5%	7.9%	245	30.9%	
QUAKER WINDOW PRODUCTS		5,566		6,028		(462)	(7.7%)		5,345		220	4.1%	11.3%	10.8%	50	4.7%	8.5%	277	32.5%	
ALL WEATHER WIN. LTD-EDMO		4,124		5,314		(1,190)	(22.4%)		2,047		2,077	101.4%	22.5%	19.4%	315	16.2%	17.2%	539	31.4%	
VINYL BILT WINDOWS & DOORS CC		3,249		3,779		(530)	(14.0%)		4,689		(1,441)	(30.7%)	(16.4%)	(15.2%)	(121)	8.0%	(20.5%)	408	(19.9%)	
VINYL PRO WINDOW SYSTEMS		3,579		3,587		(9)	(0.2%)		3,893		(315)	(8.1%)	6.0%	6.0%	1	0.1%	5.7%	30	5.2%	
WINDSOR WINDOW CO		3,899		3,710		189	5.1%		3,491		408	11.7%	20.6%	21.3%	(71)	(3.3%)	19.0%	161	8.5%	
DASHWOOD INDUSTRIES LTD.		2,671		2,891		(220)	(7.6%)		2,976		(305)	(10.2%)	16.5%	15.8%	68	4.3%	15.3%	118	7.7%	
OSTACO 2000 WINDOORS INC		1,756		1,911		(155)	(8.1%)		1,810		(54)	(3.0%)	14.4%	13.7%	71	5.1%	11.3%	307	27.1%	
ALLSCO BLDG SUPPLIES LTD		1,604		1,580		24	1.5%		1,520		84	5.5%	(14.4%)	(14.5%)	9	(0.6%)	3.9%	(1,833)	(464.3%)	
TERREBONNE		1,333		1,197		136	11.3%		1,510		(176)	(11.7%)	(5.0%)	(5.2%)	22	(4.3%)	(8.8%)	383	(43.6%)	
PGT INDUSTRIES		1,168		1,115		54	4.8%		954		214	22.4%	0.0%	0.0%	–	N/A	6.3%	(626)	(100.0%)	
VENTANA WINDOWS & DOORS IN		581		861		(280)	(32.5%)		754		(173)	(23.0%)	19.5%	15.2%	430	28.3%	13.4%	609	45.4%	
CLERA		746		821		(76)	(9.2%)		969		(223)	(23.0%)	21.8%	20.5%	125	6.1%	16.4%	544	33.3%	
SEYMOUR WINDOWS LTD.		761		791		(30)	(3.8%)		822		(62)	(7.5%)	14.2%	14.0%	19	1.4%	17.1%	(286)	(16.7%)	
WARDCO WINDOW & DOOR MFG		688		733		(45)	(6.1%)		874		(186)	(21.3%)	33.2%	32.1%	112	3.5%	32.2%	102	3.2%	
CENTENNIAL WINDOWS LTD		544		633		(88)	(14.0%)		717		(173)	(24.1%)	55.0%	49.3%	566	11.5%	37.1%	1,791	48.3%	
MASON WINDOWS		428		462		(34)	(7.3%)		449		(21)	(4.7%)	8.5%	8.1%	38	4.7%	8.0%	46	5.8%	
GREAT LAKES WINDOW INC.		313		400		(87)	(21.6%)		364		(50)	(13.8%)	10.6%	9.1%	151	16.6%	8.0%	260	32.5%	
ORAN LTD.		295		357		(61)	(17.2%)		517		(222)	(42.9%)	12.5%	11.0%	146	13.2%	8.0%	448	56.0%	
INTEGRAL WINDOW SYSTEMS		302		308		(6)	(1.8%)		315		(12)	(4.0%)	8.0%	8.0%	–	0.0%	8.0%	(0)	(0.0%)	
Other		4,308		4,212		96	2.3%		8,091		(3,783)	(46.8%)	16.8%	(30.4%)	4,719	(155.2%)	10.5%	623	59.1%	
Total Gross	\$	48,489	\$	51,746	\$	(3,257)	(6.3%)	\$	52,687	\$	(4,198)	(8.0%)	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)	1,817	1,897	(80)	(4.2%)	8,014	7,883	131	1.7%
Units Shipped ('000)	1,891	2,016	(124)	(6.2%)	7,157	7,556	(399)	(5.3%)
Bookings (\$'000)	\$ 3,304	\$ —	\$ 3,304	N/A	\$ 12,728	\$ —	\$ 12,728	N/A
Backlog (\$'000)	\$ 3,251	\$ —	\$ 3,251	N/A	\$ 3,251	\$ —	\$ 3,251	N/A
Gross Revenue	\$ 3,482	\$ 3,709	\$ (227)	(6.1%)	\$ 12,885	\$ 14,023	\$ (1,138)	(8.1%)
Adj. to Gross Revenue	(316)	(310)	(6)	1.8%	(1,018)	(1,057)	39	(3.7%)
Net Revenue	3,166	3,399	(233)	(6.9%)	11,867	12,966	(1,098)	(8.5%)
Material	1,478	1,603	(125)	(7.8%)	5,429	6,036	(607)	(10.1%)
Labor	558	574	(16)	(2.8%)	2,389	2,557	(167)	(6.5%)
Other COGS	215	246	(31)	(12.7%)	488	702	(215)	(30.6%)
Total COGS	2,251	2,423	(172)	(7.1%)	8,306	9,295	(989)	(10.6%)
Gross Margin	915	976	(61)	(6.2%)	3,561	3,671	(110)	(3.0%)
Gross Margin %	28.9%	28.7%			30.0%	28.3%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	165	172	(7)	(4.2%)	695	756	(60)	(8.0%)
Administrative	247	255	(7)	(2.9%)	1,233	1,262	(30)	(2.3%)
Other Opex	0	—	0	N/A	(7)	—	(7)	N/A
Total Opex	412	427	(15)	(3.4%)	1,921	2,018	(97)	(4.8%)
EBITDA	503	549	(46)	(8.5%)	1,640	1,652	(12)	(0.7%)
EBITDA %	15.9%	16.2%			13.8%	12.7%		
Net Income (Loss)	\$ 398	\$ 426	\$ (28)	(6.6%)	\$ 1,093	\$ 1,069	\$ 24	2.2%
Capex	\$ (16)	\$ (215)	\$ 199	(92.5%)	\$ (361)	\$ (737)	\$ 376	(51.1%)
<b>Opex Overview:</b>								
Payroll	\$ 118	\$ 118	\$ 0	0.2%	\$ 540	\$ 564	\$ (24)	(4.3%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	66	82	(17)	(20.1%)	268	323	(54)	(16.8%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	6	2	3	124.7%	18	12	6	46.6%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	4	5	(1)	(19.0%)	25	24	1	4.0%
Professional fees	7	7	0	2.5%	29	33	(3)	(9.9%)
Utilities, repair, maintenance, and	5	6	(1)	(20.6%)	32	31	1	3.1%
Corporate OH Fees	174	182	(7)	(4.1%)	879	908	(29)	(3.2%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	0	—	0	N/A	(7)	—	(7)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	33	25	8	32.4%	136	124	13	10.3%
Total Opex	\$ 412	\$ 427	\$ (15)	(3.4%)	\$ 1,921	\$ 2,018	\$ (97)	(4.8%)

## Management Discussion

### Net Revenue – May-19: (\$233K):

- Sales volume down 6.2% or \$210k due to decreased volume Laflamme, Terrebonne, Fenestres Cote, Gentek and G.R. Theriault; offset by increased demand from Nordist Windows and Solaris.
- Favorable rebates/discounts of \$9k driven by lower volumes to ATIS offset by new rebate program for Isothermic
- Favorable mix impact of \$78k primarily driven by increase volume in products purchased for resale & customer mix: ATIS Group, Terrebonne & Gentek.
- Unfavorable F/X of \$110k (actual rate of 1.3459 [or \$USD 0.743] vs. 1.30 [or \$USD 0.7692])

### EBITDA – May-19: (\$46K):

- Material COGS:** Decrease in costs by \$125k driven by decreased sales volume of \$99k, improved yields \$21k (87.33% vs 84%) and lower reserves \$5k.
- Labor COGS:** Decrease in costs by \$16k driven by lower production volume \$18k, favorable F/X \$19k; offset by increased IDL costs \$11k (prior month stat holiday cost) an additional OT \$8k (cover employee absence).
- Other COGS:** Decrease in cost by \$31k driven by favorable absorption of \$6k, increased tool & die recovery \$15k, lower utility costs \$10k & lower freight costs \$15k (sales volume); offset by maintenance expenses \$15k (lift truck repairs and motor repairs on vacuum pumps)
- Sales and Marketing:** Decrease in cost by \$7k driven by favorable F/X
- Administrative:** Decrease in cost by \$7k driven by favorable F/X
- 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.	\$	457	\$	410	\$	47	11.4%	\$	419	\$	38	9.0%	\$	1,828	\$	1,626	\$	202	12.4%	\$	1,721	\$	107	6.2%	24.1%	23.7%	46	1.9%	23.4%	73	3.1%	23.6%	23.6%	3	0.1%	22.4%	121	5.4%
ATLANTIC WINDOWS		355		326		29	8.8%		313		42	13.3%		1,191		1,367	(176)	(12.9%)		1,365	(174)	(12.8%)	13.6%	13.5%	12	0.9%	14.1%	(44)	(3.1%)	14.6%	11.3%	331	29.4%	10.7%	386	35.9%		
SCHLUTER SYSTEMS L.P.		295		255		40	15.8%		254		41	16.3%		856		1,057	(201)	(19.0%)		1,053	(197)	(18.7%)	23.7%	18.0%	568	31.5%	18.5%	522	28.2%	24.3%	22.1%	220	10.0%	21.4%	286	13.4%		
LAFLAMME PORTES		199		347	(148)	(42.6%)		343	(144)	(41.9%)		686		968	(282)	(29.1%)		963	(277)	(28.7%)	(11.8%)	(19.6%)	779	(39.7%)	(13.4%)	160	(12.0%)	(13.3%)	(19.4%)	612	(31.6%)	(14.0%)	71	(5.1%)				
PTES & FEN ISOTHERMIC INC		235		246	(11)	(4.4%)		257	(22)	(8.4%)		763		777	(14)	(1.8%)		819	(56)	(6.8%)	19.0%	29.3%	(1,028)	(35.1%)	26.1%	(709)	(27.2%)	21.5%	29.0%	(750)	(25.8%)	26.4%	(481)	(18.2%)				
PORTES & FENETRES ABRITEK		188		175	13	7.5%		171	17	10.0%		492		592	(100)	(16.9%)		622	(130)	(20.9%)	30.8%	32.0%	(119)	(3.7%)	32.2%	(135)	(4.2%)	30.2%	32.0%	(173)	(5.4%)	30.0%	19	0.6%				
ATIS PORTES & FENETRES		136		127	9	6.8%		133	3	1.9%		590		504	86	17.0%		612	(22)	(3.7%)	(14.7%)	(26.0%)	1,132	(43.6%)	(14.3%)	(38)	2.6%	(17.1%)	(25.8%)	872	(33.8%)	(15.4%)	(166)	10.8%				
EXTREME ENTRANCE SYSTEMS		158		170	(12)	(7.2%)		164	(6)	(3.8%)		481		622	(141)	(22.6%)		646	(165)	(25.5%)	15.6%	24.7%	(909)	(36.8%)	17.1%	(146)	(8.5%)	15.5%	24.7%	(926)	(37.4%)	15.8%	(38)	(2.4%)				
FENERGIC INC		85		133	(48)	(35.7%)		146	(61)	(41.4%)		401		414	(13)	(3.1%)		503	(102)	(20.2%)	12.4%	25.6%	(1,314)	(51.4%)	23.3%	(1,086)	(46.6%)	17.0%	25.3%	(832)	(32.9%)	15.4%	156	10.1%				
LES FENETRES CONCEPT.		140		164	(24)	(14.9%)		139	1	0.4%		513		453	60	13.2%		420	93	22.1%	15.1%	16.5%	(134)	(8.2%)	16.5%	(143)	(8.6%)	14.9%	16.3%	(139)	(8.5%)	17.0%	(213)	(12.5%)				
P & C EDDY BOULET INC		47		17	30	178.0%		16	31	195.4%		373		369	4	1.1%		422	(49)	(11.6%)	22.5%	5.9%	1,659	282.1%	18.8%	373	19.9%	20.6%	6.2%	1,436	230.7%	17.4%	320	18.4%				
PRODUITS DALMEN PRODUCTS		90		89	1	1.0%		68	22	32.1%		195		395	(200)	(50.6%)		335	(140)	(41.7%)	16.8%	15.7%	106	6.7%	10.3%	649	63.1%	19.3%	15.9%	340	21.4%	13.7%	565	41.4%				
KENTO WINDOWS & DOORS		18		58	(40)	(69.0%)		58	(40)	(69.0%)		222		214	8	3.7%		216	6	2.7%	25.4%	31.0%	(564)	(18.2%)	31.0%	(564)	(18.2%)	31.2%	30.7%	49	1.6%	32.7%	(152)	(4.6%)				
GENTEK BUILDING PROD. LTD		24		73	(49)	(67.7%)		57	(33)	(58.7%)		81		263	(182)	(69.2%)		211	(130)	(61.6%)	7.0%	12.3%	(531)	(43.1%)	7.0%	0	0.0%	6.1%	12.1%	(602)	(49.7%)	21.2%	(1,506)	(71.2%)				
GOLDEN WINDOWS		54		33	21	64.1%		50	4	8.3%		252		127	125	98.3%		192	60	31.1%	(3.4%)	(3.0%)	(33)	10.8%	10.0%	(1,336)	(133.6%)	(1.5%)	(3.1%)	160	(51.1%)	3.8%	(534)	(140.4%)				
ENTREPRISES DOCO INC.		51		65	(14)	(21.5%)		52	(1)	(1.9%)		188		234	(46)	(19.6%)		220	(32)	(14.5%)	24.3%	21.5%	280	13.0%	(3.8%)	2,818	(732.8%)	24.1%	21.9%	220	10.1%	(5.6%)	2,966	(530.7%)				
FUTURA MANUFACTURIER		60		39	21	54.7%		43	17	40.3%		128		135	(7)	(5.5%)		151	(23)	(15.5%)	9.7%	20.5%	(1,080)	(52.6%)	25.6%	(1,587)	(62.0%)	5.2%	20.6%	(1,532)	(74.6%)	34.2%	(2,893)	(84.7%)				
G.R. THÉRIAULT		58		98	(40)	(40.6%)		84	(26)	(30.7%)		129		129	0	0.3%		146	(17)	(11.4%)	24.1%	34.7%	(1,056)	(30.4%)	4.8%	1,937	406.8%	23.6%	33.8%	(1,016)	(30.1%)	8.1%	1,550	190.9%				
PORTES ET FENETRES LGC		53		29	24	84.2%		29	24	84.2%		183		129	54	41.5%		171	12	6.8%	38.3%	55.2%	(1,692)	(30.7%)	62.1%	(2,382)	(38.4%)	39.2%	55.1%	(1,591)	(28.9%)	18.3%	2,082	113.5%				
LAS ENTERPRISES		41		27	14	50.1%		29	12	39.8%		189		178	11	6.0%		184	5	2.5%	42.3%	51.9%	(952)	(18.4%)	37.9%	440	11.6%	49.2%	51.0%	(183)	(3.6%)	28.3%	2,084	73.5%				
Other		738		828	(91)	(10.9%)		893	(155)	(17.4%)		3,144		3,470	(326)	(9.4%)		4,210	(1,066)	(25.3%)	63.8%	64.2%	(40)	(0.6%)	1.7%	6,215	3699.7%	62.2%	56.2%	601	10.7%	16.0%	4,626	289.8%				
Total Gross	\$	3,482	\$	3,709	\$	(227)	(6.1%)	\$	3,718	\$	(236)	(6.3%)	\$	12,885	\$	14,023	\$	(1,138)	(8.1%)	\$	15,182	\$	(2,297)	(15.1%)	26.3%	26.3%	(3)	(0.1%)	27.1%	(77)	(2.9%)	27.8%	26.0%	180	6.9%	23.6%	419	17.8%

## Management Discussion

- Solaris – Back up to Q1 sales trend in May making up for a quieter April.
- Atlantic Pick up in orders in May following slightly lower sales YTD vs budget due to weather as well as inventory build up in 2018.
- La Flamme – Lower than anticipated sales due to bad weather.

# Key Performance Indicators - Laval

<b>ENERGI Laval Extrusion January KPI Report</b>	<b>2019 Targets</b>	<b>Jan-19</b>	<b>Feb-19</b>	<b>Mar-19</b>	<b>Apr-19</b>	<b>May-19</b>	<b>YTD 2019</b>
<b>Health &amp; Safety</b>							
<i>Recordable Incidents</i>	<b>0</b>	1	1	0	0	0	2
<i>TRIR (Total Recordable Incident Rate)</i>	<b>&lt;1</b>	4.95	4.95	4.12	4.3	4.31	4.12
<b>Quality Performance</b>							
<i>Customer Complaints - per MLBS</i>	<b>22.5</b>	16	23	33	36	44	30
<i>Return as % of sales</i>	<b>0.78%</b>	0.24%	0.38%	0.54%	0.68%	0.31%	0.44%
<b>Delivery Performance</b>							
<i>% on time in full</i>	<b>95.00%</b>	99.73%	99.75%	99.58%	99.82%	99.81%	100%
<i>% by line items</i>	<b>99.00%</b>	99.73%	99.75%	99.58%	99.82%	99.81%	100%
<b>Costs</b>							
<i>Yield</i>	<b>84.00%</b>	85.48%	85.19%	87%	88%	87%	87%
<i>Alt/Regrind Compound Consumption Ratio</i>	<b>20.89%</b>	20.18%	19.41%	18%	16%	20%	19%
<i>Direct Labour \$/lb produced</i>	<b>\$0.192</b>	\$ 0.195	\$0.184	\$ 0.186	\$ 0.115	\$ 0.191	\$ 0.173
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	<b>\$0.237</b>	\$ 0.267	\$0.219	\$ 0.208	\$ 0.216	\$ 0.223	\$ 0.225
<b>Inventory</b>							
<i>Days - TTM (Trailing 12 Months)</i>	<b>69.3</b>	67	66.4	68	69	68	67

## Comments:

**Quality:** 11 complaints by Abritek (small dollar value), 4 by Vaillancourt, 4 by Extreme Entrance, 3 by Laflamme, 3 by Preville are the main customers.

**Costs:** Not enough scrap generated and alternative materials bought are not in sufficient quantities

# Full Year Laval P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Fcst	\$	%	
Units Produced ('000)	19,169	19,038	131	0.7%	19,947	(778)	(3.9%)	
Units Shipped ('000)	18,716	19,115	(399)	(2.1%)	19,803	(1,086)	(5.5%)	
Bookings (\$'000)	\$ 32,036	\$ —	\$ 32,036	N/A	\$ 36,193	\$ (4,158)	(11.5%)	
Backlog ('\$000)	\$ 1,897	\$ —	\$ 1,897	N/A	\$ 2,942	\$ (1,045)	(35.5%)	
Gross Revenue	\$ 34,547	\$ 35,684	\$ (1,138)	(3.2%)	\$ 37,211	\$ (2,665)	(7.2%)	
Adj. to Gross Revenue	(2,785)	(2,824)	39	(1.4%)	(3,256)	471	(14.5%)	
Net Revenue	31,762	32,861	(1,098)	(3.3%)	33,956	(2,193)	(6.5%)	
Material	14,603	15,210	(607)	(4.0%)	16,229	(1,626)	(10.0%)	
Labor	6,082	6,249	(167)	(2.7%)	6,587	(506)	(7.7%)	
Other COGS	1,860	2,074	(215)	(10.3%)	2,233	(373)	(16.7%)	
Total COGS	22,544	23,533	(989)	(4.2%)	25,049	(2,505)	(10.0%)	
Gross Margin	9,218	9,328	(110)	(1.2%)	8,907	311	3.5%	
Gross Margin %	29.0%	28.4%			26.2%			
R&D	—	—	—	N/A	—	—	N/A	
Sales & Marketing	1,793	1,853	(60)	(3.3%)	2,003	(210)	(10.5%)	
Administrative	3,000	3,030	(30)	(1.0%)	3,071	(71)	(2.3%)	
Other Opex	(7)	—	(7)	N/A	17	(24)	(144.1%)	
Total Opex	4,786	4,883	(97)	(2.0%)	5,090	(305)	(6.0%)	
EBITDA	4,432	4,445	(12)	(0.3%)	3,816	616	16.1%	
EBITDA %	14.0%	13.5%			11.2%			
Net Income (Loss)	\$ 2,960	\$ 2,936	\$ 24	0.8%	\$ 2,573	\$ 387	15.0%	
Capex	\$ (361)	\$ (1,235)	\$ 875	(70.8%)	\$ (1,614)	\$ 1,254	(77.7%)	
<b>Opex Overview:</b>								
Payroll	\$ 1,353	\$ 1,377	\$ (24)	(1.7%)	\$ 1,449	\$ (95)	(6.6%)	
Bonus	—	—	—	N/A	—	—	N/A	
Commissions	—	—	—	N/A	—	—	N/A	
Marketing	745	799	(54)	(6.8%)	819	(74)	(9.0%)	
Benefits	—	—	—	N/A	—	—	N/A	
Travel and entertainment	37	31	6	18.6%	44	(7)	(16.3%)	
Rent and facilities	—	—	—	N/A	—	—	N/A	
Insurance	58	57	1	1.7%	51	7	13.7%	
Professional fees	75	78	(3)	(4.1%)	95	(20)	(21.0%)	
Utilities, repair, maintenance, and security	65	64	1	1.5%	71	(5)	(7.6%)	
Corporate OH Fees	2,150	2,178	(29)	(1.3%)	2,180	(30)	(1.4%)	
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)	
FX	(7)	—	(7)	N/A	17	(24)	(144.1%)	
JV Loss (Income)	—	—	—	N/A	—	—	N/A	
Other Expenses	310	297	13	4.3%	365	(56)	(15.2%)	
Total Opex	\$ 4,786	\$ 4,883	\$ (97)	(2.0%)	\$ 5,093	\$ (308)	(6.0%)	

# 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.	\$	4,278	\$	4,075	\$	203	5.0%	\$	4,262	\$	16	0.4%	23.8%	23.7%	6	0.3%	22.9%	85	3.7%
ATLANTIC WINDOWS		3,458		3,635		(177)	(4.9%)		3,475		(17)	(0.5%)	13.5%	12.3%	121	9.8%	12.7%	84	6.6%
SCHLUTER SYSTEMS L.P.		2,357		2,557		(200)	(7.8%)		2,796		(439)	(15.7%)	24.0%	22.8%	123	5.4%	21.4%	258	12.0%
LAFLAMME PORTES		2,195		2,478		(283)	(11.4%)		2,426		(231)	(9.5%)	(17.3%)	(19.4%)	216	(11.1%)	(13.3%)	(398)	29.9%
PTES & FEN ISOTHERMIC INC		1,985		1,999		(14)	(0.7%)		2,163		(178)	(8.2%)	25.6%	29.0%	(347)	(12.0%)	21.9%	364	16.6%
PORTES & FENETRES ABRITEK		1,725		1,824		(99)	(5.4%)		1,742		(17)	(1.0%)	31.5%	32.0%	(52)	(1.6%)	31.2%	29	0.9%
ATIS PORTES & FENETRES		1,637		1,552		85	5.5%		1,669		(32)	(1.9%)	(21.9%)	(25.7%)	375	(14.6%)	(15.4%)	(652)	42.3%
EXTREME ENTRANCE SYSTEMS		1,447		1,587		(140)	(8.8%)		1,619		(172)	(10.7%)	21.4%	24.8%	(340)	(13.7%)	16.9%	445	26.3%
FENERGIC INC		1,092		1,105		(13)	(1.1%)		1,260		(168)	(13.3%)	21.2%	25.1%	(390)	(15.5%)	14.8%	640	43.1%
LES FENETRES CONCEPT.		1,291		1,231		60	4.9%		1,131		160	14.1%	15.7%	16.3%	(60)	(3.7%)	17.9%	(228)	(12.7%)
P & C EDDY BOULET INC		975		971		4	0.4%		849		126	14.8%	12.8%	6.1%	672	110.2%	21.3%	(849)	(39.8%)
PRODUITS DALMEN PRODUCTS		673		873		(200)	(22.9%)		692		(19)	(2.8%)	16.9%	16.0%	85	5.3%	14.5%	243	16.8%
KENTO WINDOWS & DOORS		702		694		8	1.1%		674		28	4.1%	31.2%	30.6%	64	2.1%	31.2%	7	0.2%
GENTEK BUILDING PROD. LTD		464		646		(182)	(28.1%)		528		(64)	(12.0%)	10.7%	12.0%	(131)	(10.9%)	12.5%	(184)	(14.7%)
GOLDEN WINDOWS		475		350		125	35.7%		512		(37)	(7.2%)	(2.2%)	(3.0%)	82	(27.0%)	5.3%	(750)	(142.2%)
ENTREPRISES DOCO INC.		531		576		(45)	(7.8%)		503		28	5.6%	22.6%	21.9%	71	3.3%	(3.2%)	2,578	(810.3%)
FUTURA MANUFACTURIER		468		475		(7)	(1.6%)		453		15	3.2%	15.7%	20.9%	(517)	(24.8%)	23.2%	(748)	(32.3%)
G.R. THÉRIAULT		450		449		1	0.3%		433		17	4.0%	30.6%	34.2%	(358)	(10.5%)	9.7%	2,089	215.4%
PORTES ET FENETRES LGC		439		384		55	14.3%		435		4	0.9%	47.7%	55.0%	(731)	(13.3%)	22.8%	2,491	109.4%
LAS ENTERPRISES		431		420		11	2.5%		423		8	1.8%	50.1%	51.3%	(120)	(2.3%)	37.6%	1,250	33.2%
Other		7,475		7,803		(329)	(4.2%)		9,166		(1,691)	(18.5%)	65.8%	63.2%	265	4.2%	2.4%	6,343	2654.9%
Total Gross	\$	34,547	\$	35,684	\$	(1,138)	(3.2%)	\$	37,211	\$	(2,665)	(7.2%)	27.2%	26.5%	63	2.4%	23.9%	322	13.5%

# Delmont Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,649	2,221	(572)	(25.7%)	8,828	9,932	(1,104)	(11.1%)
Units Shipped ('000)	2,143	2,241	(98)	(4.4%)	9,188	9,980	(792)	(7.9%)
Bookings (\$'000)	\$ 3,419	\$ –	\$ 3,419	N/A	\$ 15,232	\$ –	\$ 15,232	N/A
Backlog (\$'000)	\$ 1,306	\$ –	\$ 1,306	N/A	\$ 1,306	\$ –	\$ 1,306	N/A
Gross Revenue	\$ 3,853	\$ 3,907	\$ (54)	(1.4%)	\$ 16,287	\$ 17,386	\$ (1,100)	(6.3%)
Adj. to Gross Revenue	(106)	(114)	8	(7.4%)	(415)	(501)	86	(17.1%)
Net Revenue	3,747	3,793	(46)	(1.2%)	15,872	16,885	(1,014)	(6.0%)
Material	1,882	1,851	31	1.7%	7,767	8,275	(508)	(6.1%)
Labor	603	723	(121)	(16.7%)	3,109	3,476	(367)	(10.6%)
Other COGS	526	291	235	80.7%	1,581	1,319	262	19.9%
Total COGS	3,011	2,865	145	5.1%	12,457	13,070	(613)	(4.7%)
Gross Margin	737	928	(191)	(20.6%)	3,415	3,815	(401)	(10.5%)
Gross Margin %	19.7%	24.5%			21.5%	22.6%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	10	16	(5)	(32.7%)	67	76	(9)	(11.6%)
Administrative	221	227	(6)	(2.8%)	1,084	1,122	(39)	(3.4%)
Other Opex	–	–	–	N/A	–	–	–	N/A
Total Opex	231	243	(12)	(4.8%)	1,150	1,198	(47)	(4.0%)
EBITDA	505	685	(179)	(26.2%)	2,264	2,617	(353)	(13.5%)
EBITDA %	13.5%	18.1%			14.3%	15.5%		
Net Income (Loss)	\$ 351	\$ 538	\$ (188)	(34.9%)	\$ 1,498	\$ 1,901	\$ (402)	(21.2%)
Capex	\$ (58)	\$ (136)	\$ 78	(57.4%)	\$ (433)	\$ (607)	\$ 174	(28.7%)
<b>Opex Overview:</b>								
Payroll	\$ 57	\$ 66	\$ (9)	(13.2%)	\$ 263	\$ 313	\$ (50)	(15.9%)
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)	(16.6%)	15	19	(3)	(17.4%)
Corporate OH Fees	165	165	(0)	(0.1%)	830	826	4	0.4%
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	–	–	–	N/A	–	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	6	8	(2)	(30.4%)	41	40	1	2.2%
Total Opex	\$ 231	\$ 243	\$ (12)	(4.8%)	\$ 1,150	\$ 1,198	\$ (48)	(4.0%)

## Management Discussion

### Net Revenue – May-19: (\$46K)

- Sales volume down 4.4% or \$166k driven by decreased demand from Comfort View, Polaris and GDIC.
- Rebates/returns/accruals in line with budget
- Positive mix impact of \$120k primarily driven by customer/product mix – PGT Dark Cap Sales, Polaris new launch slower than expected.

### EBITDA – May-19: (\$179K)

- **Material COGS:** Increase in costs by \$31k primarily driven by decreased alt material/regrind usage \$52k, lower yields \$29k (82.8% vs 84%), increased inventory reserves \$22k and Vytron price increase \$9k (3<sup>rd</sup> party purchases); offset by decreased sales volumes \$81k.
- **Labor COGS:** Decrease in cost by \$121K driven by lower headcount (20) due to reduced production volumes (25.7%).
- **Other COGS:** Increase in cost by \$235k driven higher net absorption of \$282k; offset by higher tooling recovery \$33k and lower freight expenses \$14k
- **Sales and Marketing:** Decrease in costs by \$5k, primarily driven by 1 less headcount (CSR temp layoff)
- **Administrative:** Decrease in costs by \$7k, primarily driven by 1 less headcount (HR manager) and lower office supplies spend



# 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	\$ 2,002	\$ 1,970	\$ 32	1.6%	\$ 1,602	\$ 400	25.0%	\$ 9,001	\$ 8,715	\$ 286	3.3%	\$ 8,476	\$ 525	6.2%	17.2%	21.1%	(388)	(18.4%)	13.7%	352	25.7%	19.9%	19.7%	13	0.7%	12.2%	768	63.0%					
Polaris Technologies	561	565	(4)	(0.7%)	355	206	58.0%	2,070	2,419	(349)	(14.4%)	1,454	616	42.4%	14.5%	17.2%	(267)	(15.5%)	14.9%	(43)	(2.9%)	16.3%	16.7%	(43)	(2.6%)	13.6%	268	19.7%					
Comfort View Products	188	270	(82)	(30.4%)	270	(82)	(30.4%)	855	1,366	(511)	(37.4%)	1,299	(444)	(34.2%)	15.2%	17.8%	(261)	(14.7%)	12.6%	257	20.4%	20.3%	13.9%	641	46.2%	11.1%	918	82.6%					
Sierra Pacific Windows	213	246	(33)	(13.4%)	286	(73)	(25.5%)	1,002	1,089	(87)	(8.0%)	1,079	(77)	(7.1%)	5.9%	9.8%	(387)	(39.6%)	6.6%	(75)	(11.4%)	9.7%	9.0%	70	7.8%	5.3%	442	83.3%					
Atrium Windows & Doors	159	123	36	29.3%	115	44	38.3%	642	708	(66)	(9.3%)	672	(30)	(4.5%)	36.0%	57.7%	(2,174)	(37.7%)	35.7%	33	0.9%	37.8%	38.6%	(81)	(2.1%)	35.7%	206	5.8%					
Regency Plus, Inc.	284	202	82	40.6%	182	102	56.0%	901	774	127	16.4%	729	172	23.6%	20.9%	17.3%	355	20.5%	13.7%	714	52.0%	19.8%	19.2%	57	3.0%	14.2%	559	39.5%					
Brunswick Bowling And Billiards	167	189	(22)	(11.6%)	189	(22)	(11.6%)	559	809	(250)	(30.9%)	779	(220)	(28.2%)	41.3%	44.4%	(316)	(7.1%)	39.7%	160	4.0%	39.9%	42.7%	(274)	(6.4%)	41.8%	(191)	(4.6%)					
Qubicaamf Worlwide LCC	48	74	(26)	(35.1%)	74	(26)	(35.1%)	354	421	(67)	(15.9%)	441	(87)	(19.7%)	50.3%	63.5%	(1,318)	(20.8%)	45.9%	439	9.5%	44.4%	45.4%	(100)	(2.2%)	43.4%	105	2.4%					
NewSouth Window Solutions, LLC	54	81	(27)	(33.3%)	115	(61)	(53.0%)	186	360	(174)	(48.3%)	472	(286)	(60.6%)	42.4%	32.1%	1,033	32.2%	32.2%	1,025	31.9%	33.5%	30.3%	322	10.6%	33.3%	24	0.7%					
Great Day Improvement, LLC	45	97	(52)	(53.6%)	97	(52)	(53.6%)	117	215	(98)	(45.6%)	214	(97)	(45.3%)	33.0%	17.5%	1,549	88.4%	35.1%	(204)	(5.8%)	34.4%	38.0%	(356)	(9.4%)	31.4%	301	9.6%					
Yoders Window & Siding	62	–	62	N/A	–	62	N/A	166	157	9	5.7%	207	(41)	(19.8%)	35.4%	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	25.6%	31.4%	(583)	(18.5%)	36.2%	(1,062)	(29.3%)					
Fairway Building Products	–	7	(7)	(100.0%)	7	(7)	(100.0%)	60	42	18	42.9%	42	18	42.9%	#DIV/0!	57.1%	–	#VALUE!	0.0%	NA	N/A	11.7%	37.9%	(2,620)	(69.1%)	20.7%	(896)	(43.3%)					
Graber Manufacturing Llc	–	16	(16)	(100.0%)	16	(16)	(100.0%)	–	92	(92)	(100.0%)	92	(92)	(100.0%)	#DIV/0!	25.0%	–	#VALUE!	68.8%	NA	#VALUE!	#DIV/0!	16.7%	–	#VALUE!	39.9%	NA	#VALUE!					
Columbia Industries, Inc.	–	–	-	N/A	–	-	N/A	53	–	53	N/A	–	53	N/A	#DIV/0!	#DIV/0!	–	#VALUE!	#DIV/0!	NA	#DIV/0!	1.8%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!					
Jeld-Wen Windows & Doors	–	4	(4)	(100.0%)	4	(4)	(100.0%)	8	21	(13)	(61.9%)	26	(18)	(69.2%)	#DIV/0!	25.0%	–	#VALUE!	25.0%	NA	#VALUE!	20.9%	5.6%	1,538	276.9%	15.2%	572	37.6%					
Constant Distribution LLC	–	–	-	N/A	1	(1)	(100.0%)	7	–	7	N/A	7	-	0.0%	#DIV/0!	#DIV/0!	–	#VALUE!	(200.0%)	NA	#VALUE!	(12.3%)	#DIV/0!	–	#DIV/0!	(30.8%)	1,851	(60.2%)					
CGI	4	5	(1)	(20.0%)	–	4	N/A	26	13	13	100.0%	–	26	N/A	7.7%	0.0%	770	#DIV/0!	#DIV/0!	NA	#DIV/0!	(13.3%)	0.0%	(1,330)	N/A	#DIV/0!	NA	#DIV/0!					
East Central Indiana Vinyl MFG, LU	–	4	(4)	(100.0%)	4	(4)	(100.0%)	14	12	2	16.7%	14	-	0.0%	#DIV/0!	25.0%	–	#VALUE!	25.0%	NA	#VALUE!	4.3%	40.0%	(3,568)	(89.2%)	45.8%	(4,152)	(90.6%)					
Lakeland Polymers, LLC	1	1	-	0.0%	1	-	0.0%	3	5	(2)	(40.0%)	22	(19)	(86.4%)	(201.6%)	(300.0%)	9,840	(32.8%)	0.0%	(20,160)	N/A	(407.8%)	(250.0%)	(15,776)	63.1%	(14.0%)	(39,380)	2822.3%					
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	65	53	12	22.6%	211	(146)	(69.2%)	263	169	94	55.7%	525	(262)	(49.9%)	4.0%	80.6%	(7,667)	(95.1%)	1.9%	203	105.7%	33.2%	65.5%	(3,223)	(49.2%)	3.2%	3,008	949.5%					
Total Gross	\$ 3,853	\$ 3,907	\$ (54)	(1.4%)	\$ 3,529	\$ 324	9.2%	\$ 16,287	\$ 17,386	\$ (1,100)	(6.3%)	\$ 16,550	\$ (263)	(1.6%)	19.1%	23.7%	(462)	(19.5%)	16.6%	251	15.1%	21.1%	21.5%	(46)	(2.1%)	16.2%	492	30.4%					

## Management Discussion

- Great Day and Comfort view – Affected by low demand due to bad weather.
- Brunswick – Softer sales vs budget and PY after a record 2018, due to less than anticipated demand.
- New South Window – Dependant on project work. Strong in 2018 which has not repeated in the beginning of 2019.
- PGT – Increase in Dark Cap Sales.
- Regency – Strong Q2 sales. YTD better than budget.

# Key Performance Indicators - Delmont

ENERGI Delmont Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	YTD 2019
<b>Health &amp; Safety</b>							
<i>Recordable Incidents</i>	0	0	0	2	1	0	3
<i>TRIR (Total Recordable Incident Rate)</i>	<1	2.87	2.87	2.87	4.25	4.25	2.87
<b>Quality Performance</b>							
<i>Customer Complaints - per MLBS</i>	3.2	2.76	3.16	3.68	2.94	3.03	3
<i>Return as % of sales</i>	0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.13%
<b>Delivery Performance</b>							
<i>% on time in full</i>	95.00%	99.71%	99.80%	100%	100%	100%	100%
<i>% by line items</i>	99.00%	99.50%	99.38%	99%	99%	99%	99%
<b>Costs</b>							
<i>Yield</i>	85.7%	81.36%	82.71%	83%	83%	83%	83%
<i>Alt/Regrind Compound Consumption Ratio</i>	17.1%	25.4%	19.8%	19.5%	23%	18%	21%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$0.178	\$0.174	\$ 0.165	\$ 0.181	\$ 0.178	\$ 0.175
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.176	\$0.151	\$0.177	\$ 0.163	\$ 0.181	\$ 0.187	\$ 0.172
<b>Inventory</b>							
<i>Days - TTM (Trailing 12 Months)</i>	58.7	62.0	62.1	65	67	67	65

## Comments:

**Safety:** Dedicated Health and Safety Campaign Nick Lamantia H&S Partner started in May

**Quality:** 5 Customer Concerns - 2 PGT, 2 SP, 1 Polaris. 4 items returned - PGT (2), CV (1), 1 GDIC (YOY down 43%)

**Cost:** Lower pounds produced in the month.

**Inventory:** Higher FG from inventory builds in Q4 2018 and YTD 2019.

# Full Year Delmont P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	23,239	24,343	(1,104)	(4.5%)	20,561	2,678	13.0%
Units Shipped ('000)	24,094	24,886	(792)	(3.2%)	21,921	2,172	9.9%
Bookings (\$'000)	\$ 39,882	\$ –	\$ 39,882	N/A	\$ –	\$ 39,882	N/A
Backlog ('\$000)	\$ 1,812	\$ –	\$ 1,812	N/A	\$ –	\$ 1,812	N/A
Gross Revenue	\$ 42,000	\$ 43,100	\$ (1,100)	(2.6%)	\$ 38,138	\$ 3,862	10.1%
Adj. to Gross Revenue	(1,156)	(1,242)	86	(6.9%)	(1,103)	(54)	4.9%
Net Revenue	40,844	41,858	(1,014)	(2.4%)	37,036	3,808	10.3%
Material	19,886	20,394	(508)	(2.5%)	18,975	911	4.8%
Labor	8,006	8,373	(367)	(4.4%)	7,668	338	4.4%
Other COGS	3,656	3,394	262	7.7%	3,615	41	1.1%
Total COGS	31,548	32,161	(613)	(1.9%)	30,257	1,290	4.3%
Gross Margin	9,296	9,697	(401)	(4.1%)	6,778	2,518	37.1%
Gross Margin %	22.8%	23.2%			18.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	172	181	(9)	(4.9%)	121	51	41.7%
Administrative	2,657	2,695	(39)	(1.4%)	2,623	34	1.3%
Other Opex	–	–	–	N/A	–	–	N/A
Total Opex	2,829	2,876	(47)	(1.7%)	2,745	84	3.1%
EBITDA	6,467	6,820	(353)	(5.2%)	4,034	2,434	60.3%
EBITDA %	15.8%	16.3%			10.9%		
Net Income (Loss)	\$ 4,603	\$ 5,006	\$ (402)	(8.0%)	\$ 2,400	\$ 2,203	91.8%
Capex	\$ (433)	\$ (1,171)	\$ 738	(63.0%)	\$ (1,425)	\$ 992	(69.6%)
<b>Opex Overview:</b>							
Payroll	\$ 703	\$ 753	\$ (50)	(6.6%)	\$ 639	\$ 65	10.1%
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	(2)	(69.2%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	–	–	N/A
Professional fees	–	–	–	N/A	–	–	N/A
Utilities, repair, maintenance, and security	42	45	(3)	(7.2%)	43	(1)	(2.2%)
Corporate OH Fees	1,986	1,983	4	0.2%	1,985	2	0.1%
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	–	–	–	N/A	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	97	96	1	0.9%	76	21	27.2%
Total Opex	\$ 2,829	\$ 2,876	\$ (48)	(1.7%)	\$ 2,747	\$ 81	3.0%

# 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	\$	23,270	\$	22,984	\$	286	1.2%	\$	20,107	\$	3,163	15.7%	19.3%	19.2%	3	0.1%	15.4%	383	24.8%
Polaris Technologies		5,473		5,822		(349)	(6.0%)		3,577		1,896	53.0%	17.3%	17.7%	(39)	(2.2%)	16.2%	109	6.7%
Comfort View Products		2,624		3,135		(511)	(16.3%)		2,920		(296)	(10.1%)	18.4%	16.1%	222	13.7%	12.3%	604	49.0%
Sierra Pacific Windows		2,473		2,560		(87)	(3.4%)		2,632		(159)	(6.0%)	10.1%	9.9%	17	1.7%	6.3%	382	61.0%
Atrium Windows & Doors		1,514		1,580		(66)	(4.2%)		1,581		(67)	(4.2%)	45.8%	47.4%	(158)	(3.3%)	35.7%	1,007	28.2%
Regency Plus, Inc.		2,187		2,060		127	6.2%		1,662		525	31.6%	18.4%	17.9%	49	2.7%	15.0%	335	22.2%
Brunswick Bowling And Billiards		1,479		1,729		(250)	(14.5%)		1,751		(272)	(15.5%)	48.6%	48.9%	(28)	(0.6%)	40.9%	769	18.8%
Qubicaamf Worlwide LCC		825		892		(67)	(7.5%)		864		(39)	(4.5%)	55.3%	55.0%	32	0.6%	44.0%	1,135	25.8%
NewSouth Window Solutions, LLC		508		682		(174)	(25.5%)		769		(261)	(33.9%)	45.2%	39.6%	555	14.0%	35.2%	994	28.2%
Great Day Improvement, LLC		365		463		(98)	(21.2%)		482		(117)	(24.3%)	41.8%	40.1%	176	4.4%	30.5%	1,133	37.2%
Yoders Window & Siding		309		300		9	3.0%		259		50	19.3%	39.3%	43.5%	(429)	(9.9%)	35.5%	373	10.5%
Fairway Building Products		157		139		18	12.9%		121		36	29.8%	18.3%	26.9%	(866)	(32.1%)	19.8%	(157)	(7.9%)
Graber Manufacturing Llc		–		92		(92)	(100.0%)		92		(92)	(100.0%)	#DIV/0!	42.9%	–	#VALUE!	42.4%	NA	#VALUE!
Columbia Industries, Inc.		111		58		53	91.4%		63		48	76.2%	5.4%	17.2%	(1,188)	(68.9%)	19.0%	(1,369)	(71.9%)
Jeld-Wen Windows & Doors		14		27		(13)	(48.1%)		36		(22)	(61.1%)	51.0%	26.9%	2,408	89.4%	11.1%	3,989	359.0%
Constant Distribution LLC		7		–		7	N/A		7		-	0.0%	(12.3%)	#DIV/0!	–	#DIV/0!	(57.1%)	4,489	(78.6%)
CGI		61		48		13	27.1%		11		50	454.5%	2.3%	0.0%	226	N/A	0.0%	226	N/A
East Central Indiana Vinyl MFG, LL		24		22		2	9.1%		43		(19)	(44.2%)	23.4%	45.5%	(2,210)	(48.6%)	37.2%	(1,386)	(37.2%)
Lakeland Polymers, LLC		7		9		(2)	(22.2%)		53		(46)	(86.8%)	(376.8%)	(316.7%)	(6,014)	19.0%	(37.7%)	(33,907)	898.5%
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		592		498		94	18.9%		1,108		(516)	(46.6%)	58.0%	81.3%	(2,325)	(28.6%)	7.0%	5,100	724.1%
Total Gross	\$	42,000	\$	43,100	\$	(1,100)	(2.6%)	\$	38,138	\$	3,862	10.1%	22.3%	22.7%	(41)	(1.8%)	17.8%	448	25.2%

# Everett Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	1,399	1,477	(78)	(5.3%)	6,730	7,109	(379)	(5.3%)
Units Shipped ('000)	1,467	1,546	(79)	(5.1%)	6,378	6,611	(232)	(3.5%)
Bookings (\$'000)	2,461	\$ –	2,461	N/A	10,208	\$ –	10,208	N/A
Backlog (\$'000)	1,117	\$ –	1,117	N/A	1,117	\$ –	1,117	N/A
Gross Revenue	\$ 2,382	\$ 2,630	\$ (248)	(9.4%)	\$ 10,352	\$ 11,289	\$ (937)	(8.3%)
Adj. to Gross Revenue	(76)	(143)	67	(46.9%)	(371)	(611)	240	(39.3%)
Net Revenue	2,306	2,486	(180)	(7.3%)	9,981	10,677	(697)	(6.5%)
Material	1,235	1,172	62	5.3%	5,114	4,998	116	2.3%
Labor	567	515	52	10.1%	2,542	2,526	16	0.6%
Other COGS	202	293	(91)	(31.1%)	987	947	40	4.2%
Total COGS	2,003	1,980	23	1.2%	8,643	8,470	173	2.0%
Gross Margin	303	507	(204)	(40.2%)	1,338	2,207	(869)	(39.4%)
Gross Margin %	13.1%	20.4%			13.4%	20.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	32	20	12	58.7%	134	199	(65)	(32.7%)
Administrative	267	263	4	1.7%	1,282	1,304	(22)	(1.7%)
Other Opex	1	–	1	N/A	(3)	–	(3)	N/A
Total Opex	300	283	17	6.0%	1,413	1,503	(90)	(6.0%)
EBITDA	3	224	(221)	(98.7%)	(75)	704	(779)	(110.7%)
EBITDA %	0.1%	9.0%			(0.8%)	6.6%		
Net Income (Loss)	\$ (122)	\$ 120	\$ (242)	(202.1%)	\$ (599)	\$ 189	\$ (788)	(417.6%)
Capex	\$ (222)	\$ (40)	\$ (182)	455.0%	\$ (916)	\$ (667)	\$ (248)	37.2%
<b>Opex Overview:</b>								
Payroll	\$ 71	\$ 74	\$ (2)	(2.7%)	\$ 333	\$ 345	\$ (12)	(3.6%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	19	7	12	186.5%	74	135	(61)	(45.3%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	0	1	178.1%	2	3	(2)	(51.4%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	17	13	4	26.9%	61	64	(3)	(5.4%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	0	1	(1)	(68.5%)	2	5	(3)	(57.5%)
Corporate OH Fees	177	176	1	0.4%	889	886	3	0.3%
Bad Debts	0	–	0	N/A	0	–	0	N/A
FX	1	–	1	N/A	(3)	–	(3)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	14	12	2	15.6%	56	64	(9)	(13.4%)
Total Opex	\$ 300	\$ 283	\$ 17	6.0%	\$ 1,413	\$ 1,503	\$ (90)	(6.0%)

## Management Discussion

### Net Revenue – May-19: (\$180K)

- Sales volume down 5.1% or \$128k driven by decreased volume from Simonton, Intl Yellow Dog, CDA and Westeck; offset by increased volume from All Weather.
- Lower rebates and accruals of \$60k primarily driven by platinum rebate clawback of \$48k and improved quality returns.
- Lower ASP by \$113k primarily driven by delay in capstock sales, new agreements with lower ASP for Cascade (\$32k) and Intl Yellow Dog (\$14k), and overall customer sales mix.

### EBITDA – May-19: (\$221K)

- Material COGS:** Increase in costs by \$62k driven by customer/product mix \$62k & decreased regrind/alt material usage (17.3% vs 25%) \$71k; offset by sales volume decrease \$60k and improved yield (90.72% vs 89.69%) \$11k
- Labor COGS:** Increase in costs by \$52k driven by additional wages (reg/OT) to cover absences, vacation, tooling requirements and capstock training.
- Other COGS:** Decrease in cost by \$91k driven by tooling recovery \$60k and favorable net absorption \$30k.
- Sales and Marketing:** Increase in costs by \$12k driven by customer fabrication tooling support related to the West Coast Platform
- Administrative:** Increase in costs by \$4k primarily driven by higher WA State B&O Tax
- 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	\$	%	Act	Bud	BP	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%	
Customer:																																
Simonton	\$ 933	\$ 1,005	\$ (72)	(7.2%)	\$ 985	\$ (52)	(5.3%)	\$ 3,898	\$ 4,218	\$ (320)	(7.6%)	\$ 4,369	\$ (471)	(10.8%)	11.5%	20.4%	(890)	(43.6%)	5.5%	604	110.2%	15.9%	20.0%	(415)	(20.7%)	7.4%	843	113.4%				
Coeur d'Alene	345	393	(48)	(12.2%)	329	16	4.8%	1,257	1,453	(197)	(13.5%)	1,114	143	12.8%	2.8%	7.2%	(437)	(60.6%)	13.1%	(1,022)	(78.2%)	1.3%	7.6%	(631)	(83.4%)	5.1%	(383)	(75.3%)				
Westeck	105	144	(39)	(26.9%)	157	(52)	(33.2%)	672	748	(77)	(10.3%)	737	(65)	(8.9%)	46.2%	26.4%	1,981	75.1%	18.5%	2,772	150.0%	25.2%	26.0%	(80)	(3.1%)	17.2%	801	46.5%				
Cascade	162	153	9	5.7%	142	20	13.8%	896	595	301	50.5%	850	46	5.4%	(27.2%)	(2.3%)	(2,491)	1074.9%	(26.8%)	(47)	1.7%	(21.7%)	(2.0%)	(1,971)	978.4%	(12.0%)	(973)	81.1%				
All Weather	175	95	80	83.8%	107	68	63.9%	544	405	139	34.2%	517	27	5.1%	(7.9%)	0.7%	(858)	(1248.4%)	(8.4%)	52	(6.2%)	(4.8%)	1.0%	(580)	(600.9%)	(1.7%)	(315)	187.3%				
KGW	90	95	(5)	(4.8%)	84	6	7.2%	462	460	2	0.4%	459	3	0.6%	30.4%	13.3%	1,712	128.5%	22.6%	783	34.6%	33.4%	13.7%	1,973	144.4%	31.1%	224	7.2%				
Lindsay	138	103	36	34.9%	108	30	28.1%	382	491	(108)	(22.1%)	458	(76)	(16.5%)	10.5%	15.2%	(471)	(31.0%)	6.5%	399	61.6%	12.4%	15.5%	(311)	(20.1%)	7.4%	503	68.1%				
Solar	–	25	(25)	(100.0%)	110	(110)	(100.0%)	398	125	273	218.6%	785	(387)	(49.3%)	#DIV/0!	12.7%	–	#VALUE!	6.4%	NA	#VALUE!	13.4%	13.0%	44	3.4%	3.1%	1,032	330.6%				
ATI	9	31	(22)	(70.3%)	51	(42)	(81.9%)	17	154	(137)	(89.0%)	272	(255)	(93.8%)	25.7%	12.0%	1,366	113.9%	9.8%	1,585	161.6%	(627.9%)	12.3%	(64,020)	(5224.0%)	13.8%	(64,177)	(4639.7%)				
Win-Dor	–	24	(24)	(100.0%)	17	(17)	(100.0%)	6	412	(406)	(98.4%)	324	(318)	(98.0%)	#DIV/0!	20.7%	–	#VALUE!	(5.9%)	NA	#VALUE!	79.5%	19.3%	6,021	312.2%	9.4%	7,012	748.4%				
Northern - Yukon	72	75	(3)	(3.5%)	56	16	29.0%	167	288	(121)	(42.1%)	328	(161)	(49.2%)	38.8%	43.2%	(442)	(10.2%)	30.4%	843	27.8%	38.5%	42.8%	(429)	(10.0%)	37.4%	107	2.9%				
Van Isle	52	86	(34)	(39.8%)	122	(70)	(57.6%)	299	298	1	0.4%	325	(26)	N/A	16.1%	24.1%	(801)	(33.3%)	44.3%	(2,819)	(63.7%)	12.9%	23.9%	(1,098)	(46.0%)	75.2%	(6,224)	(82.8%)				
Whisper Walls	67	41	27	65.9%	35	32	92.2%	262	230	32	13.7%	291	(29)	(10.0%)	49.1%	46.8%	226	4.8%	37.1%	1,193	32.1%	48.5%	46.4%	208	4.5%	48.9%	(41)	(0.8%)				
West Coast Designed	35	29	7	23.8%	36	(1)	(1.8%)	174	170	3	1.8%	174	(0)	(0.2%)	42.2%	43.9%	(174)	(4.0%)	27.8%	1,441	51.9%	45.4%	42.8%	261	6.1%	28.7%	1,676	58.4%				
Hometime	(2)	44	(46)	(103.5%)	9	(11)	(117.2%)	83	182	(99)	(54.4%)	117	(34)	(29.1%)	281.8%	35.8%	24,604	687.2%	88.9%	19,296	217.1%	20.0%	34.5%	(1,449)	(42.0%)	30.4%	(1,039)	(34.2%)				
Western	69	72	(3)	(4.0%)	–	#VALUE!	#VALUE!	156	256	(99)	(38.8%)	114	42	37.2%	26.5%	43.7%	(1,722)	(39.4%)	#VALUE!	NA	#VALUE!	28.3%	44.1%	(1,580)	(35.8%)	5.6%	2,268	402.1%				
Coastal	–	–	-	N/A	2	(2)	(100.0%)	126	137	(11)	(8.3%)	132	(6)	(4.9%)	#DIV/0!	#DIV/0!	–	#DIV/0!	0.0%	NA	N/A	40.1%	31.2%	886	28.4%	31.0%	913	29.5%				
Modern	32	55	(24)	(42.9%)	46	(14)	(31.4%)	94	149	(54)	(36.6%)	139	(45)	(32.2%)	31.5%	37.0%	(556)	(15.0%)	15.2%	1,627	106.9%	15.6%	36.5%	(2,095)	(57.4%)	12.9%	268	20.8%				
Avanti	23	–	23	N/A	–	#VALUE!	#VALUE!	84	73	11	15.8%	119	(35)	(29.3%)	25.4%	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	37.0%	41.4%	(443)	(10.7%)	30.0%	701	23.4%				
Oasis	–	–	-	N/A	–	#VALUE!	#VALUE!	14	91	(77)	(84.9%)	91	(77)	(84.9%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#VALUE!	NA	#VALUE!	21.3%	17.1%	416	24.3%	3.0%	1,829	608.2%				
Other	76	161	(85)	(52.9%)	145	(69)	(47.5%)	362	354	8	2.3%	305	57	18.6%	19.8%	28.3%	(841)	(29.8%)	37.2%	(1,735)	(46.7%)	34.3%	32.7%	158	4.8%	46.5%	(1,221)	(26.2%)				
Total Gross	\$ 2,382	\$ 2,630	\$ (248)	(9.4%)	\$ 2,541	\$ (159)	(6.3%)	\$ 10,352	\$ 11,289	\$ (937)	(8.3%)	\$ 12,020	\$ (1,669)	(13.9%)	12.7%	19.3%	(655)	(34.0%)	10.3%	240	23.2%	13.1%	19.5%	(645)	(33.0%)	11.9%	112	9.4%				

## Management Discussion

- Coeur d'Alene – Slower Q2 following a strong Q1
- Simonton – Improved pickup in Q2 following a slow Q1. Sales behind budget for May following a strong April.
- Win-Dor and Van Isle - Lost business to competitor
- Solar – Inventory levels at full from prior month purchasing.
- ATI – Reduction in business
- All Weather Cascade and Lindsay: Stronger sales after a slow Q1 being affected by weather.

# Key Performance Indicators - Everett

ENERGI Everett Extrusion January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	YTD 2019
<b>Health &amp; Safety</b>							
<i>Recordable Incidents</i>	1	0	0	0	1	1	2
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	0	1	2.12	
<b>Quality Performance</b>							
<i>Customer Complaints - per MLBS</i>	3.2	1.38	2.70	3.5	2.2	3.59	3
<i>Return as % of sales</i>	0.30%	0.43%	0.32%	0.06%	0.40%	0.55%	0.36%
<b>Delivery Performance</b>							
<i>% on time in full</i>	95.00%	100%	100%	100%	100%	100%	100%
<i>% by line items</i>	99.00%	100%	100%	100%	100%	100%	100%
<b>Costs</b>							
<i>Yield</i>	85.7%	91%	91%	91%	89%	91%	91%
<i>Alt/Regrind Compound Consumption Ratio</i>	19.9%	32%	18%	21%	18%	17%	22%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$ 0.182	\$ 0.189	\$ 0.170	\$ 0.166	\$ 0.209	\$ 0.183
<i>Indirect Labour (incl D&amp;D) \$/lb produced</i>	\$0.176	\$ 0.180	\$ 0.201	\$ 0.191	\$ 0.192	\$ 0.209	\$ 0.194
<b>Inventory</b>							
<i>Days - TTM (Trailing 12 Months)</i>	84.5	84	86	87	88	89	86

## Comments

**Safety:** Employee pinched finger in weep hole punch. No stitches, no lost time, but required antibiotic prescription making it a recordable incident. Employee properly report. Root cause analysis resulted in plan to modify punches.

**Yield:** Lower supply of alt Material and regrind.

**Labour:** Additional Labour to cover absences vacations and training

**Inventory:** Strategic build up of inventory in response to anticipated Demand in Q2

# Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	16,149	16,527	(379)	(2.3%)	18,519	(2,371)	(12.8%)
Units Shipped ('000)	17,031	17,263	(232)	(1.3%)	16,932	99	0.6%
Bookings (\$'000)	\$ 28,553	\$ —	\$ 28,553	N/A	\$ —	\$ 28,553	N/A
Backlog ('\$000)	\$ 2,601	\$ —	\$ 2,601	N/A	\$ —	\$ 2,601	N/A
Gross Revenue	\$ 28,511	\$ 29,448	\$ (937)	(3.2%)	\$ 28,090	\$ 421	1.5%
Adj. to Gross Revenue	(1,328)	(1,568)	240	(15.3%)	(1,483)	155	(10.5%)
Net Revenue	27,184	27,880	(697)	(2.5%)	26,607	576	2.2%
Material	13,221	13,105	116	0.9%	13,359	(138)	(1.0%)
Labor	6,159	6,142	16	0.3%	6,705	(547)	(8.2%)
Other COGS	3,420	3,380	40	1.2%	2,876	543	18.9%
Total COGS	22,800	22,627	173	0.8%	22,941	(141)	(0.6%)
Gross Margin	4,384	5,253	(869)	(16.5%)	3,667	717	19.6%
Gross Margin %	16.1%	18.8%			13.8%		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	270	335	(65)	(19.4%)	247	23	9.3%
Administrative	3,098	3,119	(22)	(0.7%)	3,129	(31)	(1.0%)
Other Opex	(3)	—	(3)	N/A	11	(14)	(129.3%)
Total Opex	3,365	3,455	(90)	(2.6%)	3,387	(22)	(0.6%)
EBITDA	1,019	1,798	(779)	(43.3%)	280	739	263.8%
EBITDA %	3.7%	6.5%			1.1%		
Net Income (Loss)	\$ (248)	\$ 541	\$ (788)	(145.8%)	\$ (775)	\$ 527	(68.1%)
Capex	\$ (916)	\$ (752)	\$ (163)	21.7%	\$ (1,856)	\$ 940	(50.7%)
<u>Opex Overview:</u>							
Payroll	\$ 815	\$ 827	\$ (12)	(1.5%)	\$ 816	\$ (2)	(0.2%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	119	180	(61)	(33.9%)	104	15	14.1%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	15	17	(2)	(10.4%)	14	1	6.4%
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	157	161	(3)	(2.1%)	162	(4)	(2.7%)
Professional fees	—	—	—	N/A	—	—	N/A
Utilities, repair, maintenance, and security	4	7	(3)	(40.0%)	7	(3)	(43.1%)
Corporate OH Fees	2,132	2,129	3	0.1%	2,129	3	0.2%
Bad Debts	0	—	0	N/A	(3)	3	(102.4%)
FX	(3)	—	(3)	N/A	11	(14)	(129.3%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	126	134	(9)	(6.4%)	149	(24)	(15.9%)
Total Opex	\$ 3,365	\$ 3,455	\$ (90)	(2.6%)	\$ 3,390	\$ (25)	(0.7%)



# Key Customers – Full Year Everett

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%						
Customer:																				
Simonton	\$	10,539	\$	10,859	\$	(320)	(2.9%)	\$	10,221	\$	318	3.1%	17.1%	19.5%	(238)	(12.2%)	8.6%	852	98.9%	
Coeur d'Alene		3,803		4,000		(197)	(4.9%)		2,804		999	35.6%	4.1%	6.4%	(230)	(35.8%)	3.3%	84	25.6%	
Westeck		1,895		1,972		(77)	(3.9%)		1,791		104	5.8%	25.7%	25.4%	25	1.0%	18.3%	738	40.3%	
Cascade		2,289		1,988		301	15.1%		2,083		206	9.9%	(12.6%)	(3.4%)	(921)	274.1%	(10.7%)	(191)	17.9%	
All Weather		1,256		1,117		139	12.4%		1,309		(53)	(4.1%)	(2.9%)	0.2%	(310)	(1464.3%)	(3.1%)	25	(7.9%)	
KGW		1,157		1,155		2	0.2%		1,081		76	7.0%	21.7%	12.8%	894	70.0%	29.3%	(763)	(26.0%)	
Lindsay		1,170		1,278		(108)	(8.5%)		1,145		25	2.2%	12.9%	14.3%	(144)	(10.0%)	8.5%	442	52.2%	
Solar		573		300		273	91.1%		1,651		(1,078)	(65.3%)	14.1%	11.9%	220	18.6%	7.6%	649	85.7%	
ATI		250		387		(137)	(35.4%)		345		(95)	(27.6%)	(17.3%)	11.1%	(2,840)	(256.0%)	13.3%	(3,064)	(229.8%)	
Win-Dor		365		771		(406)	(52.6%)		626		(261)	(41.6%)	23.3%	19.8%	345	17.4%	18.1%	521	28.8%	
Northerm - Yukon		573		694		(121)	(17.5%)		789		(216)	(27.4%)	41.5%	43.0%	(144)	(3.3%)	39.4%	211	5.4%	
Van Isle		696		694		1	0.2%		697		(1)	(0.2%)	18.0%	23.3%	(538)	(23.0%)	72.2%	(5,420)	(75.1%)	
Whisper Walls		635		604		32	5.2%		681		(46)	(6.7%)	46.7%	45.8%	92	2.0%	46.0%	72	1.6%	
West Coast Designed		442		439		3	0.7%		429		13	3.1%	44.1%	43.1%	102	2.4%	36.1%	799	22.1%	
Hometime		303		402		(99)	(24.7%)		327		(24)	(7.4%)	32.1%	35.2%	(311)	(8.8%)	28.4%	363	12.8%	
Western		572		671		(99)	(14.8%)		238		334	140.2%	37.2%	43.0%	(579)	(13.5%)	22.3%	1,491	67.0%	
Coastal		355		366		(11)	(3.1%)		321		34	10.6%	35.7%	30.2%	551	18.3%	38.3%	(265)	(6.9%)	
Modern		320		374		(54)	(14.5%)		351		(31)	(8.9%)	29.5%	36.4%	(687)	(18.9%)	18.2%	1,128	61.9%	
Avanti		309		298		11	3.8%		249		60	24.3%	38.6%	40.5%	(190)	(4.7%)	35.7%	284	7.9%	
Oasis		116		193		(77)	(39.8%)		188		(72)	(38.2%)	18.2%	17.5%	75	4.3%	9.6%	863	90.2%	
Other		893		885		8	0.9%		764		128	16.8%	34.4%	34.6%	(16)	(0.5%)	41.5%	(706)	(17.0%)	
Total Gross	\$	28,511	\$	29,448	\$	(937)	(3.2%)	\$	28,090	\$	421	1.5%	15.8%	18.6%	(278)	(14.9%)	13.1%	277	21.2%	

# Terrebonne Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ 2,021	\$ –	\$ 2,021	N/A	\$ 7,658	\$ –	\$ 7,658	N/A
Backlog (\$'000)	\$ 1,613	\$ –	\$ 1,613	N/A	\$ 1,613	\$ –	\$ 1,613	N/A
Gross Revenue	\$ 1,819	\$ 2,162	\$ (343)	(15.9%)	\$ 7,076	\$ 7,692	\$ (616)	(8.0%)
Adj. to Gross Revenue	(77)	(102)	24	(24.1%)	(390)	(360)	(30)	8.3%
Net Revenue	1,742	2,061	(319)	(15.5%)	6,686	7,332	(646)	(8.8%)
Material	1,088	1,211	(123)	(10.2%)	4,301	4,307	(6)	(0.1%)
Labor	373	402	(29)	(7.1%)	1,428	1,774	(346)	(19.5%)
Other COGS	163	244	(80)	(33.0%)	709	897	(187)	(20.9%)
Total COGS	1,625	1,857	(232)	(12.5%)	6,439	6,977	(539)	(7.7%)
Gross Margin	117	203	(86)	(42.4%)	247	354	(107)	(30.2%)
Gross Margin %	6.7%	9.9%			3.7%	4.8%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	29	36	(7)	(19.1%)	161	167	(5)	(3.2%)
Administrative	194	204	(10)	(4.8%)	945	968	(24)	(2.4%)
Other Opex	(5)	–	(5)	N/A	(1)	–	(1)	N/A
Total Opex	218	240	(22)	(9.2%)	1,105	1,135	(30)	(2.7%)
EBITDA	(101)	(37)	(64)	172.6%	(858)	(781)	(77)	9.8%
EBITDA %	(5.8%)	(1.8%)			(12.8%)	(10.6%)		
Net Income (Loss)	\$ (107)	\$ (50)	\$ (58)	115.5%	\$ (889)	\$ (840)	\$ (49)	5.9%
Capex	\$ (14)	\$ (38)	\$ 24	(63.6%)	\$ (38)	\$ (272)	\$ 233	(85.9%)
<b>Opex Overview:</b>								
Payroll	\$ 84	\$ 93	\$ (10)	(10.3%)	\$ 403	\$ 434	\$ (31)	(7.1%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	4	6	(2)	(40.8%)	17	30	(13)	(42.7%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	1	(1)	(41.4%)	3	5	(2)	(38.7%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	6	3	3	87.3%	17	11	6	51.6%
Utilities, repair, maintenance, and	6	8	(2)	(24.4%)	29	28	1	3.4%
Corporate OH Fees	118	125	(6)	(5.0%)	597	610	(13)	(2.1%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(5)	–	(5)	N/A	(1)	–	(1)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	6	4	1	30.2%	40	17	23	134.6%
Total Opex	\$ 218	\$ 240	\$ (22)	(9.2%)	\$ 1,105	\$ 1,135	\$ (30)	(2.7%)

## Management Discussion

### Net Revenue – May-19: (\$319K)

- Sales volume decreased \$242k due to decreased demand from Vaillancourt, Concerto, AMI & Fennergic; offset by increased demand from Abritek.
- Favorable returns of \$12k due to improved quality
- Unfavorable rebates and ASP of \$34k due to customer/product mix
- Unfavorable F/X of \$55k (actual rate of 1.3479 [or \$USD 0.743] vs. 1.30 [or \$USD 0.7692])

### EBITDA – May-19: (\$64K)

- Material COGS:** Decrease in costs by \$123K driven by lower sales volume \$142k and product mix \$20k, offset by increased material costs of \$27k (custom glass price increases) and inventory reserves \$12k (Ostaco laminate stainable cherry)
- Labor COGS:** Decrease in cost by \$29k driven by less headcount (6 employees) due to lower production volumes.
- Other COGS:** Decrease in cost by \$80k driven by favorable net absorption \$50k, lower freight \$14k (sales volume), maintenance \$16k and utilities \$5k; offset by increased warranty costs \$5k (Vaillancourt)
- Sales and Marketing:** Decrease in cost by \$7k driven by less headcount (resignation) and less advertising
- Administrative:** Decrease in costs by \$10k driven by favorable F/X \$7k and lower fringe benefits \$3k.
- Other Opex:** Decrease in cost by \$5k 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.	\$	296	\$	373	\$	(77)	(20.7%)	\$	394	\$	(98)	(25.0%)	\$	1,253	\$	1,333	\$	(80)	(6.0%)	\$	1,371	\$	(118)	(8.6%)	10.6%	0.0%	1,062	N/A	0.0%	1,062	N/A	0.2%	0.0%	22	N/A	0.0%	22	N/A
GOLDEN WINDOWS		182		203		(21)	(10.4%)		211		(29)	(13.7%)		740		724		16	2.3%		864		(124)	(14.3%)	(19.0%)	0.0%	(1,897)	N/A	0.0%	(1,897)	N/A	(26.4%)	0.0%	(2,639)	N/A	0.0%	(2,639)	N/A
OSTACO 2000 WINDOORS INC		185		187		(2)	(0.9%)		197		(12)	(6.0%)		667		669		(2)	(0.3%)		595		72	12.1%	6.7%	0.0%	668	N/A	0.0%	668	N/A	5.8%	0.0%	582	N/A	0.0%	582	N/A
PORTES & FENETRES ABRITEK		170		94		76	80.6%		104		66	63.2%		475		337		138	40.9%		479		(4)	(0.9%)	(11.8%)	0.0%	(1,183)	N/A	0.0%	(1,183)	N/A	(21.3%)	0.0%	(2,132)	N/A	0.0%	(2,132)	N/A
DASHWOOD INDUSTRIES INC		66		86		(20)	(22.7%)		39		27	70.5%		377		306		71	23.1%		359		18	5.0%	5.8%	0.0%	579	N/A	0.0%	579	N/A	8.4%	0.0%	837	N/A	0.0%	837	N/A
P & F ISOTHERMIC INC		95		55		40	72.3%		58		37	63.4%		262		196		66	33.7%		303		(41)	(13.5%)	(1.8%)	0.0%	(184)	N/A	0.0%	(184)	N/A	(12.0%)	0.0%	(1,201)	N/A	0.0%	(1,201)	N/A
VAILLANCOURT INC.		79		226		(147)	(65.1%)		68		11	15.9%		385		809		(424)	(52.4%)		400		(15)	(3.8%)	4.6%	0.0%	463	N/A	0.0%	463	N/A	(10.6%)	0.0%	(1,055)	N/A	0.0%	(1,055)	N/A
CANADIAN VINYLTEK WINDOWS C		32		35		(3)	(9.6%)		30		2	5.4%		173		126		47	37.1%		226		(53)	(23.5%)	73.1%	0.0%	7,312	N/A	0.0%	7,312	N/A	41.5%	0.0%	4,146	N/A	0.0%	4,146	N/A
FENERGIC INC		9		49		(40)	(82.6%)		45		(36)	(81.1%)		51		175		(124)	(71.1%)		106		(55)	(52.2%)	21.4%	0.0%	2,142	N/A	0.0%	2,142	N/A	12.2%	0.0%	1,216	N/A	0.0%	1,216	N/A
EXTREME WINDOW AND		28		55		(27)	(49.5%)		25		3	11.0%		141		196		(55)	(28.1%)		277		(136)	(49.1%)	2.7%	0.0%	267	N/A	0.0%	267	N/A	11.5%	0.0%	1,147	N/A	0.0%	1,147	N/A
VENTANA WINDOWS & DOORS INC		–		48		(48)	(100.0%)		43		(43)	(100.0%)		68		172		(104)	(60.5%)		229		(161)	(70.3%)	#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		40		24	59.2%		59		5	7.9%		155		142		13	9.4%		165		(10)	(5.8%)	(5.0%)	0.0%	(501)	N/A	0.0%	(501)	N/A	(6.7%)	0.0%	(668)	N/A	0.0%	(668)	N/A
MASON WINDOWS LTD		54		30		24	79.8%		37		17	45.8%		140		108		32	29.3%		131		9	6.6%	(11.6%)	0.0%	(1,163)	N/A	0.0%	(1,163)	N/A	(12.7%)	0.0%	(1,271)	N/A	0.0%	(1,271)	N/A
CEN		31		29		2	6.9%		16		15	93.7%		177		107		70	65.1%		110		67	60.6%	(0.0%)	0.0%	(3)	N/A	0.0%	(3)	N/A	1.5%	0.0%	147	N/A	0.0%	147	N/A
TRI-STATE WINDOW FACTORY		44		12		32	263.3%		22		22	98.2%		171		87		84	96.1%		138		33	23.6%	35.1%	0.0%	3,508	N/A	0.0%	3,508	N/A	22.2%	0.0%	2,216	N/A	0.0%	2,216	N/A
FMC		35		29		6	22.2%		30		5	18.1%		123		60		63	105.1%		91		32	35.2%	1.8%	0.0%	183	N/A	0.0%	183	N/A	(3.2%)	0.0%	(317)	N/A	0.0%	(317)	N/A
ATLANTIC WINDOWS		46		28		18	62.8%		43		3	6.0%		77		102		(25)	(24.8%)		111		(34)	(30.9%)	24.6%	0.0%	2,464	N/A	0.0%	2,464	N/A	22.4%	0.0%	2,242	N/A	0.0%	2,242	N/A
YKK AP VINYL		16		33		(17)	(52.6%)		24		(8)	(34.8%)		143		107		36	34.0%		75		68	91.1%	40.6%	0.0%	4,063	N/A	0.0%	4,063	N/A	28.0%	0.0%	2,803	N/A	0.0%	2,803	N/A
LORENDO INC.		–		16		(16)	(100.0%)		18		(18)	(100.0%)		28		102		(74)	(72.3%)		78		(50)	(63.8%)	#DIV/0!	0.0%	–	N/A	0.0%	NA	N/A	(5.5%)	0.0%	(553)	N/A	0.0%	(553)	N/A
MAR		30		11		19	172.6%		26		4	15.3%		101		52		49	93.7%		93		8	8.3%	(5.0%)	0.0%	(497)	N/A	0.0%	(497)	N/A	(11.3%)	0.0%	(1,132)	N/A	0.0%	(1,132)	N/A
Other		360		523		(163)	(31.2%)		422		(63)	(14.8%)		1,370		1,782		(411)	(23.1%)		1,704		(334)	(19.6%)	20.7%	38.8%	(1,818)	(46.8%)	14.5%	614	42.3%	22.6%	604.6%	(58,207)	(96.3%)	10.7%	1,191	111.7%
Total Gross	\$	1,819	\$	2,162	\$	(343)	(15.9%)	\$	1,911	\$	(92)	(4.8%)	\$	7,076	\$	7,692	\$	(616)	(8.0%)	\$	7,905	\$	(829)	(10.5%)	6.4%	9.4%	(296)	(31.5%)	3.2%	323	100.6%	2.3%	3.3%	(104)	(31.4%)	2.3%	(2)	(0.7%)

## Management Discussion

- AMI – Starting to pick-up after a quieter Q1
- Vaillancourt– Soft sales no big projects at hand

# Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door January KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	YTD 2019
<b>Health &amp; Safety</b>							
<i>Recordable Incidents</i>	0	0	0	0	0	0	0
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0	0	0	0	0	0
<b>Quality Performance</b>							
<i>Customer Complaints - per MLBS</i>	3.2	3.98	3.9	3.6	3.7	3.4	4
<i>Return as % of sales</i>	1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.86%
<b>Delivery Performance</b>							
<i>% on time in full</i>	95.00%	100%	96%	96%	78%	80%	90%
<i>% by line items</i>	95.00%	95%	96%	96%	78%	80%	89%
<b>Costs</b>							
<i>Alt/Regrind Compound Consumption Ratio</i>							
<i>Direct Labour \$/FPV</i>	\$0.174	\$ 0.143	\$0.148	\$ 0.159	\$ 0.165	\$ 0.185	\$ 0.162
<i>Indirect Labour (incl D&amp;D) \$/FPV</i>	\$0.069	\$ 0.096	\$0.073	\$ 0.063	\$ 0.054	\$ 0.055	\$ 0.066
<b>Inventory</b>							
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75	71.4	70	69	66	72

## Comments:

**Quality:** winter season triggers higher complaints (prod related, air infiltration, CSR error)

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

# Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ 21,519	\$ –	\$ 21,519	N/A	\$ –	\$ 21,519	N/A
Backlog ('\$000)	\$ 3,301	\$ –	\$ 3,301	N/A	\$ –	\$ 3,301	N/A
Gross Revenue	\$ 21,392	\$ 22,008	\$ (616)	(2.8%)	\$ 20,687	\$ 706	3.4%
Adj. to Gross Revenue	(1,062)	(1,032)	(30)	2.9%	(1,023)	(39)	3.8%
Net Revenue	20,331	20,976	(646)	(3.1%)	19,664	667	3.4%
Material	12,322	12,328	(6)	(0.0%)	12,124	198	1.6%
Labor	4,057	4,402	(346)	(7.9%)	4,530	(474)	(10.5%)
Other COGS	2,142	2,329	(187)	(8.0%)	3,397	(1,255)	(36.9%)
Total COGS	18,521	19,059	(539)	(2.8%)	20,052	(1,531)	(7.6%)
Gross Margin	1,810	1,917	(107)	(5.6%)	(388)	2,198	(566.5%)
Gross Margin %	8.9%	9.1%			(2.0%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	418	424	(5)	(1.2%)	383	35	9.1%
Administrative	2,347	2,370	(24)	(1.0%)	2,381	(34)	(1.4%)
Other Opex	(1)	–	(1)	N/A	(63)	62	(97.9%)
Total Opex	2,764	2,794	(30)	(1.1%)	2,701	63	2.3%
EBITDA	(954)	(877)	(77)	8.8%	(3,089)	2,135	(69.1%)
EBITDA %	(4.7%)	(4.2%)			(15.7%)		
Net Income (Loss)	\$ (1,076)	\$ (1,027)	\$ (49)	4.8%	\$ (3,162)	\$ 2,086	(66.0%)
Capex	\$ (38)	\$ (287)	\$ 249	(86.7%)	\$ (517)	\$ 479	(92.6%)
<u>Opex Overview:</u>							
Payroll	\$ 1,027	\$ 1,058	\$ (31)	(2.9%)	\$ 1,029	\$ (2)	(0.2%)
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	75	87	(13)	(14.7%)	57	17	30.3%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	13	15	(2)	(13.6%)	15	(2)	(15.1%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	0	(0)	(100.0%)
Professional fees	37	31	6	18.1%	59	(22)	(37.2%)
Utilities, repair, maintenance, and security	80	79	1	1.2%	70	10	14.1%
Corporate OH Fees	1,465	1,478	(13)	(0.9%)	1,484	(18)	(1.2%)
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	(1)	–	(1)	N/A	(63)	62	(97.9%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	69	46	23	50.1%	51	19	36.7%
Total Opex	\$ 2,764	\$ 2,794	\$ (30)	(1.1%)	\$ 2,704	\$ 60	2.2%

# 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.	\$	3,720	\$	3,800	\$	(80)	(2.1%)	\$	3,511	\$	209	5.9%	1.2%	0.0%	124	N/A	0.0%	124	N/A
GOLDEN WINDOWS		2,083		2,067		16	0.8%		2,290		(207)	(9.0%)	(10.4%)	0.0%	(1,037)	N/A	0.0%	(1,037)	N/A
OSTACO 2000 WINDOORS INC		1,907		1,909		(2)	(0.1%)		1,906		1	0.1%	2.3%	0.0%	226	N/A	0.0%	226	N/A
PORTES & FENETRES ABRITEK		1,100		962		138	14.3%		1,147		(47)	(4.1%)	(8.6%)	0.0%	(856)	N/A	0.0%	(856)	N/A
DASHWOOD INDUSTRIES INC		944		873		71	8.1%		922		22	2.4%	3.8%	0.0%	378	N/A	0.0%	378	N/A
P & F ISOTHERMIC INC		624		558		66	11.8%		815		(191)	(23.4%)	(4.5%)	0.0%	(445)	N/A	0.0%	(445)	N/A
VAILLANCOURT INC.		1,885		2,309		(424)	(18.4%)		800		1,085	135.6%	(2.1%)	0.0%	(209)	N/A	0.0%	(209)	N/A
CANADIAN VINYLTEK WINDOWS C		407		360		47	13.0%		555		(148)	(26.7%)	21.4%	0.0%	2,136	N/A	0.0%	2,136	N/A
FENERGIC INC		378		502		(124)	(24.8%)		532		(154)	(29.0%)	2.0%	0.0%	204	N/A	0.0%	204	N/A
EXTREME WINDOW AND		506		561		(55)	(9.8%)		511		(5)	(1.0%)	3.2%	0.0%	321	N/A	0.0%	321	N/A
VENTANA WINDOWS & DOORS IN		386		490		(104)	(21.2%)		484		(98)	(20.2%)	(1.3%)	0.0%	(132)	N/A	0.0%	(132)	N/A
Fenêtres Concept		418		405		13	3.3%		437		(19)	(4.3%)	(3.0%)	0.0%	(302)	N/A	0.0%	(302)	N/A
MASON WINDOWS LTD		342		310		32	10.2%		328		14	4.2%	(5.7%)	0.0%	(570)	N/A	0.0%	(570)	N/A
CEN		373		303		70	23.0%		292		81	27.6%	0.9%	0.0%	91	N/A	0.0%	91	N/A
TRI-STATE WINDOW FACTORY		249		165		84	50.7%		356		(107)	(30.2%)	17.8%	0.0%	1,782	N/A	0.0%	1,782	N/A
FMC		312		249		63	25.3%		259		53	20.5%	(0.6%)	0.0%	(58)	N/A	0.0%	(58)	N/A
ATLANTIC WINDOWS		265		290		(25)	(8.7%)		274		(9)	(3.4%)	7.9%	0.0%	787	N/A	0.0%	787	N/A
YKK AP VINYL		365		329		36	11.0%		225		140	62.4%	13.8%	0.0%	1,384	N/A	0.0%	1,384	N/A
LORENDO INC.		131		205		(74)	(36.0%)		226		(95)	(41.9%)	(1.6%)	0.0%	(164)	N/A	0.0%	(164)	N/A
MAR		171		122		49	40.0%		250		(79)	(31.7%)	(7.6%)	0.0%	(761)	N/A	0.0%	(761)	N/A
Other		4,828		5,239		(411)	(7.8%)		4,567		261	5.7%	35.9%	207.1%	(17,111)	(82.6%)	(8.5%)	4,444	(523.1%)
Total Gross	\$	21,392	\$	22,008	\$	(616)	(2.8%)	\$	20,687	\$	706	3.4%	8.1%	8.4%	(30)	(3.6%)	(1.9%)	998	(532.2%)

# ECS Summary P&L

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	8,755	9,352	(598)	(6.4%)	39,626	41,922	(2,296)	(5.5%)
Units Shipped ('000)	8,516	9,352	(836)	(8.9%)	39,310	41,922	(2,613)	(6.2%)
Bookings (\$'000)	\$ 885	\$ –	\$ 885	N/A	\$ 3,247	\$ –	\$ 3,247	N/A
Backlog ('\$000)	\$ 124	\$ –	\$ 124	N/A	\$ 124	\$ –	\$ 124	N/A
External Revenue	\$ 924	\$ 837	\$ 88	10.5%	\$ 3,193	\$ 3,544	\$ (351)	(9.9%)
Affiliate Revenue	\$ 5,297	\$ 5,834	\$ (537)	(9.2%)	\$ 25,021	\$ 26,399	\$ (1,378)	(5.2%)
Gross Revenue	\$ 6,222	\$ 6,671	\$ (449)	(6.7%)	\$ 28,214	\$ 29,943	\$ (1,729)	(5.8%)
Adj. to Gross Revenue	(6)	(3)	(3)	93.9%	5	(13)	18	(138.7%)
Net Revenue	6,216	6,668	(452)	(6.8%)	28,219	29,930	(1,711)	(5.7%)
Material	5,071	5,775	(704)	(12.2%)	23,767	25,685	(1,918)	(7.5%)
Labor	170	180	(10)	(5.4%)	751	827	(76)	(9.2%)
Other COGS	412	541	(129)	(23.8%)	2,252	2,489	(238)	(9.5%)
Total COGS	5,654	6,496	(842)	(13.0%)	26,770	29,002	(2,232)	(7.7%)
Gross Margin	562	172	390	226.8%	1,450	928	521	56.2%
Gross Margin %	9.0%	2.6%			5.1%	3.1%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	13	15	(1)	(9.2%)	71	66	5	7.2%
Administrative	142	152	(10)	(6.6%)	717	745	(27)	(3.7%)
Other Opex	14	–	14	N/A	(126)	–	(126)	N/A
Total Opex	170	167	3	1.6%	662	811	(148)	(18.3%)
EBITDA	392	5	387	7900.2%	788	118	670	568.8%
EBITDA %	6.3%	0.1%			2.8%	0.4%		
Net Income (Loss)	\$ 337	\$ (57)	\$ 394	(696.1%)	\$ 510	\$ (189)	\$ 699	(370.2%)
Capex	\$ (13)	\$ (65)	\$ 52	(79.9%)	\$ (31)	\$ (323)	\$ 292	(90.4%)
<b>Opex Overview:</b>								
Payroll	\$ 47	\$ 51	\$ (3)	(6.5%)	\$ 234	\$ 234	\$ (1)	(0.3%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	0	1	(1)	(99.1%)	1	5	(4)	(76.5%)
Marketing	–	–	–	N/A	–	–	–	N/A
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	1	0	0	262.3%	2	1	0	7.0%
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	4	6	(2)	(30.5%)	27	30	(3)	(10.1%)
Professional fees	–	–	–	N/A	–	–	–	N/A
Utilities, repair, maintenance, and	2	3	(0)	(13.8%)	6	9	(2)	(27.8%)
Corporate OH Fees	101	106	(5)	(4.8%)	514	531	(17)	(3.2%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	14	–	14	N/A	(126)	–	(126)	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	–	–	–	N/A	5	1	4	614.6%
Total Opex	\$ 170	\$ 167	\$ 3	1.6%	\$ 662	\$ 811	\$ (148)	(18.3%)

## Management Discussion

### Net Revenue – May-19: (\$452K)

- Sales volume down 8.9% or \$596k mainly driven by decreased demand from affiliate customers (Laval -9%, Woodbridge -5%, Delmont -21%); and lower external customers demand (Vinyl Profiles)
- Favorable price/mix of \$279K driven by tolling business with Resin Tech \$172k, increased scrap sales and internal customer/product mix \$
- Unfavorable F/X of \$135k (actual rate of 1.3459 [or \$USD 0.743] vs. 1.30 [or \$USD 0.7692])

### EBITDA – May-19: +\$387K

- Material COGS:** Decrease in costs by \$704k due to decreased sales volume \$516k, product mix \$91k, improved scrap utilization & MUV \$44k, lower material prices \$84k (mainly driven by price decrease in resin); offset by increases in additive pricing \$24k and E&O reserves \$7k.
- Labor COGS:** In line with budget.
- Other COGS:** Decrease in cost by \$129k primarily driven by favorable freight expenses \$66k (lower volume & new PDI contract), favorable utilities \$68k (YTD true up), favorable net absorption of \$8k & fav F/X of \$11k; offset by \$16k R&D costs (testing Polaris yellowing) & QC costs \$7k (brabender repair).
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in cost by \$10k driven by fav F/X \$5k and lower wages \$5k (vacation utilization)
- Other Opex:** Increase in cost by \$14k driven by unfavorable F/X revaluation of working capital balances

# Key Customers – Gross Sales and Gross Margin %: ECS

	Gross Sales (\$'000)														Gross Margin %																							
	MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var		MTD		Var		PY-MTD	Var		YTD		Var		PY-YTD	Var											
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%										
Customer:																																						
Vinyl Profiles, LLC	\$	253	\$	355	\$	(102)	(28.7%)	\$	236	\$	17	7.2%	\$	1,049	\$	1,538	\$	(489)	(31.8%)	\$	966	\$	83	8.6%	23.5%	20.7%	274	13.2%	14.7%	875	59.5%	35.5%	48.1%	(1,263)	(26.2%)	11.9%	2,357	197.5%
Nuform Building Technologies Inc		202		145		57	39.1%		321		(119)	(37.0%)		662		655		7	1.1%		1,216		(554)	(45.5%)	25.0%	27.9%	(293)	(10.5%)	18.8%	620	33.0%	16.4%	12.0%	441	36.8%	23.2%	(675)	(29.1%)
The Vinyl Company Inc.		90		101		(11)	(11.2%)		233		(143)	(61.4%)		522		437		85	19.6%		672		(150)	(22.4%)	21.6%	17.9%	373	20.8%	27.1%	(545)	(20.1%)	17.2%	17.9%	(72)	(4.0%)	27.1%	(990)	(36.5%)
Vinylume Products Inc		65		64		1	1.4%		65		0	0.4%		262		254		8	3.1%		279		(17)	(5.9%)	30.9%	21.3%	962	45.2%	19.7%	1,118	56.8%	25.6%	21.3%	430	20.2%	19.7%	587	29.8%
Accord Plastics Corp.		70		56		14	24.8%		18		52	280.5%		254		232		22	9.3%		70		184	261.0%	19.2%	19.4%	(19)	(1.0%)	3.3%	1,593	482.8%	19.1%	19.4%	(30)	(1.6%)	3.3%	1,582	479.3%
Window Seal Limited		–		44		(44)	(100.0%)		–		-	N/A		–		178		(178)	(100.0%)		7		(7)	(100.0%)	#DIV/0!	10.9%	–	#VALUE!	#DIV/0!	NA	#DIV/0!	0.0%	81.9%	(8,187)	(100.0%)	8.0%	(798)	(100.0%)
New Customers (L.B. Plastics)		–		44		(44)	(100.0%)		21		(21)	(100.0%)		–		133		(133)	(100.0%)		66		(66)	(100.0%)	#DIV/0!	10.9%	–	#VALUE!	26.9%	NA	#VALUE!	0.0%	15.8%	(1,577)	(100.0%)	126.6%	(12,658)	(100.0%)
Prasad Plastics Limited		–		23		(23)	(100.0%)		–		-	N/A		4		74		(70)	(94.6%)		12		(8)	(66.0%)	#DIV/0!	26.7%	–	#VALUE!	#DIV/0!	NA	#DIV/0!	0.0%	#DIV/0!	–	#DIV/0!	69.4%	(6,937)	(100.0%)
Superior Extrusions Ltd		11		–		11	N/A		–		11	N/A		23		18		5	29.8%		16		7	40.9%	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	6.2%	–	#VALUE!	7.2%	NA	#VALUE!
Vytron Corporation		9		–		9	N/A		17		(8)	(48.6%)		13		13		0	1.4%		29		(16)	(55.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	41.6%	NA	#VALUE!	11.1%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Plastibec Ltee		–		–		-	N/A		3		(3)	(100.0%)		3		–		3	N/A		6		(3)	(52.7%)	66.7%	#DIV/0!	–	#DIV/0!	24.0%	4,267	177.8%	9.3%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Vinyl Profiles (2011)		20		–		20	N/A		–		20	N/A		38		–		38	N/A		6		32	559.5%	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	0.0%	–	N/A	47.6%	NA	#VALUE!
Fence Outlet MDC, LLC		(3)		–		(3)	N/A		–		(3)	N/A		21		–		21	N/A		–		21	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	70.6%	0.0%	7,059	N/A	0.0%	7,059	N/A
INFINITY EXTRUSIONS INC.		14		–		14	N/A		–		14	N/A		36		–		36	N/A		–		36	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	133.3%	#DIV/0!	–	#DIV/0!	0.0%	13,333	N/A
Resin Technology, LLC		173		–		173	N/A		–		173	N/A		244		–		244	N/A		–		244	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	70.4%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	58.6%	–	#VALUE!	0.0%	NA	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		5,318		5,838		(520)	(8.9%)		6,520		(1,202)	(18.4%)		25,083		26,412		(1,328)	(5.0%)		31,058		(5,975)	(19.2%)	5.1%	(0.0%)	513	#####	10.3%	(521)	(50.4%)	2.1%	0.8%	134	167.0%	8.2%	(608)	(74.0%)
Total Gross	\$	6,222	\$	6,671	\$	(449)	(6.7%)	\$	7,435	\$	(1,213)	(16.3%)	\$	28,214	\$	29,943	\$	(1,729)	(5.8%)	\$	34,403	\$	(6,188)	(18.0%)	9.0%	2.6%	646	250.4%	11.5%	(251)	(21.8%)	4.5%	3.2%	136	43.0%	9.3%	(476)	(51.3%)

## Management Discussion

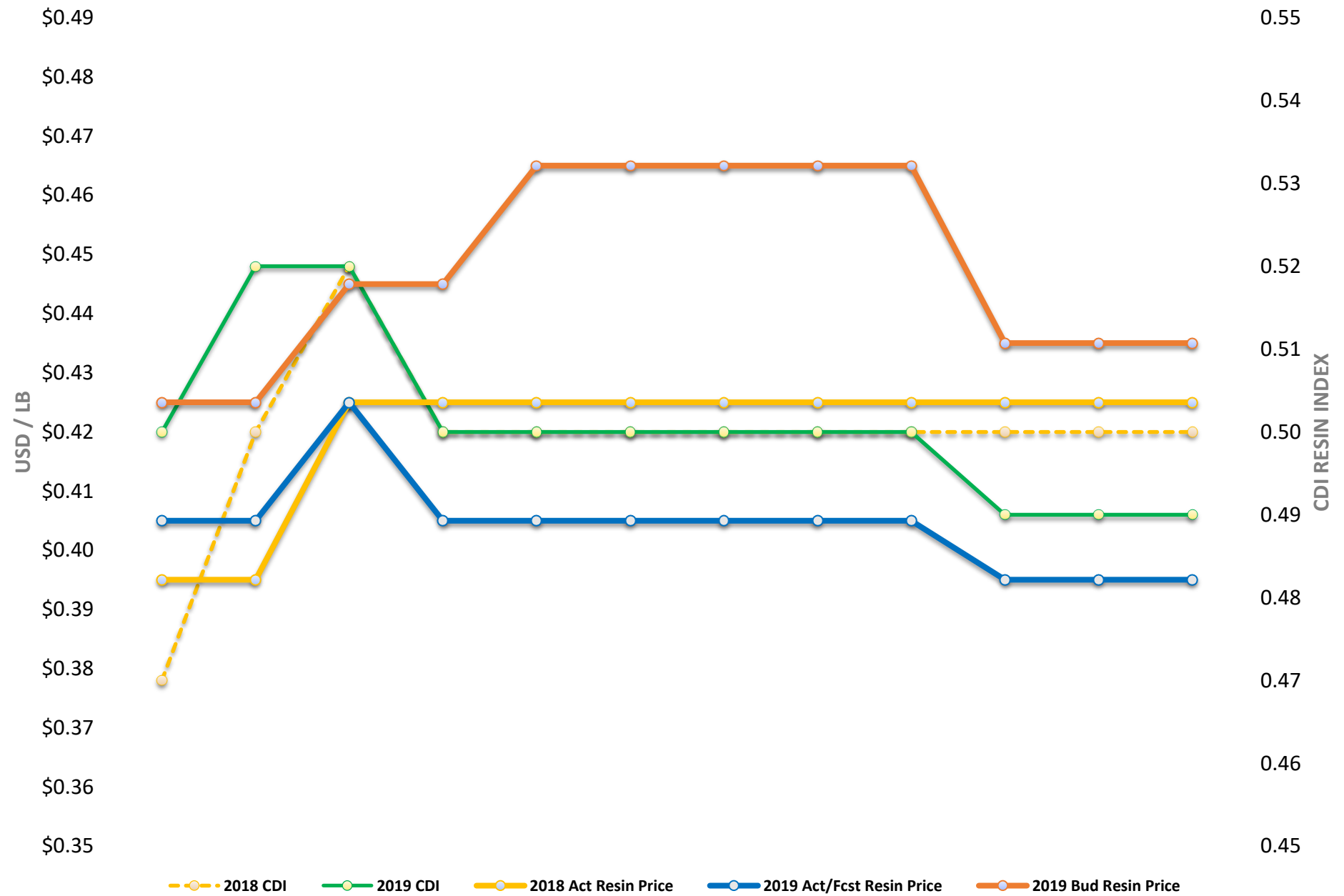
- Vinyl Profiles – Market conditions impacting sales
- Resin Technology, Unbudgeted sales from new customer requiring resin conversion to pellets.



# ECS Material Cost Summary

US \$'000	May-19 Act	FY Act	May-19 AOP	FY AOP	May-19 Actual-AOP	FY Actual-AOP
<b>Sales</b>						
Total Sales - Non-Patio & Doors - S'000	\$ 6,216	\$ 28,219	\$ 6,668	\$ 29,930	\$ (452)	\$ (1,711)
Total Sales - Non-Patio & Doors - Lbs	8,516	39,310	9,352	41,922	(836)	\$ (2,613)
<b>Materials - units</b>						
ADDITIVE	34	168	43	191	(8)	\$ (23)
ADDITIVE (IMPACT MODIFIER)	311	1,473	341	1,529	(30)	\$ (56)
ADDITIVE (PROCESSING AID)	53	252	60	270	(7)	\$ (17)
FILLER	488	2,227	529	2,370	(41)	\$ (143)
LUBRICANT	190	900	205	920	(15)	\$ (20)
PIGMENT - C	1	1	1	5	0	\$ (4)
PIGMENT - G	25	137	34	153	(9)	\$ (15)
PIGMENT - HC	14	51	13	57	2	\$ (5)
PIGMENT - PC	2	7	1	6	0	\$ 0
PKG	—	—	—	—	—	\$ -
PLASTICIZER	25	133	35	159	(10)	\$ (26)
RESIN	6,629	30,484	7,264	32,562	(635)	\$ (2,078)
STABILIZER	102	485	114	513	(13)	\$ (27)
TIO2	635	2,982	705	3,160	(70)	\$ (178)
Material Other	—	0	—	—	—	\$ 0
<b>Total Materials - Lbs</b>	<b>8,511</b>	<b>39,302</b>	<b>9,346</b>	<b>41,894</b>	<b>(836)</b>	<b>(2,592)</b>
<b>Materials - ASP</b>						
ADDITIVE	\$ 3.6109	\$ 3.6252	3.5633	\$ 3.54	\$ 0.0476	\$ 0
ADDITIVE (IMPACT MODIFIER)	\$ 1.5657	\$ 1.6103	1.6650	\$ 1.67	\$ (0.0993)	\$ (0)
ADDITIVE (PROCESSING AID)	\$ 1.5618	\$ 1.6468	1.7010	\$ 1.70	\$ (0.1392)	\$ (0)
FILLER	\$ 0.2025	\$ 0.2006	0.2109	\$ 0.21	\$ (0.0084)	\$ (0)
LUBRICANT	\$ 0.9393	\$ 0.9267	0.9329	\$ 0.93	\$ 0.0064	\$ (0)
PIGMENT - C	\$ 2.8123		2.8123	\$ 2.81	\$ (0.0000)	\$ (3)
PIGMENT - G	\$ 3.1557	\$ 3.0365	3.1592	\$ 3.16	\$ (0.0034)	\$ (0)
PIGMENT - HC	\$ 5.5471	\$ 5.5258	5.8923	\$ 5.89	\$ (0.3452)	\$ (0)
PIGMENT - PC	\$ 7.2315	\$ 7.0891	7.1296	\$ 7.13	\$ 0.1019	\$ (0)
PKG			7.6761	\$ 7.68	\$ (7.6761)	\$ (8)
PLASTICIZER	\$ 0.8618	\$ 0.8574	0.8993	\$ 0.90	\$ (0.0375)	\$ (0)
RESIN	\$ 0.4053	\$ 0.4093	0.4654	\$ 0.45	\$ (0.0601)	\$ (0)
STABILIZER	\$ 3.5406	\$ 3.4498	3.3188	\$ 3.32	\$ 0.2218	\$ 0
TIO2	\$ 1.4113	\$ 1.4116	1.4520	\$ 1.44	\$ (0.0407)	\$ (0)
Material Other					\$ —	
<b>Materials - \$'000</b>						
ADDITIVE	\$ 124	\$ 608	\$ 152	\$ 675	\$ (27)	\$ (67)
ADDITIVE (IMPACT MODIFIER)	\$ 487	\$ 2,371	\$ 568	\$ 2,546	\$ (81)	\$ (175)
ADDITIVE (PROCESSING AID)	\$ 83	\$ 416	\$ 102	\$ 459	\$ (19)	\$ (42)
FILLER	\$ 99	\$ 447	\$ 112	\$ 493	\$ (13)	\$ (46)
LUBRICANT	\$ 178	\$ 834	\$ 191	\$ 858	\$ (13)	\$ (24)
PIGMENT - C	\$ 4	\$ 4	\$ 3	\$ 14	\$ 0	\$ (10)
PIGMENT - G	\$ 79	\$ 420	\$ 108	\$ 483	\$ (28)	\$ (63)
PIGMENT - HC	\$ 80	\$ 283	\$ 75	\$ 335	\$ 5	\$ (52)
PIGMENT - PC	\$ 11	\$ 46	\$ 10	\$ 43	\$ 2	\$ 3
PKG	\$ —	\$ -	\$ 26	\$ 154	\$ (26)	\$ (154)
PLASTICIZER	\$ 22	\$ 114	\$ 32	\$ 143	\$ (10)	\$ (29)
RESIN	\$ 2,687	\$ 12,489	\$ 3,417	\$ 14,697	\$ (730)	\$ (2,208)
STABILIZER	\$ 361	\$ 1,675	\$ 380	\$ 1,702	\$ (19)	\$ (27)
TIO2	\$ 897	\$ 4,210	\$ 1,024	\$ 4,553	\$ (127)	\$ (343)
Scrap	\$ 27	\$ 144	\$ —	\$ -	\$ 27	\$ 144
BOM Scrap (not in P&L and 2019 AOP)	\$ —	\$ -	\$ —	\$ -	\$ —	\$ -
PIP Savings	\$ (8)	\$ (20)	\$ (16)	\$ (95)	\$ 9	\$ 75
Kronos Rebates (\$0.075/lb)	\$ (24)	\$ (196)	\$ (53)	\$ (237)	\$ 29	\$ 41
Resin Rebate & Discount	\$ (62)	\$ (337)	\$ (96)	\$ (432)	\$ 35	\$ 95
Amortization Timing	\$ 19	\$ 124	\$ (144)	\$ (497)	\$ 163	\$ 621
Packaging	\$ 28	\$ 133	\$ 26	\$ 131	\$ 2	\$ 2
<b>Material Other</b>	<b>\$ (28)</b>	<b>\$ (8)</b>	<b>\$ (140)</b>	<b>\$ (339)</b>	<b>\$ 112</b>	<b>\$ 331</b>
<b>Total Material Costs</b>	<b>\$ 5,064</b>	<b>\$ 23,757</b>	<b>\$ 5,775</b>	<b>\$ 25,685</b>	<b>\$ (711)</b>	<b>\$ (1,928)</b>

# Historical Resin Price Chart



# Key Performance Indicators - ECS

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

## COMMENTS:

**Indirect Labour:** Clean up carryover vacation for the operator at long term disability

# Full Year ECS P&L Summary

\$'000		FY		Var		PY		Var	
		Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)		99,050	101,346	(2,296)	(2.3%)	106,695	(7,645)	(7.2%)	
Units Shipped ('000)		98,733	101,346	(2,613)	(2.6%)	106,807	(8,073)	(7.6%)	
Bookings (\$'000)		\$ 8,540	\$ —	\$ 8,540	N/A	\$ —	\$ 8,540	N/A	
Backlog ('\$000)		\$ 181	\$ —	\$ 181	N/A	\$ —	\$ 181	N/A	
	External Revenue	\$ 8,501	\$ 8,852	\$ (351)	(4.0%)	\$ 8,388	\$ 113	1.3%	
	Affiliate Revenue	\$ 62,194	\$ 63,572	\$ (1,378)	(2.2%)	\$ 68,481	\$ (6,286)	(9.2%)	
Gross Revenue		\$ 70,695	\$ 72,424	\$ (1,729)	(2.4%)	\$ 76,869	\$ (6,174)	(8.0%)	
Adj. to Gross Revenue		(10)	(28)	18	(64.5%)	(14)	5	(31.3%)	
Net Revenue		70,685	72,396	(1,711)	(2.4%)	76,854	(6,169)	(8.0%)	
Material		61,369	63,287	(1,918)	(3.0%)	60,763	606	1.0%	
Labor		1,932	2,009	(76)	(3.8%)	1,880	52	2.8%	
Other COGS		5,794	6,032	(238)	(3.9%)	5,926	(131)	(2.2%)	
Total COGS		69,096	71,328	(2,232)	(3.1%)	68,569	527	0.8%	
Gross Margin		1,589	1,068	521	48.8%	8,286	(6,696)	(80.8%)	
Gross Margin %		2.2%	1.5%			10.8%			
R&D		—	—	—	N/A	—	—	N/A	
Sales & Marketing		168	163	5	2.9%	156	11	7.3%	
Administrative		1,754	1,782	(27)	(1.5%)	1,765	(10)	(0.6%)	
Other Opex		(126)	—	(126)	N/A	369	(495)	(134.1%)	
Total Opex		1,796	1,945	(148)	(7.6%)	2,290	(494)	(21.6%)	
EBITDA		(207)	(877)	670	(76.4%)	5,996	(6,203)	(103.5%)	
EBITDA %		(0.3%)	(1.2%)			7.8%			
Net Income (Loss)		\$ (917)	\$ (1,616)	\$ 699	(43.2%)	\$ 5,305	\$ (6,223)	(117.3%)	
Capex		\$ (31)	\$ (601)	\$ 570	(94.8%)	\$ (600)	\$ 569	(94.8%)	
<b>Opex Overview:</b>									
Payroll		\$ 561	\$ 562	\$ (1)	(0.1%)	\$ 550	\$ 11	2.1%	
Bonus		—	—	—	N/A	—	—	N/A	
Commissions		9	13	(4)	(28.7%)	1	8	1014.3%	
Marketing		1	1	—	0.0%	—	1	N/A	
Benefits		—	—	—	N/A	—	—	N/A	
Travel and entertainment		9	9	0	1.2%	9	1	5.9%	
Rent and facilities		—	—	—	N/A	—	—	N/A	
Insurance		66	69	(3)	(4.3%)	68	(1)	(1.7%)	
Professional fees		(0)	(0)	—	0.0%	—	(0)	N/A	
Utilities, repair, maintenance, and security		18	20	(2)	(12.4%)	18	(1)	(3.7%)	
Corporate OH Fees		1,254	1,271	(17)	(1.3%)	1,276	(22)	(1.7%)	
Bad Debts		—	—	—	N/A	3	(3)	(100.0%)	
FX		(126)	—	(126)	N/A	369	(495)	(134.1%)	
JV Loss (Income)		—	—	—	N/A	—	—	N/A	
Other Expenses		5	1	4	554.3%	0	5	11209.7%	
Total Opex		\$ 1,796	\$ 1,945	\$ (148)	(7.6%)	\$ 2,293	\$ (497)	(21.7%)	

# 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	%					
<b>Customer:</b>																			
Vinyl Profiles, LLC	\$	3,337	\$	3,826	\$	(489)	(12.8%)	\$	1,961	\$	1,376	70.2%	42.4%	49.6%	(717)	(14.5%)	16.2%	2,617	161.2%
Nuform Building Technologies Inc		1,603		1,596		7	0.4%		2,950		(1,347)	(45.7%)	13.6%	11.6%	201	17.3%	20.0%	(635)	(31.8%)
The Vinyl Company Inc.		1,185		1,099		85	7.8%		1,834		(649)	(35.4%)	17.5%	17.9%	(43)	(2.4%)	27.0%	(955)	(35.3%)
Vinylume Products Inc		657		650		8	1.2%		688		(31)	(4.5%)	23.0%	21.3%	175	8.2%	20.7%	231	11.2%
Accord Plastics Corp.		614		593		22	3.7%		378		237	62.7%	19.1%	19.4%	(30)	(1.5%)	16.1%	305	19.0%
Window Seal Limited		296		474		(178)	(37.5%)		17		279	1679.5%	62.2%	124.7%	(6,249)	(50.1%)	27.9%	3,425	122.6%
New Customers (L.B. Plastics)		289		422		(133)	(31.6%)		113		175	155.1%	70.1%	37.6%	3,247	86.3%	26.8%	4,335	162.0%
Prasad Plastics Limited		41		111		(70)	(63.0%)		36		5	12.8%	22.6%	#DIV/0! –		#DIV/0!	25.7%	(306)	(11.9%)
Superior Extrusions Ltd		43		38		5	14.0%		46		(3)	(6.2%)	5.1%	3.1%	196	63.4%	25.5%	(2,047)	(80.2%)
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		3		–		3	N/A		6		(3)	(52.7%)	5.6%	#DIV/0! –		#DIV/0!	24.0%	(1,844)	(76.9%)
Vinyl Profiles (2011)		38		–		38	N/A		6		32	559.5%	3.8%	0.0%	380	N/A	57.5%	(5,370)	(93.4%)
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.		36		–		36	N/A		20		16	82.9%	233.3%	#DIV/0! –		#DIV/0!	13.8%	21,952	1589.3%
Resin Technology, LLC		244		–		244	N/A		–		244	N/A	70.5%	#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		62,271		63,600		(1,328)	(2.1%)		68,786		(6,515)	(9.5%)	(0.3%)	(1.1%)	79	(74.2%)	9.6%	(988)	(102.9%)
Total Gross	\$	70,695	\$	72,424	\$	(1,729)	(2.4%)	\$	76,869	\$	(6,174)	(8.0%)	2.5%	1.6%	88	55.2%	10.8%	(830)	(77.0%)

# 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	\$ –	\$ 17	\$ (17)	(100.0%)	\$ –	\$ 49	\$ (49)	(100.0%)
Adj. to Gross Revenue	–	–	–	N/A	–	–	–	N/A
Net Revenue	–	17	(17)	(100.0%)	–	49	(49)	(100.0%)
Material	38	50	(12)	(23.6%)	540	850	(310)	(36.5%)
Labor	101	103	(2)	(1.9%)	508	515	(7)	(1.4%)
Other COGS	112	92	20	21.7%	413	460	(47)	(10.2%)
Total COGS	251	245	6	2.6%	1,461	1,825	(364)	(20.0%)
Gross Margin	(251)	(228)	(23)	10.3%	(1,461)	(1,776)	315	(17.8%)
Gross Margin %	(1330.5%)				(3610.6%)			
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	323	348	(26)	(7.4%)	1,614	1,668	(54)	(3.2%)
Administrative	(391)	(331)	(60)	18.1%	(1,983)	(1,768)	(215)	12.2%
Other Opex	18	–	18	N/A	45	–	45	N/A
Total Opex	(50)	17	(67)	(391.4%)	(324)	(100)	(224)	225.3%
EBITDA	(201)	(245)	44	(17.9%)	(1,137)	(1,676)	540	(32.2%)
EBITDA %	(1430.8%)				(3408.2%)			
Net Income (Loss)	\$ (636)	\$ (863)	\$ 227	(26.3%)	\$ (2,875)	\$ (4,481)	\$ 1,607	(35.9%)
Capex	\$ –	\$ (216)	\$ 216	(100.0%)	\$ 12	\$ (812)	\$ 824	(101.5%)
<b>Opex Overview:</b>								
Payroll	\$ 474	\$ 491	\$ (17)	(3.4%)	\$ 2,243	\$ 2,261	\$ (18)	(0.8%)
Bonus	111	113	(2)	(1.7%)	560	567	(7)	(1.3%)
Commissions	18	29	(11)	(37.9%)	89	144	(55)	(38.5%)
Marketing	21	44	(23)	(51.9%)	184	261	(77)	(29.5%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	58	135	(77)	(56.9%)	417	635	(219)	(34.4%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	37	35	2	5.9%	202	200	2	1.0%
Office Expense	12	3	9	341.6%	20	18	3	14.4%
IT	128	153	(25)	(16.4%)	667	736	(68)	(9.3%)
Bad Debts	42	–	42	N/A	99	–	99	N/A
FX	18	–	18	N/A	45	–	45	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(970)	(985)	15	(1.5%)	(4,848)	(4,921)	72	(1.5%)
Total Opex	\$ (50)	\$ 17	\$ (67)	(391.4%)	\$ (324)	\$ (100)	\$ (224)	225.3%

## Management Discussion

### EBITDA – May 2019: +\$44K

- **Gross Revenue:** Represents Consolidated price increase adjustment not achieved
- **Material COGS:** Favorable intercompany profit elimination as a result of lower intercompany inventory levels
- **Other COGS:** Property Insurance extension for Canada incurred in May vs April (timing).
- **Sales & Marketing:** lower by \$26K largely due to lower Commissions by \$10K due to revise in estimate, lower marketing expenditure of \$23K related to timing and lower Travel and Entertainment by \$33K due to less travel by Sales staff. Offset by increase in Bad Debt provision by \$42K to cover Ventana exposure at Woodbridge and Terrebonne and Deluxe Windows and Fence outlet at ECS.
- **Administrative:** lower by \$60K due to lower Staff Travel costs by \$43K, lower Salaries by \$17K and lower IT costs by \$25K and miscellaneous expenses by \$9K offset by unfavorable FX on Corporate OH Recovery of \$23K
- **Other Opex:** represents FX Loss on CAD/US Cash Transactions

# Full Year Corporate Office P&L Summary

\$'000	FY		Var		PY	Var	
	Fsc't	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	\$ 132	\$ 164	\$ (32)	(19.5%)	\$ 0	\$ 132	84259.5%
Adj. to Gross Revenue	–	–	–	N/A	72	(72)	(100.0%)
Net Revenue	132	164	(32)	(19.5%)	72	61	84.5%
Material	(299)	–	(299)	N/A	(293)	(6)	2.0%
Labor	1,230	1,236	(5)	(0.4%)	159	1,071	674.0%
Other COGS	1,038	1,104	(67)	(6.0%)	802	236	29.4%
Total COGS	1,969	2,340	(371)	(15.8%)	668	1,301	194.9%
Gross Margin	(1,837)	(2,175)	339	(15.6%)	(596)	(1,241)	208.2%
Gross Margin %	(1387.0%)	(1322.6%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,953	3,982	(28)	(0.7%)	3,842	111	2.9%
Administrative	(4,335)	(4,179)	(155)	3.7%	(6,735)	2,400	(35.6%)
Other Opex	26	–	26	N/A	134	(107)	(80.2%)
Total Opex	(355)	(198)	(157)	79.4%	(2,759)	2,404	(87.1%)
EBITDA	(1,482)	(1,978)	496	(25.1%)	2,163	(3,645)	(168.5%)
EBITDA %	(1119.1%)	(1202.4%)			3013.6%		
Net Income (Loss)	\$ (7,021)	\$ (8,401)	\$ 1,380	(16.4%)	\$ (3,324)	\$ (3,697)	111.2%
Capex	\$ 12	\$ (2,706)	\$ 2,718	(100.4%)	\$ (366)	\$ 378	(103.3%)
<b>Opex Overview:</b>							
Payroll	\$ 5,476	\$ 5,478	\$ (2)	(0.0%)	\$ 5,077	\$ 399	7.9%
Bonus	1,355	1,361	(5)	(0.4%)	159	1,196	752.7%
Commissions	301	345	(44)	(12.9%)	186	115	61.9%
Marketing	540	594	(54)	(9.1%)	584	(44)	(7.6%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,367	1,509	(142)	(9.4%)	1,137	230	20.2%
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	2	(2)	(100.0%)
Professional fees	444	444	0	0.0%	395	49	12.3%
Office Expense	39	46	(7)	(14.8%)	53	(14)	(25.8%)
IT	1,787	1,830	(43)	(2.4%)	1,367	420	30.7%
Bad Debts	57	–	57	N/A	(58)	115	(198.1%)
FX	26	–	26	N/A	134	(107)	(80.2%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,747)	(11,805)	57	(0.5%)	(11,793)	46	(0.4%)
Total Opex	\$ (355)	\$ (198)	\$ (157)	79.4%	\$ (2,757)	\$ 2,402	(87.1%)

# 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	-	-	-	-	-	-	-
Monthly capacity utilization(L/K)%( No seasonal adjustment)	60%	46%	59%	56%	58%	0%	0%	0%	0%	0%	0%	0%

### ENERGI Delmont Monthly Capacity Utilization

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

### ENERGI Woodbridge Monthly Capacity Utilization

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

### ENERGI Laval Capacity Utilization

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

### ECS Capacity utilization

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

### Terrebonne Capacity Utilization

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