



2019 Quarterly Operating Review – September 2019

October 28th, 2019



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Executive Summary

- 1. Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan by \$6,251K for the Quarter due to lower than anticipated demand at all the extrusion plants from both Canadian and US customers impacted by slowdown in most Canadian & US regions, continued high inventory levels and customers' inability to find & maintain skilled labor (ie. Installers)
- 2. EBITDA:** EBITDA behind Plan by \$1,810K, impacted by lower sales volumes than Plan at the extrusion plants and an unfavorable absorption impact due to reduced production at Laval (extended shutdown during the Quebec construction holiday). EBITDA also impacted by production challenges at Woodbridge resulting in lower production yields, higher scrap and lower regrind usage. These unfavorable impacts were partially offset by lower material cost inputs (favorable resin pricing), optimization of labor costs and lower OPEX costs including labor and all discretionary spending
- 3. Vs Prior Year:** Overall sales revenues and volumes were behind Prior Year by \$1,788K for the Quarter due to lower sales out of Woodbridge, Laval and Everett, partially offset by higher sales from Delmont, Terrebonne and ECS. Woodbridge sales impacted by lost business (Ventana, Jeld-Wen, Panes, Okna, Clera, Duraco), soft market conditions in the Central Canadian region and lower JV sales. Everett sales impacted by lost business (SI, Win-Dor, Van Isle) and soft market conditions in the US West region. EBITDA was behind the Prior Year by \$2,170K for the Quarter primarily due to the Prior Year bonus accrual reversal impact of \$1,694K. EBITDA also negatively impacted by: the reduced volumes at Woodbridge and Everett; Woodbridge production challenges resulting in higher scrap; unfavorable material pricing (TiO₂, glass, aluminum and steel) and higher OPEX costs from payroll, marketing, IT and F/X. EBITDA has improved at Terrebonne, Delmont and Laval year-over-year with improvements in margins, quality, delivery and labor utilization
- 4. TTM:** 2019 September TTM Revenue of \$158.0M and EBITDA of \$10.0M 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 October as at October 24th is currently behind the prior year on a Month to Date basis. Patio Door sales orders are ahead of prior year orders by 6.2% while the Extrusion orders are behind the prior year orders on a Month to Date basis. Laval continues to have a healthy sales backlog with order intake ahead of prior year by almost 10%. Delmont's orders are also ahead of the prior year's orders by 6.6%, while orders at Woodbridge and Everett are behind the prior year by 15.1% and 5.7%, respectively. Woodbridge, Laval and Delmont are planning to draw from inventory levels in October and adjusting production schedules accordingly, while Everett is planning to build some inventory in October to accommodate extended plant shut downs during the holidays in November and December.
6. **Material/Supplier Price Increases:** CDI Resin Index remained consistent in September's and October's report, resulting in no change to the September resin price. PVC industry statistics showed a further reduction in domestic resin demand versus August and the prior year, and expect both domestic and export demand to be soft in Q4 2019. Industry consensus appears to suggest that ethylene prices will peak in October and begin to decline in November, together with lower seasonal demand in NA and lower export pricing, there is an expectation that resin prices in NA will decline by a further 1 cpp in November. TiO2 contract negotiations ongoing with current supplier as contract expires on Oct. 31st. Discussions and testing of materials ongoing with alternative suppliers for regrind compound, TiO2, Masterbatch, Acrylic Dark Cap, Stabilizer and Filler materials. Selected SmartVentures for a review of ENERGI's logistics and packaging supply and processes
7. **Bank Covenants:** Excess Availability covenant for Sep-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target due to continued softness of EBITDA. Continue to monitor Q4 2019 and Q1 2020 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly
8. **Everett Plant Manager:** John Haddon has resigned from ENERGI with his last day August 13th. John has accepted a Plant Manager position with an Old Castle manufacturing plant in BC, Canada, where he will be closer to family. There is an active search for his replacement. Aimee Barrett, Production Manager, is currently the interim Plant Manager with support from the Executive Management team. Aimee is also being considered as a candidate for the role on a permanent basis

Executive Summary (Continued)

9. **VP of Operations:** ENERGI decided to release Andy Schnuerer of his duties on October 1st. Andy's role will currently not be replaced, but a search will most likely commence in Jan-20. The Executive Management team is sharing the responsibility of his duties to ensure that the good processes and disciplines he implemented will continue to be followed and further developed at the plants
10. **US West Region Sales Manager:** Jay Meiries, US West Region sales account manager has resigned from ENERGI with his last day on October 25th. Jay received an offer from his former employer in the commercial glass industry that will allow him to be situated closer to home. A current search is ongoing for his replacement
11. **Terrebonne Capital Equipment (Vendor Bankruptcy):** Terrebonne had purchased an automated saw machine from a local Montreal distributor of a well-known and reputable equipment manufacturer (Sturtz Machinery) in 2018. The contract was with the local distributor in Montreal and Sturtz commenced to manufacture the equipment in early 2018 upon payment of the initial deposit to the distributor. The manufacturer had substantially completed the unit by the end of 2018 and following ENERGI's inspection of the equipment in Dec-18, additional modifications were requested and promised to be completed by early 2019. Upon notification from the distributor that the modifications were completed by Sturtz and the equipment was ready to be shipped, the second instalment payment was made. The equipment was never shipped to ENERGI and the distributor filed for bankruptcy shortly thereafter. ENERGI's legal representation attended the bankruptcy hearing and learned that Sturtz only received a portion of the funds from the distributor for the ENERGI equipment, which they still have in their possession. There is no claim against the distributor due to secured debt obligations having preference over remaining funds & assets. However, ENERGI is currently negotiating with Sturtz to try and take possession of the equipment or return some of the deposit funds paid. ENERGI has paid approx. US\$380K (CAD\$506K), which has been recorded as CAPEX in 2018 and 2019. A meeting was held with Sturtz USA's CEO on Oct. 17th to explain ENERGI's position and request for the equipment. The Sturtz CEO will discuss the issue with the Sturtz corporate office in Germany to determine if there is a mutually agreeable resolution

Executive Summary (Continued)

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

Key Wins and Losses – Q3 2019



Key Wins

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


Key Losses

- **None**


Key Initiatives Update

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



Key Initiatives Update (Continued)

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


Key Initiatives Update (Continued)

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

Key Initiatives Update (Continued)

Initiative	Status	Recent Progress	Next Steps	Risks
5. Planning Disciplines and overall Communication Practices		<ul style="list-style-type: none"> • Weekly updates on status of “Big 3” initiatives and identify next initiatives once completed • Communications between plants and sharing of best practices conducted on a weekly basis • Visual Control Boards implemented to track progress on certain lines and improve change over times & yields • Weekly Tooling Status meetings being conducted • Implementation of APQP process with initial projects 	<ul style="list-style-type: none"> • Weekly Quality Assurance calls continue to evolve yielding improved team problem solving and systemic solution to issues • Schedule Monthly/Quarterly meetings with extended management team to communicate overall financial results, metrics and strategies • Standardize 2Hr quality checks at all plants 	<ul style="list-style-type: none"> • Lack of Accountability and Ownership from employees
6. Safety		<ul style="list-style-type: none"> • 12 recordable incidents YTD; 3 at Laval, Delmont and Terrebonne, 2 at Everett and 1 at Woodbridge • Weekly management safety meetings being held • Accelerating more aggressive safety program at Laval and Delmont 	<ul style="list-style-type: none"> • Enhance plant safety programs and accelerate the safety awareness culture at all plants • Incorporating safety reviews during GEMBA walks; additional communications 	

Key Initiatives Update (Continued)

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

Key Performance Indicators - Summary

Safety:

- Three(3) recordable incidents in Q3 2019: (i) Aluminum debris fell into workers' left eye; Surgical removal (no Lost Time); (ii) Worker's left 1st finger caught in the mechanism of the pneumatic cylinder while using an automatic sash table resulting in a fracture (no Lost Time); (iii) Worker injured finger using mitre saw (Lost time, 3 days)
- September 2019 TRIR of 2.17 vs 2018 TRIR of 1.97; Total Recordable Cases – 12 for 2019 YTD vs 14 for 2018 FY & 16 for 2017 FY
- 34 months incident free record at ECS

Quality:

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

Delivery:

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

Efficiencies:

- Woodbridge yields impacted by shorter production runs driven by high inventory levels, lower sales and tooling development activity
- Laval Alt/Regrind consumption ratio below target due to insufficient scrap generation (favorable yields) and Alt material purchases
- Delmont yields impacted by higher change-overs and lower lbs production due to lower sales and dark cap production runs
- Everett Alt/Regrind consumption impacted by lack of correct regrind and insufficient scrap generation (favorable yields)

Inventory:

- Lower sales vs budget impacting inventory levels

Key Performance Indicators – Plant Summary

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
<u>Health & Safety</u>												
# Recordables (affects TRIR)	# in Month	0	1	1	2	2	2	1	2	0	1	12
Woodbridge		0	0	0	0	0	1	0	0	0	0	1
Laval		0	1	1	0	0	0	1	0	0	0	3
Terrebonne		0	0	0	0	0	0	0	2	0	1	3
Delmont		0	0	0	2	1	0	0	0	0	0	3
Everett		0	0	0	0	1	1	0	0	0	0	2
ECS		0	0	0	0	0	0	0	0	0	0	0
<u>Quality Performance</u>												
Returns as % of sales	# of Plants Green	6	4	4	5	6	6	5	6	4	4	5
Woodbridge		0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.75%	0.29%	0.43%
Laval		0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.25%	0.15%	0.41%
Terrebonne		1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	1.02%	0.89%	0.84%
Delmont		0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.37%	1.08%	0.14%
Everett		0.60%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	0.06%	0.28%	0.30%	0.30%
ECS		0.20%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.14%	0.00%
<u>Delivery Performance</u>												
% by line items	# of Plants Green	6	6	5	6	4	5	4	4	4	4	4
Woodbridge		99.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	97.2%	96.4%	97.9%
Laval		99.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.6%	99.7%	99.7%
Terrebonne ****		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	83.0%	89.0%	84.7%
Delmont		99.0%	99.5%	99.4%	99.4%	99.3%	99.1%	99.4%	99.3%	99.1%	99.2%	99.3%
Everett		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	99.9%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% on time in full	# of Plants Green	6	6	6	6	5	5	5	5	5	5	5
Woodbridge		95.0%	99.6%	98.8%	99.4%	98.1%	99.0%	95.3%	97.3%	97.2%	96.4%	97.9%
Laval		95.0%	99.7%	99.8%	99.6%	99.8%	99.8%	99.7%	99.7%	99.6%	99.7%	99.7%
Terrebonne		95.0%	95.4%	95.7%	95.6%	78.3%	80.3%	73.9%	71.1%	83.0%	89.0%	84.7%
Delmont		95.0%	99.7%	99.8%	99.7%	99.6%	99.6%	99.6%	99.7%	99.5%	99.6%	99.6%
Everett		99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%	100.0%	100.0%
ECS		99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Costs</u>												
Yield*	# of Plants Green	5	3	3	3	3	3	4	3	3	3	3
Woodbridge		85.7%	84.7%	85.5%	85.2%	84.5%	85.0%	85.9%	86.2%	85.0%	85.2%	85.3%
Laval		84.0%	85.5%	85.2%	86.9%	88.0%	87.3%	87.3%	86.2%	87.5%	88.6%	87.0%
Delmont		85.7%	81.4%	82.7%	83.3%	83.4%	82.8%	82.2%	82.3%	83.6%	83.4%	82.8%
Everett		85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.7%	83.8%	89.8%	90.2%	89.8%
ECS		99.2%	99.5%	99.6%	99.8%	99.8%	99.9%	99.5%	99.6%	99.5%	99.5%	99.6%

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

Key Performance Indicators – Plant Summary (Cont’d)

KPI Measure		2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
<u>Costs</u>												
Alt. Compound Consumption Ratio*		5	3	2	4	2	2	2	1	2	3	3
Woodbridge		19.9%	17.4%	20.1%	20.0%	18.4%	18.4%	18.7%	16.7%	16.9%	21.1%	18.5%
Laval		20.9%	20.2%	19.4%	18.4%	16.3%	19.9%	20.2%	19.0%	18.9%	14.2%	18.4%
Delmont		17.1%	25.4%	19.8%	19.5%	23.3%	17.9%	20.8%	18.5%	28.0%	23.8%	21.9%
Everett		20.0%	32.0%	18.4%	21.4%	18.3%	17.3%	16.4%	19.8%	19.6%	17.9%	20.2%
ECS		0.0%	0.4%	0.1%	0.4%	0.6%	0.6%	0.3%	0.0%	0.4%	0.4%	0.2%
<u>Inventory</u>												
Days - TTM*	# of Plants Green	5	2	1	3	3	3	2	2	2	2	
Woodbridge		54.1	57.3	59.1	61.8	63.6	63.8	64.5	65.6	67.1	68.0	
Laval		69.3	66.7	66.4	67.7	69.0	68.4	69.8	70.3	70.2	70.2	
Terrebonne		71.0	74.8	71.4	70.2	68.8	66.3	64.8	62.3	61.9	61.7	
Delmont		58.7	62.0	62.1	64.6	66.8	67.4	70.0	71.0	73.0	72.8	
Everett		84.5	84.4	85.6	87.2	87.8	88.8	91.7	92.7	93.6	92.9	
ECS		46.0	50.0	49.0	42.0	41.0	32.0	31.0	43.0	41.9	41.7	
<u>Customer Service</u>												
Customer Experience - NPS Improvement		20%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Customer Complaints - per MLBS ***	# of Plants Green	6	5	4	2	4	3	3	5	5	4	4
Woodbridge		3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	2.3	3.0	2.9
Laval		22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	18.3	24.9	25.8
Terrebonne		3.2	4.0	3.9	3.6	3.7	3.4	2.0	2.0	1.9	3.9	3.2
Delmont		3.2	2.8	3.2	3.7	2.9	3.0	3.4	3.6	4.8	2.8	3.4
Everett		8.0	1.7	2.8	4.1	2.1	2.4	3.8	2.8	4.4	2.2	2.9
ECS		0.3	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.1
Customer Retention		100%	100.0%	100.0%	98.9%	100.0%	99.4%	100.0%	100.0%	100.0%	100.0%	98.3%
<u>Employees</u>												
Employee Engagement		80%	76.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Employee Retention		90%	99.2%	98.1%	99.2%	98.4%	98.5%	98.3%	98.0%	98.9%	98.7%	97.8%

Consolidated Summary P&L – Q3 2019

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	25,965	29,578	(3,612)	(12.2%)	74,634	83,723	(9,088)	(10.9%)
Units Shipped ('000)	26,374	30,375	(4,001)	(13.2%)	72,722	83,833	(11,110)	(13.3%)
Bookings (\$'000)	\$ 44,780	\$ 50,397	\$ (5,616)	(11.1%)	\$ 124,368	\$ 138,007	\$ (13,638)	(9.9%)
Backlog (\$'000)	\$ 10,856	\$ 12,898	\$ (2,042)	(15.8%)	\$ 10,856	\$ 12,898	\$ (2,042)	(15.8%)
Gross Revenue	\$ 45,901	\$ 52,520	\$ (6,619)	(12.6%)	\$ 125,024	\$ 143,035	\$ (18,011)	(12.6%)
Adj. to Gross Revenue	(2,428)	(2,796)	368	(13.2%)	(6,219)	(7,436)	1,217	(16.4%)
Net Revenue	43,473	49,724	(6,251)	(12.6%)	118,806	135,599	(16,793)	(12.4%)
Material	21,220	24,684	(3,465)	(14.0%)	57,840	67,497	(9,657)	(14.3%)
Labor	9,624	10,011	(387)	(3.9%)	27,355	28,920	(1,566)	(5.4%)
Other COGS	5,272	5,545	(273)	(4.9%)	13,468	14,941	(1,473)	(9.9%)
Total COGS	36,116	40,240	(4,125)	(10.2%)	98,663	111,359	(12,696)	(11.4%)
Gross Margin	7,357	9,484	(2,126)	(22.4%)	20,143	24,241	(4,098)	(16.9%)
Gross Margin %	16.9%	19.1%			17.0%	17.9%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	1,709	1,850	(142)	(7.7%)	5,064	5,453	(389)	(7.1%)
Administrative	2,989	3,237	(249)	(7.7%)	8,793	9,563	(770)	(8.0%)
Other Opex	16	(57)	74	(128.8%)	(252)	(172)	(80)	46.2%
Total Opex	4,714	5,030	(317)	(6.3%)	13,606	14,844	(1,238)	(8.3%)
EBITDA	2,644	4,453	(1,810)	(40.6%)	6,537	9,397	(2,860)	(30.4%)
EBITDA %	6.1%	9.0%			5.5%	6.9%		
Net Income (Loss)	\$ (1,051)	\$ 609	\$ (1,660)	(272.4%)	\$ (3,046)	\$ (1,921)	\$ (1,126)	58.6%
Capex	\$ (1,647)	\$ (1,475)	\$ (172)	11.7%	\$ (4,999)	\$ (6,806)	\$ 1,807	(26.6%)
Opex Overview:								
Payroll	\$ 2,508	\$ 2,752	\$ (243)	(8.8%)	\$ 7,591	\$ 8,047	\$ (456)	(5.7%)
Bonus	338	340	(3)	(0.8%)	1,009	1,020	(11)	(1.1%)
Commissions	74	90	(16)	(17.9%)	188	269	(81)	(30.2%)
Marketing	447	447	0	0.0%	1,126	1,367	(241)	(17.6%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	272	410	(138)	(33.7%)	826	1,198	(372)	(31.0%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	87	90	(2)	(2.8%)	240	257	(17)	(6.6%)
Professional fees	192	141	51	36.2%	483	444	39	8.8%
Office Expenses	58	67	(9)	(13.0%)	192	215	(23)	(10.7%)
IT	480	535	(56)	(10.4%)	1,412	1,551	(140)	(9.0%)
Bad Debts	26	(1)	27	(2366.0%)	123	(3)	127	(3662.7%)
FX	37	–	37	N/A	(130)	–	(130)	N/A
JV Loss (Income)	(20)	(57)	37	(64.3%)	(122)	(172)	51	(29.4%)
Other Expenses	216	217	(2)	(0.8%)	667	650	17	2.6%
Total Opex	\$ 4,714	\$ 5,030	\$ (317)	(6.3%)	\$ 13,606	\$ 14,844	\$ (1,238)	(8.3%)

Management Discussion

Net Revenue – Q3 -\$6,251K:

- Extrusion external sales volume unfavorable by 16.0% or \$6,548K due to lower demand from both Canadian and US customers; with lower sales out of Woodbridge by \$3,285K, Laval by \$157K, Delmont by \$1,835K and Everett by \$1,271K
- Patio Door gross sales were in line with Budget for the Quarter. External compound sales were behind Budget by \$67K due to reduced orders from Vinyl Profiles, Window Seal, Nuform and Vinyl Company
- Favorable product/customer mix impact of \$454K primarily from Woodbridge and Delmont partially offset by Everett; Favorable rebates & discounts variance of \$296K due to lower sales and customer mix; and lower Returns & allowances by \$45K due to quality improvements
- Unfavorable F/X impact of \$428K (actual rate of 1.3206 [or \$USD 0.7572] vs. Budget rate of 1.30 [or \$USD 0.7692])

EBITDA – Q3 -\$1,810K:

- Material COGS:** Decrease of \$3,465K primarily due to the mix and volume impact of \$3,842K from lower sales; favorable resin material prices and favorable scrap at ECS of \$858K (net of higher TiO2, glass, steel and aluminum pricing); offset by unfavorable yields and lower regrind usage of \$1,110K at Woodbridge, Delmont & Everett due to tool trials, dark capstock launch and lower production volumes, and higher E&O/LCM reserves of \$125K
- Labor COGS:** Decrease of \$387K due to a volume impact of \$62K, favorable impact of \$234K from headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne & ECS and a favorable F/X impact of \$91K
- Other COGS:** Decrease of \$273K comprised of: lower freight costs due to sales volume and customer mix of \$249K, higher tool & die overhead recovery of \$149K, lower overhead spending (ie. Maintenance, utilities and factory supplies) of \$29K and a favorable F/X impact of \$53K; partially offset by an unfavorable net absorption impact of \$207K as a result of selling more out of inventory than Plan
- Sales and Marketing:** Lower payroll costs as a result of lower headcount and vacations taken of \$105K, lower T&E spend of \$39K and a favorable F/X impact of \$22K; offset by bad debts
- Administrative:** Lower payroll costs of \$112K due to lower headcount, lower T&E spend of \$96K and a favorable F/X impact of \$31K
- Other Opex:** Unfavorable realized F/X re-valuation impact of \$37K due to net USD working capital held by the Canadian entity (change in F/X from 1.3099 on June 30th, 2019 to 1.3246 on September 30th, 2019) and lower JV equity income due to reduced sales volumes

Consolidated Summary P&L (vs PY) – Q3 2019

\$'000	QTD		Var		YTD		Var	
	Act	PY-Act	\$	%	Act	PY-Act	\$	%
Units Produced ('000)	25,965	24,443	1,522	6.2%	74,634	75,232	(597)	(0.8%)
Units Shipped ('000)	26,374	27,434	(1,061)	(3.9%)	72,722	80,698	(7,976)	(9.9%)
Bookings (\$'000)	\$ 44,780	\$ 45,857	\$ (1,077)	(2.3%)	\$ 124,368	\$ 134,973	\$ (10,604)	(7.9%)
Backlog ('\$000)	\$ 10,856	\$ 10,797	\$ 59	0.5%	\$ 10,856	\$ 10,797	\$ 59	0.5%
Gross Revenue	\$ 45,901	\$ 47,804	\$ (1,903)	(4.0%)	\$ 125,024	\$ 138,762	\$ (13,738)	(9.9%)
Adj. to Gross Revenue	(2,428)	(2,544)	115	(4.5%)	(6,219)	(7,332)	1,114	(15.2%)
Net Revenue	43,473	45,261	(1,788)	(3.9%)	118,806	131,430	(12,624)	(9.6%)
Material	21,220	21,887	(668)	(3.1%)	57,840	63,511	(5,671)	(8.9%)
Labor	9,624	8,995	629	7.0%	27,355	30,045	(2,691)	(9.0%)
Other COGS	5,272	6,241	(969)	(15.5%)	13,468	15,956	(2,487)	(15.6%)
Total COGS	36,116	37,123	(1,007)	(2.7%)	98,663	109,512	(10,849)	(9.9%)
Gross Margin	7,357	8,138	(780)	(9.6%)	20,143	21,918	(1,775)	(8.1%)
Gross Margin %	16.9%	18.0%			17.0%	16.7%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	1,709	1,574	135	8.5%	5,064	5,509	(445)	(8.1%)
Administrative	2,989	1,843	1,145	62.1%	8,793	7,772	1,021	13.1%
Other Opex	16	(93)	110	(117.7%)	(252)	(3)	(248)	7212.8%
Total Opex	4,714	3,324	1,389	41.8%	13,606	13,278	328	2.5%
EBITDA	2,644	4,813	(2,170)	(45.1%)	6,537	8,640	(2,103)	(24.3%)
EBITDA %	6.1%	10.6%			5.5%	6.6%		
Net Income (Loss)	\$ (1,051)	\$ 1,396	\$ (2,447)	(175.2%)	\$ (3,046)	\$ (1,272)	\$ (1,775)	139.5%
Capex	\$ (1,647)	\$ (2,135)	\$ 488	(22.9%)	\$ (4,999)	\$ (6,983)	\$ 1,984	(28.4%)
Opex Overview:								
Payroll	\$ 2,508	\$ 2,335	\$ 173	7.4%	\$ 7,591	\$ 7,909	\$ (317)	(4.0%)
Bonus	338	(518)	856	(165.2%)	1,009	159	850	535.0%
Commissions	74	57	17	30.0%	188	147	41	27.7%
Marketing	447	379	68	18.0%	1,126	1,340	(214)	(15.9%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	272	322	(49)	(15.4%)	826	956	(130)	(13.6%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	87	86	1	1.0%	240	252	(12)	(4.6%)
Professional fees	192	121	71	59.0%	483	440	43	9.8%
Office Expenses	58	56	2	4.4%	192	226	(34)	(14.9%)
IT	480	376	104	27.5%	1,412	1,233	179	14.5%
Bad Debts	26	(6)	32	(521.0%)	123	(69)	192	(278.4%)
FX	37	(38)	75	(198.0%)	(130)	160	(290)	(181.4%)
JV Loss (Income)	(20)	(55)	35	(63.2%)	(122)	(163)	42	(25.5%)
Other Expenses	216	211	5	2.3%	667	690	(24)	(3.4%)
Total Opex	\$ 4,714	\$ 3,324	\$ 1,389	41.8%	\$ 13,606	\$ 13,277	\$ 328	2.5%

Management Discussion

Net Revenue – Q3 -\$1,788K:

- Extrusion external sales volume unfavorable by 7.% or \$2,710K due to lower demand from both Canadian & US customers and lost business (Ventana, J-W, KP, Thompson Creek); with lower sales out of Woodbridge by \$2,352K, Laval by \$29K and Everett by \$443K (loss of SI); partially offset by higher sales out of Delmont by \$114K
- Patio Door gross sales were ahead of Prior Year by \$283K mainly driven by increased demand from Golden, Isothermic, Abritek and AMI. External compound sales were ahead of Prior Year by \$364K due to increases from Window Seal, Nuform, The Vinyl Company and Resin Tech (tolling business)
- Favorable product/customer mix impact of \$462K primarily from Woodbridge, Delmont and Terrebonne; Favorable rebates & discounts variance of \$36K due to Woodbridge and Everett volumes; and lower returns & allowances by \$60K due to quality improvements
- Unfavorable F/X impact of \$283K (actual rate of 1.3206 [or \$USD 0.7572] vs. Prior Year rate of 1.3069 [or \$USD 0.7652])

EBITDA – Q3 -\$2,170K:

- Unfavorable impact to Gross Margin of \$481K due to significant volume shortfall
- Material costs impacted unfavorably by Woodbridge production issues of \$456K (lower yields, regrind usage and increased JV scrap); higher material pricing impact of \$286K due to glass, steel and aluminum materials at Terrebonne and TiO2 at ECS; and a higher E&O/LCM inventory reserves of \$71K
- Labor costs were unfavorable due to the bonus accrual reversal in the Prior Year of \$842K; partially offset by reduced costs in 2019 due to headcount reduction initiatives and improved labor efficiencies at Laval, Delmont and ECS
- Other COGS lower than the Prior Year as a result of lower freight costs of \$238K and a favorable absorption impact of \$474K as a result of producing more than Prior Year and a favorable warranty variance of \$232K due to a Prior Year expense at Terrebonne
- Sales and Marketing expenses increased as a result of higher marketing costs in the Quebec region (timing), higher testing/certification costs of \$39K and a bad debts reserve of \$32K
- Administrative costs impacted by a Prior Year bonus accrual reversal of \$852K, 3 additional corporate heads (commenced employment in Q4-18) and new H&S specialist at Delmont (\$155K) and IT costs due to prior year timing of expenses
- Unfavorable realized F/X re-valuation impact of \$75K due to net USD working capital held by the Canadian entity and lower JV equity income impacted by lower volumes

Q3 2019 Net Sales Bridge

(In Thousands of US Dollars)

	Woodbridge	Laval	Delmont	Everett	ECS	Terrebonne	Group Office	Adj.	Total
Net Sales Budget, as reported (A)	\$ 13,530	\$ 8,981	\$ 11,533	\$ 7,956	\$ 19,280	\$ 5,898	\$ 53	\$ (17,508)	\$ 49,724
Volume impact (external sales)	(3,285)	(157)	(1,835)	(1,271)	(67)	(3)	-	-	(6,617)
Volume impact (intercompany sales)	370	247	74	-	(950)	-	-	259	-
Rebates & discounts	207	14	21	81	7	(26)	(8)	-	296
Price / Mix impact	488	(40)	481	(359)	(7)	(55)	(54)	-	454
Returns & allowances	(12)	8	(13)	54	-	8	-	-	45
Other - F/X	(162)	(140)	(0)	0	(38)	(92)	0	3	(428)
Actual Net Sales (B)	\$ 11,137	\$ 8,913	\$ 10,261	\$ 6,462	\$ 18,225	\$ 5,730	\$ (8)	\$ (17,246)	\$ 43,473
Actual vs Budget, as reported Variance (B) - (A)	\$ (2,393)	\$ (68)	\$ (1,272)	\$ (1,495)	\$ (1,055)	\$ (168)	\$ (62)	\$ 262	\$ (6,251)
Actual vs Prior Year, as reported Variance	\$ (1,834)	\$ 149	\$ 633	\$ (571)	\$ (1,303)	\$ 266	\$ (8)	\$ 880	\$ (1,788)
Actual YTD vs Budget YTD, as reported Variance	\$ (6,067)	\$ (1,647)	\$ (2,985)	\$ (3,267)	\$ (2,864)	\$ (1,070)	\$ (128)	\$ 1,236	\$ (16,793)
Actual YTD vs Prior Year YTD, as reported Variance	\$ (7,404)	\$ (2,382)	\$ 253	\$ (2,652)	\$ (8,014)	\$ (634)	\$ (80)	\$ 8,289	\$ (12,624)

Q3 2019 EBITDA Bridge

(In Thousands of US Dollars)

	<u>Woodbridge</u>	<u>Laval</u>	<u>Delmont</u>	<u>Everett</u>	<u>ECS</u>	<u>Terrebonne</u>	<u>Group Office</u>	<u>Adj.</u>	<u>Total</u>
EBITDA Budget, as reported (A)	\$ 829	\$ 1,533	\$ 2,117	\$ 751	\$ (459)	\$ (44)	\$ (274)	\$ -	\$ 4,453
Volume & Mix impact	(408)	(102)	(255)	(918)	(96)	(56)	(66)	-	(1,901)
Labor - DL/IDL FAV/(UNF)	(71)	192	25	16	52	(66)	-	-	148
Alt. Materials FAV/(UNF)	(644)	(13)	(288)	(165)	-	-	-	-	(1,110)
Other Materials - FAV/(UNF)	(24)	(12)	(66)	(33)	1,098	(230)	-	-	733
Absorption impact FAV/(UNF)	(80)	(327)	(61)	259	(43)	45	-	-	(207)
Overhead Spending FAV/(UNF)	(82)	62	118	45	62	29	-	-	234
Warranty (specific accrual)	-	-	-	-	-	(14)	-	-	(14)
Bonus accrual	-	-	-	-	-	-	-	-	-
Other	12	73	25	4	(30)	30	192	-	307
Actual EBITDA (B)	\$ (468)	\$ 1,407	\$ 1,615	\$ (41)	\$ 584	\$ (305)	\$ (148)	\$ -	\$ 2,644
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Actual vs Budget, as reported Variance (B) - (A)	\$ (1,297)	\$ (127)	\$ (502)	\$ (792)	\$ 1,043	\$ (261)	\$ 126	\$ -	\$ (1,810)
Actual vs Prior Year, as reported Variance	\$ (703)	\$ 183	\$ 306	\$ (404)	\$ (82)	\$ 647	\$ (2,116)	\$ -	\$ (2,170)
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Actual YTD vs Budget YTD, as reported Variance	\$ (2,487)	\$ (285)	\$ (1,052)	\$ (1,964)	\$ 2,431	\$ (385)	\$ 747	\$ 136	\$ (2,860)
Actual YTD vs Prior Year YTD, as reported Variance	\$ (489)	\$ 564	\$ 1,251	\$ (766)	\$ (967)	\$ 1,085	\$ (2,917)	\$ 136	\$ (2,103)

Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

	Q3 2019			Sep-19 YTD			Comments
	Actual	Budget	Variance FAV/(UNF)	Actual	Budget	Variance FAV/(UNF)	
Woodbridge - Scrap Variance ⁽¹⁾	\$ (306)	\$ 74	\$ (380)	\$ (438)	\$ 282	\$ (719)	Cellular material issues, increased trials and JV pitting Lower regrind usage due to product mix and process issues
Woodbridge - Alt Materials Usage ⁽²⁾	\$ 207	\$ 471	\$ (264)	\$ 886	\$ 1,200	\$ (315)	
Woodbridge - Total	\$ (99)	\$ 545	\$ (644)	\$ 448	\$ 1,482	\$ (1,034)	
Laval - Scrap Variance ⁽¹⁾	\$ 61	\$ -	\$ 61	\$ 178	\$ 20	\$ 158	Favorable yields due to longer runs and product mix Lower regrind usage due to lower availability & improved yields
Laval - Alt Materials Usage ⁽²⁾	\$ 158	\$ 232	\$ (74)	\$ 458	\$ 511	\$ (53)	
Laval - Total	\$ 219	\$ 232	\$ (13)	\$ 637	\$ 531	\$ 106	
Delmont - Scrap Variance ⁽¹⁾	\$ 196	\$ 369	\$ (173)	\$ 679	\$ 986	\$ (307)	Unfavorable yields due to higher customer returns Reduced regrind usage due to lower volumes and scrap sold
Delmont - Alt Materials Usage ⁽²⁾	\$ 113	\$ 228	\$ (115)	\$ 410	\$ 656	\$ (246)	
Delmont - Total	\$ 309	\$ 597	\$ (288)	\$ 1,089	\$ 1,642	\$ (553)	
Everett - Scrap Variance ⁽¹⁾	\$ 133	\$ 176	\$ (42)	\$ (402)	\$ (317)	\$ (84)	Lower regrind usage due to volumes and external supply
Everett - Alt Materials Usage ⁽²⁾	\$ 72	\$ 194	\$ (123)	\$ 1,049	\$ 1,390	\$ (342)	
Everett - Total	\$ 205	\$ 370	\$ (165)	\$ 647	\$ 1,073	\$ (426)	
Total Scrap Variance ⁽¹⁾	\$ 84	\$ 618	\$ (534)	\$ 18	\$ 970	\$ (952)	
Total Alt Materials Usage ⁽²⁾	\$ 550	\$ 1,126	\$ (576)	\$ 2,802	\$ 3,758	\$ (955)	
Grand Total	\$ 634	\$ 1,744	\$ (1,110)	\$ 2,821	\$ 4,728	\$ (1,908)	

Notes:
(1) - Scrap Variance includes scrap variance vs. scrap included in Standard Costs from: (i) production scrap impacted by production yields, product mix and other factors (ie. Age of extruders, power outages, labor availability); (ii) raw material count variances and adjustments; and (iii) finished goods count variances and adjustments
(2) - Alt Materials Usage includes use of regrind material in the production process obtained from any one of the following sources: (i) alternative compound externally sourced; (ii) white window regrind from Zero Waster recycling program; and/or (iii) scrap not sold.

Strategic Plan Update – Summary of HCR Initiative

(In Thousands of US Dollars)

	Q1-19	Q2-19	Q3-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	29,578	83,723
Actual Production Volume (Lbs)	23,546	25,123	25,965	74,634
Increased/(Decreased) Production - %	-4.8%	-14.6%	-12.2%	-10.9%
Direct Labor:				
Budget Direct Labor	\$ 4,262	\$ 4,864	\$ 4,924	\$ 14,051
Deduct: Budget Direct Labor - Terrebonne	687	823	851	2,361
Budget Direct Labor - Extrusion & Compounding (A)	\$ 3,575	\$ 4,041	\$ 4,073	\$ 11,689
Budget Direct Labor (Flexed for Actual Volume) (B)	\$ 3,403	\$ 3,452	\$ 3,575	\$ 10,420
Actual Direct Labor	\$ 3,908	\$ 4,374	\$ 4,822	\$ 13,103
Deduct: Actual Direct Labor - Terrebonne	515	793	958	2,267
Actual Direct Labor - Extrusion & Compounding (C)	\$ 3,393	\$ 3,580	\$ 3,863	\$ 10,836
Direct Labor Savings - Extrusion & Compounding - FAV(UNF)				
Actual vs. Budget [(A) - (C)]	\$ 182	\$ 461	\$ 210	\$ 853
Actual vs. Budget (Flexed for Actual Volume) [(B) - (C)]	\$ 11	\$ (128)	\$ (288)	\$ (416)
Indirect Labor:				
Budget Indirect Labor	\$ 4,467	\$ 4,694	\$ 4,776	\$ 13,937
Deduct: Budget Indirect Labor - Terrebonne	297	313	319	930
Budget Indirect Labor - Extrusion & Compounding (A)	\$ 4,170	\$ 4,380	\$ 4,457	\$ 13,007
Budget Indirect Labor (Flexed for Actual Volume) (B)	\$ 4,130	\$ 4,253	\$ 4,348	\$ 12,725
Actual Indirect Labor	\$ 4,343	\$ 4,500	\$ 4,497	\$ 13,340
Deduct: Actual Indirect Labor - Terrebonne	260	238	252	750
Actual Indirect Labor - Extrusion & Compounding (C)	\$ 4,082	\$ 4,262	\$ 4,246	\$ 12,590
Indirect Labor Savings - Extrusion & Compounding - FAV(UNF)				
Actual vs. Budget [(A) - (C)]	\$ 88	\$ 119	\$ 211	\$ 418
Actual vs. Budget (Flexed for Actual Volume) [(B) - (C)]	\$ 48	\$ (9)	\$ 102	\$ 135
SG&A Labor - Consolidated:				
Budget SG&A Labor	\$ 2,585	\$ 2,711	\$ 2,752	\$ 8,047
Actual SG&A Labor	\$ 2,475	\$ 2,607	\$ 2,508	\$ 7,591
SG&A Labor Savings - FAV(UNF)	\$ 109	\$ 103	\$ 243	\$ 456

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

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

(In Thousands of US Dollars)

	Q1-19	Q2-19	Q3-19	YTD
Budget Production Volume (Lbs)	24,736	29,409	29,578	83,723
Budget Direct Labor - Consolidated	\$ 4,262	\$ 4,864	\$ 4,924	14,051
Deduct:				
Budget Direct Labor - Terrebonne	\$ 687	\$ 823	\$ 851	2,361
Budget Total Labor - Extrusion & Compounding	\$ 3,575	\$ 4,041	\$ 4,073	\$ 11,689
Budget Direct Labor \$ / Lb Manufactured	\$ 0.145	\$ 0.137	\$ 0.138	\$ 0.140
Actual Production Volume (Lbs)	23,546	25,123	25,965	74,634
Actual Direct Labor - Consolidated	\$ 3,908	\$ 4,374	\$ 4,822	13,103
Deduct:				
Actual Direct Labor - Terrebonne	\$ 515	\$ 793	\$ 958	2,267
Actual Direct Labor - Extrusion & Compounding	\$ 3,393	\$ 3,580	\$ 3,863	\$ 10,836
Actual Direct Labor \$/Lb Manufactured	\$ 0.144	\$ 0.143	\$ 0.149	\$ 0.145
Budget Casual / Temp Direct Labor - Consolidated	\$ 316	\$ 372	\$ 365	1,053
Deduct:				
Budget Casual / Temp Direct Labor - Terrebonne	\$ 25	\$ 120	\$ 89	234
Budget Total Casual / Temp Labor - Extrusion & Compounding	\$ 291	\$ 252	\$ 276	\$ 819
Budget Casual / Temp Direct Labor \$ / Lb Manufactured	\$ 0.012	\$ 0.009	\$ 0.009	\$ 0.010
Actual Casual / Temp Direct Labor - Consolidated	\$ 179	\$ 316	\$ 702	1,197
Deduct:				
Actual Casual / Temp Direct Labor - Terrebonne	\$ 22	\$ 130	\$ 322	474
Actual Casual / Temp Direct Labor - Extrusion & Compounding	\$ 157	\$ 185	\$ 380	\$ 723
Actual Casual / Temp Direct Labor \$/Lb Manufactured	\$ 0.007	\$ 0.007	\$ 0.015	\$ 0.010

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Revenue and EBITDA Bridge

\$'000	MTD		QTD		YTD	
	Net Revenue	EBITDA	Net Revenue	EBITDA	Net Revenue	EBITDA
Budget	\$ 15,895	\$ 1,393	\$ 49,724	\$ 4,453	\$ 135,599	\$ 9,397
<u>Net Revenue Delta</u>						
Volume	(2,084)	(771)	(6,618)	(2,083)	(17,156)	(5,094)
Pricing	—	—	—	—	—	—
Mix	104	104	454	231	891	669
Discounts	38	38	89	89	279	279
Returns	(8)	(8)	45	45	77	77
Rebates	92	92	207	207	786	786
F/X	(158)	(64)	(428)	(237)	(1,671)	(604)
Total Net Revenue Delta	(2,016)	(609)	(6,251)	(1,748)	(16,793)	(3,887)
<u>Cost Delta</u>						
Absorption		144		(207)		(114)
SG&A		28		264		837
Variances		(89)		(297)		(522)
Other		141		178		826
Total Cost Delta		224		(62)		1,027
Actual	\$ 13,879	\$ 1,008	\$ 43,473	\$ 2,644	\$ 118,806	\$ 6,537

Management Discussion - MTD

- Extrusion external sales volume unfavorable by 15.5% or \$1,993K and lower Terrebonne sales of \$178K, partially offset by higher compound sales by \$88K contributing to the volume impact of \$2,084K
- Favorable product/customer sales mix of \$104K primarily from Woodbridge, Laval and Delmont
- Unfavorable F/X impact of \$158K (actual rate of 1.3241 [or \$USD 0.7552] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$72K, partially offset by a favorable realized balance sheet re-valuation impact of \$8K due to a change in the month-end rate from 1.3296 on August 31st, 2019 to 1.3246 on September 30th, 2019
- Favorable SG&A due to lower G&A labor & benefits costs and lower OPEX spending (ie. T&E costs)
- Unfavorable variances of \$89K due to unfavorable yields, higher scrap costs and lower regrind usage at Woodbridge, Delmont & Everett of \$373K and higher E&O/LCM inventory reserves of \$48K, partially offset by favorable resin material prices and favorable scrap at ECS of \$277K (net of higher TiO2, glass, steel and aluminum pricing) and lower labor costs of \$55K (exclusive of volume impacts)
- Other costs lower than Budget due to lower overhead spending (ie. Maintenance, factory suppliers, utilities) of \$64K and higher tool & die overhead recovery of \$77K

Key Customers – Gross Sales and Gross Margin %: Consolidated

	Gross Sales (\$'000)													Gross Margin %														
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
PGT Industries Inc	\$ 5,870	\$ 6,836	\$ (966)	(14.1%)	\$ 5,804	\$ 66	1.1%	\$ 17,064	\$ 18,197	\$ (1,133)	(6.2%)	\$ 16,464	\$ 600	3.6%	19.1%	18.1%	91	5.0%	16.6%	250	15.1%	19.2%	18.2%	101	5.5%	14.6%	459	31.3%
Eclipse Shutter Systems	3,104	3,961	(858)	(21.6%)	3,691	(587)	(15.9%)	9,978	11,911	(1,932)	(16.2%)	11,795	(1,817)	(15.4%)	1.6%	3.1%	(154)	(49.4%)	6.7%	(515)	(76.5%)	3.0%	3.2%	(15)	(4.8%)	6.0%	(296)	(49.6%)
Atis	2,145	2,735	(590)	(21.6%)	3,105	(960)	(30.9%)	5,509	6,988	(1,480)	(21.2%)	8,123	(2,615)	(32.2%)	(15.9%)	(18.9%)	306	(16.2%)	(16.8%)	91	(5.4%)	(16.1%)	(18.8%)	268	(14.3%)	(16.6%)	52	(3.1%)
Simonton	2,516	3,040	(524)	(17.2%)	2,684	(168)	(6.3%)	7,136	8,297	(1,161)	(14.0%)	7,997	(861)	(10.8%)	10.5%	17.3%	(686)	(39.5%)	12.3%	(184)	(14.9%)	12.9%	17.1%	(422)	(24.6%)	9.7%	325	33.6%
Quaker Window Products	1,424	1,540	(116)	(7.5%)	1,316	108	8.2%	4,065	4,558	(493)	(10.8%)	3,895	170	4.4%	11.0%	11.0%	0	0.0%	11.7%	(71)	(6.0%)	11.0%	11.0%	0	0.0%	8.1%	290	35.6%
Ostaco 2000	935	1,146	(210)	(18.4%)	1,143	(208)	(18.2%)	2,305	2,769	(464)	(16.8%)	2,787	(482)	(17.3%)	11.4%	7.6%	382	50.6%	21.4%	(1,006)	(46.9%)	9.8%	7.6%	214	28.2%	20.4%	(1,065)	(52.2%)
SOLARIS QUEBEC P & F INC.	1,003	1,038	(35)	(3.4%)	1,048	(45)	(4.3%)	3,258	3,073	186	6.0%	3,180	78	2.5%	24.7%	24.1%	60	2.5%	10.1%	1,460	145.1%	24.1%	24.0%	5	0.2%	9.6%	1,451	151.2%
Dashwood Industries Inc	933	1,039	(106)	(10.2%)	1,121	(188)	(16.8%)	2,347	2,643	(296)	(11.2%)	2,829	(482)	(17.0%)	14.2%	14.1%	17	1.2%	21.7%	(742)	(34.3%)	16.6%	14.3%	234	16.3%	16.5%	18	1.1%
Windsor Window Co OEM	1,031	1,003	28	2.8%	1,023	8	0.8%	2,893	2,670	224	8.4%	2,719	174	6.4%	24.0%	23.7%	34	1.4%	9.4%	1,461	155.4%	23.5%	23.6%	(11)	(0.5%)	8.1%	1,541	189.8%
All Weather	1,245	1,991	(747)	(37.5%)	832	413	49.6%	3,380	5,416	(2,037)	(37.6%)	2,351	1,029	43.8%	12.4%	14.9%	(251)	(16.8%)	13.8%	(137)	(9.9%)	12.1%	14.8%	(272)	(18.4%)	12.5%	(48)	(3.8%)
Polaris Technologies	1,355	1,519	(164)	(10.8%)	859	496	57.7%	3,952	4,472	(520)	(11.6%)	2,637	1,315	49.9%	17.8%	17.3%	53	3.0%	0.0%	1,780	N/A	16.5%	17.2%	(68)	(4.0%)	0.0%	1,650	N/A
A.M.I.	1,136	1,066	70	6.5%	964	172	17.8%	2,755	2,777	(22)	(0.8%)	2,714	41	1.5%	10.9%	2.0%	890	446.2%	5.4%	547	100.7%	8.4%	2.3%	610	266.5%	5.3%	304	56.8%
ATLANTIC WINDOWS	1,103	1,039	64	6.2%	926	177	19.1%	2,706	2,931	(225)	(7.7%)	2,833	(127)	(4.5%)	14.2%	12.0%	219	18.2%	6.5%	775	119.8%	15.1%	12.2%	286	23.4%	5.8%	934	161.9%
Vinyl Profiles, LLC	838	1,065	(227)	(21.3%)	409	429	104.7%	2,079	2,958	(879)	(29.7%)	1,732	347	20.1%	18.9%	20.5%	(167)	(8.1%)	17.3%	154	8.9%	20.2%	20.6%	(40)	(1.9%)	19.2%	91	4.7%
Comfort View Products	634	826	(192)	(23.2%)	758	(124)	(16.4%)	1,644	2,457	(813)	(33.1%)	2,307	(663)	(28.7%)	18.9%	16.6%	236	14.2%	14.4%	454	31.5%	19.5%	16.7%	279	16.7%	12.4%	717	58.0%
PORTES & FENETRES ABRITEK	872	810	62	7.7%	782	90	11.5%	2,137	2,047	91	4.4%	2,187	(50)	(2.3%)	12.2%	18.7%	(655)	(35.0%)	21.0%	(888)	(42.2%)	10.1%	18.0%	(790)	(43.8%)	19.2%	(907)	(47.2%)
Coeur d'Alene	1,099	1,146	(47)	(4.1%)	810	289	35.7%	2,584	2,929	(345)	(11.8%)	2,135	449	21.0%	2.2%	4.7%	(242)	(51.9%)	0.2%	204	994.1%	2.0%	4.5%	(247)	(54.7%)	(0.7%)	270	(411.4%)
SCHLUTER SYSTEMS L.P.	721	719	2	0.3%	716	5	0.7%	1,774	1,979	(205)	(10.4%)	1,971	(197)	(10.0%)	24.6%	24.3%	38	1.6%	20.6%	407	19.8%	24.4%	24.3%	9	0.4%	19.8%	451	22.7%
P & F ISOTHERMIC INC	829	663	166	25.0%	694	135	19.4%	2,127	1,885	242	12.8%	2,071	56	2.7%	13.4%	20.6%	(718)	(34.8%)	8.9%	453	50.9%	13.6%	20.1%	(654)	(32.5%)	4.9%	870	179.0%
Sierra Pacific Windows	826	661	165	25.0%	660	166	25.2%	2,088	1,995	93	4.7%	1,944	144	7.4%	8.2%	9.5%	(133)	(13.9%)	7.7%	49	6.3%	9.0%	9.5%	(52)	(5.4%)	6.1%	296	48.7%
Other	16,282	18,677	(2,395)	(12.8%)	18,458	(2,176)	(11.8%)	43,243	50,084	(6,840)	(13.7%)	54,091	(10,847)	(20.1%)	24.2%	25.4%	(121)	(4.8%)	31.0%	(687)	(22.1%)	24.0%	25.3%	(127)	(5.0%)	28.6%	(463)	(16.2%)
Total Gross	\$45,901	\$52,520	\$ (6,619)	(12.6%)	\$47,804	\$ (1,903)	(4.0%)	\$ 125,024	\$143,035	\$ (18,011)	(12.6%)	\$ 138,762	\$ (13,738)	(9.9%)	16.0%	16.4%	(34)	(2.1%)	17.0%	(99)	(5.8%)	16.1%	16.7%	(57)	(3.4%)	15.5%	59	3.8%

Management Discussion

- PGT – Lower vs Budget due to higher assumptions made but ahead of the Prior Year
- Eclipse– Lower vs anticipated sales, in line with market which has been softer in 2019
- Atis, Simonton & Ostaco – softness in orders in line with market
- All Weather – Budgeted sales attributed to anticipated new launches in 2019 which has been slower
- Other – shortfall to prior year includes lost business (SI, Jeld-Wen, Thompson Creek, KP Building)

and bankruptcies (Ventana Windows, Duraco, Concept MAT)

Pipeline Roll-Forward

\$'000	Expected Contract Win Value	
	MTD	YTD
Opening Pipeline	\$ 61,495	\$ 24,924
Additions	226	102,572
Changes:		
Converted	(226)	(23,340)
Lost	(500)	(42,786)
Other	(5,716)	(6,090)
Total Net Changes	(6,442)	(72,216)
Closing Pipeline	\$ 55,279	\$ 55,279

Management Discussion

- Closure of new opportunity with Door Depot valued at \$0.2M for Patio Doors with Terrebonne
- Loss of Opportunity with Vinylcraft for window manufacturing compound with ECS valued at \$0.5M due to no decision
- Reduction in estimates for Fusion-Performed PD with Vaillancourt for \$2.1M and for Compound product with Fence outlet for \$3.6M

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			
Door Depot	TERREBONNE	Martin St-Arnauc	N	Patio Doors	Patio Doors	Sep-19	Sep-19	100%	Other	Oct-19	TBD	\$ 226	-	
												\$ 226	0	

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											
Door Depot	Martin St-Arnaud	N	Patio Doors	Other	1-Sep-19	1-Oct-19	TBD	(226)	-	1	
								\$ (226)	-		
LOST											
Vinylcraft	Munish Jain	N	3242/8007 window compound	Other	NA	NA	NA	(500)	(500)	6	
								\$ (500)	(500)		
OTHER											
Vaillancourt	Pierre Lafleur	Y	Fusion-Performer PD	NA	NA	NA	NA	(2,116)	(450)	7	Revised Estimate
Fence Outlet	Munish Jain	N	Building Products - Fence	NA	NA	NA	NA	(3,600)	(3,600)	7	Revised Estimate
								\$ (5,716)	(4,050)		
Reason Code for Win											
1. Price		2. Service/Support		3. Relationship							
4. Incumbency		5. Product		6. No decision							
7. Other (Explain in comment field)											

Total Closing Pipeline – Current Extrusions and Patio Doors

\$ and units '000															
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status						Comments	
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)		Signed Contract (100%)
Existing Customers															
Polaris	\$	4,000	2,500	\$ -	TBD	TBD	TBD							Ultra-Weld	
Gentek	\$	2,308	1,700	\$ 1,095	TBD	TBD	TBD								
Hometime	\$	200	100	\$ 75	TBD	TBD	TBD								
Fene-Tech	\$	77	40	\$ -	TBD	TBD	TBD								
Simonton	\$	1,154	1,500	\$ -	TBD	TBD	TBD								
Dalmen	\$	154	200	\$ -	TBD	TBD	TBD								
Centennial	\$	115	75	\$ -	TBD	TBD	TBD								
Magistral	\$	115	75	\$ 100	TBD	TBD	TBD								
Simonton	\$	769	1,000	\$ -	TBD	TBD	TBD								
Futura	\$	77	50	\$ 25	TBD	TBD	TBD								
Fenêtres Concept	\$	58	25	\$ 25	TBD	TBD	TBD						Initial sampling to begin		
Vinylpro	\$	385	300	\$ -	TBD	TBD	TBD							4 1/2" Casement	
Seymour Windows	\$	1,429	1,000	\$ 241	TBD	TBD	TBD							Working on new formulation and design	
Westek	\$	77	50	\$ -	TBD	TBD	TBD							Multi-Track Door	
Cascade	\$	16,500	15,000	\$ -	TBD	TBD	TBD							Launch Hung/Slidr other locations	
Avanti	\$	1,000	700	\$ -	TBD	TBD	TBD							FullProgram - Dark Cap	
ATI	\$	500	300	\$ 450	TBD	TBD	TBD							West Coast Contemporary series (shared capital)	
Gentek	\$	1,538	-	\$ -	TBD	TBD	TBD							Patio Door program	
Dalmen	\$	192	125	\$ -	TBD	TBD	TBD							Opera lineal program from Soni Plastics	
Entreprises AM	\$	577	350	\$ -	TBD	TBD	TBD							4600 Series	
Euroclad Windows	\$	100	50	\$ -	TBD	TBD	TBD		Multi Track Door						
Mason Windows	\$	192	160	\$ -	TBD	TBD	TBD		Contemporary Casement						
Vaillancourt	\$	769	500	\$ -	TBD	TBD	TBD		Opera lineal						
Durabuilt	\$	385	250	\$ -	TBD	TBD	TBD		4600 Series						
All Weather	\$	192	50	\$ -	TBD	TBD	TBD		Orchestra						
TOTAL EXISTING CUSTOMERS															
	\$	32,863	\$ 26,100	\$ 2,011											
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 Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	Signed Contract (100%)	
New Customers															
Gilkey	\$	600	370	\$	400	TBD	TBD	TBD							In final stages; seeking 5 year agreement
Fenestres Contemporaine	\$	58	\$	75	\$	-	TBD	TBD	TBD						Hybrid Casement
Reflec	\$	154	\$	200	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	731	\$	-	\$	-	TBD	TBD	TBD						Patio Door Program
Del Windows	\$	1,538	\$	1,000	\$	-	TBD	TBD	TBD						Woodbridge Platform
Atelier Jean Cyr	\$	38	\$	50	\$	-	TBD	TBD	TBD						Hybrid hung
President Windows	\$	150	\$	-	\$	100	TBD	TBD	TBD						
Verdun	\$	769	500	\$	-	TBD	TBD	TBD							4600 Casement
Elite	\$	308	200	\$	-	TBD	TBD	TBD							In early discussions
Formtech	\$	231	100	\$	-	TBD	TBD	TBD							Tilt/Turn, 4600 Series
Hayfield Windows	\$	2,000	1,250	\$	-	TBD	TBD	TBD							Casement
Scheel	\$	308	175	\$	100	TBD	TBD	TBD							Prospect wants to switch away from PH Tech - dissatisfied
Minnkota Window	\$	1,500	850	\$	-	TBD	TBD	TBD							Casement SH/DH
Diamond	\$	1,000	700	\$	-	TBD	TBD	TBD							3 1/4" Program
Bonnecherry Valley	\$	115	75	\$	-	TBD	TBD	TBD							T/T, CA, Hung
Gilkey Windows	\$	500	3,600	\$	-	TBD	TBD	TBD							Patio Door
Gilkey Windows	\$	750	600	\$	-	TBD	TBD	TBD							DH
Amerimax	\$	350	-	\$	-	TBD	TBD	TBD							Opus PD
Thermovision	\$	115	75	\$	-	TBD	TBD	TBD							Hung/Slider Hybrid
Artik	\$	58	37	\$	-	TBD	TBD	TBD							PD Lineal
Wasco	\$	400	225	\$	-	TBD	TBD	TBD							Casement/SH/DH (Rehau)
Yellow Dog	\$	3,750	3,000	\$	-	TBD	TBD	TBD							5000 Series
SI	\$	2,308	2,500	\$	-	TBD	TBD	TBD							Recut tools in Dark Cap
Maritime	\$	385	250	\$	-	TBD	TBD	TBD							Early discussions
Heartland	\$	900	650	\$	-	TBD	TBD	TBD							
Supreme	\$	500	375	\$	-	TBD	TBD	TBD							Strong relationship with Westech but concerned
TOTAL NEW CUSTOMERS															
Total Extrusion and Patio Doors															
Legend															
Complete															
In process, on track															
In process, delayed															
In process, at risk															

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

\$ and units '000														
Customer Name	Total Contract Value			1x Costs	Contract Timing			Sales Process Status						Comments
	\$	Units ('000s Lbs)			Start Date	End Date	Length (Yrs)	Initial Interaction (5%)	Pursuit (15%)	Designing (25%)	Proposal (40%)	Negotiation (60%)	Finalizing Agreement (90%)	
<u>Existing Customers</u>														
<hr/>														
TOTAL EXISTING CUSTOMERS	\$	-	-	\$	-									
<hr/>														
<u>New Customers</u>														
Fence Outlet	\$	2,400	2,400	\$	-	TBD	TBD	TBD	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div><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YTD Opex Analysis

\$'000

	YTD			Explanation of Variance						Variance Impact		
			Variance	One-Time /		Change in		Total Variance	YoY Impact	Annualized		
	Act	Bud	(B) / W	Non-recurring	Timing	Run-rate	Other/FX				(B) / W	(B) / W
Payroll	\$ 7,591	\$ 8,047	\$ (456)	\$ (45)	\$ (15)	\$ (284)	\$ (112)	\$ (456)	\$ (317)	\$ —		
Bonus	\$ 1,009	\$ 1,020	\$ (11)	\$ -	\$ -	\$ -	\$ (11)	\$ (11)	\$ 850	\$ —		
Commissions	\$ 188	\$ 269	\$ (81)	\$ (13)	\$ -	\$ (65)	\$ (4)	\$ (81)	\$ 41	\$ —		
Marketing	\$ 1,126	\$ 1,367	\$ (241)	\$ -	\$ (221)	\$ -	\$ (20)	\$ (241)	\$ (214)	\$ —		
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ —	\$ -	\$ —		
Travel and entertainment	\$ 826	\$ 1,198	\$ (372)	\$ (93)	\$ (50)	\$ (218)	\$ (10)	\$ (372)	\$ (130)	\$ —		
Rent and facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ —	\$ -	\$ —		
Insurance	\$ 240	\$ 257	\$ (17)	\$ -	\$ (12)	\$ (5)	\$ (0)	\$ (17)	\$ (12)	\$ —		
Professional fees	\$ 483	\$ 444	\$ 39	\$ 18	\$ -	\$ 30	\$ (9)	\$ 39	\$ 43	\$ —		
Office expense	\$ 192	\$ 215	\$ (23)			\$ (19)	\$ (4)	\$ (23)	\$ (34)	\$ —		
IT	\$ 1,412	\$ 1,551	\$ (140)	\$ 125	\$ (76)	\$ (161)	\$ (29)	\$ (140)	\$ 179	\$ —		
Bad Debts	\$ 123	\$ (3)	\$ 127	\$ 130	\$ -	\$ -	\$ (3)	\$ 127	\$ 192	\$ —		
FX	\$ (130)	\$ -	\$ (130)	\$ -	\$ -	\$ -	\$ (130)	\$ (130)	\$ (290)	\$ —		
JV Loss (Income)	\$ (122)	\$ (172)	\$ 51	\$ (2)	\$ 20	\$ 36	\$ (3)	\$ 51	\$ 42	\$ —		
Other Expenses	\$ 667	\$ 650	\$ 17	\$ (4)	\$ -	\$ 39	\$ (18)	\$ 17	\$ (24)	\$ —		
Total Opex	\$ 13,606	\$ 14,844	\$ (1,238)	\$ 116	\$ (353)	\$ (647)	\$ (354)	\$ (1,238)	\$ 328	\$ —		

Management Discussion

- Lower payroll largely due to lower headcount and delays in hiring for open positions, lower than Planned benefits costs coupled with a positive Canadian FX impact
- Lower commissions as a result of revised estimates for accrual based on current sales
- Marketing expenses lower due to timing with budgeted expenditure
- Lower than anticipated sales volume affecting Travel and Entertainment
- IT coming in slightly behind budget as a result of a combination of discontinuation as well as lower than anticipated pricing on certain services, and timing of contract negotiations as part of cost management and a positive Canadian FX impact offset by unbudgeted expense for Spend HQ and DSI MEP software subscriptions.
- Top up of Bad Debts provision in Q3 2019 to cover Quebec exposures with Enterprises Doco, West Coast Designs and SDO Renovation.

1x Costs

\$'000

	YTD			Explanation of Variance			Variance Impact	
	Variance			Change in			Total Variance	Total Change in Estimate
	Act	AOP	B / (W)	Estimate	Timing	Other	B / (W)	B / (W)
Banking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insight Sourcing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ 120	\$ 70	\$ (50)	\$ (34)	\$ -	\$ (16)	(50)	\$ (34)
Legal Fees	\$ 23	\$ -	\$ (23)	\$ -	\$ -	\$ (23)	(23)	\$ -
Professional Fees	\$ 392	\$ 117	\$ (275)	\$ (227)	\$ (4)	\$ (44)	(275)	\$ (227)
Mgmt Incentive	\$ 245	\$ 342	\$ 97	\$ 97	\$ -	\$ -	97	\$ 97
Laval Water Damage	\$ 90	\$ -	\$ (90)	\$ -	\$ -	\$ (90)	(90)	\$ -
Profit Velocity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAD Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Restructuring Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3	\$ -	\$ (3)	\$ -	\$ -	\$ (3)	(3)	\$ -
Total 1X Costs	\$ 874	\$ 529	\$ (345)	\$ (164)	\$ (4)	\$ (177)	\$ (345)	\$ (164)

Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$64K), Disaster Recovery testing for JDE (\$40K) and DDL Consultant for ITSM Project (\$16K)
- Legal Costs of \$23K for Corporate Management Services
- Professional Fees include costs incurred for the Quality of Earnings study with KPMG (\$181K), OBI projects with The Practical Approach (\$94K), Project Monaco costs (\$14K), Management Tools Inc (\$21K) and Smart Ventures (\$82K).
- Management staff incentive (\$245K)
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$90K, not planned)

Balance Sheet

\$'000	Dec-18	Jun-19	Jul-19	Aug-19	Sep-19		Variance	
	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 2	\$ 0	20.0%
Short term investments	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	8,958	15,793	13,673	13,780	13,915	15,023	(1,108)	(7.4%)
<i>Accounts receivable, reserves</i>	(363)	(479)	(477)	(472)	(501)	(679)	178	(26.2%)
Accounts receivable, net	8,594	15,313	13,196	13,308	13,414	14,345	(930)	(6.5%)
<i>Inventory, gross</i>	31,776	34,675	34,503	34,146	34,529	34,558	(29)	(0.1%)
<i>Inventory, reserves</i>	(1,467)	(1,789)	(1,797)	(1,783)	(1,764)	(1,674)	(90)	5.4%
Inventory, net	30,309	32,887	32,705	32,363	32,765	32,884	(119)	(0.4%)
Prepaid expenses and other current assets	2,942	4,279	4,257	4,035	3,848	3,216	632	19.6%
Other current assets	901	830	1,026	932	911	1,525	(614)	(40.3%)
Total Current Assets	42,746	53,312	51,187	50,640	50,941	51,972	(1,031)	(2.0%)
Non-Current Assets								
<i>Property, plant & equipment, gross</i>	64,977	69,761	70,321	70,322	70,962	73,107	(2,145)	(2.9%)
<i>Accumulated depreciation</i>	(17,639)	(22,479)	(23,152)	(23,765)	(24,601)	(22,589)	(2,012)	8.9%
Property, plant & equipment, net	47,338	47,282	47,169	46,557	46,361	50,518	(4,157)	(8.2%)
Deferred financing cost	548	479	464	448	435	436	(1)	(0.1%)
Deferred tax asset	2,879	2,973	2,963	2,938	2,947	1,367	1,580	115.7%
Other non-current assets	2,616	2,800	2,791	2,784	2,791	3,237	(447)	(13.8%)
Total Non-Current Assets	53,382	53,535	53,388	52,727	52,534	55,558	(3,024)	(5.4%)
Total Assets	\$ 96,127	\$ 106,848	\$ 104,574	\$ 103,368	\$ 103,475	\$ 107,530	\$ (4,055)	(3.8%)
Current Liabilities								
Bank Debt	\$ 10,222	\$ 17,818	\$ 17,338	\$ 16,897	\$ 16,663	\$ 18,324	\$ (1,661)	(9.1%)
Current Portion - Long Term Debt	1,628	1,683	1,676	1,662	1,667	1,800	(133)	(7.4%)
Accounts payable	12,709	15,487	15,146	14,498	14,476	14,850	(374)	(2.5%)
Accrued liabilities	3,343	3,864	3,513	3,630	3,707	3,439	268	7.8%
Accrued compensation	2,521	3,931	3,435	3,952	4,303	4,585	(282)	(6.2%)
Income taxes payable	(246)	(118)	46	86	192	1,564	(1,372)	(87.7%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	—	1,301	N/A
Other current liabilities	97	125	127	122	116	127	(11)	(8.3%)
Total Current Liabilities	31,576	44,090	42,582	42,149	42,425	44,690	(2,265)	(5.1%)
Long-term liabilities								
Long-term debt less current maturities	12,006	11,587	11,403	11,163	11,060	10,857	203	1.9%
Deferred income taxes	9,610	9,775	9,756	9,713	9,729	7,785	1,944	25.0%
Other non-current liabilities	1,468	1,597	1,591	1,577	1,585	1,476	109	7.4%
Total Long-Term Liabilities	23,084	22,959	22,751	22,453	22,374	20,119	2,255	11.2%
Total Liabilities	54,660	67,049	65,333	64,602	64,799	64,808	(10)	(0.0%)
Commitments and contingencies	—	—	—	—	—	—	—	N/A
Shareholders' Equity								
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	0	0.0%
Retained earnings	30,039	28,033	27,505	27,095	26,982	30,641	(3,659)	(11.9%)
Accumulated other comprehensive income	(1,181)	(845)	(873)	(938)	(916)	(530)	(386)	73.0%
Total Shareholders' Equity	41,467	39,798	39,241	38,766	38,676	42,722	(4,045)	(9.5%)
Total Liabilities and Shareholders' Equity	\$ 96,127	\$ 106,848	\$ 104,574	\$ 103,368	\$ 103,475	\$ 107,530	\$ (4,055)	(3.8%)

Management Discussion

- Net A/R vs. Budget is lower by \$930K (6.5%) largely due to reduction in Sales by 12.7% vs Budget. Furthermore, there is an unfavorable F/X impact of \$180K (actual rate of 1.3246 [or USD\$ 0.75] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Inventory levels almost inline vs Bud as a result of lower production following inventory buildup in prior months to match the current sales trend.
- Increase in Prepaid expenses vs Bud due to higher property insurance premium renewal for 2019/2020 period vs budget of \$8K and prepayment of advertisement campaign and Windoor earlier then scheduled of \$218K and Real Estate Tax in the US for \$33K and a higher Non-inventory stock of \$372K as a result of new product developments.
- Decrease in Other current assets vs Bud attributed to lower GST receivable \$732k due to GST refunds not budgeted to be received until the year end. This was offset by higher receivable vs budget related to Customer Tooling of \$142K
- Gross PP&E lower vs Bud by 2,145K largely due to lower Capex spending than budgeted YTD of \$1,433K and an unfavorable F/X impact of \$712K (actual rate of 1.3246 [or USD\$ 0.75] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Other non-current assets reduction of \$447K vs Bud due to a reduction in JV equity income in the month and an unfavorable F/X impact
- Decrease in Bank Debt due to a combination of not paying out the contingent consideration liability of \$1.3M, lower Capex spending due to 'Hold-off' strategy. Also, a favorable FX impact on Canadian Debt (actual rate of 1.3246 [or USD\$ 0.75] vs. the Budget rate of 1.30 [or USD\$ 0.77])

Cash Flow Statement

\$'000	MTD		Variance		PY-MTD		Variance		YTD		Variance		PY YTD		Variance									
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	ACT	\$	%										
Cash flow from operations																								
Net Income (Loss)	\$	(112)	\$	121	\$	(233)	(193.0%)	\$	887	\$	(999)	(112.6%)	\$	(3,046)	\$	(1,921)	\$	(1,126)	58.6%	\$	(1,272)	\$	(1,775)	139.5%
Depreciation, amortization and other		779		793		(14)	(1.8%)		668		110	16.5%		6,633		6,730		(96)	(1.4%)		5,730		904	15.8%
Non-cash loss/expense (gain)		(14)		(93)		79	(84.9%)		(6)		(8)	151.0%		(75)		156		(230)	(148.0%)		38		(112)	(298.5%)
Deferred income tax		15		—		15	N/A		6		10	177.5%		119		148		(29)	(19.7%)		(1,152)		1,271	(110.3%)
Change in operating assets and liabilities:																								
Accounts receivable		(107)		1,277		(1,383)	(108.3%)		1,366		(1,473)	(107.8%)		(4,820)		(5,838)		1,018	(17.4%)		(2,009)		(2,811)	139.9%
Inventory		(403)		(32)		(371)	1168.6%		(421)		19	(4.5%)		(2,457)		(2,576)		119	(4.6%)		(4,059)		1,602	(39.5%)
Prepaid expenses and other current assets		208		(355)		563	(158.6%)		(131)		339	(259.5%)		(916)		(898)		(18)	2.0%		(497)		(419)	84.2%
Accounts payable		(22)		815		(837)	(102.7%)		563		(585)	(103.9%)		1,767		2,141		(374)	(17.5%)		1,000		767	76.8%
Accrued expenses		427		140		287	205.2%		(1,586)		2,012	(126.9%)		2,145		2,411		(266)	(11.0%)		(1,882)		4,028	(214.0%)
Accrued income taxes		106		207		(101)	(48.9%)		282		(176)	(62.5%)		438		915		(476)	(52.1%)		844		(406)	(48.1%)
Other changes in operating assets and liabilities		(6)		(12)		6	(52.3%)		(8)		3	(32.7%)		20		(1,271)		1,290	(101.5%)		89		(70)	(78.1%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	873	\$	2,861	\$	(1,988)	(69.5%)	\$	1,620	\$	(748)	(46.1%)	\$	(191)	\$	(3)	\$	(188)	5656.1%	\$	(3,170)	\$	2,979	(94.0%)
Cash flow from investing																								
Additions to property, plant and equipment	\$	(500)	\$	(492)	\$	(8)	1.7%	\$	(860)	\$	360	(41.9%)	\$	(4,999)	\$	(6,806)	\$	1,807	(26.6%)	\$	(6,983)	\$	1,984	(28.4%)
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	\$	(500)	\$	(492)	\$	(8)	1.7%	\$	(860)	\$	360	(41.9%)	\$	(4,999)	\$	(6,806)	\$	1,807	(26.6%)	\$	(6,983)	\$	1,984	(28.4%)
Cash flow from financing																								
Proceeds from the issuance (repayment) of short-term debt	\$	(234)	\$	(2,226)	\$	1,993	(89.5%)	\$	(651)	\$	417	(64.1%)	\$	6,440	\$	8,102	\$	(1,661)	(20.5%)	\$	10,537	\$	(4,096)	(38.9%)
Proceeds from the issuance of debt		0		—		0	N/A		—		0	N/A		0		—		0	N/A		630		(630)	(100.0%)
Repayment of debt		(139)		(143)		4	(3.0%)		(109)		(30)	27.2%		(1,247)		(1,289)		42	(3.3%)		(1,013)		(234)	23.1%
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	\$	(373)	\$	(2,370)	\$	1,997	(84.3%)	\$	(760)	\$	387	(51.0%)	\$	5,193	\$	6,812	\$	(1,619)	(23.8%)	\$	10,153	\$	(4,960)	(48.8%)
Effect of FX rates on cash and cash equivalents	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A	\$	—	\$	—	\$	—	N/A	\$	—	\$	—	N/A
Net change in cash	\$	(0)	\$	(0)	\$	0	(53%)	\$	0	\$	(0)	(25303.8%)	\$	3	\$	2	\$	0	20.0%	\$	(0)	\$	3	(1158.4%)
Beginning cash		3		3		0	11.2%		(0)		3	(1250717.1%)		0		0		—	0.0%		(0)		0	(100.1%)
Change in cash		(0)		(0)		0	(53%)		0		(0)	(25303.8%)		3		2		0	20.0%		(0)		3	(1158.4%)
Ending cash	\$	3	\$	2	\$	0	20.0%	\$	0	\$	3	798646.8%	\$	3	\$	2	\$	0	20.0%	\$	0	\$	3	798646.8%

Covenant Analysis

(US\$ '000s)	Actual Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19	Actual Jul-19	Actual Aug-19	Actual Sep-19	Budget Oct-19	Budget Nov-19	Budget Dec-19
Excess Availability													
Borrowing Base	27,127	24,989	24,640	25,741	28,175	29,067	28,711	29,941	27,848	28,477	32,828	32,953	32,448
Total Revolver Debt	10,222	14,340	16,533	18,750	19,505	19,025	17,818	17,338	16,897	16,663	18,098	14,909	13,864
Excess Availability	16,904	10,649	8,107	6,991	8,670	10,042	10,893	12,602	10,951	11,814	14,730	18,044	18,584
EA % of Borrowing Base	62.3%	42.6%	32.9%	27.2%	30.8%	34.5%	37.9%	42.1%	39.3%	41.5%	44.9%	54.8%	57.3%
Minimum EA% (or <\$5.25M)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Compliance	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
FCCR Calculation													
TTM EBITDA	8,112	7,865	8,971	8,618	8,575	8,526	9,943	8,843	8,306	7,274	7,878	8,162	9,177
Total Capex	462	489	531	560	448	519	805	761	386	500	398	398	398
TTM Capex	7,822	7,266	7,354	7,115	7,577	7,209	7,315	7,293	7,041	6,931	6,787	6,257	6,193
Cash Taxes	-	(252)	-	257	-	-	-	(14)	-	-	-	-	-
TTM Cash Taxes	671	418	418	140	5	5	5	(9)	(9)	(9)	(9)	(9)	(9)
Numerator	(381)	180	1,198	1,364	993	1,313	2,624	1,559	1,273	352	1,100	1,914	2,993
Cash Interest on existing ABL	161	156	165	189	184	198	187	191	189	182	190	173	168
Cash Interest on additional debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TTM Cash Interest	1,869	1,918	1,966	2,019	2,051	2,087	2,099	2,109	2,120	2,134	2,154	2,165	2,172
Principal Payments on additional debt	138	138	139	138	138	137	139	140	139	139	141	141	141
TTM Principal Payments	1,387	1,412	1,436	1,462	1,490	1,516	1,544	1,574	1,604	1,634	1,665	1,667	1,670
Denominator	3,256	3,330	3,402	3,482	3,541	3,603	3,643	3,683	3,724	3,767	3,819	3,832	3,843
FCCR Ratio	(0.1)	0.1	0.4	0.4	0.3	0.4	0.7	0.4	0.3	0.1	0.3	0.5	0.8
Minimum FCC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Compliance	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach	Breach

13-Week Cash Flow Forecast

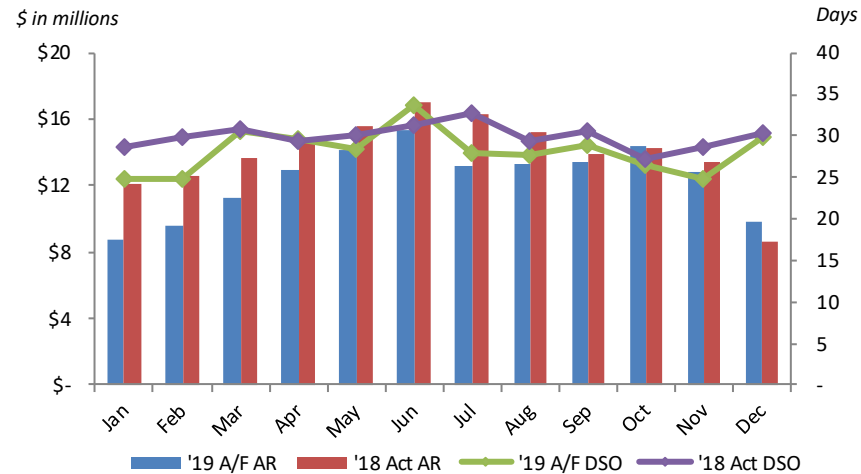
Date 09/27/19 10/04/19 10/11/19 10/18/19 10/25/19 11/01/19 11/08/19 11/15/19 11/22/19 11/29/19 12/06/19 12/13/19 12/20/19 12/27/19

Cash Flow Roll-Up:

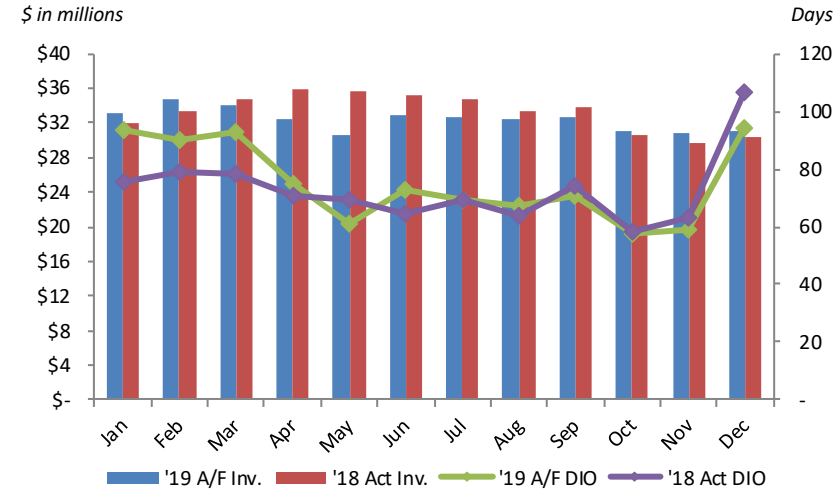
Total Inflows - Operational	2,679	2,713	3,375	3,447	3,447	4,146	3,931	4,983	4,145	4,379	4,180	3,911	3,889	3,712
Receipts from Customers based on AR A	2,679	2,713	2,858	2,931	2,931	3,076	1,593	1,599	203	203	203	-	-	-
New Net External Sales	-	-	-	-	-	561	1,869	2,915	3,473	3,706	3,653	3,611	3,590	3,413
New Affiliate Sales	-	-	516	516	516	510	469	469	469	469	324	300	300	300
Total Outflows - Operational	(4,487)	(3,440)	(6,793)	(3,279)	(3,918)	(5,930)	(4,186)	(5,597)	(5,548)	(3,509)	(4,206)	(3,788)	(3,623)	(1,978)
Payments to Suppliers based on AP Agin	(1,252)	(1,335)	(1,280)	(1,144)	(919)	(912)	(703)	(679)	(672)	(625)	0	0	0	0
Materials	(1,446)	(301)	(1,401)	(1,025)	(724)	(2,593)	(1,169)	(2,147)	(2,147)	(1,771)	(1,135)	(1,029)	(1,029)	(1,029)
Conversion Costs	(870)	(911)	(1,080)	(557)	(869)	(546)	(1,089)	(546)	(883)	(553)	(1,784)	(553)	(655)	(543)
Other COGS	(231)	(189)	(190)	(190)	(233)	(194)	(194)	(195)	(233)	(182)	(182)	(181)	(231)	(131)
Selling Costs	(178)	(130)	(112)	(37)	(150)	(38)	(115)	(38)	(298)	(36)	(111)	(36)	(370)	(36)
General and Administrative	(275)	(101)	(155)	(103)	(283)	(107)	(159)	(107)	(494)	(103)	(155)	(103)	(499)	0
Intercompany Material Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex	(234)	(222)	(223)	(223)	(223)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	0	(250)	0	0	0	0	0	0	0	0	0	0	0	0
Resin rebate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TSA Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Performance Payment to Westlake	0	0	0	0	0	(1,300)	0	0	0	0	0	0	0	0
2017 bonus payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Material received but not invoiced	0	0	(2,352)	0	(517)	0	(517)	(1,647)	(582)	0	(600)	(1,647)	(600)	0
Projected Operational Cash Flow	(1,808)	(727)	(3,418)	168	(471)	(1,783)	(254)	(614)	(1,403)	869	(26)	123	266	1,734
Cash receipts more (less) than projection	58	1,674	(80)	0	0	0	0	0	0	0	0	0	0	0
Cash outflows less (more) than projection	1,187	121	1,651	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	1,060	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Operational Cash Flow	(563)	1,067	(787)	168	(471)	(1,783)	(254)	(614)	(1,403)	869	(26)	123	266	1,734
Bank interest	0	(162)	0	0	0	(148)	0	0	0	0	(149)	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	(139)	0	0	0	0	(139)	0	0	0
Monitoring Fees	0	(250)	0	0	0	0	0	0	0	0	0	0	0	0
Other Inflows/Outflows	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transaction Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Fees	0	(3)	0	(10)	0	(3)	0	(10)	0	0	(3)	0	(10)	0
Total Financial Cash Flow	0	(553)	0	(10)	0	(290)	0	(10)	0	0	(290)	0	(10)	0
Total Cash Flow	(563)	514	(787)	158	(471)	(2,073)	(254)	(625)	(1,403)	869	(316)	123	256	1,734
Adjusted Loan Balance	17,259	15,869	18,369	18,211	18,682	20,755	21,009	21,634	23,038	22,168	22,485	22,363	22,108	20,374
Term Loan	12,709	12,516	12,552	12,552	12,552	12,414	12,414	12,414	12,414	12,414	12,275	12,275	12,275	12,275
Total Debt	29,968	28,385	30,921	30,763	31,234	33,168	33,423	34,048	35,452	34,582	34,760	34,638	34,383	32,649
Revolver Availability	11,191	12,499	10,053	10,211	10,534	8,461	8,207	7,582	8,350	9,219	8,902	9,025	8,196	9,930

Working Capital and Cash Conversion Cycle

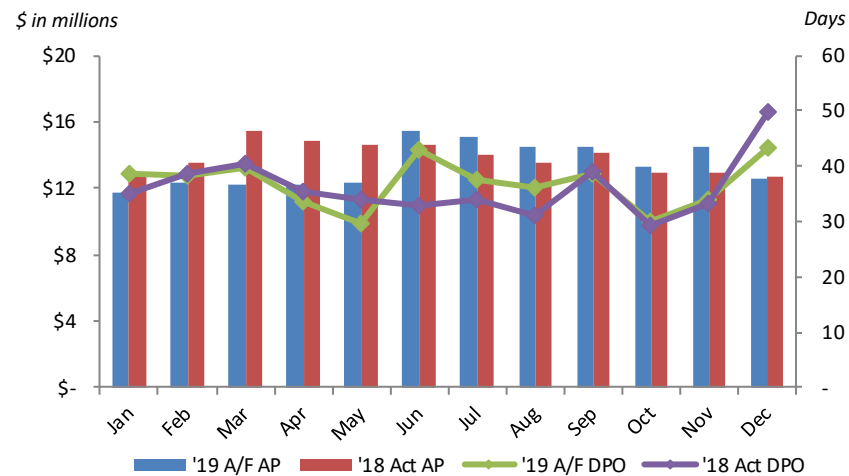
Accounts Receivable



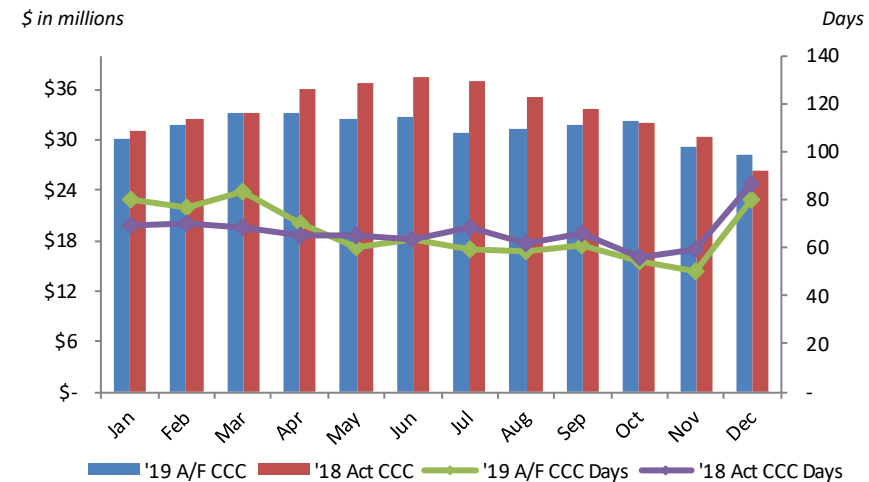
Inventory



Accounts Payable



Cash Conversion Cycle



AR and AP Aging Detail

\$'000

AR Aging				
Days	Jul-19	Aug-19	Sep-19	%
0-30	\$ 11,802	\$ 11,177	\$ 11,307	84.3%
30-60	1,077	1,722	1,588	11.8%
60-90	16	106	198	1.5%
>90	301	302	321	2.4%
Total	\$ 13,196	\$ 13,308	\$ 13,414	100.0%

AP Aging				
Days	Jul-19	Aug-19	Sep-19	%
0-30	\$ 11,244	\$ 11,058	\$ 10,913	75.4%
30-60	3,245	2,852	3,082	21.3%
60-90	489	440	360	2.5%
>90	168	148	121	0.8%
Total	\$ 15,146	\$ 14,498	\$ 14,476	100.0%

Management Discussion

- Minor increase in DSO days from 28 to 29 as a result of timing of cash collected subsequent to month-end from customers with non-traditional payment terms
- Increase in DPO days from 36 to 39 due to focused effort to manage payments to improve working capital as well as cost of borrowing on the bank revolver

Executive Summary

Financial Review

Full Year Financial Outlook

Governance Reporting

Appendix

Business Unit Analysis

Full Year Outlook Consolidated P&L Summary

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

Full Year Outlook Key Customers – ENERGI Consolidated

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

Management Discussion

- Overall, extended winter weather conditions and a wet spring has impacted sales across all customers as both US and Canada markets have been soft
- All Weather is significantly behind budget which was due to a aggressive estimate following new product launches in December 2018
- Solaris and Windsor – Strong, performing better than budget
- Eclipse, Atis and Comfort View – Slow start to the year and colder weather leading to softness in orders, however some pick-up in 2019 from Atis following closure of PD deal

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Business Unit Analysis

Management Governance Report

Disclosure Committee:

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

Anonymous Hotline:

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

Modification of Delegation of Authority:

- No changes recommended at this time

Management Governance Report (Continued)

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

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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

Business Unit Analysis

Squeeze Report

Monthly operating report (\$'000)

			Fully-diluted ownership		Fund			Invested Capital (\$M)			Valuation		Returns	
Investment date			3/31/2016		OpenGate Equity			Invested	Realized	Unrealized	Total Value		MOI	
Operational data as of			9/30/2019		MGMT			\$	26,000	\$	–	\$	64,774	0.4x
Valuation details last updated:			7/31/2019		Other Equity				–		–		–	NA
					Total				–		–		–	NA
					Total			\$	26,000	\$	–	\$	64,774	0.4x

Operations																						
This Month Quarter to Date Year to Date	Net Revenue				Adj. EBITDA				Net Debt													
	Act		Bud		PY		Act		Bud		PY											
	Variance		Variance		Variance		Variance		Variance		Variance											
	\$	13,879	\$	15,895	-12.7%	\$	13,650	1.7%	\$	1,008	\$	1,393	-27.7%	\$	2,224	-54.7%	\$	29,387	\$	29,179	\$	28,493
	\$	43,473	\$	49,724	-12.6%	\$	45,261	-3.9%	\$	2,644	\$	4,453	-40.6%	\$	4,813	-45.1%						
	\$	118,806	\$	135,599	-12.4%	\$	131,430	-9.6%	\$	6,537	\$	9,397	-30.4%	\$	8,640	-24.3%						

LTM Trends (\$'000s)	10/31/18	11/30/18	12/31/18	1/31/19	2/28/19	3/31/19	4/30/19	5/31/19	6/30/19	7/31/19	8/31/19	9/30/19	LTM
Units Produced ('000)	7,806	7,934	5,174	7,786	7,371	8,389	7,725	8,493	8,905	8,339	9,076	8,551	95,549
Units Shipped ('000)	9,798	8,838	5,130	6,941	6,590	7,230	8,092	9,414	8,083	9,001	8,865	8,508	96,488
Net Revenue	\$ 16,233	\$ 14,094	\$ 8,817	\$ 10,942	\$ 10,785	\$ 11,404	\$ 13,094	\$ 15,515	\$ 13,593	\$ 14,669	\$ 14,926	\$ 13,879	\$ 157,950
Gross Margin	2,592	2,349	909	1,502	1,755	1,910	2,201	2,645	2,773	2,217	2,502	2,638	25,992
Gross Margin %	16.0%	16.7%	10.3%	13.7%	16.3%	16.7%	16.8%	17.0%	20.4%	15.1%	16.8%	19.0%	16.5%
SG&A	1,384	1,301	1,623	1,465	1,496	1,438	1,520	1,579	1,394	1,531	1,553	1,630	17,915
Reported EBITDA	1,207	1,047	(714)	37	259	472	680	1,066	1,379	687	949	1,008	8,077
Rep. EBITDA %	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.4%	7.3%	5.1%
Adj. EBITDA	1,207	1,047	(714)	37	259	472	680	1,066	1,379	687	949	1,008	8,077
Adj. EBITDA %	7.4%	7.4%	(8.1%)	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.4%	7.3%	5.1%
Capex	\$ (991)	\$ (803)	\$ (1,438)	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (8,231)

Accounts Receivable, Net	\$ 14,273	\$ 13,483	\$ 8,594	\$ 8,789	\$ 9,536	\$ 11,214	\$ 12,944	\$ 14,190	\$ 15,313	\$ 13,196	\$ 13,308	\$ 13,414	\$ 13,414
Inventory, Net	30,528	29,790	30,309	33,091	34,642	34,150	32,557	30,697	32,887	32,705	32,363	32,765	32,765
Accounts Payable	12,897	12,951	12,709	11,725	12,319	12,200	12,267	12,359	15,487	15,146	14,498	14,476	14,476
CCC	\$ 31,905	\$ 30,322	\$ 26,194	\$ 30,155	\$ 31,859	\$ 33,165	\$ 33,234	\$ 32,527	\$ 32,713	\$ 30,755	\$ 31,172	\$ 31,703	\$ 31,703

DSO	27.3	28.7	30.2	24.9	24.8	30.5	29.7	28.4	33.8	27.9	27.6	29.0	31.0
DSI	58.3	63.4	106.6	93.7	89.9	92.8	74.6	61.3	72.6	69.1	67.2	70.8	75.7
DPO	29.3	33.1	49.8	38.5	38.2	39.8	33.8	29.8	42.9	37.7	36.2	38.6	40.0
C2C	56.3	59.0	87.0	80.1	76.5	83.5	70.5	59.9	63.4	59.3	58.7	61.2	66.7

Bank revolver	\$ 12,826	\$ 12,019	\$ 10,222	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 17,818	\$ 17,338	\$ 16,897	\$ 16,663	\$ 16,663
Unclassified external debt / OID	14,344	14,062	13,634	13,926	13,779	13,318	13,257	13,058	13,270	13,079	12,825	12,727	12,727
OpenGate debt	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Debt Outstanding	27,170	26,080	23,857	28,266	30,311	32,068	32,761	32,084	31,088	30,418	29,721	29,390	29,390
Cash and equivalents	(0)	(0)	0	3	3	3	3	3	3	3	3	3	3
Total Net Debt	\$ 27,170	\$ 26,080	\$ 23,857	\$ 28,263	\$ 30,308	\$ 32,065	\$ 32,758	\$ 32,080	\$ 31,085	\$ 30,415	\$ 29,718	\$ 29,387	\$ 29,387
Beginning Cash Balance	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0
Add / (Less): Operating Cash Flow	2,174	1,750	3,372	(3,487)	(1,522)	(1,520)	(168)	1,136	2,150	1,381	966	873	7,104
Add / (Less): Investing Cash Flow	(991)	(803)	(1,438)	(489)	(531)	(560)	(448)	(519)	(805)	(761)	(386)	(500)	(8,231)
Add / (Less): Financing Cash Flow	(1,183)	(947)	(1,934)	3,979	2,053	2,080	616	(617)	(1,345)	(620)	(580)	(373)	1,129
Effect of FX rates / Other	–	–	–	–	–	–	–	–	–	–	–	–	–
Ending Cash Balance	\$ 0	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3

Long-term trend, budget, IC comparison														
Calendar year ending				Actual		LTM Actual		IC Model			Variance to IC			
Summary Financials	12/31/2015	12/31/2016	12/31/2017	12/31/2018	9/30/2019			12/31/2016	12/31/2017	12/31/2018	LTM v 2017 IC	%	2018 FC v IC	%
Total Net Revenue	\$	–	\$ 170,742	\$ 170,574	\$ 161,366	\$ 157,950								
EBITDA, Reported		–	12,278	10,180	8,522	8,077								
EBITDA, Reported %		N/A	7.2%	6.0%	5.3%	5.1%								
EBITDA, Adjusted		–	12,278	10,180	8,522	8,077								
EBITDA, Adjusted %		N/A	7.2%	6.0%	5.3%	5.1%								
Accounts Receivable, Net		–	11,660	8,594	9,802	13,414								
Inventory, Net		–	27,470	30,309	30,962	32,765								
Accounts Payable		–	7,504	12,709	12,627	14,476								
CCC		–	31,626	26,194	28,137	31,703								
Net Debt	\$	–	\$ 3,014	\$ 23,857	\$ 26,089	\$ 29,387								

Monthly P&L

\$'000	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY		FY		Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst		Bud		\$	%	Act	\$	%
Units Produced ('000)	7,786	7,371	8,389	7,725	8,493	8,905	8,339	9,076	8,551	9,637	9,028	5,886	99,185	108,274	(9,088)	(8.4%)	96,146	3,040	3.2%		
Units Shipped ('000)	6,941	6,590	7,230	8,092	9,414	8,083	9,001	8,865	8,508	10,255	9,358	6,133	98,470	109,580	(11,110)	(10.1%)	104,464	(5,995)	(5.7%)		
Bookings (\$'000)	\$ 11,857	\$ 10,031	\$ 11,903	\$ 14,734	\$ 16,015	\$ 15,048	\$ 15,207	\$ 15,021	\$ 14,552	\$ 17,403	\$ 16,182	\$ 9,356	\$ 167,310	\$ 180,948	\$ (13,638)	(7.5%)	\$ 173,588	\$ (6,279)	(3.6%)		
Backlog ('\$000)	\$ 9,269	\$ 8,356	\$ 8,460	\$ 9,671	\$ 9,716	\$ 11,128	\$ 11,147	\$ 10,612	\$ 10,856	\$ 13,594	\$ 13,391	\$ 11,911	\$ 11,911	\$ 11,911	\$ —	0.0%	\$ 8,368	\$ 3,543	42.3%		
Gross Revenue	\$ 11,539	\$ 11,249	\$ 11,985	\$ 13,794	\$ 16,301	\$ 14,255	\$ 15,452	\$ 15,784	\$ 14,665	\$ 17,766	\$ 16,477	\$ 10,759	\$ 170,026	\$ 188,036	\$ (18,011)	(9.6%)	\$ 180,283	\$ (10,257)	(5.7%)		
Adj. to Gross Revenue	(597)	(464)	(581)	(699)	(787)	(662)	(784)	(859)	(786)	(983)	(916)	(541)	(8,659)	(9,876)	1,217	(12.3%)	(9,708)	1,049	(10.8%)		
Net Revenue	10,942	10,785	11,404	13,094	15,515	13,593	14,669	14,926	13,879	16,782	15,561	10,218	161,366	178,160	(16,793)	(9.4%)	170,574	(9,208)	(5.4%)		
Material	5,204	5,301	5,464	6,521	7,703	6,428	7,195	7,385	6,640	8,457	7,836	4,565	78,698	88,355	(9,657)	(10.9%)	83,420	(4,721)	(5.7%)		
Labor	2,927	2,714	2,913	2,840	3,198	3,138	3,242	3,263	3,119	3,337	3,197	2,915	36,805	38,371	(1,566)	(4.1%)	38,503	(1,698)	(4.4%)		
Other COGS	1,309	1,015	1,117	1,533	1,968	1,255	2,014	1,776	1,482	2,013	1,780	1,527	18,788	20,261	(1,473)	(7.3%)	20,885	(2,097)	(10.0%)		
Total COGS	9,440	9,030	9,494	10,894	12,869	10,820	12,451	12,424	11,241	13,807	12,814	9,007	134,291	146,986	(12,696)	(8.6%)	142,807	(8,516)	(6.0%)		
Gross Margin	1,502	1,755	1,910	2,201	2,645	2,773	2,217	2,502	2,638	2,975	2,747	1,210	27,075	31,173	(4,098)	(13.1%)	27,767	(692)	(2.5%)		
Gross Margin %	13.7%	16.3%	16.7%	16.8%	17.0%	20.4%	15.1%	16.8%	19.0%	17.7%	17.7%	11.8%	16.8%	17.5%			16.3%				
R&D	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A		
Sales & Marketing	554	603	474	610	586	529	504	534	671	583	633	579	6,859	7,247	(389)	(5.4%)	7,045	(186)	(2.6%)		
Administrative	1,037	968	879	962	997	962	1,026	1,001	962	1,094	1,047	1,068	12,002	12,772	(770)	(6.0%)	10,240	1,762	17.2%		
Other Opex	(127)	(75)	85	(51)	(3)	(97)	1	18	(3)	(20)	(20)	(16)	(308)	(228)	(80)	34.9%	302	(609)	(201.9%)		
Total Opex	1,465	1,496	1,438	1,520	1,579	1,394	1,531	1,553	1,630	1,657	1,660	1,631	18,553	19,791	(1,238)	(6.3%)	17,587	966	5.5%		
EBITDA	37	259	472	680	1,066	1,379	687	949	1,008	1,318	1,087	(420)	8,522	11,382	(2,860)	(25.1%)	10,180	(1,658)	(16.3%)		
EBITDA %	0.3%	2.4%	4.1%	5.2%	6.9%	10.1%	4.7%	6.4%	7.3%	7.9%	7.0%	(4.1%)	5.3%	6.4%			6.0%				
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ (112)	\$ 59	\$ (82)	\$ (1,356)	\$ (4,425)	\$ (3,300)	\$ (1,126)	34.1%	\$ (3,490)	\$ (935)	26.8%		
Capex	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (398)	\$ (398)	\$ (398)	\$ (6,193)	\$ (8,000)	\$ 1,807	(22.6%)	\$ (10,215)	\$ 4,023	(39.4%)		
Opex Overview:																					
Payroll	\$ 881	\$ 806	\$ 788	\$ 889	\$ 909	\$ 810	\$ 868	\$ 838	\$ 803	\$ 943	\$ 880	\$ 913	\$ 10,327	\$ 10,783	\$ (456)	(4.2%)	\$ 10,318	\$ 9	0.1%		
Bonus	112	113	112	112	111	112	113	112	112	113	113	113	1,350	1,361	(11)	(0.8%)	159	1,191	749.0%		
Commissions	19	19	16	19	18	24	22	26	26	30	30	30	277	358	(81)	(22.6%)	187	90	48.4%		
Marketing	95	180	71	116	110	107	100	123	225	109	186	118	1,540	1,780	(241)	(13.5%)	1,679	(140)	(8.3%)		
Benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A		
Travel and entertainment	107	128	35	105	66	112	99	63	110	132	128	130	1,216	1,587	(372)	(23.4%)	1,231	(16)	(1.3%)		
Rent and facilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A		
Insurance	29	21	31	20	28	25	28	32	27	27	28	24	320	336	(17)	(5.0%)	328	(8)	(2.6%)		
Professional fees	45	46	62	45	49	43	45	68	79	45	45	51	623	584	39	6.7%	585	38	6.5%		
Office Expenses	23	26	18	22	33	13	20	18	20	26	22	25	264	287	(23)	(8.0%)	287	(23)	(8.0%)		
IT	166	165	132	159	145	163	162	173	145	182	181	178	1,952	2,092	(140)	(6.7%)	1,634	319	19.5%		
Bad Debts	16	(0)	16	23	42	(0)	(0)	(0)	27	(0)	(0)	(0)	122	(5)	127	(2747.1%)	(80)	202	(253.3%)		
FX	(122)	(76)	115	(28)	24	(80)	5	40	(8)	—	—	—	(130)	—	(130)	N/A	384	(515)	(133.8%)		
JV Loss (Income)	(5)	1	(29)	(23)	(28)	(17)	(4)	(22)	5	(20)	(20)	(16)	(178)	(228)	51	(22.1%)	(83)	(95)	114.6%		
Other Expenses	98	67	73	61	70	82	74	82	59	70	67	66	870	853	17	2.0%	956	(86)	(9.0%)		
Total Opex	\$ 1,465	\$ 1,496	\$ 1,438	\$ 1,520	\$ 1,579	\$ 1,394	\$ 1,531	\$ 1,553	\$ 1,630	\$ 1,657	\$ 1,660	\$ 1,631	\$ 18,553	\$ 19,791	\$ (1,238)	(6.3%)	\$ 17,586	\$ 967	5.5%		

Monthly EBITDA to Net Income (Loss) Bridge

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 37	\$ 259	\$ 472	\$ 680	\$ 1,066	\$ 1,379	\$ 687	\$ 949	\$ 1,008	\$ 1,318	\$ 1,087	\$ (420)	\$ 8,522	\$11,382	\$ (2,860)	(25.1%)	\$ 10,180	\$ (1,658)	(16.3%)
Depreciation and amortization	(708)	(721)	(729)	(702)	(725)	(741)	(761)	(768)	(779)	(796)	(799)	(803)	(9,032)	(9,128)	96	(1.1%)	(7,801)	(1,230)	15.8%
Interest and amortization	(156)	(165)	(189)	(184)	(198)	(187)	(191)	(189)	(182)	(190)	(173)	(168)	(2,172)	(2,290)	117	(5.1%)	(1,869)	(303)	16.2%
Other financial income/expense	(26)	740	(617)	163	(128)	774	(111)	(238)	97	–	–	–	654	–	654	N/A	(1,463)	2,118	(144.7%)
Monitoring fees (including expenses)	(85)	(97)	(85)	(84)	(84)	(85)	(103)	(82)	(82)	(103)	(83)	(103)	(1,076)	(1,077)	1	(0.1%)	(1,091)	15	(1.4%)
Restructuring costs	–	–	–	–	–	36	–	–	(65)	–	–	–	(29)	–	(29)	N/A	(776)	747	(96.3%)
Non-recurring items	(137)	(201)	(128)	(44)	(42)	(215)	(20)	(45)	(39)	–	–	–	(873)	(478)	(395)	82.7%	(770)	(103)	13.4%
Taxes	189	(87)	(4)	(72)	(58)	(109)	(29)	(37)	(69)	(170)	(115)	138	(421)	(1,710)	1,289	(75.4%)	99	(519)	(525.7%)
GAAP Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ (112)	\$ 59	\$ (82)	\$ (1,356)	\$ (4,425)	\$ (3,300)	\$ (1,126)	34.1%	\$ (3,490)	\$ (935)	26.8%

Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; YTD F/X gain attributable to the change in the month-end rate from 1.364 [USD\$0.73] on December 31, 2018 to 1.3246 [USD\$0.75] on September 30, 2019
- Restructuring costs in September represent severance accrual for VP of Operations
- Non-recurring items in September include Project Monaco (\$15K), Smart Ventures LP (\$32K) and Management Tools Inc (4K), offset by incentive from Job Skills for OBI projects with The Practical Approach (\$12K)
- US Tax accrual of 69K in September 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	7,768	24,684	67,497
Labor	3,208	10,011	28,920
Other COGS	1,846	5,545	14,941
COGS Budget	\$ 12,821	\$ 40,240	\$ 111,359
<u>Variances:</u>			
Volume	(1,272)	(3,786)	(10,477)
Price	(220)	(805)	(1,236)
Other	364	1,126	2,056
Material	(1,128)	(3,465)	(9,657)
Volume	21	(62)	(649)
Price	–	–	–
Other	(110)	(325)	(917)
Labor	(89)	(387)	(1,566)
Volume	(145)	207	(2)
Price	–	–	–
Other	(219)	(480)	(1,471)
Other COGS	(364)	(273)	(1,473)
COGS Actual	\$ 11,241	\$ 36,116	\$ 98,663

Management Discussion - QTD

- **Material COGS:** Decrease of \$3,465K due to lower volume impact of \$3,786K (Sales volumes (lbs) lower by 16.0%), favorable resin material prices offset by higher additive pricing & higher glass pricing of \$805K and improved scrap utilization at ECS of \$109K; offset by unfavorable yields lower regrind usage at Woodbridge, Delmont & Everett of \$1,110K and higher E&O/LCM inventory reserves of \$125K
- **Labor COGS:** Lower costs due to volume impact of \$62K, a favorable F/X impact of \$91K and headcount reduction initiatives and improved labor efficiency at Laval, Delmont and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$234K
- **Other COGS:** Decrease of \$273K due to an unfavorable absorption impact of \$207K as a result of selling more out of inventory than Plan, lower overhead spending (ie. Utilities, maintenance, factory supplies) of \$25K, lower freight costs due to sales volume and customer mix of \$250K, higher tool & die overhead recovery of \$149K and a favorable F/X impact of \$56K

Monthly Cost of Goods Sold by Component

\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Material																			
Material costs at standard	\$ 5,265	\$ 5,218	\$ 5,418	\$ 6,548	\$ 7,512	\$ 6,461	\$ 6,984	\$ 7,167	\$ 6,465	\$ 8,402	\$ 7,886	\$ 4,585	\$ 77,909	\$ 88,508	\$ (10,599)	(12.0%)	\$ 84,102	\$ (6,193)	(7.4%)
Materials FX loss / (gain)	0	0	0	0	0	1	(0)	0	0	0	—	—	1	0	1	545.3%	0	1	299.0%
Purchase price variance	168	272	211	157	242	141	253	232	156	357	247	128	2,563	2,816	(253)	(9.0%)	(421)	2,984	(708.7%)
Supplier resin rebate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Freight In	47	46	46	35	43	60	44	55	41	60	57	45	581	663	(82)	(12.4%)	680	(100)	(14.7%)
Scrap costs	(355)	(334)	(282)	(302)	(206)	(307)	(177)	(185)	(99)	(474)	(461)	(273)	(3,454)	(4,885)	1,432	(29.3%)	(2,101)	(1,353)	64.4%
Consumables	78	98	72	83	112	72	90	116	77	113	107	81	1,098	1,253	(155)	(12.4%)	1,159	(61)	(5.2%)
Total Material COGS	\$ 5,204	\$ 5,301	\$ 5,464	\$ 6,521	\$ 7,703	\$ 6,428	\$ 7,195	\$ 7,385	\$ 6,640	\$ 8,457	\$ 7,836	\$ 4,565	\$ 78,698	\$ 88,355	\$ (9,657)	(10.9%)	\$ 83,420	\$ (4,721)	(5.7%)
Labor																			
Direct labor	\$ 927	\$ 898	\$ 984	\$ 1,008	\$ 1,133	\$ 1,112	\$ 1,216	\$ 1,208	\$ 1,155	\$ 1,188	\$ 1,141	\$ 1,030	\$ 13,000	\$ 13,870	\$ (871)	(6.3%)	\$ 13,874	\$ (874)	(6.3%)
Direct labor - bonus	51	51	51	51	51	51	51	51	51	51	51	51	612	618	(6)	(0.9%)	79	533	670.4%
Direct labor - overtime	70	97	109	92	124	165	125	163	133	124	107	68	1,378	1,163	215	18.5%	1,594	(216)	(13.5%)
Direct labor - benefits	290	264	254	235	254	273	250	258	250	281	268	238	3,115	3,262	(147)	(4.5%)	3,366	(251)	(7.4%)
Direct labor - wcb benefits	18	(20)	17	(66)	22	21	21	21	20	24	23	19	121	265	(145)	(54.5%)	321	(200)	(62.4%)
Direct labor - other	0	(1)	(1)	(1)	(2)	2	(0)	(0)	(0)	1	1	1	(2)	9	(10)	(119.6%)	(1)	(1)	43.7%
Indirect labor	1,520	1,362	1,447	1,462	1,565	1,463	1,528	1,512	1,458	1,605	1,545	1,448	17,915	18,438	(523)	(2.8%)	19,031	(1,117)	(5.9%)
Indirect labor – bonus	51	51	51	51	51	51	51	51	51	51	51	51	612	618	(6)	(0.9%)	79	533	670.4%
Sub-contractor costs	—	12	2	10	—	—	—	—	—	11	11	7	53	127	(74)	(58.0%)	159	(106)	(66.5%)
Total Labor COGS	\$ 2,927	\$ 2,714	\$ 2,913	\$ 2,840	\$ 3,198	\$ 3,138	\$ 3,242	\$ 3,263	\$ 3,119	\$ 3,337	\$ 3,197	\$ 2,915	\$ 36,805	\$ 38,371	\$ (1,566)	(4.1%)	\$ 38,503	\$ (1,698)	(4.4%)
Other																			
Repairs and maintenance	\$ 115	\$ 26	\$ 78	\$ 34	\$ 44	\$ 62	\$ 83	\$ 80	\$ (35)	\$ 109	\$ 104	\$ 128	\$ 825	\$ 1,037	\$ (211)	(20.4%)	\$ 1,222	\$ (397)	(32.5%)
Absorption	(234)	(425)	(600)	86	312	(475)	235	(71)	(135)	122	(4)	(24)	(1,214)	(1,049)	(165)	15.7%	(622)	(592)	95.1%
Freight out	625	533	704	712	772	724	752	762	747	863	780	543	8,517	9,368	(851)	(9.1%)	9,785	(1,268)	(13.0%)
Rent / facilities	125	167	193	76	185	183	189	208	183	139	138	205	1,992	1,840	152	8.2%	1,511	481	31.8%
Utilities	479	508	539	458	435	590	535	611	506	584	559	512	6,319	6,711	(393)	(5.9%)	6,579	(261)	(4.0%)
Other cost of sales	199	206	202	167	220	171	221	186	216	197	204	162	2,350	2,355	(5)	(0.2%)	2,409	(60)	(2.5%)
Total Other COGS	\$ 1,309	\$ 1,015	\$ 1,117	\$ 1,533	\$ 1,968	\$ 1,255	\$ 2,014	\$ 1,776	\$ 1,482	\$ 2,013	\$ 1,780	\$ 1,527	\$ 18,788	\$ 20,261	\$ (1,473)	(7.3%)	\$ 20,885	\$ (2,097)	(10.0%)

Management Discussion

Material COGS: Decrease of \$9,657K due to lower volume impact of \$10,477K (Sales volumes (lbs) lower by 13.3%), unfavorable yields and higher scrap (net of regrind usage) at Woodbridge, Delmont & Everett of \$1,908K; unfavorable E&O reserves at Woodbridge, Everett and Terrebonne of \$317K, partially offset by improved scrap and favorable PPV at ECS of \$1,405K

Labor COGS: Lower costs due to volume impact of \$649K, out-of-period workers' compensation refunds at Laval and Everett of \$170K, a favorable F/X impact of \$352K 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 \$395K

Other COGS: Decrease of \$1,473K due to lower freight costs of \$753K, lower overhead spending of \$315K (ie. Maintenance costs, utilities, factory supplies), a higher tool & die absorption recovery impact of \$217K, lower property tax adjustment at Everett of \$87K, a favorable F/X impact of \$212K partially offset by an unfavorable absorption impact of \$111K

Monthly Balance Sheet

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
Current Assets																
Cash and cash equivalents	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	\$ 3	739066.5%
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
<i>Accounts receivable, gross</i>	9,182	9,929	11,613	13,369	14,654	15,793	13,673	13,780	13,915	15,081	13,521	10,481	10,481	8,958	1,523	17.0%
<i>Accounts receivable, reserves</i>	(393)	(393)	(399)	(425)	(465)	(479)	(477)	(472)	(501)	(679)	(679)	(679)	(679)	(363)	(316)	86.9%
Accounts receivable, net	8,789	9,536	11,214	12,944	14,190	15,313	13,196	13,308	13,414	14,402	12,842	9,802	9,802	8,594	1,208	14.1%
<i>Inventory, gross</i>	34,588	36,157	35,647	34,119	32,304	34,675	34,503	34,146	34,529	32,837	32,471	32,668	32,668	31,776	892	2.8%
<i>Inventory, reserves</i>	(1,497)	(1,514)	(1,497)	(1,562)	(1,608)	(1,789)	(1,797)	(1,783)	(1,764)	(1,696)	(1,702)	(1,706)	(1,706)	(1,467)	(239)	16.3%
Inventory, net	33,091	34,642	34,150	32,557	30,697	32,887	32,705	32,363	32,765	31,140	30,769	30,962	30,962	30,309	653	2.2%
Prepaid expenses and other current assets	3,145	3,030	3,051	3,909	4,233	4,279	4,257	4,035	3,848	3,348	3,110	2,832	2,832	2,942	(109)	(3.7%)
Other current assets	761	864	804	790	865	830	1,026	932	911	1,771	1,829	682	682	901	(218)	(24.2%)
Total Current Assets	45,790	48,076	49,223	50,203	49,987	53,312	51,187	50,640	50,941	50,663	48,552	44,281	44,281	42,746	1,536	3.6%
Non-Current Assets																
<i>Property, plant & equipment, gross</i>	66,687	67,249	66,818	67,503	67,826	69,761	70,321	70,322	70,962	73,531	73,935	74,303	74,303	64,977	9,326	14.4%
<i>Accumulated depreciation</i>	(18,755)	(19,488)	(19,863)	(20,649)	(21,300)	(22,479)	(23,152)	(23,765)	(24,601)	(23,245)	(23,906)	(24,569)	(24,569)	(17,639)	(6,930)	39.3%
Property, plant & equipment, net	47,932	47,761	46,955	46,853	46,525	47,282	47,169	46,557	46,361	50,286	50,028	49,734	49,734	47,338	2,395	5.1%
Deferred financing cost	546	533	510	499	484	479	464	448	435	422	408	395	395	548	(153)	(27.9%)
Deferred tax asset	2,961	2,963	2,898	2,913	2,901	2,973	2,963	2,938	2,947	1,367	1,367	1,367	1,367	2,879	(1,513)	(52.5%)
Other non-current assets	2,688	2,690	2,644	2,685	2,698	2,791	2,784	2,784	2,791	3,257	3,274	3,331	3,331	2,616	715	27.3%
Total Non-Current Assets	54,127	53,947	53,007	52,950	52,607	53,535	53,388	52,727	52,534	55,332	55,077	54,826	54,826	53,382	1,444	2.7%
Total Assets	\$ 99,917	\$ 102,023	\$ 102,229	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 103,368	\$ 103,475	\$ 105,995	\$ 103,630	\$ 99,107	\$ 99,107	\$ 96,127	\$ 2,980	3.1%
Current Liabilities																
Bank Debt	\$ 14,340	\$ 16,533	\$ 18,750	\$ 19,505	\$ 19,025	\$ 17,818	\$ 17,338	\$ 16,897	\$ 16,663	\$ 18,098	\$ 14,909	\$ 13,864	\$ 13,864	\$ 10,222	\$ 3,641	35.6%
Current Portion - Long Term Debt	1,678	1,665	1,639	1,648	1,640	1,683	1,676	1,662	1,667	1,800	1,800	1,800	1,800	1,628	172	10.6%
Accounts payable	11,725	12,319	12,200	12,267	12,359	15,487	15,146	14,498	14,476	13,308	14,456	12,627	12,627	12,709	(82)	(0.6%)
Accrued liabilities	4,045	3,378	3,727	3,515	3,556	3,864	3,513	3,630	3,707	3,366	3,189	2,808	2,808	3,343	(535)	(16.0%)
Accrued compensation	2,492	2,800	2,877	3,338	3,488	3,931	3,435	3,952	4,303	4,804	4,780	5,149	5,149	2,521	2,628	104.2%
Income taxes payable	(189)	(102)	(344)	(275)	(215)	(118)	46	86	192	1,734	1,848	1,710	1,710	(246)	1,956	(793.7%)
Contingent consideration	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	—	—	—	—	1,301	(1,301)	(100.0%)
Other current liabilities	101	97	124	125	132	125	127	122	116	128	111	107	107	97	11	11.0%
Total Current Liabilities	35,493	37,990	40,273	41,423	41,287	44,090	42,582	42,149	42,425	43,238	41,094	38,065	38,065	31,576	6,490	20.6%
Long-term liabilities																
Long-term debt less current maturities	12,248	12,114	11,679	11,609	11,418	11,587	11,403	11,163	11,060	10,714	10,571	10,428	10,428	12,006	(1,579)	(13.1%)
Deferred income taxes	9,753	9,757	9,642	9,669	9,647	9,775	9,756	9,713	9,729	7,785	7,785	7,785	7,785	9,610	(1,825)	(19.0%)
Other non-current liabilities	1,525	1,530	1,491	1,503	1,497	1,597	1,591	1,577	1,585	1,477	1,482	1,486	1,486	1,468	18	1.2%
Total Long-Term Liabilities	23,526	23,400	22,812	22,781	22,562	22,959	22,751	22,453	22,374	19,976	19,838	19,699	19,699	23,084	(3,386)	(14.7%)
Total Liabilities	59,019	61,391	63,085	64,205	63,849	67,049	65,333	64,602	64,799	63,214	60,931	57,764	57,764	54,660	3,104	5.7%
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shareholders' Equity																
Common stock	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	(0)	(0.0%)
Retained earnings	29,143	28,871	27,592	27,350	27,180	28,033	27,505	27,095	26,982	30,701	30,619	29,263	29,263	30,039	(776)	(2.6%)
Accumulated other comprehensive income	(855)	(850)	(1,058)	(1,011)	(1,045)	(845)	(873)	(938)	(916)	(530)	(530)	(530)	(530)	(1,181)	652	(55.2%)
Total Shareholders' Equity	40,898	40,632	39,144	38,948	38,746	39,798	39,241	38,766	38,676	42,781	42,699	41,343	41,343	41,467	(124)	(0.3%)
Total Liabilities and Shareholders' Equity	\$ 99,917	\$ 102,023	\$ 102,229	\$ 103,153	\$ 102,595	\$ 106,848	\$ 104,574	\$ 103,368	\$ 103,475	\$ 105,995	\$ 103,630	\$ 99,107	\$ 99,107	\$ 96,127	\$ 2,980	3.1%

Balance Sheet – Year on Year Comparison

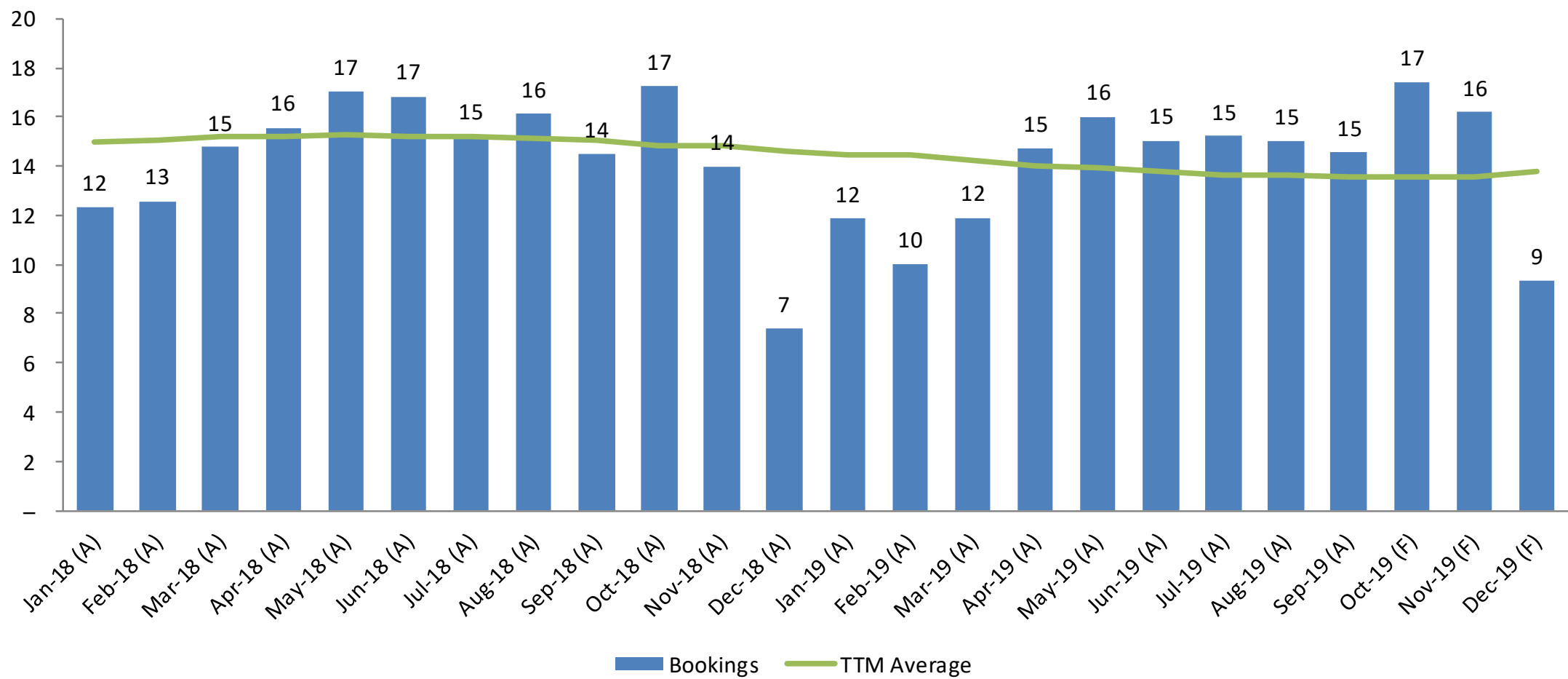
\$'000	YTD		Variance	
	CY	PY	\$	%
<u>Current Assets</u>				
Cash and cash equivalents	\$ 3	\$ (0)	\$ 3	(958342.2%)
Short term investments	–	–	–	N/A
<i>Accounts receivable, gross</i>	13,915	14,535	(620)	(4.3%)
<i>Accounts receivable, reserves</i>	(501)	(679)	179	(26.3%)
Accounts receivable, net	13,414	13,855	(441)	(3.2%)
<i>Inventory, gross</i>	34,529	35,323	(794)	(2.2%)
<i>Inventory, reserves</i>	(1,764)	(1,550)	(213)	13.8%
Inventory, net	32,765	33,773	(1,008)	(3.0%)
Prepaid expenses and other current assets	3,848	3,276	572	17.5%
Other current assets	911	1,520	(609)	(40.1%)
Total Current Assets	50,941	52,424	(1,483)	(2.8%)
<u>Non-Current Assets</u>				
<i>Property, plant & equipment, gross</i>	70,962	63,414	7,547	11.9%
<i>Accumulated depreciation</i>	(24,601)	(16,121)	(8,480)	52.6%
Property, plant & equipment, net	46,361	47,294	(933)	(2.0%)
Deferred financing cost	435	597	(162)	(27.1%)
Deferred tax asset	2,947	1,367	1,580	115.6%
Other non-current assets	2,791	2,858	(67)	(2.4%)
Total Non-Current Assets	52,534	52,116	418	0.8%
Total Assets	\$ 103,475	\$ 104,539	\$ (1,064)	(1.0%)
<u>Current Liabilities</u>				
Bank Debt	\$ 16,663	\$ 14,477	\$ 2,186	15.1%
Current Portion - Long Term Debt	1,667	1,788	(121)	(6.8%)
Accounts payable	14,476	14,088	389	2.8%
Accrued liabilities	3,707	3,665	42	1.1%
Accrued compensation	4,303	2,633	1,670	63.4%
Income taxes payable	192	743	(551)	(74.2%)
Contingent consideration	1,301	1,323	(22)	(1.7%)
Other current liabilities	116	99	17	17.2%
Total Current Liabilities	42,425	38,816	3,609	9.3%
<u>Long-term liabilities</u>				
Long-term debt less current maturities	11,060	12,228	(1,168)	(9.6%)
Deferred income taxes	9,729	7,786	1,943	24.9%
Other non-current liabilities	1,585	1,530	54	3.6%
Total Long-Term Liabilities	22,374	21,544	829	3.8%
Total Liabilities	64,799	60,360	4,438	7.4%
Commitments and contingencies	–	–	–	N/A
<u>Shareholders' Equity</u>				
Common stock	12,610	12,610	–	0.0%
Retained earnings	26,982	32,118	(5,135)	(16.0%)
Accumulated other comprehensive income	(916)	(549)	(367)	66.9%
Total Shareholders' Equity	38,676	44,179	(5,503)	(12.5%)
Total Liabilities and Shareholders' Equity	\$ 103,475	\$ 104,539	\$ (1,064)	(1.0%)

Monthly Cash Flow

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
\$'000	Act	Act	Act	Act	Act	Act	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ (886)	\$ (271)	\$ (1,280)	\$ (242)	\$ (169)	\$ 853	\$ (528)	\$ (410)	\$ (112)	\$ 59	\$ (82)	\$ (1,356)	\$ (4,425)	\$ (3,300)	\$ (1,126)	34.1%	\$ (3,987)	\$ (439)	11.0%
Depreciation, amortization and other	708	721	729	702	725	741	761	768	779	796	799	803	9,032	9,128	(96)	(1.1%)	7,801	1,230	15.8%
Non-cash loss/expense (gain)	(161)	(7)	201	(62)	36	(213)	64	83	(14)	670	(145)	(151)	299	(307)	606	(197.4%)	377	(78)	(20.7%)
Deferred income tax	143	3	(115)	27	(22)	128	(19)	(43)	15	(1,944)	–	–	(1,825)	148	(1,973)	(1331.0%)	(1,301)	(524)	40.3%
Change in operating assets and liabilities:																N/A			
Accounts receivable	(195)	(747)	(1,678)	(1,730)	(1,246)	(1,124)	2,118	(112)	(107)	(987)	1,560	3,040	(1,208)	(1,173)	(35)	3.0%	3,252	(4,460)	(137.1%)
Inventory	(2,782)	(1,552)	492	1,593	1,861	(2,190)	181	342	(403)	1,625	371	(193)	(653)	(690)	37	(5.4%)	(594)	(59)	9.9%
Prepaid expenses and other current assets	(64)	12	39	(843)	(400)	(11)	(173)	316	208	(360)	179	1,425	328	328	–	0.0%	456	(128)	(28.1%)
Accounts payable	(984)	594	(119)	68	92	3,128	(340)	(648)	(22)	(1,168)	1,148	(1,829)	(82)	(82)	(0)	0.0%	(379)	296	(78.3%)
Accrued expenses	673	(359)	426	249	192	750	(846)	635	427	160	(201)	(12)	2,093	2,344	(251)	(10.7%)	(2,316)	4,408	(190.4%)
Accrued income taxes	58	87	(242)	69	60	96	164	40	106	1,542	115	(138)	1,956	1,060	896	84.5%	751	1,205	160.6%
Other changes in operating assets and liabilities	4	(4)	27	1	7	(7)	1	(5)	(6)	(1,289)	(17)	(4)	(1,290)	(1,290)	–	0.0%	65	(1,355)	(2097.6%)
Other cash flow from operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Operations	\$ (3,487)	\$ (1,522)	\$ (1,520)	\$ (168)	\$ 1,136	\$ 2,150	\$ 1,381	\$ 966	\$ 873	\$ (896)	\$ 3,728	\$ 1,584	\$ 4,224	\$ 6,166	\$ (1,942)	(31.5%)	\$ 4,126	\$ 99	2.4%
Cash flow from investing																			
Additions to property, plant and equipment	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (398)	\$ (398)	\$ (398)	\$ (6,193)	\$ (8,000)	\$ 1,807	(22.6%)	\$ (10,215)	\$ 4,023	(39.4%)
Earnout payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Other cash flow from investing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Investing	\$ (489)	\$ (531)	\$ (560)	\$ (448)	\$ (519)	\$ (805)	\$ (761)	\$ (386)	\$ (500)	\$ (398)	\$ (398)	\$ (398)	\$ (6,193)	\$ (8,000)	\$ 1,807	(22.6%)	\$ (10,215)	\$ 4,023	(39.4%)
Cash flow from financing																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,118	\$ 2,193	\$ 2,218	\$ 754	\$ (479)	\$ (1,207)	\$ (480)	\$ (442)	\$ (234)	\$ 1,435	\$ (3,189)	\$ (1,045)	\$ 3,641	\$ 3,556	\$ 85	2.4%	\$ 6,282	\$ (2,641)	(42.0%)
Proceeds from the issuance of debt	(0)	0	(0)	0	(0)	0	0	0	0	0	0	0	0	–	0	N/A	1,207	(1,207)	(100.0%)
Repayment of debt	(138)	(139)	(138)	(138)	(137)	(139)	(140)	(139)	(139)	(141)	(141)	(141)	(1,670)	(1,719)	49	(2.8%)	(1,400)	(270)	19.3%
Common stock cash dividends paid	–	–	–	–	–	–	–	–	–	(0)	–	–	(0)	–	(0)	N/A	–	(0)	N/A
Other cash flow from financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A	–	–	N/A
Total Cash Flow from Financing	\$ 3,979	\$ 2,053	\$ 2,080	\$ 616	\$ (617)	\$ (1,345)	\$ (620)	\$ (580)	\$ (373)	\$ 1,294	\$ (3,330)	\$ (1,186)	\$ 1,971	\$ 1,837	\$ 134	7.3%	\$ 6,089	\$ (4,118)	(67.6%)
Effect of FX rates on cash and cash equivalents	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	N/A	\$ –	\$ -	N/A
Net change in cash	\$ 3	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 3	\$ 3	\$ (0)	(0.0%)	\$ (0)	\$ 3	(1065.7%)
Beginning cash	0	3	3	3	3	3	3	3	3	3	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	(1065.7%)
Ending cash	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ (0)	(0.0%)	\$ 0	\$ 3	26320641.0%

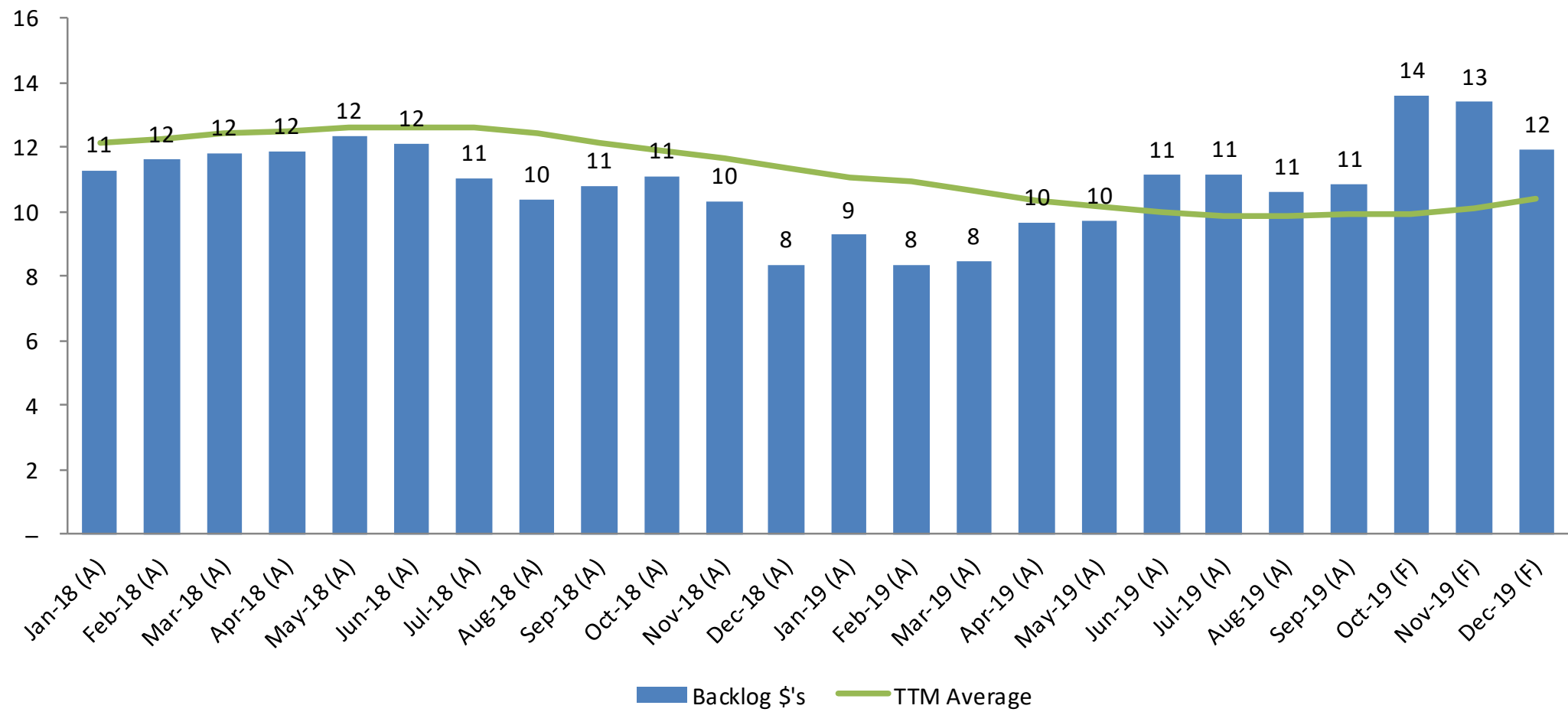
Trended Monthly Bookings

\$ in millions



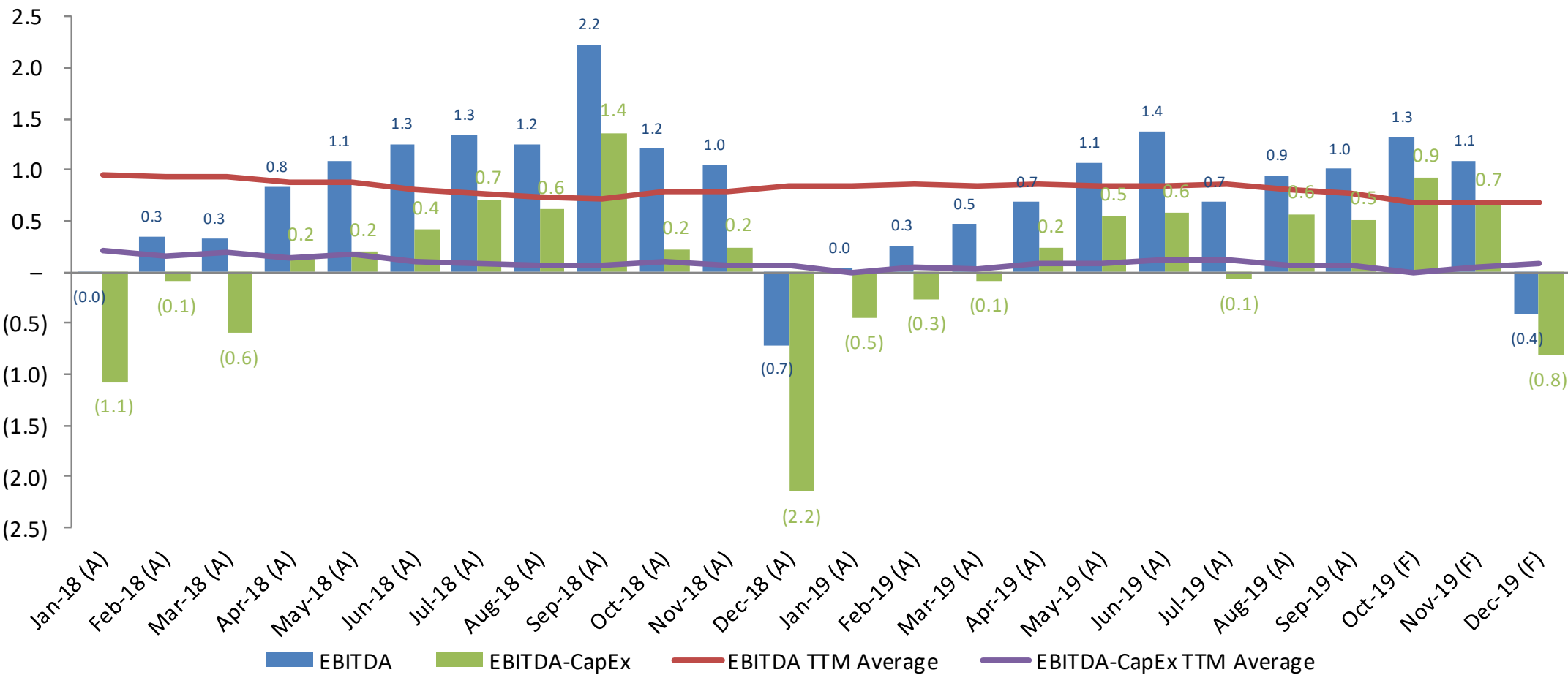
Trended Monthly Backlog

\$ in millions



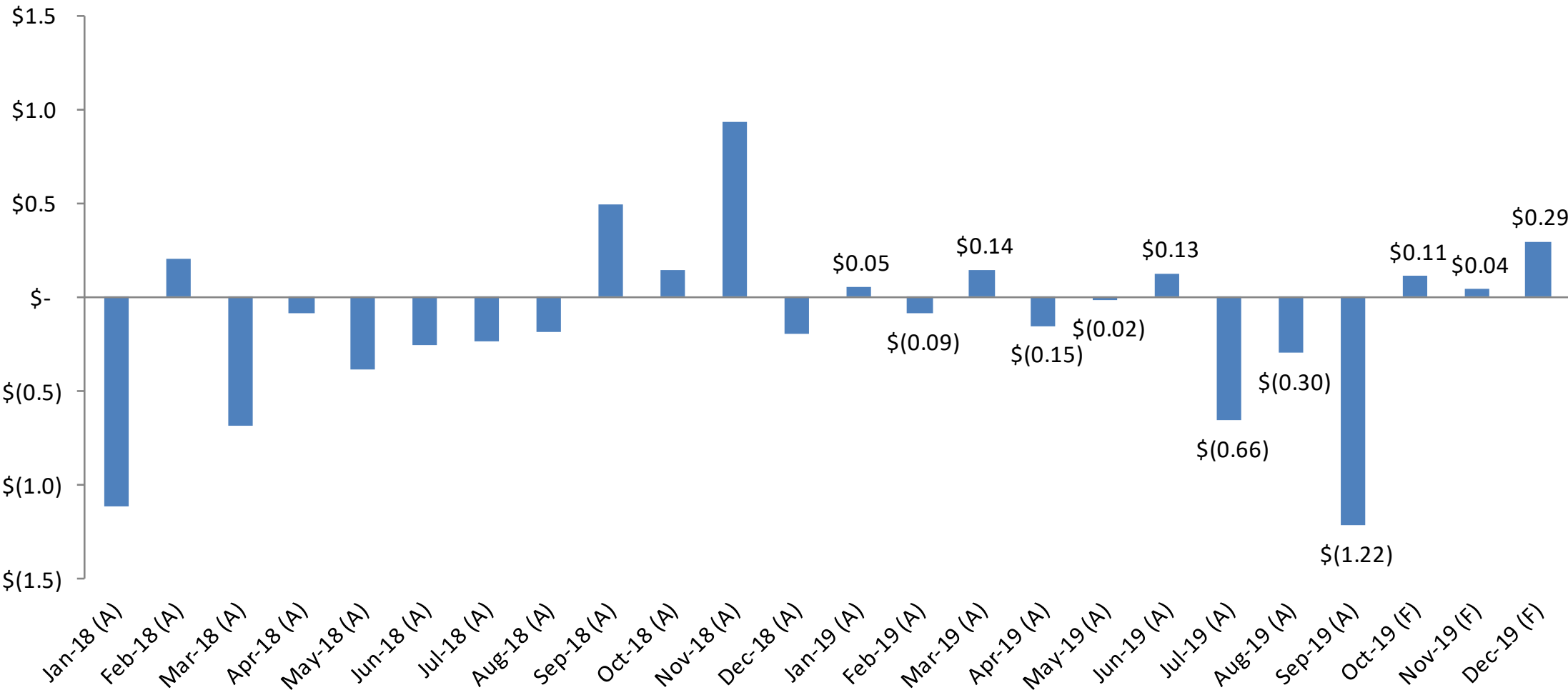
EBITDA and EBITDA-CapEx

\$ in millions



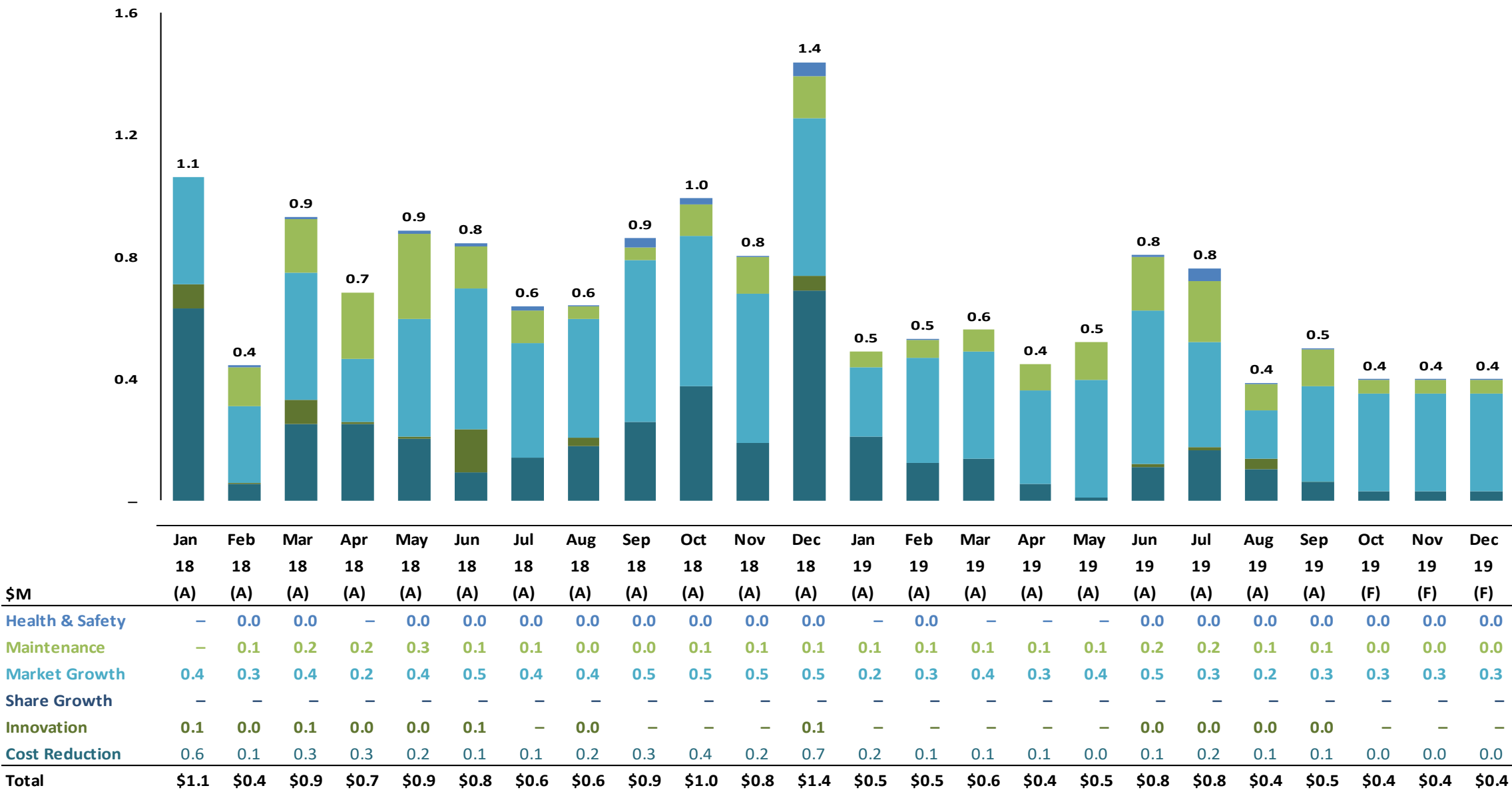
Y-o-Y \$ EBITDA Change

\$ in millions



Capital Expenditures

\$ in millions



Headcount Trending by Month

Month	Direct Labor	Indirect Labor - Hourly	Indirect Labor - Salary	Delivery & Dist.	Research & Development	Sales & Marketing	Administrative	Other	Total Permanent	Agency FTE & Temps	Total Headcount	Bud Headcount	Difference to Bud
2019 January (A)	324	154	81	35	13	26	59	–	692	24	716	780	(64)
2019 February (A)	331	156	81	35	13	26	60	–	702	27	729	802	(73)
2019 March (A)	331	160	81	36	13	26	62	–	709	36	745	802	(57)
2019 April (A)	321	158	81	36	13	25	61	–	695	29	724	813	(89)
2019 May (A)	324	161	80	37	13	28	63	–	706	64	770	818	(48)
2019 June (A)	328	160	79	36	13	24	63	–	703	108	811	832	(21)
2019 July (A)	320	163	79	36	13	25	62	–	698	125	823	826	(3)
2019 August (A)	318	160	81	36	13	25	61	–	694	110	804	825	(21)
2019 September (A)	317	159	80	35	13	26	61	–	691	96	787	797	(10)
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

- Woodbridge: Hired 3 permanent and 3 temps and 2 maintenance technicians offset by 5 resignations and 2 students went back to school and transfer of CSR to Patio Door
- Terrebonne: Increase from 153 to 159 due to hiring of temps, 2 CSRs, foreman and a Production Clerk offset by terminations/resignations of temps/hourly
- Laval: Down from 145 to 134 due to end of term of 10 interns, termination of 7 temps offset by some hiring
- Everett: Hourly pretty stable. Resignation of Plant manager. Hiring to cover staff exits in Admin
- Delmont: Pretty stable
- Corporate: Resignation of Admin staff

Headcount Hires and Attrition

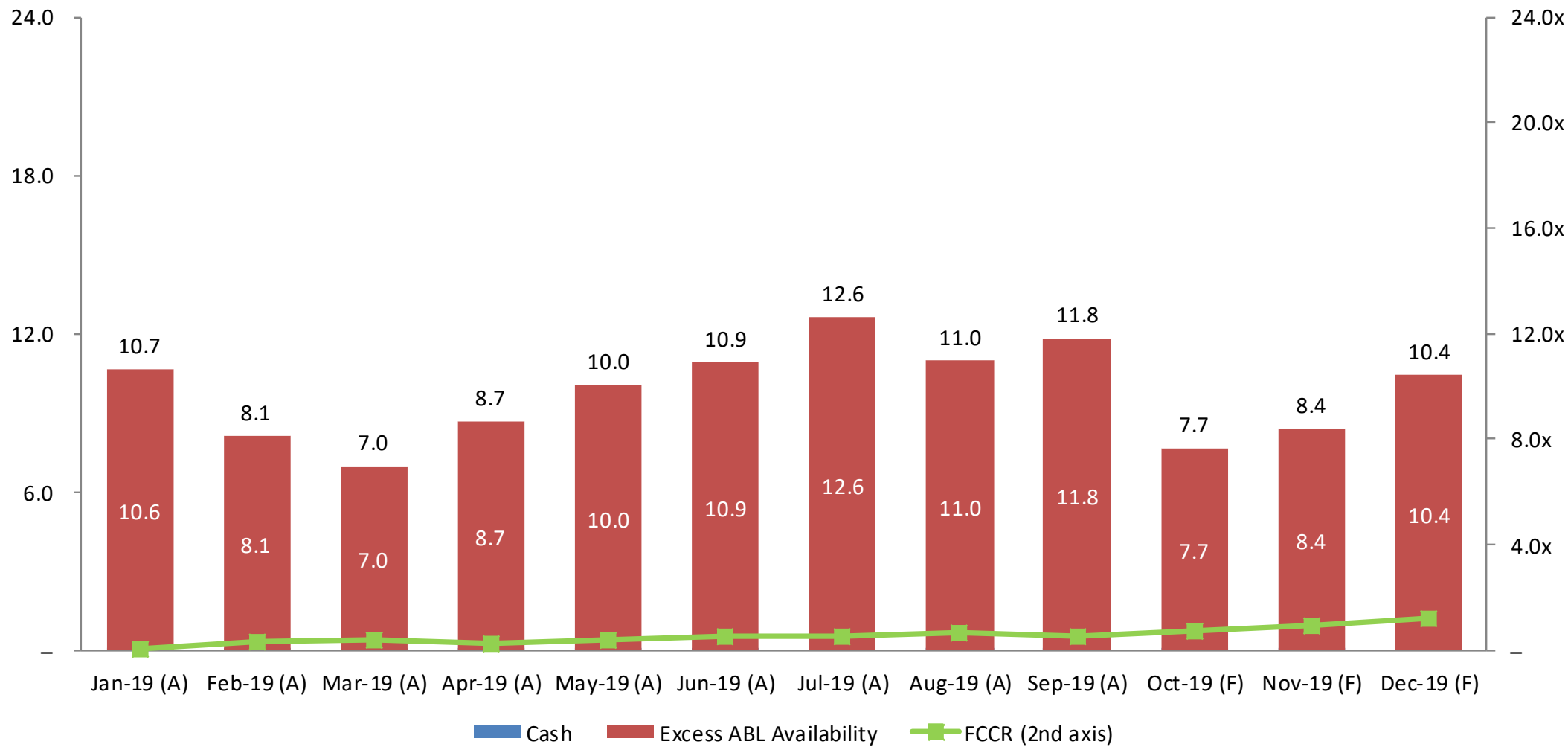
Functional Area	Start of Quarter	Hires	Transfers	Involuntary		QTD	Bud Headcount	Difference to Bud
				Term	Voluntary Term			
Direct Labor	328	14	1	(9)	(17)	317	362	45
Indirect Labor - Hourly	160	6	2	(2)	(7)	159	164	5
Indirect Labor - Salary	79	2	—	—	(1)	80	88	8
Delivery & Dist.	36	—	—	—	(1)	35	38	3
Research & Development	13	—	—	—	—	13	15	2
Sales & Marketing	24	3	1	—	(2)	26	30	4
Administrative	63	1	—	—	(3)	61	59	(2)
Other	-	—	—	—	—	-	-	-
Agency FTE & Temps	108	64	7	(64)	(19)	96	41	(55)
Total	811	90	11	(75)	(50)	787	797	10

Management Discussion

- Net decrease of 24 employees during the quarter, mainly temps and DL
- Hiring mainly in Terrebonne in response to staff turnover, vacation replacement and production requirements
- Some hiring in Administration to cover for staff exits

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	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	8,640	10,256	(1,617)	(15.8%)	24,341	28,582	(4,242)	(14.8%)
Units Shipped ('000)	8,228	10,356	(2,128)	(20.6%)	23,124	28,332	(5,208)	(18.4%)
Bookings (\$'000)	\$ 10,928	\$ 13,666	\$ (2,738)	(20.0%)	\$ 30,070	\$ 35,338	\$ (5,268)	(14.9%)
Backlog ('000)	\$ 2,359	\$ 2,522	\$ (163)	(6.5%)	\$ 2,359	\$ 2,522	\$ (163)	(6.5%)
Gross Revenue	\$ 11,858	\$ 14,460	\$ (2,602)	(18.0%)	\$ 32,730	\$ 39,320	\$ (6,590)	(16.8%)
Adj. to Gross Revenue	(721)	(930)	208	(22.4%)	(1,842)	(2,364)	522	(22.1%)
Net Revenue	11,137	13,530	(2,393)	(17.7%)	30,888	36,955	(6,067)	(16.4%)
Material	7,344	8,429	(1,084)	(12.9%)	20,001	23,236	(3,235)	(13.9%)
Labor	2,594	2,681	(86)	(3.2%)	7,304	7,578	(275)	(3.6%)
Other COGS	651	567	84	14.7%	1,355	1,351	5	0.3%
Total COGS	10,589	11,677	(1,087)	(9.3%)	28,660	32,165	(3,506)	(10.9%)
Gross Margin	548	1,853	(1,306)	(70.5%)	2,228	4,790	(2,562)	(53.5%)
Gross Margin %	4.9%	13.7%			7.2%	13.0%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	58	87	(29)	(33.1%)	161	225	(65)	(28.8%)
Administrative	990	995	(4)	(0.4%)	2,876	2,965	(89)	(3.0%)
Other Opex	(33)	(57)	24	(42.4%)	(93)	(172)	80	(46.2%)
Total Opex	1,016	1,025	(9)	(0.8%)	2,944	3,018	(75)	(2.5%)
EBITDA	(468)	829	(1,297)	(156.5%)	(715)	1,771	(2,487)	(140.4%)
EBITDA %	(4.2%)	6.1%			(2.3%)	4.8%		
Net Income (Loss)	\$ (1,205)	\$ 127	\$ (1,333)	(1047.5%)	\$ (2,798)	\$ (310)	\$ (2,488)	802.2%
Capex	\$ (651)	\$ (31)	\$ (620)	2015.8%	\$ (1,591)	\$ (1,365)	\$ (225)	16.5%
Opex Overview:								
Payroll	\$ 168	\$ 191	\$ (23)	(11.8%)	\$ 481	\$ 538	\$ (58)	(10.7%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	18	30	(12)	(41.1%)	53	90	(37)	(41.3%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	5	4	1	16.2%	5	4	1	27.7%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	12	14	(2)	(14.7%)	31	37	(6)	(17.2%)
Professional fees	27	8	20	257.5%	31	23	8	33.2%
Utilities, repair, maintenance, anc	10	7	2	28.7%	28	20	8	38.6%
Corporate OH Fees	810	822	(12)	(1.5%)	2,410	2,462	(52)	(2.1%)
Bad Debts	(1)	(1)	1	(46.8%)	(2)	(3)	1	(30.1%)
FX	(13)	—	(13)	N/A	29	—	29	N/A
JV Loss (Income)	(20)	(57)	37	(64.3%)	(122)	(172)	51	(29.4%)
Other Expenses	0	7	(7)	(95.1%)	0	19	(19)	(98.2%)
Total Opex	\$ 1,016	\$ 1,025	\$ (9)	(0.8%)	\$ 2,944	\$ 3,018	\$ (75)	(2.5%)

Management Discussion

Net Revenue – Q3-19: (\$2,393K):

- Sales volume down 20.6% or \$2,781k due to decreased demand from All Weather, JV, Vinylbilt, Vinyl-Pro, Quaker, Allsco & Ventana (bankrupt); offset by higher than expected levels with Terrebonne.
- Favorable rebates/accruals \$41k primarily due to lower sales volume with ATIS (Vinylbilt & Allsco)
- Unfavorable returns \$23k from All Weather for X0799 (not to spec)
- Favorable product/customer mix of \$540k driven by higher ASP from Quaker, Terrebonne and PGT and lower ATIS volumes
- Unfavorable F/X of \$170k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q3-19: (\$1,297K):

- Material COGS:** Decreased costs by \$1,084k driven by lower sales volumes \$1,732k; offset by lower yields & additional scrap 78.5% vs 86.0% \$342k (Shorter production runs, Cellular material issues & increased trial/testing costs); decrease regrind usage (18.0% vs 21.6%) \$82k (product mix/process issues); finished goods scrap \$110k (Joint Venture Pitting & All Weather X0799 out of spec); and increased material prices \$114k (Cellular Foam, ECS for JV and Packaging material)
- Labor COGS:** Decreased costs by \$86k driven by lower production volumes (-15.8%) \$233k & lower subcontracting (cellular regrind) \$35k; offset by inefficiencies due to poor yields, additional OT to support new product launch, tooling activities, higher inspections/temps & weekend work \$182k.
- Other COGS:** Increased costs by \$84k driven by lower JV overhead recovery \$111k (lower sales volume & less line charges); additional warehouse costs \$45k (storage trailers) & lower T&D recovery \$13k; Offset by increased net absorption \$31k; lower maintenance/factory costs \$23k (timing) and freight \$31k (lower sales volume)
- Sales and Marketing:** Decreased costs by \$29k due to lower royalties, wages (1 less headcount) and less travel costs.
- Administrative:** In line with budget.
- Other Opex:** Increased costs of \$24k driven by lower JV Equity Income \$37k (lower sales volumes); offset by favorable F/X revaluation of working capital balances \$13k

Key Customers – Gross Sales and Gross Margin %: Woodbridge

	Gross Sales (\$'000)														Gross Margin %																	
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%	
Customer:																																
ROYAL VINYL BILT LIMITED	\$ 2,352	\$ 2,774	\$ (422)	(15.2%)	\$ 2,557	\$ (206)	(8.0%)	\$ 7,151	\$ 8,341	\$ (1,189)	(14.3%)	\$ 7,939	\$ (787)	(9.9%)	10.4%	10.4%	—	0.0%	7.9%	250	31.6%	10.7%	10.1%	62	6.1%	7.9%	283	35.7%				
QUAKER WINDOW PRODUCTS	1,451	1,540	(89)	(5.8%)	1,316	135	10.3%	4,092	4,558	(465)	(10.2%)	3,895	197	5.1%	11.0%	11.0%	0	0.0%	8.5%	250	29.3%	11.4%	10.8%	59	5.5%	8.5%	291	34.1%				
ALL WEATHER WIN. LTD-EDMO	1,044	1,539	(496)	(32.2%)	475	569	119.7%	2,483	4,293	(1,811)	(42.2%)	1,349	1,133	84.0%	19.7%	19.7%	0	0.0%	17.2%	250	14.6%	26.4%	19.7%	664	33.7%	17.2%	921	53.7%				
VINYL BILT WINDOWS & DOORS CC	759	1,092	(333)	(30.5%)	1,472	(713)	(48.4%)	1,690	2,729	(1,039)	(38.1%)	3,731	(2,040)	(54.7%)	(18.0%)	(18.0%)	(0)	0.0%	(20.5%)	250	(12.2%)	(19.4%)	(15.9%)	(350)	21.9%	(20.5%)	102	(5.0%)				
VINYL PRO WINDOW SYSTEMS	1,087	1,302	(214)	(16.5%)	1,310	(223)	(17.0%)	2,557	2,831	(273)	(9.7%)	2,883	(326)	(11.3%)	8.2%	8.2%	—	0.0%	5.7%	250	44.0%	6.7%	6.7%	(0)	(0.0%)	5.7%	100	17.6%				
WINDSOR WINDOW CO	925	1,003	(78)	(7.8%)	1,023	(98)	(9.6%)	2,787	2,670	117	4.4%	2,719	67	2.5%	24.2%	23.8%	38	1.6%	21.2%	302	14.2%	21.0%	22.1%	(109)	(4.9%)	20.5%	47	2.3%				
DASHWOOD INDUSTRIES LTD.	714	794	(80)	(10.1%)	818	(104)	(12.7%)	1,672	2,005	(333)	(16.6%)	2,098	(426)	(20.3%)	17.8%	17.8%	—	0.0%	15.3%	250	16.3%	17.9%	16.5%	142	8.6%	15.3%	259	16.9%				
OSTACO 2000 WINDOORS INC	480	611	(131)	(21.4%)	586	(106)	(18.1%)	1,029	1,375	(347)	(25.2%)	1,339	(310)	(23.2%)	13.8%	13.8%	(0)	(0.0%)	11.3%	250	22.0%	16.9%	14.7%	220	14.9%	11.3%	554	48.9%				
ALLSCO BLDG SUPPLIES LTD	496	529	(33)	(6.2%)	539	(43)	(8.0%)	1,215	1,221	(6)	(0.5%)	1,261	(46)	(3.6%)	(18.0%)	(18.0%)	(0)	0.0%	3.9%	(2,195)	(555.9%)	(15.5%)	(15.7%)	22	(1.4%)	3.9%	(1,943)	(492.1%)				
TERREBONNE	570	346	224	64.5%	351	219	62.3%	1,391	1,002	389	38.8%	1,286	105	8.2%	(6.3%)	(6.3%)	—	0.0%	(8.8%)	250	(28.5%)	(5.1%)	(5.4%)	24	(4.4%)	(8.8%)	367	(41.7%)				
PGT INDUSTRIES	324	290	34	11.7%	250	74	29.4%	899	832	67	8.0%	666	233	35.0%	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	62	224	(162)	(72.3%)	199	(137)	(68.7%)	121	643	(522)	(81.2%)	599	(478)	(79.8%)	15.9%	15.9%	0	0.0%	13.4%	250	18.6%	44.6%	15.4%	2,920	189.9%	13.4%	3,118	232.6%				
CLERA	231	281	(50)	(17.9%)	327	(95)	(29.2%)	507	672	(164)	(24.5%)	800	(293)	(36.6%)	18.9%	18.9%	(0)	(0.0%)	16.4%	250	15.3%	25.1%	21.5%	367	17.1%	16.4%	877	53.7%				
SEYMOUR WINDOWS LTD.	277	257	20	7.8%	267	10	3.7%	594	603	(9)	(1.5%)	632	(38)	(6.0%)	19.6%	19.6%	(0)	(0.0%)	17.1%	250	14.6%	15.8%	15.3%	44	2.9%	17.1%	(134)	(7.8%)				
WARDCO WINDOW & DOOR MFG INC	184	191	(7)	(3.8%)	210	(27)	(12.7%)	491	544	(52)	(9.6%)	608	(117)	(19.2%)	34.7%	34.7%	0	0.0%	32.2%	250	7.8%	34.3%	32.6%	170	5.2%	32.2%	212	6.6%				
CENTENNIAL WINDOWS LTD	91	98	(7)	(7.4%)	107	(16)	(15.4%)	354	466	(112)	(24.0%)	501	(147)	(29.4%)	39.6%	39.6%	—	0.0%	37.1%	250	6.7%	54.2%	45.4%	875	19.3%	37.1%	1,709	46.1%				
MASON WINDOWS	91	95	(3)	(3.5%)	94	(3)	(3.2%)	268	336	(68)	(20.3%)	341	(74)	(21.6%)	8.0%	8.0%	0	0.0%	8.0%	(0)	(0.0%)	9.0%	7.8%	112	14.3%	8.0%	96	12.0%				
GREAT LAKES WINDOW INC.	66	71	(5)	(7.5%)	50	16	30.8%	175	356	(182)	(51.0%)	252	(77)	(30.7%)	8.0%	8.0%	0	0.0%	8.0%	0	0.0%	13.6%	8.3%	531	64.2%	8.0%	557	69.7%				
ORAN LTD.	144	148	(4)	(2.5%)	156	(12)	(7.7%)	367	357	11	3.1%	374	(6)	(1.6%)	8.0%	8.0%	0	0.0%	0.0%	800	N/A	10.6%	11.0%	(33)	(3.0%)	6.5%	417	64.7%				
INTEGRAL WINDOW SYSTEMS	105	73	32	43.3%	82	23	27.4%	254	218	36	16.3%	249	5	1.9%	8.0%	8.0%	—	0.0%	8.0%	(0)	(0.0%)	8.0%	8.0%	—	0.0%	8.0%	(0)	(0.0%)				
Other	405	1,202	(796)	(66.3%)	1,650	(1,245)	(75.4%)	2,633	3,268	(635)	(19.4%)	6,943	(4,310)	(62.1%)	(135.0%)	46.5%	(18,152)	(390.2%)	24.9%	(15,986)	(643.0%)	(20.8%)	(23.1%)	231	(10.0%)	(9.1%)	(1,170)	128.4%				
Total Gross	\$ 11,858	\$ 14,460	\$ (2,602)	(18.0%)	\$ 13,842	\$ (1,984)	(14.3%)	\$ 32,730	\$ 39,320	\$ (6,590)	(16.8%)	\$ 40,465	\$ (7,735)	(19.1%)	4.6%	12.8%	(820)	(64.0%)	9.0%	(438)	(48.7%)	11.8%	7.5%	435	58.2%	4.3%	756	177.7%				

Management Discussion

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

Key Performance Indicators - Woodbridge

ENERGI Woodbridge KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
Health & Safety											
Recordable Incidents	0	0	0	0	0	1	0	0	0	0	1
TRIR (Total Recordable Incident Rate)	<1	0.46	0.47	0.48	0.49	1	1.02	0.51	0.52	0.52	0.52
Quality Performance											
Customer Complaints - per MLBS	3.2	2.6	2.3	3.0	3.1	4.9	3.4	1.8	2.33	3.0	2.9
Return as % of sales	0.30%	1.49%	0.53%	0.25%	0.01%	0.11%	0.37%	0.25%	0.75%	0.29%	0.43%
Delivery Performance											
% on time in full	95.00%	99.56%	98.80%	99.40%	98.11%	99.03%	95.32%	97.34%	97.20%	96.44%	97.91%
% by line items	99.00%	99.56%	98.80%	99.40%	98.11%	99.03%	95.32%	97.34%	97.19%	96.44%	97.91%
Costs											
Yield	85.7%	84.70%	85.49%	85.23%	84.50%	85.02%	85.93%	86.22%	85.01%	85.21%	85.30%
Alt/Regrind Compound Consumption Ratio	19.9%	17.39%	20.13%	19.99%	18.38%	18.39%	18.70%	16.73%	16.92%	21.09%	18.53%
Direct Labour \$/lb produced	\$0.167	\$ 0.173	\$ 0.175	\$ 0.161	\$ 0.202	\$ 0.183	\$ 0.167	\$ 0.177	\$ 0.182	\$ 0.194	\$ 0.178
Indirect Labour (incl D&D) \$/lb produced	\$0.176	\$ 0.212	\$ 0.229	\$ 0.192	\$ 0.271	\$ 0.234	\$ 0.181	\$ 0.198	\$ 0.208	\$ 0.240	\$ 0.215
Inventory											
Days - TTM (Trailing 12 Months)	54.1	57	59	62	64	64	65	66	67	68	68

Comments

Delivery: Good progress in back order reduction with increased plant output and resolution of JV back order root causes. Considerable back order activity to Terrebonne, Vinyl Pro due to problematic dies in Quadrant 4.

Costs: Yield: Lower target than budget based on projected Sales demand and inventory levels. Regrind use considerably higher in JV driven by several regrind testing exercises.

Yields in JV dropped to 70-84% range on various lines from single digit scrap values the month previous.

DL: Temp Labour - Additional temp costs due to replacement needs. Full Time Direct - 14 additional OT days for start-up preps

Ind. DL: Higher inspections for regrind usage trials.

Inventory: Sales lower vs budget.

Full Year Woodbridge P&L Summary

\$'000	FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)	33,039	37,280	(4,242)	(11.4%)	37,118	(4,079)	(11.0%)	
Units Shipped ('000)	32,023	37,230	(5,208)	(14.0%)	36,738	(4,715)	(12.8%)	
Bookings (\$'000)	\$ 41,573	\$ 46,841	\$ (5,268)	(11.2%)	\$ 50,018	\$ (8,445)	(16.9%)	
Backlog ('\$000)	\$ 2,119	\$ 2,119	\$ –	0.0%	\$ 3,634	\$ (1,515)	(41.7%)	
Gross Revenue	\$ 45,156	\$ 51,746	\$ (6,590)	(12.7%)	\$ 52,687	\$ (7,531)	(14.3%)	
Adj. to Gross Revenue	(2,661)	(3,183)	522	(16.4%)	(2,920)	259	(8.9%)	
Net Revenue	42,495	48,563	(6,067)	(12.5%)	49,767	(7,272)	(14.6%)	
Material	27,333	30,569	(3,235)	(10.6%)	32,620	(5,287)	(16.2%)	
Labor	9,685	9,960	(275)	(2.8%)	10,973	(1,288)	(11.7%)	
Other COGS	1,952	1,948	5	0.2%	1,960	(8)	(0.4%)	
Total COGS	38,971	42,476	(3,506)	(8.3%)	45,553	(6,582)	(14.5%)	
Gross Margin	3,525	6,087	(2,562)	(42.1%)	4,214	(689)	(16.4%)	
Gross Margin %	8.3%	12.5%			8.5%			
R&D	–	–	–	N/A	–	–	N/A	
Sales & Marketing	244	309	(65)	(20.9%)	291	(46)	(16.0%)	
Administrative	3,865	3,954	(89)	(2.3%)	4,006	(142)	(3.5%)	
Other Opex	(149)	(228)	80	(34.9%)	(165)	16	(9.7%)	
Total Opex	3,961	4,036	(75)	(1.9%)	4,133	(172)	(4.2%)	
EBITDA	(436)	2,051	(2,487)	(121.3%)	81	(517)	(635.7%)	
EBITDA %	(1.0%)	4.2%			0.2%			
Net Income (Loss)	\$ (3,225)	\$ (738)	\$ (2,488)	337.2%	\$ (2,405)	\$ (821)	34.1%	
Capex	\$ (1,591)	\$ (1,365)	\$ (225)	16.5%	\$ (3,745)	\$ 2,154	(57.5%)	
Opex Overview:								
Payroll	\$ 671	\$ 729	\$ (58)	(7.9%)	\$ 759	\$ (88)	(11.6%)	
Bonus	–	–	–	N/A	–	–	N/A	
Commissions	–	–	–	N/A	–	–	N/A	
Marketing	82	119	(37)	(31.2%)	115	(33)	(28.4%)	
Benefits	–	–	–	N/A	–	–	N/A	
Travel and entertainment	8	7	1	16.3%	10	(2)	(18.0%)	
Rent and facilities	–	–	–	N/A	–	–	N/A	
Insurance	43	49	(6)	(13.1%)	47	(4)	(9.2%)	
Professional fees	38	31	8	24.9%	36	2	6.9%	
Utilities, repair, maintenance, and security	34	27	8	29.4%	26	8	32.8%	
Corporate OH Fees	3,229	3,281	(52)	(1.6%)	3,299	(70)	(2.1%)	
Bad Debts	(4)	(5)	1	(22.6%)	(13)	9	(71.9%)	
FX	29	–	29	N/A	(82)	111	(135.4%)	
JV Loss (Income)	(178)	(228)	51	(22.1%)	(83)	(95)	114.6%	
Other Expenses	6	25	(19)	(74.7%)	21	(15)	(69.8%)	
Total Opex	\$ 3,961	\$ 4,036	\$ (75)	(1.9%)	\$ 4,136	\$ (175)	(4.2%)	

Key Customers – Full Year Woodbridge

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%			Fcst	Bud	BPs	%	Act	BPs	%			
Customer:																			
ROYAL VINYL BILT LIMITED	\$	9,867	\$	11,057	\$	(1,189)	(10.8%)	\$	10,577	\$	(710)	(6.7%)	10.8%	10.1%	68	6.8%	7.9%	287	36.3%
QUAKER WINDOW PRODUCTS		5,562		6,028		(465)	(7.7%)		5,345		217	4.1%	11.3%	10.8%	51	4.7%	8.5%	278	32.6%
ALL WEATHER WIN. LTD-EDMO		3,504		5,314		(1,811)	(34.1%)		2,047		1,456	71.1%	25.2%	19.4%	579	29.8%	17.2%	803	46.8%
VINYL BILT WINDOWS & DOORS CC		2,740		3,779		(1,039)	(27.5%)		4,689		(1,949)	(41.6%)	(18.1%)	(15.2%)	(291)	19.2%	(20.5%)	238	(11.6%)
VINYL PRO WINDOW SYSTEMS		3,314		3,587		(273)	(7.6%)		3,893		(580)	(14.9%)	6.1%	6.0%	18	2.9%	5.7%	47	8.2%
WINDSOR WINDOW CO		3,827		3,710		117	3.2%		3,491		336	9.6%	20.8%	21.3%	(47)	(2.2%)	19.0%	184	9.7%
DASHWOOD INDUSTRIES LTD.		2,558		2,891		(333)	(11.5%)		2,976		(419)	(14.1%)	16.9%	15.8%	109	6.9%	15.3%	159	10.4%
OSTACO 2000 WINDOORS INC		1,564		1,911		(347)	(18.1%)		1,810		(246)	(13.6%)	15.5%	13.7%	181	13.2%	11.3%	418	36.9%
ALLSCO BLDG SUPPLIES LTD		1,574		1,580		(6)	(0.4%)		1,520		53	3.5%	(14.5%)	(14.5%)	(2)	0.2%	3.9%	(1,845)	(467.2%)
TERREBONNE		1,586		1,197		389	32.5%		1,510		77	5.1%	(4.6%)	(5.2%)	53	(10.3%)	(8.8%)	414	(47.1%)
PGT INDUSTRIES		1,181		1,115		67	6.0%		954		227	23.8%	0.0%	0.0%	—	N/A	6.3%	(626)	(100.0%)
VENTANA WINDOWS & DOORS IN		339		861		(522)	(60.6%)		754		(415)	(55.0%)	31.6%	15.2%	1,642	108.0%	13.4%	1,821	135.8%
CLERA		657		821		(164)	(20.0%)		969		(312)	(32.2%)	23.7%	20.5%	314	15.3%	16.4%	732	44.8%
SEYMOUR WINDOWS LTD.		782		791		(9)	(1.1%)		822		(41)	(5.0%)	14.1%	14.0%	6	0.4%	17.1%	(299)	(17.5%)
WARDCO WINDOW & DOOR MFG		681		733		(52)	(7.1%)		874		(194)	(22.1%)	33.4%	32.1%	132	4.1%	32.2%	122	3.8%
CENTENNIAL WINDOWS LTD		521		633		(112)	(17.7%)		717		(197)	(27.4%)	56.9%	49.3%	755	15.3%	37.1%	1,980	53.4%
MASON WINDOWS		393		462		(68)	(14.8%)		449		(56)	(12.4%)	8.9%	8.1%	84	10.4%	8.0%	93	11.6%
GREAT LAKES WINDOW INC.		218		400		(182)	(45.4%)		364		(145)	(40.0%)	13.8%	9.1%	470	51.7%	8.0%	579	72.4%
ORAN LTD.		367		357		11	3.1%		517		(150)	(28.9%)	10.8%	11.0%	(21)	(1.9%)	8.0%	281	35.2%
INTEGRAL WINDOW SYSTEMS		344		308		36	11.6%		315		29	9.1%	8.0%	8.0%	0	0.0%	8.0%	(0)	(0.0%)
Other		3,577		4,212		(635)	(15.1%)		8,091		(4,514)	(55.8%)	(23.0%)	(30.4%)	740	(24.3%)	10.5%	(3,356)	(318.1%)
Total Gross	\$	45,156	\$	51,746	\$	(6,590)	(12.7%)	\$	52,687	\$	(7,531)	(14.3%)	11.8%	6.7%	510	76.3%	8.0%	378	47.3%

Laval Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	4,733	5,299	(566)	(10.7%)	14,538	15,018	(480)	(3.2%)
Units Shipped ('000)	5,192	5,143	50	1.0%	14,078	14,682	(605)	(4.1%)
Bookings (\$'000)	\$ 8,674	\$ 8,462	\$ 213	2.5%	\$ 24,877	\$ 25,615	\$ (738)	(2.9%)
Backlog (\$'000)	\$ 3,518	\$ 3,122	\$ 397	12.7%	\$ 3,518	\$ 3,122	\$ 397	12.7%
Gross Revenue	\$ 9,668	\$ 9,770	\$ (103)	(1.0%)	\$ 25,735	\$ 27,457	\$ (1,722)	(6.3%)
Adj. to Gross Revenue	(755)	(789)	34	(4.3%)	(2,067)	(2,142)	75	(3.5%)
Net Revenue	8,913	8,981	(68)	(0.8%)	23,668	25,315	(1,647)	(6.5%)
Material	4,111	4,088	23	0.6%	10,913	11,700	(787)	(6.7%)
Labor	1,467	1,641	(173)	(10.6%)	4,384	4,754	(371)	(7.8%)
Other COGS	762	482	279	57.9%	1,434	1,440	(6)	(0.4%)
Total COGS	6,340	6,211	129	2.1%	16,731	17,894	(1,164)	(6.5%)
Gross Margin	2,573	2,770	(197)	(7.1%)	6,937	7,421	(484)	(6.5%)
Gross Margin %	28.9%	30.8%			29.3%	29.3%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	423	483	(60)	(12.4%)	1,268	1,401	(133)	(9.5%)
Administrative	744	754	(9)	(1.3%)	2,216	2,272	(56)	(2.4%)
Other Opex	(1)	—	(1)	N/A	(10)	—	(10)	N/A
Total Opex	1,166	1,237	(70)	(5.7%)	3,474	3,672	(198)	(5.4%)
EBITDA	1,407	1,533	(127)	(8.3%)	3,463	3,748	(285)	(7.6%)
EBITDA %	15.8%	17.1%			14.6%	14.8%		
Net Income (Loss)	\$ 1,079	\$ 1,141	\$ (62)	(5.5%)	\$ 2,480	\$ 2,644	\$ (164)	(6.2%)
Capex	\$ (250)	\$ (191)	\$ (59)	30.7%	\$ (801)	\$ (1,107)	\$ 307	(27.7%)
Opex Overview:								
Payroll	\$ 305	\$ 350	\$ (45)	(12.8%)	\$ 941	\$ 1,028	\$ (87)	(8.5%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	186	216	(30)	(14.1%)	514	614	(99)	(16.2%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	11	8	2	30.7%	32	24	9	37.8%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	12	14	(2)	(13.0%)	41	43	(2)	(3.9%)
Professional fees	25	20	6	28.3%	63	59	4	6.8%
Utilities, repair, maintenance, anc	12	10	2	24.4%	48	50	(2)	(3.2%)
Corporate OH Fees	533	545	(11)	(2.1%)	1,589	1,634	(45)	(2.7%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	(1)	—	(1)	N/A	(10)	—	(10)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	83	74	9	11.8%	256	223	33	15.0%
Total Opex	\$ 1,166	\$ 1,237	\$ (70)	(5.7%)	\$ 3,474	\$ 3,672	\$ (198)	(5.4%)

Management Discussion

Net Revenue – Q3-19: (\$68K):

- Sales volume up 1.0% or \$87k due to increased demand from Terrebonne, Atlantic, Golden and Qualum; offset by decreased demand from Gentek, Dalmen, and Laflamme.
- Favorable rebates and discounts \$33k driven by lower volumes from Laflamme
- Unfavorable mix impact of \$52k primarily driven by customer mix
- Unfavorable F/X of \$135k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q3-19: (\$127K):

- Material COGS:** Increase in costs by \$23k driven by increased volume \$39k; product mix \$32k (increased sales on products purchased for resale) & increase in inventory reserves \$12k; offset by improved yields \$60k (87.6% vs 84%)
- Labor COGS:** Decrease in costs by \$173k driven by 10 day production shutdown for the Quebec construction holiday and lower IDL staffing and vacations taken (timing).
- Other COGS:** Increase in cost by \$279k driven by unfavorable net absorption of \$327k (lower absorption due to 10 day shutdown); offset by lower utilities \$20k; increased T&D recovery \$18k and maintenance expenses \$10k
- Sales and Marketing:** Decrease in cost by \$60k driven by lower advertising (timing) \$30k; lower wages \$41k (vacations taken); offset by increased product development costs \$6k
- Administrative:** Increase in cost by \$9k primarily driven by professional fees related to the study of electricity claims for QST
- Other Opex:** In line with budget.

Key Customers – Gross Sales and Gross Margin %: Laval

	Gross Sales (\$'000)														Gross Margin %																	
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%	
Customer:																																
SOLARIS QUEBEC P & F INC.	\$ 1,012	\$ 1,037	\$ (25)	(2.4%)	\$ 1,048	\$ (36)	(3.5%)	\$ 3,267	\$ 3,073	\$ 194	6.3%	\$ 3,180	\$ 87	2.7%	24.4%	23.5%	89	3.8%	23.3%	114	4.9%	24.0%	23.5%	43	1.8%	22.9%	110	4.8%				
ATLANTIC WINDOWS	1,042	958	84	8.8%	891	151	17.0%	2,522	2,719	(197)	(7.2%)	2,627	(105)	(4.0%)	13.7%	12.9%	77	5.9%	13.7%	2	0.1%	14.6%	12.2%	243	19.9%	12.3%	233	19.0%				
SCHLUTER SYSTEMS L.P.	676	719	(43)	(6.0%)	716	(40)	(5.6%)	1,728	1,979	(251)	(12.7%)	1,971	(243)	(12.3%)	22.8%	21.8%	98	4.5%	21.8%	103	4.7%	23.8%	21.4%	244	11.4%	21.1%	269	12.7%				
LAFLAMME PORTES	616	664	(48)	(7.3%)	645	(29)	(4.6%)	1,487	1,903	(416)	(21.8%)	1,870	(383)	(20.5%)	(15.3%)	(19.4%)	417	(21.4%)	(12.9%)	(239)	18.6%	(13.9%)	(19.4%)	557	(28.7%)	(13.6%)	(27)	2.0%				
PTES & FEN ISOTHERMIC INC	560	507	53	10.4%	523	37	7.0%	1,516	1,477	39	2.6%	1,539	(23)	(1.5%)	25.5%	29.0%	(345)	(11.9%)	27.3%	(180)	(6.6%)	22.2%	29.1%	(682)	(23.5%)	26.5%	(426)	(16.1%)				
PORTES & FENETRES ABRITEK	473	540	(67)	(12.5%)	520	(47)	(9.1%)	1,143	1,344	(201)	(15.0%)	1,345	(202)	(15.0%)	31.4%	32.0%	(62)	(1.9%)	31.7%	(31)	(1.0%)	30.8%	32.0%	(119)	(3.7%)	30.9%	(13)	(0.4%)				
ATIS PORTES & FENETRES	469	441	28	6.4%	427	42	9.9%	1,292	1,109	183	16.5%	1,207	85	7.0%	(20.1%)	(25.6%)	553	(21.6%)	(15.2%)	(487)	32.0%	(17.1%)	(25.7%)	862	(33.5%)	(14.9%)	(215)	14.4%				
EXTREME ENTRANCE SYSTEMS	497	499	(2)	(0.3%)	457	40	8.8%	1,129	1,304	(175)	(13.4%)	1,277	(148)	(11.6%)	18.3%	24.8%	(659)	(26.5%)	17.5%	75	4.3%	16.4%	24.8%	(835)	(33.7%)	16.7%	(29)	(1.7%)				
FENERGIC INC	238	282	(44)	(15.7%)	305	(67)	(22.0%)	727	800	(73)	(9.2%)	920	(193)	(21.0%)	19.0%	24.8%	(582)	(23.4%)	12.8%	622	48.6%	16.6%	25.2%	(864)	(34.3%)	15.7%	85	5.4%				
LES FENETRES CONCEPT.	304	364	(60)	(16.5%)	305	(1)	(0.3%)	929	969	(40)	(4.1%)	852	77	9.0%	16.2%	16.2%	(2)	(0.1%)	18.7%	(250)	(13.4%)	15.2%	16.3%	(110)	(6.8%)	17.7%	(243)	(13.8%)				
P & C EDDY BOULET INC	293	278	15	5.4%	215	78	36.3%	713	652	61	9.4%	641	72	11.3%	17.3%	6.1%	1,115	182.4%	24.7%	(738)	(29.9%)	20.4%	6.1%	1,430	233.0%	19.2%	123	6.4%				
PRODUITS DALMEN PRODUCTS	175	224	(49)	(21.9%)	169	6	3.5%	409	699	(290)	(41.4%)	564	(155)	(27.4%)	17.3%	16.1%	122	7.6%	16.6%	72	4.4%	17.8%	16.0%	174	10.8%	13.8%	399	29.0%				
KENTO WINDOWS & DOORS	214	227	(13)	(5.6%)	225	(11)	(4.8%)	540	565	(25)	(4.4%)	563	(23)	(4.1%)	30.7%	30.4%	32	1.0%	30.7%	5	0.1%	32.1%	30.7%	138	4.5%	31.6%	42	1.3%				
GENTEK BUILDING PROD. LTD	80	185	(105)	(56.6%)	144	(64)	(44.3%)	186	549	(363)	(66.1%)	433	(247)	(57.0%)	9.4%	11.9%	(249)	(20.9%)	11.8%	(240)	(20.4%)	7.1%	12.0%	(492)	(40.8%)	15.7%	(852)	(54.5%)				
GOLDEN WINDOWS	143	100	43	43.2%	145	(2)	(1.2%)	450	274	176	64.1%	405	45	11.0%	(3.6%)	(3.0%)	(60)	19.9%	3.4%	(705)	(204.3%)	(1.8%)	(2.9%)	108	(37.2%)	5.6%	(739)	(132.8%)				
ENTREPRISES DOCO INC.	102	123	(21)	(17.2%)	98	4	3.9%	324	434	(110)	(25.4%)	378	(54)	(14.3%)	21.7%	22.0%	(26)	(1.2%)	1.0%	2,067	2025.5%	23.2%	21.9%	131	6.0%	(4.7%)	2,790	(592.2%)				
FUTURA MANUFACTURIER	133	141	(8)	(5.6%)	153	(20)	(13.0%)	305	325	(20)	(6.2%)	357	(52)	(14.6%)	14.0%	21.3%	(727)	(34.2%)	14.4%	(37)	(2.6%)	8.1%	20.8%	(1,274)	(61.2%)	24.6%	(1,651)	(67.1%)				
G.R. THÉRIAULT	189	162	27	16.6%	117	72	61.4%	335	341	(6)	(1.6%)	305	30	10.0%	28.5%	34.0%	(543)	(16.0%)	12.8%	1,570	122.4%	24.5%	34.0%	(949)	(27.9%)	9.9%	1,461	147.0%				
PORTES ET FENETRES LGC	151	131	20	15.1%	131	20	15.1%	368	300	68	22.5%	342	26	7.5%	46.2%	55.0%	(873)	(15.9%)	21.4%	2,486	116.3%	41.0%	55.0%	(1,403)	(25.5%)	20.3%	2,072	102.3%				
LAS ENTERPRISES	78	106	(28)	(26.1%)	108	(30)	(27.5%)	292	317	(25)	(7.8%)	326	(34)	(10.3%)	51.4%	50.9%	45	0.9%	43.5%	788	18.1%	49.2%	51.1%	(192)	(3.8%)	37.3%	1,190	31.9%				
Other	2,223	2,082	141	6.8%	2,223	(0)	(0.0%)	6,072	6,324	(253)	(4.0%)	7,339	(1,268)	(17.3%)	62.4%	73.7%	(1,134)	(15.4%)	2.5%	5,986	2376.6%	62.3%	62.4%	(5)	(0.1%)	21.2%	4,108	193.5%				
Total Gross	\$ 9,668	\$ 9,770	\$ (103)	(1.0%)	\$ 9,565	\$ 102	1.1%	\$ 25,735	\$ 27,457	\$ (1,722)	(6.3%)	\$ 28,441	\$ (2,706)	(9.5%)	26.6%	28.4%	(174)	(6.1%)	24.6%	199	8.1%	27.0%	26.7%	29	1.1%	23.9%	313	13.1%				

Management Discussion

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

Key Performance Indicators - Laval

ENERGI Laval Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
Health & Safety											
Recordable Incidents	0	1	1	0	0	0	1	0	0	0	3
TRIR (Total Recordable Incident Rate)	<1	4.95	4.95	4.12	4.3	4.31	4.31	4.15	4.10	3.3	3.3
Quality Performance											
Customer Complaints - per MLBS	22.5	16.0	23.0	33.0	36.0	44.0	23.5	13.5	18.34	24.9	25.8
Return as % of sales	0.78%	0.24%	0.38%	0.54%	0.68%	0.31%	0.77%	0.40%	0.25%	0.15%	0.41%
Delivery Performance											
% on time in full	95.00%	99.73%	99.75%	99.58%	99.82%	99.81%	99.74%	99.70%	99.59%	99.67%	99.71%
% by line items	99.00%	99.73%	99.75%	99.58%	99.82%	99.81%	99.74%	99.70%	99.59%	99.67%	99.71%
Costs											
Yield	84.00%	85.48%	85.19%	86.89%	87.96%	87.33%	87.28%	86.16%	87.53%	88.59%	87.03%
Alt/Regrind Compound Consumption Ratio	20.89%	20.18%	19.41%	18.40%	16.35%	19.89%	20.16%	19.03%	18.85%	14.20%	18.43%
Direct Labour \$/lb produced	\$0.192	\$ 0.195	\$0.184	\$ 0.186	\$ 0.115	\$ 0.191	\$ 0.194	\$ 0.217	\$ 0.194	\$ 0.193	\$ 0.184
Indirect Labour (incl D&D) \$/lb produced	\$0.237	\$ 0.267	\$0.219	\$ 0.208	\$ 0.216	\$ 0.223	\$ 0.196	\$ 0.255	\$ 0.192	\$ 0.198	\$ 0.216
Inventory											
Days - TTM (Trailing 12 Months)	69.3	67	66.4	68	69	68	70	70	70	70	70

Comments:

Quality: Small dollar value complaints. 4 complaints each by Laflamme, Futura & Extreme. 2 complaints each by Solaris, Dalmen & Isothermic. Several customers with 1 complaint.

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

Labour: Low output jobs running

Inventory: Sales lower vs budget

Full Year Laval P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	18,558	19,038	(480)	(2.5%)	19,947	(1,389)	(7.0%)
Units Shipped ('000)	18,510	19,115	(605)	(3.2%)	19,803	(1,292)	(6.5%)
Bookings (\$'000)	\$ 32,031	\$ 32,769	\$ (738)	(2.3%)	\$ 36,193	\$ (4,162)	(11.5%)
Backlog ('\$000)	\$ 1,897	\$ 1,897	\$ –	0.0%	\$ 2,942	\$ (1,045)	(35.5%)
Gross Revenue	\$ 33,962	\$ 35,684	\$ (1,722)	(4.8%)	\$ 37,211	\$ (3,249)	(8.7%)
Adj. to Gross Revenue	(2,749)	(2,824)	75	(2.6%)	(3,256)	507	(15.6%)
Net Revenue	31,214	32,861	(1,647)	(5.0%)	33,956	(2,742)	(8.1%)
Material	14,423	15,210	(787)	(5.2%)	16,229	(1,806)	(11.1%)
Labor	5,878	6,249	(371)	(5.9%)	6,587	(709)	(10.8%)
Other COGS	2,068	2,074	(6)	(0.3%)	2,233	(164)	(7.4%)
Total COGS	22,370	23,533	(1,164)	(4.9%)	25,049	(2,679)	(10.7%)
Gross Margin	8,844	9,328	(484)	(5.2%)	8,907	(63)	(0.7%)
Gross Margin %	28.3%	28.4%			26.2%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	1,720	1,853	(133)	(7.2%)	2,003	(282)	(14.1%)
Administrative	2,974	3,030	(56)	(1.8%)	3,071	(97)	(3.2%)
Other Opex	(10)	–	(10)	N/A	17	(27)	(160.9%)
Total Opex	4,685	4,883	(198)	(4.1%)	5,090	(406)	(8.0%)
EBITDA	4,159	4,445	(285)	(6.4%)	3,816	343	9.0%
EBITDA %	13.3%	13.5%			11.2%		
Net Income (Loss)	\$ 2,772	\$ 2,936	\$ (164)	(5.6%)	\$ 2,573	\$ 199	7.7%
Capex	\$ (801)	\$ (1,235)	\$ 435	(35.2%)	\$ (1,614)	\$ 814	(50.4%)
Opex Overview:							
Payroll	\$ 1,290	\$ 1,377	\$ (87)	(6.3%)	\$ 1,449	\$ (158)	(10.9%)
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	700	799	(99)	(12.4%)	819	(119)	(14.5%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	40	31	9	28.5%	44	(4)	(9.3%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	55	57	(2)	(2.9%)	51	4	8.5%
Professional fees	82	78	4	5.1%	95	(13)	(13.4%)
Utilities, repair, maintenance, and security	63	64	(2)	(2.5%)	71	(8)	(11.2%)
Corporate OH Fees	2,134	2,178	(45)	(2.1%)	2,180	(46)	(2.1%)
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	(10)	–	(10)	N/A	17	(27)	(160.9%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	330	297	33	11.2%	365	(35)	(9.6%)
Total Opex	\$ 4,685	\$ 4,883	\$ (198)	(4.1%)	\$ 5,093	\$ (409)	(8.0%)

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.	\$	4,269	\$	4,075	\$	194	4.8%	\$	4,262	\$	7	0.2%	24.2%	23.7%	42	1.8%	22.9%	122	5.3%
ATLANTIC WINDOWS		3,438		3,635		(197)	(5.4%)		3,475		(37)	(1.1%)	14.1%	12.3%	180	14.6%	12.7%	143	11.3%
SCHLUTER SYSTEMS L.P.		2,307		2,557		(250)	(9.8%)		2,796		(489)	(17.5%)	24.8%	22.8%	199	8.7%	21.4%	334	15.6%
LAFLAMME PORTES		2,062		2,478		(416)	(16.8%)		2,426		(364)	(15.0%)	(15.0%)	(19.4%)	442	(22.7%)	(13.3%)	(172)	12.9%
PTES & FEN ISOTHERMIC INC		2,038		1,999		39	1.9%		2,163		(125)	(5.8%)	23.8%	29.0%	(527)	(18.2%)	21.9%	184	8.4%
PORTES & FENETRES ABRITEK		1,624		1,824		(200)	(11.0%)		1,742		(118)	(6.8%)	31.1%	32.0%	(88)	(2.8%)	31.2%	(8)	(0.3%)
ATIS PORTES & FENETRES		1,735		1,552		183	11.8%		1,669		66	4.0%	(18.8%)	(25.7%)	687	(26.7%)	(15.4%)	(340)	22.1%
EXTREME ENTRANCE SYSTEMS		1,413		1,587		(174)	(11.0%)		1,619		(206)	(12.7%)	17.7%	24.8%	(707)	(28.5%)	16.9%	78	4.6%
FENERGIC INC		1,031		1,105		(74)	(6.7%)		1,260		(229)	(18.2%)	18.4%	25.1%	(678)	(26.9%)	14.8%	353	23.8%
LES FENETRES CONCEPT.		1,191		1,231		(40)	(3.3%)		1,131		60	5.3%	15.5%	16.3%	(79)	(4.9%)	17.9%	(247)	(13.7%)
P & C EDDY BOULET INC		1,032		971		61	6.3%		849		183	21.6%	17.3%	6.1%	1,120	183.7%	21.3%	(402)	(18.8%)
PRODUITS DALMEN PRODUCTS		583		873		(290)	(33.2%)		692		(109)	(15.8%)	17.4%	16.0%	136	8.5%	14.5%	294	20.4%
KENTO WINDOWS & DOORS		670		694		(24)	(3.5%)		674		(4)	(0.6%)	31.7%	30.6%	111	3.6%	31.2%	53	1.7%
GENTEK BUILDING PROD. LTD		284		646		(362)	(56.1%)		528		(244)	(46.3%)	8.5%	12.0%	(344)	(28.7%)	12.5%	(397)	(31.8%)
GOLDEN WINDOWS		526		350		176	50.3%		512		14	2.7%	(2.2%)	(3.0%)	87	(28.5%)	5.3%	(745)	(141.3%)
ENTREPRISES DOCO INC.		466		576		(110)	(19.0%)		503		(37)	(7.3%)	22.7%	21.9%	87	4.0%	(3.2%)	2,593	(815.2%)
FUTURA MANUFACTURIER		455		475		(20)	(4.2%)		453		2	0.4%	11.6%	20.9%	(925)	(44.3%)	23.2%	(1,155)	(49.8%)
G.R. THÉRIAULT		444		449		(5)	(1.1%)		433		11	2.5%	26.9%	34.2%	(732)	(21.4%)	9.7%	1,715	176.8%
PORTES ET FENETRES LGC		452		384		68	17.8%		435		17	4.0%	43.4%	55.0%	(1,157)	(21.1%)	22.8%	2,064	90.7%
LAS ENTERPRISES		396		420		(24)	(5.8%)		423		(27)	(6.4%)	49.8%	51.3%	(145)	(2.8%)	37.6%	1,225	32.6%
Other		7,548		7,803		(255)	(3.3%)		9,166		(1,618)	(17.7%)	61.4%	63.2%	(175)	(2.8%)	2.4%	5,903	2470.7%
Total Gross	\$	33,962	\$	35,684	\$	(1,722)	(4.8%)	\$	37,211	\$	(3,249)	(8.7%)	26.4%	26.5%	(9)	(0.3%)	23.9%	250	10.4%

Delmont Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	5,593	6,542	(949)	(14.5%)	16,174	18,642	(2,468)	(13.2%)
Units Shipped ('000)	5,837	6,851	(1,014)	(14.8%)	16,796	19,107	(2,311)	(12.1%)
Bookings (\$'000)	\$ 9,794	\$ 11,380	\$ (1,586)	(13.9%)	\$ 28,611	\$ 31,874	\$ (3,263)	(10.2%)
Backlog (\$'000)	\$ 1,568	\$ 1,812	\$ (244)	(13.5%)	\$ 1,568	\$ 1,812	\$ (244)	(13.5%)
Gross Revenue	\$ 10,592	\$ 11,871	\$ (1,279)	(10.8%)	\$ 30,101	\$ 33,201	\$ (3,100)	(9.3%)
Adj. to Gross Revenue	(331)	(338)	7	(2.0%)	(838)	(953)	115	(12.1%)
Net Revenue	10,261	11,533	(1,272)	(11.0%)	29,264	32,248	(2,985)	(9.3%)
Material	5,097	5,584	(487)	(8.7%)	14,441	15,732	(1,291)	(8.2%)
Labor	1,994	2,124	(130)	(6.1%)	5,718	6,284	(566)	(9.0%)
Other COGS	859	986	(127)	(12.9%)	2,641	2,638	3	0.1%
Total COGS	7,950	8,695	(745)	(8.6%)	22,801	24,654	(1,853)	(7.5%)
Gross Margin	2,311	2,838	(527)	(18.6%)	6,462	7,594	(1,132)	(14.9%)
Gross Margin %	22.5%	24.6%			22.1%	23.5%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	29	45	(17)	(36.9%)	106	136	(30)	(22.1%)
Administrative	667	675	(8)	(1.2%)	1,969	2,019	(50)	(2.5%)
Other Opex	—	—	—	N/A	—	—	—	N/A
Total Opex	696	721	(25)	(3.5%)	2,075	2,154	(80)	(3.7%)
EBITDA	1,615	2,117	(502)	(23.7%)	4,388	5,440	(1,052)	(19.3%)
EBITDA %	15.7%	18.4%			15.0%	16.9%		
Net Income (Loss)	\$ 1,124	\$ 1,653	\$ (529)	(32.0%)	\$ 2,971	\$ 4,106	\$ (1,134)	(27.6%)
Capex	\$ (185)	\$ (270)	\$ 85	(31.5%)	\$ (727)	\$ (1,035)	\$ 308	(29.8%)
Opex Overview:								
Payroll	\$ 174	\$ 190	\$ (15)	(8.2%)	\$ 490	\$ 562	\$ (72)	(12.7%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	—	—	—	N/A	0	—	0	N/A
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	0	—	0	N/A	1	—	1	N/A
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	—	—	—	N/A	—	—	—	N/A
Professional fees	—	—	—	N/A	—	—	—	N/A
Utilities, repair, maintenance, anc	10	11	(2)	(14.5%)	27	34	(7)	(19.9%)
Corporate OH Fees	499	496	3	0.6%	1,493	1,487	7	0.4%
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	—	—	—	N/A	—	—	—	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	13	24	(11)	(46.0%)	63	72	(9)	(12.5%)
Total Opex	\$ 696	\$ 721	\$ (25)	(3.5%)	\$ 2,074	\$ 2,154	\$ (80)	(3.7%)

Management Discussion

Net Revenue – Q3-19: (\$1,272K)

- Sales volume down 14.8% or \$1,707k driven by decreased demand from PGT (\$1,055k), Regency (\$248k), Polaris (\$224k), and Comfortview (\$192k); offset by increased demand from Brunswick +\$198k, Sierra +\$154k and Qubicaamf +\$104k
- Unfavorable Rebates/returns/accruals \$43k primarily driven by returns from PGT Dark Cap (4876/4877) and Sierra Pacific 7945 (twisting)
- Favorable mix impact of \$479k or \$0.08/lb primarily driven by product mix – increased PGT Dark Cap Sales, Polaris new launch slower than expected, Qubicaamf bowling & raw material sales

EBITDA – Q3-19: (\$502K)

- Material COGS:** Decrease in costs by \$487k primarily driven by decreased sales volumes \$827k; offset by FG write-offs \$65k (PGT Dark cap, Sierra Pacific twisting), decreased alt material/regrind usage \$48k, RM usage dark cap \$51k, lower yields \$93k (83.1% vs 84.6%), increased inventory reserves \$56k (Comfortview Clay products) and Vytron price increase \$27k (3rd party).
- Labor COGS:** Decrease in cost by \$130K driven by lower headcount (9) due to reduced production volumes (14.5%).
- Other COGS:** Decrease in cost by \$127k driven by higher tooling recovery \$66k, maintenance/factory expense \$34k (decreased production), utility costs \$33k and freight costs \$50k (lower sales volume); offset by lower net absorption of \$60k
- Sales and Marketing:** Decrease in costs by \$17k, primarily driven by 1 less headcount (CSR temp)
- Administrative:** In line with budget

Key Customers – Gross Sales and Gross Margin %: Delmont

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
PGT Industries Inc	\$ 5,923	\$ 6,546	\$ (623)	(9.5%)	\$ 5,554	\$ 369	6.6%	\$ 16,542	\$ 17,365	\$ (823)	(4.7%)	\$ 15,798	\$ 744	4.7%	19.9%	19.4%	56	2.9%	18.6%	130	7.0%	20.3%	19.7%	55	2.8%	14.0%	630	45.1%
Polaris Technologies	1,458	1,519	(61)	(4.0%)	859	599	69.7%	4,055	4,472	(417)	(9.3%)	2,637	1,418	53.8%	18.4%	19.4%	(98)	(5.1%)	21.7%	(322)	(14.9%)	16.4%	17.6%	(124)	(7.0%)	15.4%	94	6.1%
Comfort View Products	725	826	(101)	(12.2%)	758	(33)	(4.4%)	1,735	2,457	(722)	(29.4%)	2,307	(572)	(24.8%)	19.2%	17.8%	140	7.9%	14.4%	482	33.5%	19.7%	15.8%	389	24.6%	12.0%	776	64.9%
Sierra Pacific Windows	769	661	108	16.3%	660	109	16.5%	2,031	1,995	36	1.8%	1,944	87	4.5%	8.5%	11.2%	(266)	(23.7%)	7.7%	81	10.5%	9.3%	9.7%	(41)	(4.2%)	5.7%	359	62.6%
Atrium Windows & Doors	360	414	(54)	(13.0%)	400	(40)	(10.0%)	1,106	1,227	(121)	(9.9%)	1,170	(64)	(5.5%)	44.7%	52.4%	(771)	(14.7%)	35.0%	971	27.7%	39.2%	46.7%	(749)	(16.0%)	35.9%	334	9.3%
Regency Plus, Inc.	478	605	(127)	(21.0%)	404	74	18.3%	1,534	1,583	(49)	(3.1%)	1,277	257	20.1%	18.6%	17.5%	107	6.1%	17.8%	77	4.3%	20.6%	18.3%	228	12.5%	12.9%	763	59.0%
Brunswick Bowling And Billiards	551	482	69	14.3%	513	38	7.4%	1,272	1,487	(215)	(14.5%)	1,518	(246)	(16.2%)	45.4%	53.3%	(789)	(14.8%)	40.5%	488	12.0%	41.9%	45.2%	(334)	(7.4%)	41.2%	66	1.6%
Qubicaamf Worlwide LCC	275	210	65	31.0%	206	69	33.5%	731	715	16	2.2%	711	20	2.8%	49.9%	68.6%	(1,864)	(27.2%)	48.5%	139	2.9%	47.0%	52.0%	(496)	(9.5%)	45.2%	178	3.9%
NewSouth Window Solutions, LLC	107	151	(44)	(29.1%)	68	39	57.4%	293	557	(264)	(47.4%)	550	(257)	(46.7%)	46.1%	53.0%	(690)	(13.0%)	42.6%	343	8.0%	37.3%	36.6%	78	2.1%	31.7%	565	17.8%
Great Day Improvement, LLC	121	86	35	40.7%	96	25	26.0%	289	353	(64)	(18.1%)	362	(73)	(20.2%)	33.8%	61.6%	(2,780)	(45.1%)	25.0%	883	35.3%	35.2%	37.9%	(273)	(7.2%)	30.6%	460	15.0%
Yoders Window & Siding	97	92	5	5.4%	42	55	131.0%	263	258	5	1.9%	258	5	1.9%	34.0%	43.5%	(951)	(21.9%)	33.3%	63	1.9%	28.9%	41.0%	(1,212)	(29.5%)	35.9%	(695)	(19.4%)
Fairway Building Products	–	39	(39)	(100.0%)	39	(39)	(100.0%)	60	121	(61)	(50.4%)	121	(61)	(50.4%)	#DIV/0!	30.8%	–	#VALUE!	17.9%	NA	#VALUE!	15.1%	24.6%	(957)	(38.9%)	20.2%	(514)	(25.4%)
Graber Manufacturing Llc	–	–	-	N/A	–	-	N/A	–	92	(92)	(100.0%)	92	(92)	(100.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	31.0%	–	#VALUE!	42.4%	NA	#VALUE!
Columbia Industries, Inc.	–	58	(58)	(100.0%)	58	(58)	(100.0%)	53	58	(5)	(8.6%)	58	(5)	(8.6%)	#DIV/0!	5.2%	–	#VALUE!	19.0%	NA	#VALUE!	2.7%	25.9%	(2,313)	(89.4%)	19.0%	(1,623)	(85.6%)
Jeld-Wen Windows & Doors	6	4	2	50.0%	6	-	0.0%	19	25	(6)	(24.0%)	32	(13)	(40.6%)	36.4%	75.0%	(3,858)	(51.4%)	0.0%	3,642	N/A	24.1%	19.6%	449	22.9%	13.8%	1,026	74.4%
Constant Distribution LLC	–	–	-	N/A	–	-	N/A	7	–	7	N/A	7	-	0.0%	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	(12.3%)	#DIV/0!	–	#DIV/0!	(42.9%)	3,060	(71.4%)
CGI	34	15	19	126.7%	2	32	1600.0%	78	33	45	136.4%	6	72	1200.0%	15.6%	0.0%	1,563	N/A	0.0%	1,563	N/A	7.9%	0.0%	788	N/A	0.0%	788	N/A
East Central Indiana Vinyl MFG, LLI	3	5	(2)	(40.0%)	5	(2)	(40.0%)	19	22	(3)	(13.6%)	27	(8)	(29.6%)	129.8%	60.0%	6,983	116.4%	0.0%	12,983	N/A	19.0%	38.5%	(1,943)	(50.5%)	36.7%	(1,771)	(48.2%)
Lakeland Polymers, LLC	2	3	(1)	(33.3%)	1	1	100.0%	12	9	3	33.3%	32	(20)	(62.5%)	(241.5%)	(300.0%)	5,850	(19.5%)	(600.0%)	35,850	(59.8%)	(146.3%)	(273.3%)	12,706	(46.5%)	(50.8%)	(9,548)	188.0%
JP Industrial Products Inc	–	–	-	N/A	–	-	N/A	–	–	-	N/A	–	-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other	(317)	154	(471)	(305.4%)	239	(556)	(232.9%)	2	373	(370)	(99.4%)	987	(985)	(99.8%)	37.5%	86.1%	(4,860)	(56.5%)	4.9%	3,256	661.0%	10.0%	78.3%	(6,828)	(87.3%)	7.5%	251	33.6%
Total Gross	\$ 10,592	\$ 11,871	\$ (1,279)	(10.8%)	\$ 9,910	\$ 682	6.9%	\$ 30,101	\$ 33,201	\$ (3,100)	(9.3%)	\$ 29,894	\$ 207	0.7%	21.8%	23.9%	(209)	(8.8%)	20.1%	172	8.6%	21.4%	22.6%	(125)	(5.5%)	17.0%	441	26.0%

Management Discussion

- Softer market conditions affecting overall sales with most customers coming in short vs budget
- PGT being the biggest contributor with the most impact
- Comfort view improved Q3 after a weak start to the year
- Regency – Slow Q3 however YTD sales stable
- Sierra Pacific, Qubicaamf and Brunswick having a positive Q3

Key Performance Indicators - Delmont

ENERGI Delmont Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
Health & Safety											
<i>Recordable Incidents</i>	0	0	0	2	1	0	0	0	0	0	3
<i>TRIR (Total Recordable Incident Rate)</i>	<1	2.87	2.87	2.87	4.25	4.25	4.25	4.25	3.59	2.89	4.25
Quality Performance											
<i>Customer Complaints - per MLBS</i>	3.2	2.76	3.16	3.68	2.94	3.03	3.42	3.6	4.80	2.82	3
<i>Return as % of sales</i>	0.30%	0.15%	0.27%	0.40%	0.08%	0.18%	0.17%	0.22%	0.37%	1.08%	0.14%
Delivery Performance											
<i>% on time in full</i>	95.00%	99.71%	99.80%	99.73%	99.58%	99.55%	99.64%	99.67%	99.51%	99.55%	99.64%
<i>% by line items</i>	99.00%	99.50%	99.38%	99.39%	99.25%	99.05%	99.40%	99.27%	99.05%	99.15%	99.27%
Costs											
<i>Yield</i>	85.7%	81.36%	82.71%	83%	83%	83%	82%	82%	83.65%	83%	83%
<i>Alt/Regrind Compound Consumption Ratio</i>	17.1%	25.4%	19.8%	19.5%	23%	18%	21%	19%	28.0%	24%	22%
<i>Direct Labour \$/lb produced</i>	\$0.167	\$0.178	\$0.174	\$ 0.165	\$ 0.181	\$ 0.178	\$ 0.180	\$ 0.183	\$ 0.186	\$ 0.187	\$ 0.179
<i>Indirect Labour (incl D&D) \$/lb produced</i>	\$0.176	\$0.151	\$0.177	\$ 0.163	\$ 0.181	\$ 0.187	\$ 0.171	\$ 0.166	\$ 0.171	\$ 0.177	\$ 0.171
Inventory											
<i>Days - TTM (Trailing 12 Months)</i>	58.7	62.0	62.1	65	67	67	70	71	73.0	73	66

Comments:

Quality: 5 Customer Concerns - 2 PGT bow, 2 SP bow & color, 1 ComfortView color.

Cost: Yield: 2nd month over 83% with continued projects.

Labour: Lower pounds produced in the month

Inventory: Sales lower vs budget

Full Year Delmont P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Fcst	\$	%
Units Produced ('000)	21,875	24,343	(2,468)	(10.1%)	20,561	1,314	6.4%
Units Shipped ('000)	22,575	24,886	(2,311)	(9.3%)	21,921	654	3.0%
Bookings (\$'000)	\$ 38,097	\$ 41,360	\$ (3,263)	(7.9%)	\$ 35,856	\$ 2,241	6.2%
Backlog ('\$000)	\$ 1,812	\$ 1,812	\$ –	0.0%	\$ 1,483	\$ 329	22.2%
Gross Revenue	\$ 40,000	\$ 43,100	\$ (3,100)	(7.2%)	\$ 38,138	\$ 1,861	4.9%
Adj. to Gross Revenue	(1,127)	(1,242)	115	(9.3%)	(1,103)	(24)	2.2%
Net Revenue	38,873	41,858	(2,985)	(7.1%)	37,036	1,837	5.0%
Material	19,103	20,394	(1,291)	(6.3%)	18,975	129	0.7%
Labor	7,808	8,373	(566)	(6.8%)	7,668	140	1.8%
Other COGS	3,397	3,394	3	0.1%	3,615	(218)	(6.0%)
Total COGS	30,308	32,161	(1,853)	(5.8%)	30,257	51	0.2%
Gross Margin	8,565	9,697	(1,132)	(11.7%)	6,778	1,787	26.4%
Gross Margin %	22.0%	23.2%			18.3%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	151	181	(30)	(16.5%)	121	30	24.3%
Administrative	2,646	2,695	(50)	(1.8%)	2,623	23	0.9%
Other Opex	–	–	–	N/A	–	–	N/A
Total Opex	2,797	2,876	(80)	(2.8%)	2,745	52	1.9%
EBITDA	5,768	6,820	(1,052)	(15.4%)	4,034	1,735	43.0%
EBITDA %	14.8%	16.3%			10.9%		
Net Income (Loss)	\$ 3,871	\$ 5,006	\$ (1,134)	(22.7%)	\$ 2,400	\$ 1,471	61.3%
Capex	\$ (727)	\$ (1,171)	\$ 444	(37.9%)	\$ (1,425)	\$ 698	(49.0%)
Opex Overview:							
Payroll	\$ 681	\$ 753	\$ (72)	(9.5%)	\$ 639	\$ 43	6.7%
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	0	–	0	N/A	–	0	N/A
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1	–	1	N/A	2	(1)	(66.6%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	–	–	–	N/A	–	–	N/A
Professional fees	–	–	–	N/A	–	–	N/A
Utilities, repair, maintenance, and security	38	45	(7)	(14.9%)	43	(4)	(10.3%)
Corporate OH Fees	1,989	1,983	7	0.3%	1,985	4	0.2%
Bad Debts	–	–	–	N/A	3	(3)	(100.0%)
FX	–	–	–	N/A	–	–	N/A
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	87	96	(9)	(9.3%)	76	11	14.2%
Total Opex	\$ 2,796	\$ 2,876	\$ (80)	(2.8%)	\$ 2,747	\$ 49	1.8%

Key Customers – Full Year Delmont

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Fcst	\$	%			Fcst	Bud	BPs	%	Fcst	BPs	%			
Customer:																			
PGT Industries Inc	\$	22,161	\$	22,984	\$	(823)	(3.6%)	\$	20,107	\$	2,054	10.2%	19.7%	19.2%	46	2.4%	15.4%	426	27.6%
Polaris Technologies		5,405		5,822		(417)	(7.2%)		3,577		1,828	51.1%	16.7%	17.7%	(103)	(5.8%)	16.2%	45	2.8%
Comfort View Products		2,413		3,135		(722)	(23.0%)		2,920		(507)	(17.4%)	19.0%	16.1%	288	17.9%	12.3%	670	54.4%
Sierra Pacific Windows		2,596		2,560		36	1.4%		2,632		(36)	(1.4%)	9.2%	9.9%	(70)	(7.1%)	6.3%	295	47.1%
Atrium Windows & Doors		1,459		1,580		(121)	(7.7%)		1,581		(122)	(7.7%)	40.8%	47.4%	(655)	(13.8%)	35.7%	509	14.3%
Regency Plus, Inc.		2,011		2,060		(49)	(2.4%)		1,662		349	21.0%	19.7%	17.9%	183	10.2%	15.0%	468	31.1%
Brunswick Bowling And Billiards		1,514		1,729		(215)	(12.4%)		1,751		(237)	(13.5%)	45.7%	48.9%	(318)	(6.5%)	40.9%	478	11.7%
Qubicaamf Worlwide LCC		908		892		16	1.8%		864		44	5.1%	48.9%	55.0%	(612)	(11.1%)	44.0%	491	11.2%
NewSouth Window Solutions, LLC		418		682		(264)	(38.7%)		769		(351)	(45.6%)	40.4%	39.6%	76	1.9%	35.2%	514	14.6%
Great Day Improvement, LLC		399		463		(64)	(13.8%)		482		(83)	(17.2%)	35.0%	40.1%	(509)	(12.7%)	30.5%	448	14.7%
Yoders Window & Siding		305		300		5	1.7%		259		46	17.8%	32.7%	43.5%	(1,080)	(24.8%)	35.5%	(277)	(7.8%)
Fairway Building Products		78		139		(61)	(43.9%)		121		(43)	(35.5%)	21.8%	26.9%	(513)	(19.1%)	19.8%	196	9.9%
Graber Manufacturing Llc		–		92		(92)	(100.0%)		92		(92)	(100.0%)	#DIV/0!	42.9%	–	#VALUE!	42.4%	NA	#VALUE!
Columbia Industries, Inc.		53		58		(5)	(8.6%)		63		(10)	(15.9%)	5.6%	17.2%	(1,168)	(67.7%)	19.0%	(1,348)	(70.8%)
Jeld-Wen Windows & Doors		21		27		(6)	(22.2%)		36		(15)	(41.7%)	29.7%	26.9%	278	10.3%	11.1%	1,859	167.3%
Constant Distribution LLC		7		–		7	N/A		7		-	0.0%	(12.3%)	#DIV/0!	–	#DIV/0!	(57.1%)	4,489	(78.6%)
CGI		93		48		45	93.8%		11		82	745.5%	9.3%	0.0%	932	N/A	0.0%	932	N/A
East Central Indiana Vinyl MFG, LL		19		22		(3)	(13.6%)		43		(24)	(55.8%)	33.0%	45.5%	(1,242)	(27.3%)	37.2%	(417)	(11.2%)
Lakeland Polymers, LLC		12		9		3	33.3%		53		(41)	(77.4%)	(183.4%)	(316.7%)	13,329	(42.1%)	(37.7%)	(14,564)	385.9%
JP Industrial Products Inc		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		128		498		(370)	(74.4%)		1,108		(981)	(88.5%)	19.0%	81.3%	(6,225)	(76.6%)	7.0%	1,200	170.4%
Total Gross	\$	40,000	\$	43,100	\$	(3,100)	(7.2%)	\$	38,138	\$	1,861	4.9%	21.4%	22.7%	(122)	(5.4%)	17.8%	366	20.6%

Everett Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	4,074	4,385	(310)	(7.1%)	12,196	12,925	(729)	(5.6%)
Units Shipped ('000)	4,184	4,930	(745)	(15.1%)	11,622	13,155	(1,533)	(11.7%)
Bookings (\$'000)	\$ 6,814	\$ 8,447	\$ (1,633)	(19.3%)	\$ 18,750	\$ 22,766	\$ (4,017)	(17.6%)
Backlog ('000)	\$ 1,173	\$ 2,409	\$ (1,236)	(51.3%)	\$ 1,173	\$ 2,409	\$ (1,236)	(51.3%)
Gross Revenue	\$ 6,770	\$ 8,399	\$ (1,629)	(19.4%)	\$ 18,816	\$ 22,502	\$ (3,685)	(16.4%)
Adj. to Gross Revenue	(308)	(443)	135	(30.4%)	(782)	(1,201)	418	(34.9%)
Net Revenue	6,462	7,956	(1,495)	(18.8%)	18,034	21,301	(3,267)	(15.3%)
Material	3,357	3,742	(384)	(10.3%)	9,295	9,969	(673)	(6.8%)
Labor	1,601	1,570	31	2.0%	4,675	4,582	92	2.0%
Other COGS	700	1,043	(344)	(32.9%)	1,714	2,343	(629)	(26.9%)
Total COGS	5,658	6,355	(697)	(11.0%)	15,684	16,893	(1,210)	(7.2%)
Gross Margin	804	1,602	(798)	(49.8%)	2,351	4,408	(2,057)	(46.7%)
Gross Margin %	12.4%	20.1%			13.0%	20.7%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	96	59	37	62.0%	261	277	(16)	(5.7%)
Administrative	748	792	(44)	(5.5%)	2,283	2,355	(72)	(3.1%)
Other Opex	1	—	1	N/A	(5)	—	(5)	N/A
Total Opex	845	851	(6)	(0.7%)	2,538	2,631	(93)	(3.5%)
EBITDA	(41)	751	(792)	(105.4%)	(188)	1,777	(1,964)	(110.6%)
EBITDA %	(0.6%)	9.4%			(1.0%)	8.3%		
Net Income (Loss)	\$ (436)	\$ 434	\$ (870)	(200.6%)	\$ (1,228)	\$ 840	\$ (2,068)	(246.2%)
Capex	\$ (393)	\$ (21)	\$ (372)	1771.4%	\$ (1,630)	\$ (752)	\$ (877)	116.6%
Opex Overview:								
Payroll	\$ 161	\$ 210	\$ (49)	(23.5%)	\$ 556	\$ 620	\$ (64)	(10.3%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	—	—	—	N/A	—	—	—	N/A
Marketing	57	20	37	190.7%	149	161	(11)	(6.9%)
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	1	7	(6)	(81.6%)	5	14	(9)	(65.3%)
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	45	45	0	0.0%	117	125	(8)	(6.4%)
Professional fees	17	—	17	N/A	17	—	17	N/A
Utilities, repair, maintenance, anc	1	1	0	7.7%	4	6	(2)	(36.1%)
Corporate OH Fees	532	533	(1)	(0.1%)	1,598	1,596	2	0.1%
Bad Debts	0	—	0	N/A	0	—	0	N/A
FX	1	—	1	N/A	(5)	—	(5)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	30	36	(5)	(14.9%)	97	110	(13)	(11.8%)
Total Opex	\$ 845	\$ 851	\$ (6)	(0.7%)	\$ 2,538	\$ 2,631	\$ (93)	(3.5%)

Management Discussion

Net Revenue – Q3-19: (\$1,495K)

- Sales volume down 15.1% or \$1,203k driven by decreased volume from Simonton, Van Isle, Win-dor, Western, Lindsay & ATI; offset by increased volume from Northerm Yukon.
- Lower returns & accruals of \$44k primarily driven by improved quality processes.
- Lower rebates of \$24k primarily driven by the lower sales volumes
- Lower ASP by \$359k primarily driven by delay in capstock sales (\$100k); new agreements with lower ASP for Cascade (\$110k) and product/customer mix

EBITDA – Q3-19: (\$792K)

- Material COGS:** Decrease in costs by \$384k driven by sales volume decrease \$520k; offset by decreased regrind/alt material usage (19.6% vs 25% - primarily lack of WHT 801 regrind) \$107k and increased E&O reserves \$29k (Win-Dor & ATI)
- Labor COGS:** Increase in costs by \$31k driven by tooling labor to support tooling requirements, dark capstock launch and training.
- Other COGS:** Decrease in cost by \$344k driven by favorable net absorption \$259k (plan was to pull 545 lbs from inventory, actual pull of 110k lbs), tool & die recovery of \$69k, Freight \$39k (lower sales volume), Utilities of \$25k (lower production volumes); offset by increased maintenance costs of \$51k (Pump & Motor, Puller Housing, Spray Nozzles (Dark Cap), Forklift & extruder couplings)
- Sales and Marketing:** Increase in costs by \$37k driven by customer fabrication tooling support related to the West Coast Platform
- Administrative:** Decrease in costs by \$44k primarily driven by lower labor (2 less headcount)
- Other Opex:** In line with plan.

Key Customers – Gross Sales and Gross Margin %: Everett

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BP	%	Act	Bud	BP	%	Act	BP	%
Customer:																												
Simonton	\$ 2,776	\$ 3,040	\$ (263)	(8.7%)	\$ 2,684	\$ 92	3.4%	\$ 7,396	\$ 8,297	\$ (901)	(10.9%)	\$ 7,997	\$ (601)	(7.5%)	13.5%	20.4%	(688)	(33.7%)	12.3%	127	10.4%	14.1%	20.4%	(626)	(30.8%)	9.1%	494	54.1%
Coeur d'Alene	1,073	1,146	(73)	(6.3%)	810	263	32.5%	2,558	2,929	(371)	(12.7%)	2,135	423	19.8%	2.7%	7.3%	(455)	(62.5%)	7.2%	(442)	(61.8%)	2.1%	7.5%	(541)	(71.8%)	3.6%	(146)	(40.8%)
Westeck	519	552	(33)	(6.0%)	462	57	12.3%	1,296	1,487	(191)	(12.8%)	1,307	(11)	(0.8%)	23.5%	26.5%	(296)	(11.2%)	20.8%	275	13.2%	24.2%	26.4%	(220)	(8.3%)	18.8%	539	28.7%
Cascade	606	638	(31)	(4.9%)	459	147	32.1%	1,656	1,370	286	20.8%	1,452	204	14.0%	(21.2%)	(2.3%)	(1,890)	825.4%	(10.2%)	(1,095)	106.9%	(22.6%)	(2.1%)	(2,051)	994.4%	(11.1%)	(1,148)	103.6%
All Weather	401	368	33	9.0%	356	45	12.7%	1,072	904	167	18.5%	970	102	10.5%	(2.0%)	0.7%	(269)	(392.6%)	(0.3%)	(172)	612.5%	(3.9%)	1.0%	(487)	(506.9%)	(0.9%)	(296)	312.7%
KGW	315	287	27	9.5%	290	25	8.5%	827	877	(50)	(5.7%)	849	(22)	(2.6%)	25.1%	13.3%	1,182	89.0%	31.0%	(592)	(19.1%)	31.4%	13.6%	1,774	130.1%	30.4%	97	3.2%
Lindsay	272	364	(93)	(25.4%)	355	(83)	(23.5%)	700	954	(254)	(26.6%)	899	(199)	(22.1%)	13.3%	15.3%	(197)	(12.9%)	12.1%	119	9.8%	12.1%	15.5%	(335)	(21.6%)	9.2%	293	31.8%
Solar	79	75	4	5.9%	454	(375)	(82.5%)	478	225	253	112.3%	1,391	(913)	(65.7%)	3.7%	12.7%	(909)	(71.3%)	11.7%	(802)	(68.7%)	14.1%	13.0%	115	8.8%	6.1%	798	130.0%
ATI	36	115	(79)	(68.3%)	70	(34)	(47.9%)	53	291	(238)	(81.7%)	342	(289)	(84.4%)	12.2%	12.1%	12	1.0%	18.6%	(636)	(34.3%)	(146.5%)	12.2%	(15,875)	(1296.0%)	14.2%	(16,067)	(1133.9%)
Win-Dor	34	183	(149)	(81.5%)	132	(98)	(74.3%)	43	715	(672)	(94.0%)	550	(507)	(92.2%)	20.3%	20.5%	(23)	(1.1%)	55.3%	(3,502)	(63.3%)	60.7%	20.0%	4,069	203.1%	14.4%	4,636	322.8%
Northerm - Yukon	280	222	58	26.1%	177	103	58.2%	486	562	(76)	(13.5%)	575	(89)	(15.5%)	41.6%	43.7%	(207)	(4.7%)	33.9%	771	22.8%	41.0%	43.2%	(226)	(5.2%)	42.3%	(137)	(3.2%)
Van Isle	123	212	(89)	(42.0%)	210	(87)	(41.4%)	422	561	(139)	(24.7%)	583	(161)	N/A	22.3%	24.1%	(183)	(7.6%)	70.5%	(4,818)	(68.4%)	13.7%	24.1%	(1,035)	(42.9%)	73.2%	(5,947)	(81.2%)
Whisper Walls	171	156	15	9.9%	155	16	10.6%	517	450	67	14.8%	532	(15)	(2.8%)	44.9%	46.6%	(174)	(3.7%)	46.5%	(159)	(3.4%)	49.8%	46.7%	310	6.6%	48.4%	140	2.9%
West Coast Designed	127	146	(19)	(13.0%)	124	3	2.3%	300	355	(55)	(15.4%)	319	(19)	(5.8%)	42.3%	44.3%	(199)	(4.5%)	43.5%	(126)	(2.9%)	44.7%	43.6%	106	2.4%	33.9%	1,082	32.0%
Hometime	53	98	(45)	(46.2%)	95	(42)	(44.7%)	136	338	(203)	(59.9%)	236	(100)	(42.6%)	35.0%	36.2%	(119)	(3.3%)	28.4%	654	23.0%	26.9%	35.4%	(854)	(24.1%)	31.0%	(417)	(13.4%)
Western	99	154	(55)	(35.9%)	24	75	311.9%	342	504	(162)	(32.1%)	220	122	55.6%	40.7%	43.7%	(296)	(6.8%)	41.7%	(93)	(2.2%)	31.3%	44.1%	(1,276)	(29.0%)	21.6%	966	44.7%
Coastal	63	80	(17)	(21.3%)	53	10	19.5%	189	271	(82)	(30.4%)	229	(40)	(17.5%)	32.6%	32.1%	51	1.6%	60.4%	(2,773)	(45.9%)	42.4%	31.6%	1,085	34.3%	37.5%	490	13.1%
Modern	45	91	(46)	(50.6%)	70	(25)	(35.9%)	139	283	(144)	(50.8%)	245	(106)	(43.2%)	24.2%	36.2%	(1,197)	(33.1%)	27.1%	(293)	(10.8%)	18.6%	36.8%	(1,820)	(49.5%)	16.9%	165	9.8%
Avanti	48	95	(48)	(49.9%)	46	2	3.8%	132	232	(100)	(43.1%)	217	(85)	(39.2%)	37.3%	40.3%	(301)	(7.5%)	45.7%	(836)	(18.3%)	35.6%	41.2%	(557)	(13.5%)	33.2%	234	7.0%
Oasis	12	56	(45)	(79.3%)	56	(44)	(79.2%)	42	147	(105)	(71.6%)	147	(105)	(71.6%)	23.3%	18.7%	461	24.7%	12.5%	1,082	86.6%	21.5%	17.7%	382	21.5%	8.0%	1,356	169.8%
Other	(363)	321	(683)	(213.1%)	245	(608)	(247.7%)	32	748	(716)	(95.7%)	646	(614)	(95.0%)	28.0%	35.3%	(730)	(20.7%)	22.8%	520	22.8%	35.7%	33.8%	189	5.6%	39.8%	(411)	(10.3%)
Total Gross	\$ 6,770	\$ 8,399	\$ (1,629)	(19.4%)	\$ 7,327	\$ (558)	(7.6%)	\$ 18,816	\$ 22,502	\$ (3,685)	(16.4%)	\$ 21,841	\$ (3,025)	(13.8%)	11.9%	19.1%	(720)	(37.7%)	16.6%	(468)	(28.3%)	12.6%	19.7%	(708)	(35.9%)	13.8%	(113)	(8.2%)

Management Discussion

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

Key Performance Indicators - Everett

ENERGI Everett Extrusion KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
Health & Safety											
Recordable Incidents	1	0	0	0	1	1	0	0	0	0	2
TRIR (Total Recordable Incident Rate)	<1	0	0	0	1	2.12	1.8	2.14	2.14	2.24	2.24
Quality Performance											
Customer Complaints - per MLBS	8.0	1.7	2.8	4.1	2.1	2.4	3.8	2.8	4.4	2.15	2.9
Return as % of sales	0.30%	0.43%	0.32%	0.06%	0.40%	0.55%	0.42%	0.06%	0.28%	0.30%	0.30%
Delivery Performance											
% on time in full	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.75%	100.00%	100.00%	99.97%
% by line items	99.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.10%	100.00%	100.00%	99.90%
Costs											
Yield	85.7%	90.9%	91.2%	90.9%	89.0%	90.7%	90.7%	83.8%	89.8%	90.2%	89.8%
Alt/Regrind Compound Consumption Ratio	19.9%	32.0%	18.4%	21.4%	18.3%	17.3%	16.4%	19.8%	19.6%	18%	20.2%
Direct Labour \$/lb produced	\$0.167	\$ 0.182	\$ 0.189	\$ 0.170	\$ 0.166	\$ 0.209	\$ 0.184	\$ 0.223	\$ 0.172	\$ 0.181	\$ 0.185
Indirect Labour (incl D&D) \$/lb produced	\$0.176	\$ 0.180	\$ 0.201	\$ 0.191	\$ 0.192	\$ 0.209	\$ 0.199	\$ 0.282	\$ 0.182	\$ 0.176	\$ 0.198
Inventory											
Days - TTM (Trailing 12 Months)	84.5	84.4	85.6	87.2	87.8	88.8	91.7	92.7	93.6	92.9	92.9

Comments

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

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

UL: Lower HC offset by additional tooling OT

Inventory: Sales lower vs budget.

Full Year Everett P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%	Act	\$	%
Units Produced ('000)	15,799	16,527	(729)	(4.4%)	18,519	(2,721)	(14.7%)
Units Shipped ('000)	15,730	17,263	(1,533)	(8.9%)	16,932	(1,202)	(7.1%)
Bookings (\$'000)	\$ 25,791	\$ 29,808	\$ (4,017)	(13.5%)	\$ 26,978	\$ (1,187)	(4.4%)
Backlog ('\$000)	\$ 2,601	\$ 2,601	\$ –	0.0%	\$ 1,148	\$ 1,453	126.5%
Gross Revenue	\$ 25,763	\$ 29,448	\$ (3,685)	(12.5%)	\$ 28,090	\$ (2,327)	(8.3%)
Adj. to Gross Revenue	(1,150)	(1,568)	418	(26.7%)	(1,483)	333	(22.5%)
Net Revenue	24,613	27,880	(3,267)	(11.7%)	26,607	(1,994)	(7.5%)
Material	12,432	13,105	(673)	(5.1%)	13,359	(927)	(6.9%)
Labor	6,235	6,142	92	1.5%	6,705	(471)	(7.0%)
Other COGS	2,751	3,380	(629)	(18.6%)	2,876	(126)	(4.4%)
Total COGS	21,417	22,627	(1,210)	(5.3%)	22,941	(1,524)	(6.6%)
Gross Margin	3,196	5,253	(2,057)	(39.2%)	3,667	(471)	(12.8%)
Gross Margin %	13.0%	18.8%			13.8%		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	320	335	(16)	(4.7%)	247	72	29.2%
Administrative	3,048	3,119	(72)	(2.3%)	3,129	(81)	(2.6%)
Other Opex	(5)	–	(5)	N/A	11	(16)	(145.7%)
Total Opex	3,362	3,455	(93)	(2.7%)	3,387	(24)	(0.7%)
EBITDA	(166)	1,798	(1,964)	(109.2%)	280	(446)	(159.2%)
EBITDA %	(0.7%)	6.5%			1.1%		
Net Income (Loss)	\$ (1,527)	\$ 541	\$ (2,068)	(382.5%)	\$ (775)	\$ (752)	97.0%
Capex	\$ (1,630)	\$ (752)	\$ (877)	116.6%	\$ (1,856)	\$ 226	(12.2%)
<u>Opex Overview:</u>							
Payroll	\$ 764	\$ 827	\$ (64)	(7.7%)	\$ 816	\$ (53)	(6.5%)
Bonus	–	–	–	N/A	–	–	N/A
Commissions	–	–	–	N/A	–	–	N/A
Marketing	169	180	(11)	(6.1%)	104	65	62.0%
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	8	17	(9)	(53.6%)	14	(6)	(45.0%)
Rent and facilities	–	–	–	N/A	–	–	N/A
Insurance	153	161	(8)	(5.0%)	162	(9)	(5.5%)
Professional fees	17	–	17	N/A	–	17	N/A
Utilities, repair, maintenance, and security	5	7	(2)	(30.8%)	7	(2)	(34.3%)
Corporate OH Fees	2,131	2,129	2	0.1%	2,129	3	0.1%
Bad Debts	0	–	0	N/A	(3)	3	(104.4%)
FX	(5)	–	(5)	N/A	11	(16)	(145.7%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	121	134	(13)	(9.7%)	149	(28)	(18.9%)
Total Opex	\$ 3,362	\$ 3,455	\$ (93)	(2.7%)	\$ 3,390	\$ (27)	(0.8%)

Key Customers – Full Year Everett

	Gross Sales (\$'000)									Gross Margin %											
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var					
	Fcst	Bud	\$	%	Act	\$	%			Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																					
Simonton	\$	9,959	\$	10,859	\$	(901)	(8.3%)	\$	10,221	\$	(262)	(2.6%)			14.0%	19.5%	(552)	(28.3%)	8.6%	538	62.4%
Coeur d'Alene		3,629		4,000		(371)	(9.3%)		2,804		825	29.4%			2.0%	6.4%	(445)	(69.4%)	3.3%	(131)	(40.0%)
Westeck		1,781		1,972		(191)	(9.7%)		1,791		(10)	(0.5%)			23.4%	25.4%	(209)	(8.2%)	18.3%	504	27.5%
Cascade		2,274		1,988		286	14.4%		2,083		191	9.2%			(20.2%)	(3.4%)	(1,684)	501.4%	(10.7%)	(954)	89.5%
All Weather		1,284		1,117		167	15.0%		1,309		(25)	(1.9%)			(3.7%)	0.2%	(396)	(1870.6%)	(3.1%)	(61)	19.5%
KGW		1,105		1,155		(50)	(4.4%)		1,081		24	2.2%			26.9%	12.8%	1,417	111.0%	29.3%	(239)	(8.2%)
Lindsay		1,024		1,278		(254)	(19.9%)		1,145		(121)	(10.6%)			11.5%	14.3%	(284)	(19.8%)	8.5%	302	35.6%
Solar		553		300		253	84.2%		1,651		(1,098)	(66.5%)			12.7%	11.9%	83	7.0%	7.6%	511	67.5%
ATI		148		387		(238)	(61.6%)		345		(197)	(57.0%)			(46.9%)	11.1%	(5,800)	(522.6%)	13.3%	(6,023)	(451.7%)
Win-Dor		99		771		(672)	(87.2%)		626		(527)	(84.2%)			32.0%	19.8%	1,220	61.6%	18.1%	1,395	77.3%
Northerm - Yukon		619		694		(76)	(10.9%)		789		(170)	(21.6%)			41.0%	43.0%	(195)	(4.5%)	39.4%	159	4.0%
Van Isle		556		694		(139)	(20.0%)		697		(141)	(20.3%)			15.3%	23.3%	(808)	(34.6%)	72.2%	(5,690)	(78.8%)
Whisper Walls		671		604		67	11.1%		681		(10)	(1.5%)			47.9%	45.8%	211	4.6%	46.0%	191	4.1%
West Coast Designed		384		439		(55)	(12.5%)		429		(45)	(10.4%)			43.4%	43.1%	26	0.6%	36.1%	722	20.0%
Hometime		199		402		(203)	(50.4%)		327		(128)	(39.0%)			29.1%	35.2%	(612)	(17.4%)	28.4%	63	2.2%
Western		509		671		(162)	(24.1%)		238		271	114.0%			33.5%	43.0%	(951)	(22.1%)	22.3%	1,120	50.3%
Coastal		284		366		(82)	(22.5%)		321		(37)	(11.6%)			36.9%	30.2%	677	22.4%	38.3%	(140)	(3.6%)
Modern		230		374		(144)	(38.4%)		351		(121)	(34.4%)			23.2%	36.4%	(1,316)	(36.2%)	18.2%	499	27.4%
Avanti		198		298		(100)	(33.6%)		249		(51)	(20.5%)			36.1%	40.5%	(437)	(10.8%)	35.7%	37	1.0%
Oasis		88		193		(105)	(54.5%)		188		(100)	(53.2%)			19.2%	17.5%	176	10.1%	9.6%	964	100.7%
Other		168		885		(716)	(81.0%)		764		(596)	(78.0%)			52.2%	34.6%	1,769	51.2%	41.5%	1,079	26.0%
Total Gross	\$	25,763	\$	29,448	\$	(3,685)	(12.5%)	\$	28,090	\$	(2,327)	(8.3%)			12.4%	18.6%	(615)	(33.1%)	13.1%	(61)	(4.7%)

Terrebonne Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	–	N/A
Bookings (\$'000)	\$ 6,256	\$ 5,985	\$ 271	4.5%	\$ 15,931	\$ 15,591	\$ 339	2.2%
Backlog ('\$000)	\$ 2,060	\$ 2,852	\$ (793)	(27.8%)	\$ 2,060	\$ 2,852	\$ (793)	(27.8%)
Gross Revenue	\$ 6,034	\$ 6,189	\$ (154)	(2.5%)	\$ 14,931	\$ 16,075	\$ (1,144)	(7.1%)
Adj. to Gross Revenue	(304)	(290)	(14)	4.9%	(680)	(753)	73	(9.7%)
Net Revenue	5,730	5,898	(168)	(2.9%)	14,251	15,322	(1,070)	(7.0%)
Material	3,631	3,456	176	5.1%	8,978	8,992	(14)	(0.2%)
Labor	1,212	1,173	40	3.4%	3,023	3,298	(275)	(8.3%)
Other COGS	518	604	(87)	(14.3%)	1,398	1,747	(349)	(20.0%)
Total COGS	5,361	5,232	129	2.5%	13,399	14,037	(638)	(4.5%)
Gross Margin	369	666	(297)	(44.6%)	852	1,285	(433)	(33.7%)
Gross Margin %	6.4%	11.3%			6.0%	8.4%		
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	116	112	5	4.2%	313	311	2	0.7%
Administrative	569	598	(29)	(4.9%)	1,700	1,766	(65)	(3.7%)
Other Opex	(11)	–	(11)	N/A	16	–	16	N/A
Total Opex	674	710	(36)	(5.1%)	2,029	2,077	(47)	(2.3%)
EBITDA	(305)	(44)	(261)	595.5%	(1,177)	(792)	(385)	48.7%
EBITDA %	(5.3%)	(0.7%)			(8.3%)	(5.2%)		
Net Income (Loss)	\$ (331)	\$ (82)	\$ (248)	301.3%	\$ (1,241)	\$ (903)	\$ (338)	37.5%
Capex	\$ (73)	\$ –	\$ (73)	N/A	\$ (120)	\$ (287)	\$ 167	(58.1%)
Opex Overview:								
Payroll	\$ 260	\$ 265	\$ (5)	(1.7%)	\$ 748	\$ 783	\$ (35)	(4.5%)
Bonus	–	–	–	N/A	–	–	–	N/A
Commissions	–	–	–	N/A	–	–	–	N/A
Marketing	10	26	(16)	(62.7%)	33	62	(29)	(47.1%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	3	4	(1)	(24.2%)	7	11	(4)	(35.9%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	11	9	2	24.6%	32	23	10	42.7%
Utilities, repair, maintenance, anc	10	22	(13)	(56.8%)	41	58	(16)	(28.2%)
Corporate OH Fees	370	372	(2)	(0.5%)	1,088	1,107	(19)	(1.7%)
Bad Debts	–	–	–	N/A	–	–	–	N/A
FX	(11)	–	(11)	N/A	16	–	16	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	22	13	9	74.3%	64	34	30	88.1%
Total Opex	\$ 674	\$ 710	\$ (36)	(5.1%)	\$ 2,029	\$ 2,077	\$ (47)	(2.3%)

Management Discussion

Net Revenue – Q3-19: (\$168K)

- Sales volume decreased \$15k due to decreased demand from Vaillancourt, Ventana & Fenergic; offset by increased demand from Isothermic, Golden, Abritek, AMI & ATIS
- Unfavorable rebates/returns of \$22k primarily driven by new rebate program for all ATIS customers.
- Unfavorable ASP of \$55k due to customer/product mix
- Unfavorable F/X of \$76k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q3-19: (\$261K)

- **Material COGS:** Increase in costs by \$176K primarily driven by increased supplier price increases for glass (custom & price), steel and aluminum costs of \$157k and increased inventory reserves \$9k (discontinued Everest door)
- **Labor COGS:** Increase in costs by \$40k due to inefficiencies with new employees not producing at full capacity and higher turnover rates.
- **Other COGS:** Decrease in cost by \$87k driven by increased net absorption \$45k; decreased freight \$16k (lower sales volume), lower maintenance & factory expenses \$12k (decreased production volumes) & lower utilities \$17k; offset by increased warranty claim (\$9k – 2017 issue for Romano – 5 Orchestra doors)
- **Sales and Marketing:** In line with budget.
- **Administrative:** Decrease in costs by \$29k driven by lower wages (vacations); offset by increased IST costs for programming new online quotation tool.
- **Other Opex:** Decrease in cost by \$11k driven by favorable F/X revaluation of working capital balances.

Key Customers – Gross Sales and Gross Margin %: Terrebonne

	Gross Sales (\$'000)														Gross Margin %													
	QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var		QTD		Var		PY-QTD	Var		YTD		Var		PY-YTD	Var	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%
Customer:																												
A.M.I.	\$ 1,229	\$ 1,066	\$ 163	15.3%	\$ 964	\$ 265	27.5%	\$ 2,848	\$ 2,777	\$ 71	2.6%	\$ 2,714	\$ 134	4.9%	9.4%	0.0%	941	N/A	0.0%	941	N/A	7.4%	0.0%	739	N/A	0.0%	739	N/A
GOLDEN WINDOWS	673	580	93	16.0%	673	(0)	(0.0%)	1,596	1,510	86	5.7%	1,785	(189)	(10.6%)	(23.8%)	0.0%	(2,380)	N/A	0.0%	(2,380)	N/A	(17.8%)	0.0%	(1,780)	N/A	0.0%	(1,780)	N/A
OSTACO 2000 WINDOORS INC	555	535	20	3.7%	557	(2)	(0.4%)	1,376	1,394	(18)	(1.3%)	1,448	(72)	(5.0%)	8.1%	0.0%	808	N/A	0.0%	808	N/A	5.9%	0.0%	591	N/A	0.0%	591	N/A
PORTES & FENETRES ABRITEK	327	270	57	20.9%	262	65	24.6%	921	703	218	31.1%	842	79	9.4%	(10.2%)	0.0%	(1,020)	N/A	0.0%	(1,020)	N/A	(14.6%)	0.0%	(1,464)	N/A	0.0%	(1,464)	N/A
DASHWOOD INDUSTRIES INC	280	245	35	14.1%	303	(23)	(7.7%)	736	638	98	15.3%	731	5	0.7%	4.7%	0.0%	465	N/A	0.0%	465	N/A	15.7%	0.0%	1,568	N/A	0.0%	1,568	N/A
P & F ISOTHERMIC INC	281	156	125	80.3%	171	110	64.5%	623	408	215	52.8%	532	91	17.2%	(4.1%)	0.0%	(415)	N/A	0.0%	(415)	N/A	(6.6%)	0.0%	(663)	N/A	0.0%	(663)	N/A
VAILLANCOURT INC.	389	647	(258)	(39.9%)	229	160	69.7%	838	1,686	(848)	(50.3%)	675	163	24.2%	0.2%	0.0%	22	N/A	0.0%	22	N/A	(5.5%)	0.0%	(550)	N/A	0.0%	(550)	N/A
CANADIAN VINYLTEK WINDOWS C	117	101	16	16.3%	175	(58)	(32.9%)	306	263	43	16.4%	437	(131)	(29.9%)	34.2%	0.0%	3,420	N/A	0.0%	3,420	N/A	41.0%	0.0%	4,105	N/A	0.0%	4,105	N/A
FENERGIC INC	81	141	(60)	(42.8%)	202	(121)	(60.1%)	141	366	(225)	(61.5%)	367	(226)	(61.6%)	6.6%	0.0%	664	N/A	0.0%	664	N/A	9.9%	0.0%	989	N/A	0.0%	989	N/A
EXTREME WINDOW AND	208	158	50	31.9%	114	94	82.8%	376	410	(34)	(8.2%)	415	(39)	(9.3%)	8.5%	0.0%	847	N/A	0.0%	847	N/A	9.9%	0.0%	987	N/A	0.0%	987	N/A
VENTANA WINDOWS & DOORS INC	47	137	(90)	(65.7%)	112	(65)	(58.0%)	115	358	(243)	(67.9%)	381	(266)	(69.8%)	0.0%	0.0%	-	N/A	0.0%	-	N/A	(4.6%)	0.0%	(460)	N/A	0.0%	(460)	N/A
Fenêtres Concept	114	114	0	0.4%	125	(11)	(8.5%)	320	296	24	8.1%	318	2	0.6%	(5.3%)	0.0%	(532)	N/A	0.0%	(532)	N/A	(5.6%)	0.0%	(564)	N/A	0.0%	(564)	N/A
MASON WINDOWS LTD	64	87	(23)	(26.0%)	107	(43)	(39.8%)	259	226	33	14.7%	243	16	6.6%	(17.6%)	0.0%	(1,758)	N/A	0.0%	(1,758)	N/A	(13.2%)	0.0%	(1,324)	N/A	0.0%	(1,324)	N/A
CEN	97	85	12	13.6%	78	19	23.8%	314	222	92	41.5%	212	102	48.2%	(2.7%)	0.0%	(270)	N/A	0.0%	(270)	N/A	9.1%	0.0%	912	N/A	0.0%	912	N/A
TRI-STATE WINDOW FACTORY	63	33	30	91.1%	99	(36)	(36.3%)	263	132	131	99.1%	275	(12)	(4.4%)	16.3%	0.0%	1,633	N/A	0.0%	1,633	N/A	23.7%	0.0%	2,368	N/A	0.0%	2,368	N/A
FMC	122	82	40	48.4%	83	39	46.6%	266	171	95	55.8%	201	65	32.6%	3.6%	0.0%	361	N/A	0.0%	361	N/A	(1.0%)	0.0%	(104)	N/A	0.0%	(104)	N/A
ATLANTIC WINDOWS	89	81	8	9.8%	35	54	154.2%	211	212	(1)	(0.3%)	206	5	2.6%	11.3%	0.0%	1,130	N/A	0.0%	1,130	N/A	21.6%	0.0%	2,159	N/A	0.0%	2,159	N/A
YKK AP VINYL	92	96	(4)	(4.5%)	83	9	10.4%	267	237	30	12.6%	162	105	64.7%	28.9%	0.0%	2,891	N/A	0.0%	2,891	N/A	33.2%	0.0%	3,323	N/A	0.0%	3,323	N/A
LORENDO INC.	61	44	17	39.7%	65	(4)	(5.4%)	164	162	2	1.1%	170	(6)	(3.7%)	(1.2%)	0.0%	(115)	N/A	0.0%	(115)	N/A	(2.0%)	0.0%	(203)	N/A	0.0%	(203)	N/A
MAR	46	30	16	53.7%	72	(26)	(36.0%)	163	93	70	75.7%	190	(27)	(14.0%)	(16.3%)	0.0%	(1,632)	N/A	0.0%	(1,632)	N/A	(2.0%)	0.0%	(204)	N/A	0.0%	(204)	N/A
Other	1,100	1,501	(400)	(26.7%)	1,242	(141)	(11.4%)	2,827	3,811	(984)	(25.8%)	3,360	(533)	(15.9%)	13.3%	44.4%	(3,111)	(70.1%)	(21.8%)	3,506	(161.0%)	17.3%	284.9%	(26,766)	(93.9%)	(0.8%)	1,808	(2207.6%)
Total Gross	\$ 6,034	\$ 6,189	\$ (154)	(2.5%)	\$ 5,751	\$ 284	4.9%	\$ 14,931	\$ 16,075	\$ (1,144)	(7.1%)	\$ 15,664	\$ (733)	(4.7%)	6.1%	10.8%	(465)	(43.2%)	(4.7%)	1,082	(230.0%)	5.6%	7.3%	(173)	(23.6%)	(0.2%)	578	(3368.3%)

Management Discussion

- Overall a strong quarter compared to market conditions with overall sales almost at budget.
- Major contributions from AMI, Golden and PF Isothermic
- Vaillancourt– Soft sales in 2019 with no big projects at hand, almost in line with PY YTD
- Ventana – Customer went bankrupt

Key Performance Indicators - Terrebonne

ENERGI Terrebonne Patio Door KPI Report	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
Health & Safety											
<i>Recordable Incidents</i>	0	0	0	0	0	0	0	2	0	1	3
<i>TRIR (Total Recordable Incident Rate)</i>	<1	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.9	3.8	3.8
Quality Performance											
<i>Customer Complaints - per MLBS</i>	3.2	3.98	3.9	3.6	3.7	3.4	2	2	1.9	3.9	3
<i>Return as % of sales</i>	1.25%	1.57%	1.76%	0.58%	0.24%	0.53%	0.21%	1.08%	1.02%	0.89%	0.84%
Delivery Performance											
<i>% on time in full</i>	95.00%	100.00%	95.71%	95.55%	78.35%	80.32%	73.88%	71.10%	83.02%	89.05%	85.22%
<i>% by line items</i>	95.00%	95.38%	95.71%	95.55%	78.35%	80.32%	73.88%	71.10%	83.02%	89.05%	84.71%
Costs											
<i>Direct Labour \$/FPV</i>	\$0.174	\$ 0.143	\$0.148	\$ 0.159	\$ 0.165	\$ 0.185	\$ 0.198	\$ 0.192	\$ 0.168	\$ 0.187	\$ 0.174
<i>Indirect Labour (incl D&D) \$/FPV</i>	\$0.069	\$ 0.096	\$0.073	\$ 0.063	\$ 0.054	\$ 0.055	\$ 0.056	\$ 0.048	\$ 0.044	\$ 0.051	\$ 0.057
Inventory											
<i>Days - TTM (Trailing 12 Months)</i>	71.0	75	71.4	70	69	66	65	62	62	62	62

Comments:

Safety: Worker injured finger using mitre saw. Caused by distraction.

Quality: Some issues with Extreme and Romani

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

Full Year Terrebonne P&L Summary

\$'000	FY		Var		PY	Var	
	Fcst	Bud	\$	%		\$	%
Units Produced ('000)	—	—	—	N/A	—	—	N/A
Units Shipped ('000)	—	—	—	N/A	—	—	N/A
Bookings (\$'000)	\$ 21,682	\$ 21,343	\$ 339	1.6%	\$ 20,249	\$ 1,433	7.1%
Backlog ('\$000)	\$ 3,301	\$ 3,301	\$ —	0.0%	\$ 1,025	\$ 2,275	222.0%
Gross Revenue	\$ 20,864	\$ 22,008	\$ (1,144)	(5.2%)	\$ 20,687	\$ 178	0.9%
Adj. to Gross Revenue	(958)	(1,032)	73	(7.1%)	(1,023)	65	(6.3%)
Net Revenue	19,906	20,976	(1,070)	(5.1%)	19,664	242	1.2%
Material	12,315	12,328	(14)	(0.1%)	12,124	190	1.6%
Labor	4,127	4,402	(275)	(6.2%)	4,530	(403)	(8.9%)
Other COGS	1,980	2,329	(349)	(15.0%)	3,397	(1,417)	(41.7%)
Total COGS	18,422	19,059	(638)	(3.3%)	20,052	(1,630)	(8.1%)
Gross Margin	1,484	1,917	(433)	(22.6%)	(388)	1,872	(482.5%)
Gross Margin %	7.5%	9.1%			(2.0%)		
R&D	—	—	—	N/A	—	—	N/A
Sales & Marketing	426	424	2	0.5%	383	42	11.1%
Administrative	2,305	2,370	(65)	(2.8%)	2,381	(76)	(3.2%)
Other Opex	16	—	16	N/A	(63)	79	(125.0%)
Total Opex	2,747	2,794	(47)	(1.7%)	2,701	46	1.7%
EBITDA	(1,263)	(877)	(385)	43.9%	(3,089)	1,826	(59.1%)
EBITDA %	(6.3%)	(4.2%)			(15.7%)		
Net Income (Loss)	\$ (1,365)	\$ (1,027)	\$ (338)	32.9%	\$ (3,162)	\$ 1,797	(56.8%)
Capex	\$ (120)	\$ (287)	\$ 167	(58.1%)	\$ (517)	\$ 397	(76.8%)
Opex Overview:							
Payroll	\$ 1,023	\$ 1,058	\$ (35)	(3.3%)	\$ 1,029	\$ (6)	(0.6%)
Bonus	—	—	—	N/A	—	—	N/A
Commissions	—	—	—	N/A	—	—	N/A
Marketing	58	87	(29)	(33.2%)	57	1	2.0%
Benefits	—	—	—	N/A	—	—	N/A
Travel and entertainment	11	15	(4)	(26.3%)	15	(4)	(27.6%)
Rent and facilities	—	—	—	N/A	—	—	N/A
Insurance	—	—	—	N/A	0	(0)	(100.0%)
Professional fees	41	31	10	31.2%	59	(18)	(30.3%)
Utilities, repair, maintenance, and security	63	79	(16)	(20.6%)	70	(7)	(10.5%)
Corporate OH Fees	1,459	1,478	(19)	(1.3%)	1,484	(24)	(1.6%)
Bad Debts	—	—	—	N/A	3	(3)	(100.0%)
FX	16	—	16	N/A	(63)	79	(125.0%)
JV Loss (Income)	—	—	—	N/A	—	—	N/A
Other Expenses	76	46	30	64.9%	51	25	50.2%
Total Opex	\$ 2,747	\$ 2,794	\$ (47)	(1.7%)	\$ 2,704	\$ 43	1.6%

Key Customers – Full Year Terrebonne

	Gross Sales (\$'000)									Gross Margin %									
	FY		FY		Var		PY		Var		FY	FY	Var		PY	Var			
	Fcst	Bud	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%					
Customer:																			
A.M.I.	\$	3,871	\$	3,800	\$	71	1.9%	\$	3,511	\$	360	10.3%	6.6%	0.0%	663	N/A	0.0%	663	N/A
GOLDEN WINDOWS		2,153		2,067		86	4.1%		2,290		(137)	(6.0%)	(16.2%)	0.0%	(1,623)	N/A	0.0%	(1,623)	N/A
OSTACO 2000 WINDOORS INC		1,891		1,909		(18)	(1.0%)		1,906		(15)	(0.8%)	5.3%	0.0%	535	N/A	0.0%	535	N/A
PORTES & FENETRES ABRITEK		1,180		962		218	22.7%		1,147		33	2.9%	(12.1%)	0.0%	(1,214)	N/A	0.0%	(1,214)	N/A
DASHWOOD INDUSTRIES INC		971		873		98	11.2%		922		49	5.3%	11.7%	0.0%	1,171	N/A	0.0%	1,171	N/A
P & F ISOTHERMIC INC		773		558		215	38.6%		815		(42)	(5.1%)	(5.4%)	0.0%	(542)	N/A	0.0%	(542)	N/A
VAILLANCOURT INC.		1,461		2,309		(848)	(36.7%)		800		661	82.7%	(3.0%)	0.0%	(305)	N/A	0.0%	(305)	N/A
CANADIAN VINYLTEK WINDOWS C		403		360		43	12.0%		555		(152)	(27.3%)	34.3%	0.0%	3,430	N/A	0.0%	3,430	N/A
FENERGIC INC		277		502		(225)	(44.8%)		532		(255)	(47.9%)	6.0%	0.0%	604	N/A	0.0%	604	N/A
EXTREME WINDOW AND		527		561		(34)	(6.0%)		511		16	3.2%	7.9%	0.0%	790	N/A	0.0%	790	N/A
VENTANA WINDOWS & DOORS IN		247		490		(243)	(49.6%)		484		(237)	(49.0%)	(2.3%)	0.0%	(233)	N/A	0.0%	(233)	N/A
Fenêtres Concept		429		405		24	5.9%		437		(8)	(1.9%)	(4.8%)	0.0%	(477)	N/A	0.0%	(477)	N/A
MASON WINDOWS LTD		343		310		33	10.7%		328		15	4.6%	(11.9%)	0.0%	(1,186)	N/A	0.0%	(1,186)	N/A
CEN		395		303		92	30.4%		292		103	35.3%	6.5%	0.0%	647	N/A	0.0%	647	N/A
TRI-STATE WINDOW FACTORY		296		165		131	79.3%		356		(60)	(16.9%)	21.4%	0.0%	2,145	N/A	0.0%	2,145	N/A
FMC		344		249		95	38.3%		259		85	33.0%	0.0%	0.0%	2	N/A	0.0%	2	N/A
ATLANTIC WINDOWS		289		290		(1)	(0.2%)		274		15	5.6%	16.4%	0.0%	1,640	N/A	0.0%	1,640	N/A
YKK AP VINYL		359		329		30	9.0%		225		134	59.5%	27.7%	0.0%	2,771	N/A	0.0%	2,771	N/A
LORENDO INC.		207		205		2	0.8%		226		(19)	(8.5%)	(1.7%)	0.0%	(165)	N/A	0.0%	(165)	N/A
MAR		192		122		70	57.7%		250		(58)	(23.1%)	(3.7%)	0.0%	(372)	N/A	0.0%	(372)	N/A
Other		4,255		5,239		(984)	(18.8%)		4,567		(312)	(6.8%)	22.1%	207.1%	(18,497)	(89.3%)	(8.5%)	3,058	(359.9%)
Total Gross	\$	20,864	\$	22,008	\$	(1,144)	(5.2%)	\$	20,687	\$	178	0.9%	6.5%	8.4%	(188)	(22.4%)	(1.9%)	840	(448.0%)

ECS Summary P&L

\$'000	QTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced ('000)	24,748	26,979	(2,231)	(8.3%)	73,910	78,161	(4,251)	(5.4%)
Units Shipped ('000)	25,721	26,979	(1,258)	(4.7%)	74,059	78,161	(4,101)	(5.2%)
Bookings (\$'000)	\$ 2,314	\$ 2,458	\$ (144)	(5.8%)	\$ 6,130	\$ 6,822	\$ (692)	(10.1%)
Backlog ('\$000)	\$ 177	\$ 181	\$ (4)	(2.0%)	\$ 177	\$ 181	\$ (4)	(2.0%)
External Revenue	\$ 2,215	\$ 2,458	\$ (243)	(9.9%)	\$ 6,194	\$ 6,841	\$ (646)	(9.4%)
Affiliate Revenue	\$ 15,828	\$ 17,205	\$ (1,377)	(8.0%)	\$ 46,765	\$ 49,022	\$ (2,256)	(4.6%)
Gross Revenue	\$ 18,226	\$ 19,287	\$ (1,062)	(5.5%)	\$ 52,960	\$ 55,863	\$ (2,903)	(5.2%)
Adj. to Gross Revenue	(0)	(7)	7	(97.0%)	16	(22)	39	(173.9%)
Net Revenue	18,225	19,280	(1,055)	(5.5%)	52,976	55,840	(2,864)	(5.1%)
Material	15,168	17,145	(1,977)	(11.5%)	44,254	48,770	(4,516)	(9.3%)
Labor	449	514	(65)	(12.6%)	1,336	1,497	(161)	(10.8%)
Other COGS	1,499	1,585	(87)	(5.5%)	4,215	4,595	(379)	(8.3%)
Total COGS	17,116	19,244	(2,128)	(11.1%)	49,806	54,862	(5,056)	(9.2%)
Gross Margin	1,110	36	1,073	2963.7%	3,170	978	2,192	224.1%
Gross Margin %	6.1%	0.2%			6.0%	1.8%		
R&D	—	—	—	N/A	—	—	—	N/A
Sales & Marketing	40	43	(2)	(5.6%)	123	122	1	0.7%
Administrative	443	453	(9)	(2.0%)	1,303	1,344	(41)	(3.1%)
Other Opex	42	—	42	N/A	(199)	—	(199)	N/A
Total Opex	526	495	30	6.1%	1,227	1,466	(239)	(16.3%)
EBITDA	584	(459)	1,043	(227.3%)	1,944	(487)	2,431	(498.9%)
EBITDA %	3.2%	(2.4%)			3.7%	(0.9%)		
Net Income (Loss)	\$ 412	\$ (645)	\$ 1,057	(164.0%)	\$ 1,438	\$ (1,041)	\$ 2,480	(238.1%)
Capex	\$ (62)	\$ (114)	\$ 52	(45.6%)	\$ (111)	\$ (502)	\$ 391	(77.9%)
Opex Overview:								
Payroll	\$ 140	\$ 146	\$ (6)	(4.3%)	\$ 414	\$ 425	\$ (11)	(2.6%)
Bonus	—	—	—	N/A	—	—	—	N/A
Commissions	2	4	(1)	(34.7%)	3	10	(6)	(64.0%)
Marketing	—	—	—	N/A	—	—	—	N/A
Benefits	—	—	—	N/A	—	—	—	N/A
Travel and entertainment	7	4	4	99.4%	11	6	5	74.6%
Rent and facilities	—	—	—	N/A	—	—	—	N/A
Insurance	18	17	1	8.1%	51	52	(1)	(1.6%)
Professional fees	0	—	0	N/A	1	—	1	N/A
Utilities, repair, maintenance, anc	4	6	(2)	(40.8%)	9	17	(8)	(47.5%)
Corporate OH Fees	313	319	(6)	(1.8%)	932	954	(23)	(2.4%)
Bad Debts	—	—	—	N/A	—	—	—	N/A
FX	42	—	42	N/A	(199)	—	(199)	N/A
JV Loss (Income)	—	—	—	N/A	—	—	—	N/A
Other Expenses	(1)	0	(1)	(353.0%)	4	1	3	268.6%
Total Opex	\$ 526	\$ 495	\$ 30	6.1%	\$ 1,227	\$ 1,466	\$ (239)	(16.3%)

Management Discussion

Net Revenue – Q3-19: (\$1,055K)

- Sales volume down 4.7% or \$899k mainly driven by decreased demand from affiliate customers 4.9% or \$827k and lower external customers demand \$72k (Vinyl Profiles)
- Favorable price/mix of \$22K driven by customer mix
- Unfavorable F/X of \$178k (actual rate of 1.3206 [or \$USD 0.7572] vs. 1.30 [or \$USD 0.7692])

EBITDA – Q3-19: +\$1,043K

- Material COGS:** Decrease in costs by \$1,977k due to decreased sales volume \$879k, improved scrap utilization & MUV \$109k, lower resin prices \$821k and favorable F/X of \$267k; offset by increased TiO2 & Additive pricing \$99k
- Labor COGS:** Decrease in cost by \$65k driven by lower headcount due to lower production volumes (8.3%).
- Other COGS:** Decrease in cost by \$87k primarily driven by favorable freight expenses \$125k (lower volume, new PDI contract); offset by unfavorable net absorption of \$43k (lower volumes)
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in cost by \$9k primarily driven by favorable FX
- Other Opex:** Increase in cost by \$42k driven by unfavorable F/X revaluation of working capital balances

Key Customers – Gross Sales and Gross Margin %: ECS

	Gross Sales (\$'000)														Gross Margin %																							
	QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var		QTD		Var		PY-QTD		Var		YTD		Var		PY-YTD		Var							
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Act	\$	%	Act	Bud	\$	%	Act	BPs	%	Act	Bud	BPs	%	Act	BPs	%							
Customer:																																						
Vinyl Profiles, LLC	\$	885	\$	1,065	\$	(180)	(16.9%)	\$	409	\$	476	116.2%	\$	2,126	\$	2,958	\$	(832)	(28.1%)	\$	1,732	\$	394	22.8%	33.6%	50.4%	(1,673)	(33.2%)	8.6%	2,505	292.1%	35.2%	49.3%	(1,403)	(28.5%)	12.9%	2,236	173.6%
Nuform Building Technologies Inc		510		438		72	16.4%		873		(363)	(41.6%)		1,239		1,239		0	0.0%		2,308		(1,069)	(46.3%)	15.8%	11.4%	434	38.0%	45.2%	(2,942)	(65.1%)	16.1%	11.7%	444	37.9%	23.9%	(774)	(32.4%)
The Vinyl Company Inc.		328		304		24	7.9%		491		(163)	(33.2%)		972		842		130	15.4%		1,453		(481)	(33.1%)	15.6%	17.9%	(227)	(12.7%)	26.7%	(1,102)	(41.3%)	16.3%	17.9%	(162)	(9.1%)	26.9%	(1,060)	(39.4%)
Vinylume Products Inc		163		191		(29)	(15.0%)		191		(29)	(14.9%)		490		508		(19)	(3.7%)		531		(42)	(7.9%)	22.0%	21.3%	73	3.4%	21.7%	27	1.2%	24.2%	21.3%	295	13.9%	20.3%	393	19.4%
Accord Plastics Corp.		167		168		(1)	(0.8%)		77		90	117.9%		497		457		40	8.8%		167		330	198.4%	17.9%	19.4%	(151)	(7.8%)	18.9%	(97)	(5.1%)	18.5%	19.4%	(89)	(4.6%)	10.8%	771	71.2%
Window Seal Limited		101		133		(32)	(23.9%)		–		101	N/A		101		355		(254)	(71.5%)		7		94	1355.9%	48.4%	174.7%	(12,626)	(72.3%)	0.0%	4,844	N/A	14.8%	102.4%	(8,756)	(85.5%)	4.3%	1,056	247.1%
New Customers (L.B. Plastics)		44		133		(89)	(66.7%)		16		28	170.6%		44		311		(266)	(85.7%)		94		(49)	(52.7%)	16.1%	87.9%	(7,178)	(81.7%)	17.1%	(99)	(5.8%)	12.7%	28.6%	(1,586)	(55.5%)	94.2%	(8,151)	(86.5%)
Prasad Plastics Limited		30		17		13	81.7%		25		5	22.1%		34		101		(67)	(66.4%)		36		(2)	(6.4%)	24.3%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	6.0%	#DIV/0!	–	#DIV/0!	115.6%	(10,968)	(94.8%)
Superior Extrusions Ltd		20		8		12	144.5%		9		11	123.5%		43		35		8	24.2%		35		8	23.8%	14.9%	2.0%	1,291	661.4%	13.5%	132	9.8%	41.9%	3.9%	3,796	964.2%	8.7%	3,323	383.6%
Vytron Corporation		–		–		-	N/A		–		-	N/A		13		13		0	1.4%		29		(16)	(55.0%)	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	19.0%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Plastibec Ltee		–		–		-	N/A		–		-	N/A		6		–		6	N/A		6		(0)	(5.3%)	0.0%	#DIV/0!	–	#DIV/0!	0.0%	-	N/A	8.4%	#DIV/0!	–	#DIV/0!	15.5%	(704)	(45.5%)
Vinyl Profiles (2011)		25		–		25	N/A		–		25	N/A		63		–		63	N/A		6		57	988.7%	5.9%	0.0%	592	N/A	#DIV/0!	NA	#DIV/0!	23.7%	0.0%	2,369	N/A	47.6%	(2,392)	(50.2%)
Fence Outlet MDC, LLC		–		–		-	N/A		–		-	N/A		21		–		21	N/A		–		21	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	46.2%	0.0%	4,615	N/A	(5.3%)	5,144	(973.6%)
INFINITY EXTRUSIONS INC.		7		–		7	N/A		20		(13)	(64.4%)		51		–		51	N/A		20		31	159.1%	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	133.3%	#DIV/0!	–	#DIV/0!	21.4%	11,189	521.9%
Resin Technology, LLC		–		–		-	N/A		–		-	N/A		327		–		327	N/A		–		327	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	52.6%	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
0		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
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		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
		–		–		-	N/A		–		-	N/A		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!	#DIV/0!	#DIV/0!	–	#DIV/0!	#DIV/0!	NA	#DIV/0!
Other		15,945		16,830		(884)	(5.3%)		17,425		(1,480)	(8.5%)		46,932		49,044		(2,111)	(4.3%)		54,588		(7,656)	(14.0%)	4.1%	(2.8%)	684	(245.2%)	9.7%	(568)	(58.4%)	3.8%	(0.5%)	427	(839.3%)	9.8%	(603)	(61.6%)
Total Gross		\$ 18,226		\$ 19,287		\$ (1,062)	(5.5%)		\$ 19,535		\$ (1,310)	(6.7%)		\$ 52,960		\$ 55,863		\$ (2,903)	(5.2%)		\$ 61,012		\$ (8,052)	(13.2%)	6.1%	0.2%	590	3142.2%	11.0%	(494)	(44.8%)	6.0%	2.1%	389	187.3%	10.9%	(492)	(45.2%)

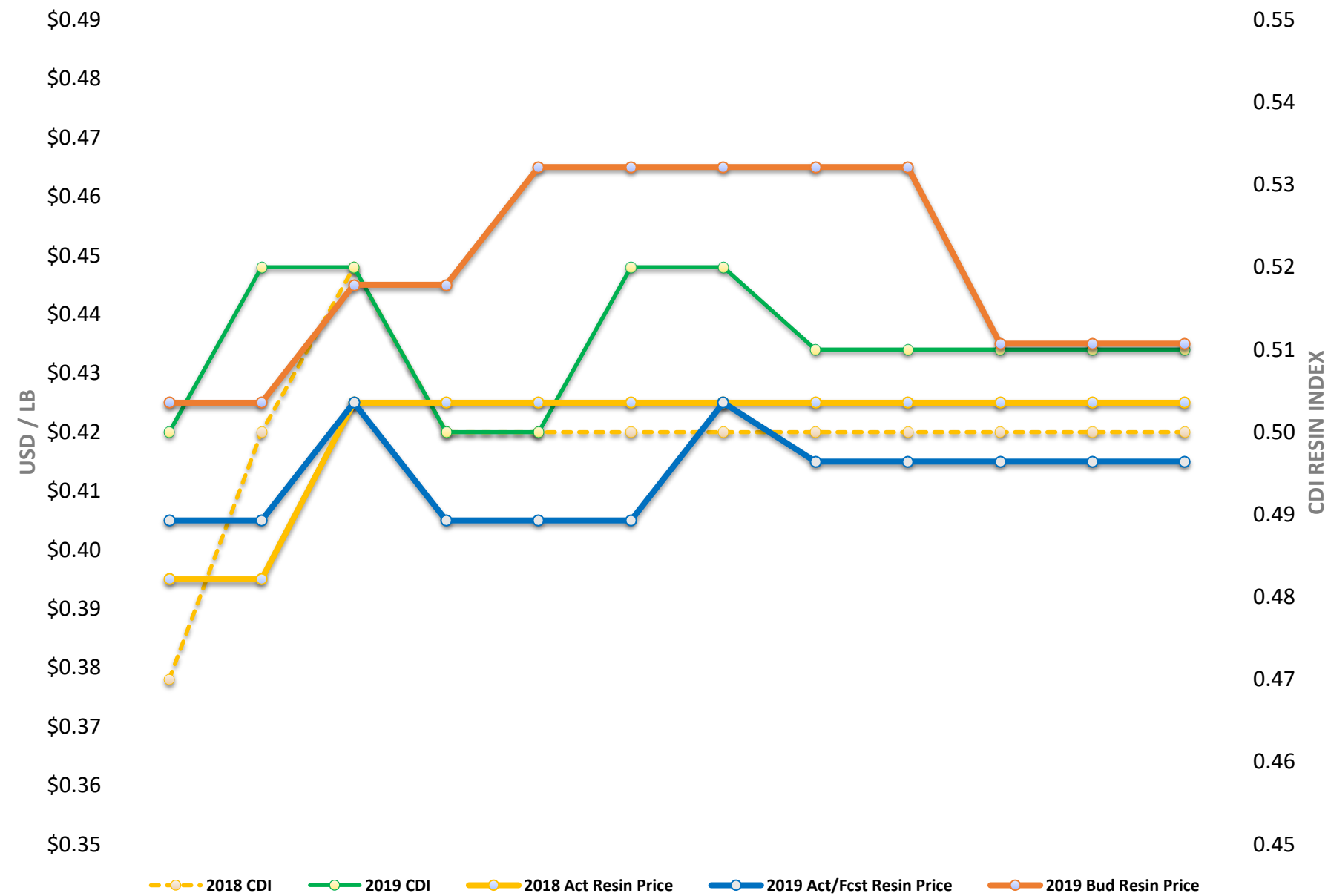
Management Discussion

- Vinyl Profiles – Market conditions impacting sales. However, 22.8% improvement in YTD vs PY.

ECS Material Cost Summary

	H1 2019	Q3 2019	YTD 2019	H1 2019	Q3 2019	YTD 2019	H1 2019	Q3 2019	YTD 2019
US \$'000	Act	Act	Act	AOP	AOP	AOP	Actual-AOP	Actual-AOP	Actual-AOP
Sales									
Total Sales - Non-Patio & Doors - S'000	\$ 34,751	\$ 18,225	\$ 52,976	\$ 36,560	\$ 19,280	\$ 55,840	\$ (1,809)	\$ (1,055)	\$ (2,864)
Total Sales - Non-Patio & Doors - Lbs	\$ 48,339	25,721	74,059	51,181	26,979	78,161	(2,843)	(1,258)	(4,101)
FX Rate									
Materials - units									
ADDITIVE	201	102	303	233	123	356	(32)	(21)	(53)
ADDITIVE (IMPACT MODIFIER)	1,795	916	2,711	1,867	984	2,851	(72)	(68)	(141)
ADDITIVE (PROCESSING AID)	312	157	469	329	174	503	(17)	(17)	(34)
FILLER	2,738	1,559	4,297	2,894	1,525	4,419	(155)	34	(122)
LUBRICANT	1,096	566	1,662	1,123	592	1,715	(27)	(26)	(53)
PIGMENT - C	1	—	1	6	3	9	(5)	(3)	(8)
PIGMENT - G	172	78	249	187	98	285	(15)	(21)	(36)
PIGMENT - HC	61	30	91	69	37	106	(8)	(7)	(15)
PIGMENT - PC	8	5	13	7	4	11	0	1	1
PKG	—	—	—	—	—	—	—	—	—
PLASTICIZER	166	115	281	194	102	296	(27)	13	(14)
RESIN	37,585	20,069	57,654	39,753	20,955	60,708	(2,168)	(886)	(3,054)
STABILIZER	589	309	898	626	330	956	(37)	(21)	(58)
TIO2	3,606	1,809	5,415	3,858	2,034	5,892	(252)	(225)	(477)
Material Other	—	—	—	—	—	—	—	—	—
Total Materials - Lbs	48,330	25,714	74,045	51,146	26,960	78,107			
Materials - \$'000									
ADDITIVE	\$ 728	\$ 363	\$ 1,091	\$ 825	\$ 443	\$ 1,268	\$ (97)	\$ (80)	\$ (177)
ADDITIVE (IMPACT MODIFIER)	\$ 2,846	\$ 1,354	\$ 4,200	\$ 3,109	\$ 1,639	\$ 4,747	\$ (263)	\$ (285)	\$ (548)
ADDITIVE (PROCESSING AID)	\$ 505	\$ 234	\$ 739	\$ 560	\$ 295	\$ 855	\$ (55)	\$ (61)	\$ (116)
FILLER	\$ 553	\$ 330	\$ 883	\$ 603	\$ 322	\$ 925	\$ (50)	\$ 9	\$ (42)
LUBRICANT	\$ 1,015	\$ 518	\$ 1,533	\$ 1,048	\$ 552	\$ 1,600	\$ (33)	\$ (34)	\$ (67)
PIGMENT - C	\$ 4	\$ —	\$ 4	\$ 17	\$ 9	\$ 27	\$ (13)	\$ (9)	\$ (22)
PIGMENT - G	\$ 513	\$ 211	\$ 724	\$ 590	\$ 311	\$ 900	\$ (76)	\$ (100)	\$ (176)
PIGMENT - HC	\$ 333	\$ 165	\$ 498	\$ 409	\$ 215	\$ 624	\$ (76)	\$ (51)	\$ (127)
PIGMENT - PC	\$ 54	\$ 32	\$ 86	\$ 52	\$ 28	\$ 80	\$ 1	\$ 4	\$ 6
PKG	\$ —	\$ —	\$ —	\$ 189	\$ 89	\$ 278	\$ (189)	\$ (89)	\$ (278)
PLASTICIZER	\$ 143	\$ 98	\$ 241	\$ 174	\$ 92	\$ 266	\$ (31)	\$ 7	\$ (25)
RESIN	\$ 15,530	\$ 8,401	\$ 23,931	\$ 18,080	\$ 9,857	\$ 27,937	\$ (2,550)	\$ (1,457)	\$ (4,006)
STABILIZER	\$ 2,022	\$ 1,006	\$ 3,028	\$ 2,077	\$ 1,095	\$ 3,172	\$ (55)	\$ (89)	\$ (144)
TIO2	\$ 5,140	\$ 2,609	\$ 7,749	\$ 5,566	\$ 2,953	\$ 8,519	\$ (426)	\$ (344)	\$ (770)
Scrap	\$ 172	\$ 82	\$ 254	\$ —	\$ —	\$ —	\$ 172	\$ 82	\$ 254
BOM Scrap (not in P&L and 2019 AOP)	\$ —			\$ —			\$ —	\$ —	\$ —
PIP Savings	\$ (20)	\$ (2)	\$ (22)	\$ (111)	\$ (49)	\$ (160)	\$ 91	\$ 47	\$ 138
Kronos Rebates (\$0.075/lb/0.065)	\$ (250)	\$ (90)	\$ (340)	\$ (289)	\$ (153)	\$ (442)	\$ 39	\$ 62	\$ 102
Resin Rebate & Discount	\$ (424)	\$ (276)	\$ (700)	\$ (536)	\$ (302)	\$ (838)	\$ 112	\$ 26	\$ 138
Amortization Timing	\$ 154	\$ (28)	\$ 125	\$ (451)	\$ 38	\$ (412)	\$ 604	\$ (66)	\$ 538
Packaging	\$ 152	\$ 86	\$ 237	\$ 167	\$ 108	\$ 275	\$ (15)	\$ (23)	\$ (38)
Material Other	\$ (90)	\$ 91	\$ 1	\$ (454)	\$ (398)	\$ (852)	\$ 364	\$ 489	\$ 853
Total Material Costs	\$ 29,078	\$ 15,184	\$ 44,262	\$ 31,625	\$ 17,145	\$ 48,770	\$ (2,547)	\$ (1,961)	\$ (4,508)

Historical Resin Price Chart



Key Performance Indicators - ECS

ENERGI Compound Solutions	2019 Targets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD 2019
Health & Safety											
<i>Recordable(effects TRIR)</i>	0	0	0	0	0	0	0	0	0	0	0
<i>Near Misses</i>	2	0	0	0	0	0	0	0	0	0	0
Environmental											
<i>Recordable(effects TRIR)</i>	0	0	0	0	0	0	0	0	0	0	0
<i>Near Misses</i>	2	0	1	0	0	0	0	0	0	0	1
Quality Performance											
<i>Concerns per million Good Lbs</i>	0.3	0.3	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.1
<i>Return as % of sales (%)</i>	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	0.0%
Delivery Performance											
<i>% on time</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Material Cost											
<i>Yield</i>	99%	100%	100%	100%	100%	100%	100%	100%	99%	100%	100%
<i>Production Scrap</i>	1.00%	0.5%	0.4%	0.2%	0.2%	0.1%	0.5%	0.4%	0.54%	0	0%
<i>Total Material Usage Variance</i>	2.00%	0.7%	0.7%	0.4%	0.5%	0	(0)	(0)	0	0	0%
<i>Direct Labour \$/lb produced</i>	0.009	0.009	0.008	0.007	0.008	0.009	0.005	0.008	0.007	0.008	0.008
<i>Indirect Labour (incl D&D) \$/lb produced</i>	0.017	0.020	0.018	0.015	0.018	0.018	0.014	0.014	0.012	0.013	0.015
Inventory											
<i>Days - TTM (Trailing 12 Months)</i>	46	50	49	42	41	32	31	43	42	42	41
Freight											
<i>Freight \$ as % of net sales</i>	3.9%	3.2%	3.6%	4.0%	4.1%	3.2%	3.4%	2.7%	3.5%	4.1%	3.5%

COMMENTS:

Quality: Returned compound from Laval and Window Seal.

Freight: Due to the product mix – Everett volume was higher than the target by 24%.

Full Year ECS P&L Summary

\$'000		FY		Var		PY		Var	
		Fcst	Bud	\$	%	Act	\$	%	
Units Produced ('000)		97,095	101,346	(4,251)	(4.2%)	106,695	(9,600)	(9.0%)	
Units Shipped ('000)		97,245	101,346	(4,101)	(4.0%)	106,807	(9,562)	(9.0%)	
Bookings (\$'000)		\$ 8,135	\$ 8,827	\$ (692)	(7.8%)	\$ 7,907	\$ 228	2.9%	
Backlog ('\$000)		\$ 181	\$ 181	\$ –	0.0%	\$ 119	\$ 61	51.5%	
	External Revenue	\$ 8,205	\$ 8,852	\$ (646)	(7.3%)	\$ 8,388	\$ (183)	(2.2%)	
	Affiliate Revenue	\$ 61,316	\$ 63,572	\$ (2,256)	(3.5%)	\$ 68,481	\$ (7,165)	(10.5%)	
Gross Revenue		\$ 69,521	\$ 72,424	\$ (2,903)	(4.0%)	\$ 76,869	\$ (7,348)	(9.6%)	
Adj. to Gross Revenue		11	(28)	39	(138.3%)	(14)	25	(174.2%)	
Net Revenue		69,532	72,396	(2,864)	(4.0%)	76,854	(7,323)	(9.5%)	
Material		58,772	63,287	(4,516)	(7.1%)	60,763	(1,991)	(3.3%)	
Labor		1,847	2,009	(161)	(8.0%)	1,880	(33)	(1.7%)	
Other COGS		5,653	6,032	(379)	(6.3%)	5,926	(273)	(4.6%)	
Total COGS		66,272	71,328	(5,056)	(7.1%)	68,569	(2,297)	(3.4%)	
Gross Margin		3,260	1,068	2,192	205.2%	8,286	(5,026)	(60.7%)	
Gross Margin %		4.7%	1.5%			10.8%			
R&D		–	–	–	N/A	–	–	N/A	
Sales & Marketing		164	163	1	0.5%	156	8	4.9%	
Administrative		1,741	1,782	(41)	(2.3%)	1,765	(24)	(1.4%)	
Other Opex		(199)	–	(199)	N/A	369	(567)	(153.8%)	
Total Opex		1,706	1,945	(239)	(12.3%)	2,290	(584)	(25.5%)	
EBITDA		1,554	(877)	2,431	(277.3%)	5,996	(4,442)	(74.1%)	
EBITDA %		2.2%	(1.2%)			7.8%			
Net Income (Loss)		\$ 864	\$ (1,616)	\$ 2,480	(153.4%)	\$ 5,305	\$ (4,442)	(83.7%)	
Capex		\$ (111)	\$ (601)	\$ 490	(81.5%)	\$ (600)	\$ 489	(81.5%)	
Opex Overview:									
Payroll		\$ 550	\$ 562	\$ (11)	(2.0%)	\$ 550	\$ 1	0.2%	
Bonus		–	–	–	N/A	–	–	N/A	
Commissions		7	13	(6)	(48.0%)	1	6	712.6%	
Marketing		1	1	–	0.0%	–	1	N/A	
Benefits		–	–	–	N/A	–	–	N/A	
Travel and entertainment		14	9	5	52.1%	9	5	59.3%	
Rent and facilities		–	–	–	N/A	–	–	N/A	
Insurance		69	69	(1)	(1.2%)	68	1	1.5%	
Professional fees		1	(0)	1	(415.8%)	–	1	N/A	
Utilities, repair, maintenance, and security		12	20	(8)	(40.2%)	18	(6)	(34.3%)	
Corporate OH Fees		1,248	1,271	(23)	(1.8%)	1,276	(28)	(2.2%)	
Bad Debts		–	–	–	N/A	3	(3)	(100.0%)	
FX		(199)	–	(199)	N/A	369	(567)	(153.8%)	
JV Loss (Income)		–	–	–	N/A	–	–	N/A	
Other Expenses		4	1	3	377.1%	0	4	8145.9%	
Total Opex		\$ 1,706	\$ 1,945	\$ (239)	(12.3%)	\$ 2,293	\$ (587)	(25.6%)	

Key Customers – Full Year ECS

	Gross Sales (\$'000)									Gross Margin %										
	FY		FY		Var		PY		Var		FY		FY		Var		PY		Var	
	Fcst	Bud	\$	%	Act	\$	%	Act	\$	%	Fcst	Bud	BPs	%	Act	BPs	%	Act	BPs	%
Customer:																				
Vinyl Profiles, LLC	\$	2,994	\$	3,826	\$	(832)	(21.8%)	\$	1,961	\$	1,033	52.7%	36.9%	49.6%	(1,272)	(25.7%)	16.2%	2,062	127.0%	
Nuform Building Technologies Inc		1,596		1,596		0	0.0%		2,950		(1,354)	(45.9%)	15.3%	11.6%	365	31.4%	20.0%	(470)	(23.5%)	
The Vinyl Company Inc.		1,229		1,099		130	11.8%		1,834		(604)	(33.0%)	16.4%	17.9%	(153)	(8.5%)	27.0%	(1,065)	(39.4%)	
Vinylume Products Inc		631		650		(19)	(2.9%)		688		(57)	(8.3%)	23.5%	21.3%	226	10.6%	20.7%	282	13.6%	
Accord Plastics Corp.		633		593		40	6.8%		378		255	67.6%	18.5%	19.4%	(87)	(4.5%)	16.1%	248	15.5%	
Window Seal Limited		220		474		(254)	(53.6%)		17		203	1220.9%	36.5%	124.7%	(8,821)	(70.7%)	27.9%	853	30.5%	
New Customers (L.B. Plastics)		155		422		(266)	(63.2%)		113		42	37.4%	28.1%	37.6%	(954)	(25.4%)	26.8%	133	5.0%	
Prasad Plastics Limited		43		111		(67)	(60.7%)		36		7	19.7%	11.6%	#DIV/0! –		#DIV/0!	25.7%	(1,410)	(54.9%)	
Superior Extrusions Ltd		46		38		8	22.5%		46		0	0.7%	13.0%	3.1%	994	321.2%	25.5%	(1,249)	(48.9%)	
Vytron Corporation		17		17		0	1.1%		29		(12)	(40.3%)	21.9%	#DIV/0! –		#DIV/0!	41.6%	(1,967)	(47.3%)	
Plastibec Ltee		6		–		6	N/A		6		(0)	(5.3%)	7.8%	#DIV/0! –		#DIV/0!	24.0%	(1,616)	(67.3%)	
Vinyl Profiles (2011)		63		–		63	N/A		6		57	988.7%	9.3%	0.0%	934	N/A	57.5%	(4,816)	(83.7%)	
Fence Outlet MDC, LLC		21		–		21	N/A		–		21	N/A	39.7%	0.0%	3,968	N/A	#DIV/0!	NA	#DIV/0!	
INFINITY EXTRUSIONS INC.		51		–		51	N/A		20		31	159.1%	150.0%	#DIV/0! –		#DIV/0!	13.8%	13,619	986.0%	
Resin Technology, LLC		327		–		327	N/A		–		327	N/A	52.6%	#DIV/0! –		#DIV/0!	#DIV/0!	NA	#DIV/0!	
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A	
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A	
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A	
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A	
0		–		–		-	N/A		–		-	N/A	#DIV/0!	#DIV/0! –		#DIV/0!	0.0%	NA	N/A	
Other		61,489		63,600		(2,111)	(3.3%)		68,786		(7,297)	(10.6%)	3.0%	(1.1%)	407	(380.7%)	9.6%	(660)	(68.8%)	
Total Gross	\$	69,521	\$	72,424	\$	(2,903)	(4.0%)	\$	76,869	\$	(7,348)	(9.6%)	5.3%	1.6%	366	229.3%	10.8%	(553)	(51.3%)	

Corporate Office Summary P&L

\$'000	QTD		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	\$ –	\$ 53	\$ (53)	(100.0%)	\$ –	\$ 120	\$ (120)	(100.0%)
Adj. to Gross Revenue	(8)	–	(8)	N/A	(8)	–	(8)	N/A
Net Revenue	(8)	53	(62)	(115.6%)	(8)	120	(128)	(106.9%)
Material	(243)	(250)	7	(2.9%)	282	600	(318)	(53.0%)
Labor	306	309	(3)	(0.8%)	916	927	(11)	(1.2%)
Other COGS	284	276	8	3.0%	788	828	(41)	(4.9%)
Total COGS	348	335	13	3.8%	1,986	2,355	(370)	(15.7%)
Gross Margin	(356)	(282)	(75)	26.4%	(1,994)	(2,235)	241	(10.8%)
Gross Margin %	(528.3%)				(1859.6%)			
R&D	–	–	–	N/A	–	–	–	N/A
Sales & Marketing	946	1,021	(75)	(7.4%)	2,833	2,982	(149)	(5.0%)
Administrative	(1,174)	(1,029)	(145)	14.1%	(3,552)	(3,157)	(396)	12.5%
Other Opex	19	–	19	N/A	39	–	39	N/A
Total Opex	(209)	(8)	(201)	2616.3%	(681)	(175)	(506)	288.9%
EBITDA	(148)	(274)	126	(46.1%)	(1,313)	(2,060)	747	(36.3%)
EBITDA %	(513.9%)				(1714.0%)			
Net Income (Loss)	\$ (1,441)	\$ (2,018)	\$ 577	(28.6%)	\$ (4,994)	\$ (7,256)	\$ 2,262	(31.2%)
Capex	\$ (33)	\$ (890)	\$ 857	(96.3%)	\$ (21)	\$ (1,851)	\$ 1,830	(98.9%)
Opex Overview:								
Payroll	\$ 1,301	\$ 1,401	\$ (100)	(7.2%)	\$ 3,962	\$ 4,092	\$ (130)	(3.2%)
Bonus	338	340	(3)	(0.8%)	1,009	1,020	(11)	(1.1%)
Commissions	71	86	(15)	(17.3%)	184	259	(75)	(28.9%)
Marketing	177	155	22	14.1%	377	441	(65)	(14.6%)
Benefits	–	–	–	N/A	–	–	–	N/A
Travel and entertainment	245	383	(138)	(36.1%)	765	1,139	(375)	(32.9%)
Rent and facilities	–	–	–	N/A	–	–	–	N/A
Insurance	–	–	–	N/A	–	–	–	N/A
Professional fees	111	105	7	6.3%	339	339	(0)	(0.1%)
Office Expense	12	9	3	37.1%	35	32	4	12.0%
IT	406	464	(58)	(12.5%)	1,215	1,355	(141)	(10.4%)
Bad Debts	27	–	27	N/A	126	–	126	N/A
FX	19	–	19	N/A	39	–	39	N/A
JV Loss (Income)	–	–	–	N/A	–	–	–	N/A
Other Expenses	(2,915)	(2,951)	36	(1.2%)	(8,731)	(8,853)	122	(1.4%)
Total Opex	\$ (209)	\$ (8)	\$ (201)	2616.3%	\$ (681)	\$ (175)	\$ (506)	288.9%

Management Discussion

EBITDA – Q3 2019: +\$126K

- **Gross Revenue:** Represents Consolidated price increase adjustment not achieved
- **Material COGS:** In line
- **Other COGS:** Adjustment for tax on insurance cost
- **Sales & Marketing:** lower by \$75K due to lower wages by \$64K due to lower headcount. Lower commissions by \$15K as a result of lower sales, and lower Travel and Entertainment by \$46K due to less travel by Sales staff. Offset by higher marketing expenditure of \$23K as a result of delay in timing vs budget
- **Administrative:** lower by \$145K due to lower wages by \$39K, lower Travel costs by \$92K and lower IT costs by \$60K, offset by unfavorable FX on Corporate OH Recovery of \$31K and Hilco valuation services for Debt collateral of \$18K
- **Other Opex:** represents FX Loss on CAD/US Cash Transactions

Full Year Corporate Office P&L Summary

\$'000	FY		Var		PY	Var	
	Fsct	Bud	\$	%	Act	\$	%
Units Produced ('000)	–	–	–	N/A	–	–	N/A
Units Shipped ('000)	–	–	–	N/A	–	–	N/A
Bookings (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Backlog (\$'000)	\$ –	\$ –	\$ –	N/A	\$ –	\$ –	N/A
Gross Revenue	\$ 44	\$ 164	\$ (120)	(73.1%)	\$ 0	\$ 44	28120.2%
Adj. to Gross Revenue	(8)	–	(8)	N/A	72	(80)	(111.6%)
Net Revenue	36	164	(128)	(78.1%)	72	(36)	(49.9%)
Material	(318)	–	(318)	N/A	(293)	(25)	8.6%
Labor	1,225	1,236	(11)	(0.9%)	159	1,066	670.4%
Other COGS	1,064	1,104	(41)	(3.7%)	802	262	32.7%
Total COGS	1,970	2,340	(370)	(15.8%)	668	1,303	195.0%
Gross Margin	(1,934)	(2,175)	241	(11.1%)	(596)	(1,338)	224.5%
Gross Margin %	(5374.5%)	(1322.6%)			(830.5%)		
R&D	–	–	–	N/A	–	–	N/A
Sales & Marketing	3,833	3,982	(149)	(3.7%)	3,842	(9)	(0.2%)
Administrative	(4,575)	(4,179)	(396)	9.5%	(6,735)	2,160	(32.1%)
Other Opex	39	–	39	N/A	134	(95)	(71.1%)
Total Opex	(703)	(198)	(506)	255.7%	(2,759)	2,056	(74.5%)
EBITDA	(1,231)	(1,978)	747	(37.8%)	2,163	(3,394)	(156.9%)
EBITDA %	(3420.0%)	(1202.4%)			3013.6%		
Net Income (Loss)	\$ (6,139)	\$ (8,401)	\$ 2,262	(26.9%)	\$ (3,324)	\$ (2,814)	84.7%
Capex	\$ (21)	\$ (2,706)	\$ 2,685	(99.2%)	\$ (366)	\$ 345	(94.3%)
Opex Overview:							
Payroll	\$ 5,348	\$ 5,478	\$ (130)	(2.4%)	\$ 5,077	\$ 270	5.3%
Bonus	1,350	1,361	(11)	(0.8%)	159	1,191	749.0%
Commissions	270	345	(75)	(21.7%)	186	85	45.5%
Marketing	530	594	(65)	(10.9%)	584	(55)	(9.3%)
Benefits	–	–	–	N/A	–	–	N/A
Travel and entertainment	1,134	1,509	(375)	(24.8%)	1,137	(3)	(0.3%)
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	50	46	4	8.3%	53	(3)	(5.7%)
IT	1,689	1,830	(141)	(7.7%)	1,367	323	23.6%
Bad Debts	126	–	126	N/A	(58)	184	(316.4%)
FX	39	–	39	N/A	134	(95)	(71.1%)
JV Loss (Income)	–	–	–	N/A	–	–	N/A
Other Expenses	(11,683)	(11,805)	122	(1.0%)	(11,793)	111	(0.9%)
Total Opex	\$ (703)	\$ (198)	\$ (506)	255.7%	\$ (2,757)	\$ 2,054	(74.5%)

Plant Capacity Utilization

ENERGI Capacity Utilization: 2019

ENERGI Everett Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,444,542	1,111,051	1,414,685	1,361,135	1,398,525	1,391,248	1,016,473	1,555,970	1,502,025	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	60%	46%	59%	56%	58%	58%	42%	64%	62%	0%	0%	0%

ENERGI Delmont Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,809,686	1,765,002	1,904,176	1,699,937	1,649,127	1,753,097	1,944,109	1,874,721	1,774,185	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	57%	56%	60%	54%	52%	55%	61%	59%	56%	0%	0%	0%

ENERGI Woodbridge Monthly Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	2,601,062	2,268,000	2,750,274	2,196,896	2,658,445	3,225,935	3,272,912	2,999,000	2,367,000	-	-	-
Monthly capacity utilization(L/K)%(No seasonal adjustment)	50%	44%	53%	43%	52%	63%	64%	58%	46%	0%	0%	0%

ENERGI Laval Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
*based on current plant speed and product mix												
Good lbs Produced(L)(lbs	1,327,474	1,510,928	1,657,493	1,701,406	1,816,951	1,791,200	1,182,682	1,744,864	1,805,185	-	-	-
Monthly capacity utilization(L/K)%	36%	41%	45%	46%	49%	48%	32%	47%	49%	0%	0%	0%

ECS Capacity utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Total available capacity lbs/month (A)*	13,227,720											
Actual Good Lbs produced(B)	7,187,792	7,248,608	8,717,783	7,717,344	8,754,525	9,535,934	8,203,851	8,781,712	7,762,024	-	-	-
Monthly Capacity utilization % (B/A)%	54%	55%	66%	58%	66%	72%	62%	66%	59%	0%	0%	0%

Terrebonne Capacity Utilization

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Available Shift Capacity(based on One 10Hr shift)(\$)(000)	\$3,000											
Actual Finished Production Value (000)(\$CAD)	\$ 1,313	\$ 1,519	\$ 1,703	\$ 1,707	\$ 2,101	\$ 1,997	\$ 2,317	\$ 2,536	\$ 2,350	\$ -	\$ -	\$ -
Capacity utilization based on NO seasonal adjustment and one 10hr shift	44%	51%	57%	57%	70%	67%	77%	85%	78%	0%	0%	0%