

Hufcor Q2 BOD Meeting

Thru June 2019

Conf. Call Date: July 18, 2019

Executive Summary

2019 Plan w/ Initiatives Details

Financial Review

Governance Reporting

Appendix

Executive Summary – June



Desirable:

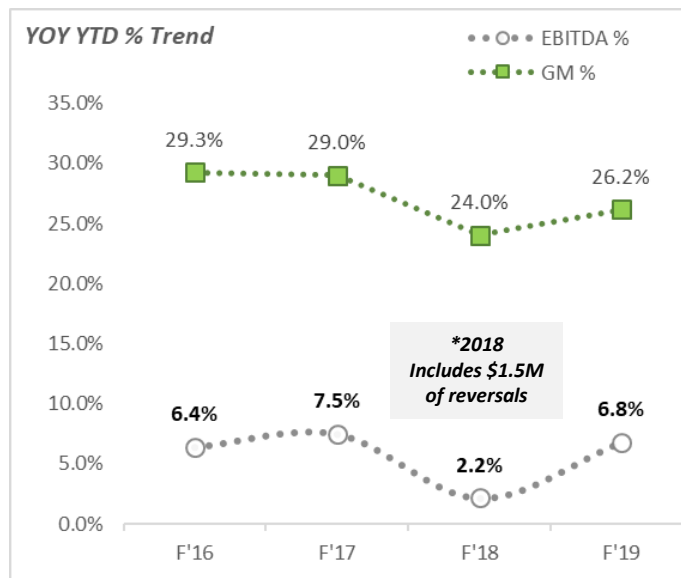
- June EBITDA: \$1.47M (11.8% of Rev) vs. PY June \$2.62M (21.1% of Rev w/ reversals)

	F'16	F'17	F'18	F'19
EBITDA %	6.4%	7.5%	2.2%	6.8%
GM %	29.3%	29.0%	24.0%	26.2%

- Key Drivers:
 - OPEX spend control, June 19.1% vs. PY at 10.7% (w/ reversals)
- YTD Janesville output up 16% YTD:

	2018	2019	%
June	6,747	5,870	-13%
YTD	35,893	41,650	16%
June Adj*	6,747	6,570	-3%
YTD Adj*	35,893	42,350	18%

**Adjusted for Water/Flooding Loss, 700 Units*



- 12 month rolling backlog reached new record high of **\$98.1M/Total backlog \$100.6M**
- EU price increase implemented, impact of €1.1M based on 2018 volume/mix

Undesirable:

- Macro Level OPEX spend is solid, however we are digging into IT, Marketing, Professional Services, and "Other"
- "Mega" projects impacting availability, Net Working Capital "up" ~\$4M mainly driven by WIP Inventory specifically: Dubai, NZICC, Christchurch and other large projects
- Janesville factory & front office flooding
- Month end close continues to get "better" however financial tools, month end close, FP&A in full rebuilding mode, have found multiple issues with the legacy team work/templates/etc.
- YOY comparisons get tougher for the rest of 2019 (based on June 2018 cost run-rate change(s): dumped & stopped discretionary accruals, etc.)



Cost Control & Output Increase Delivering EBITDA YTD, Offsetting Legacy Price Decisions...

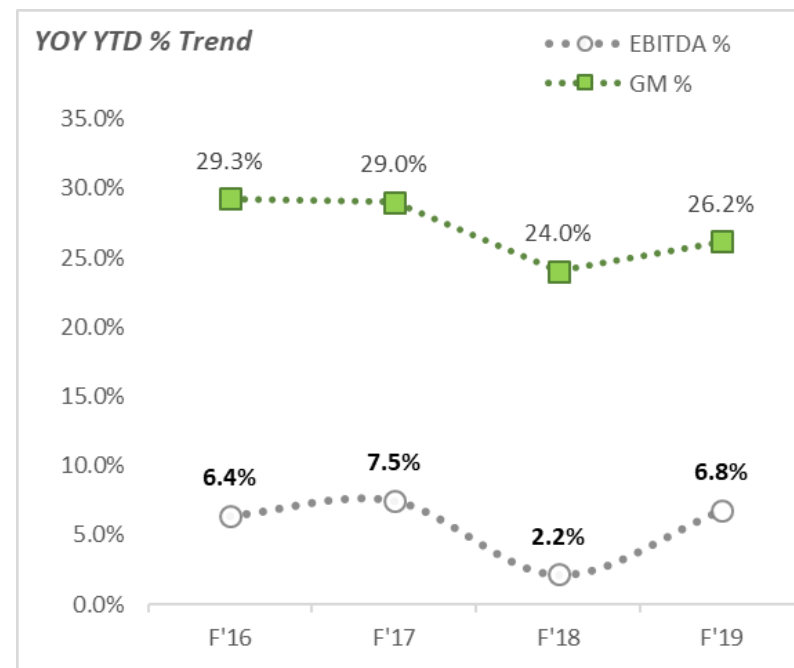
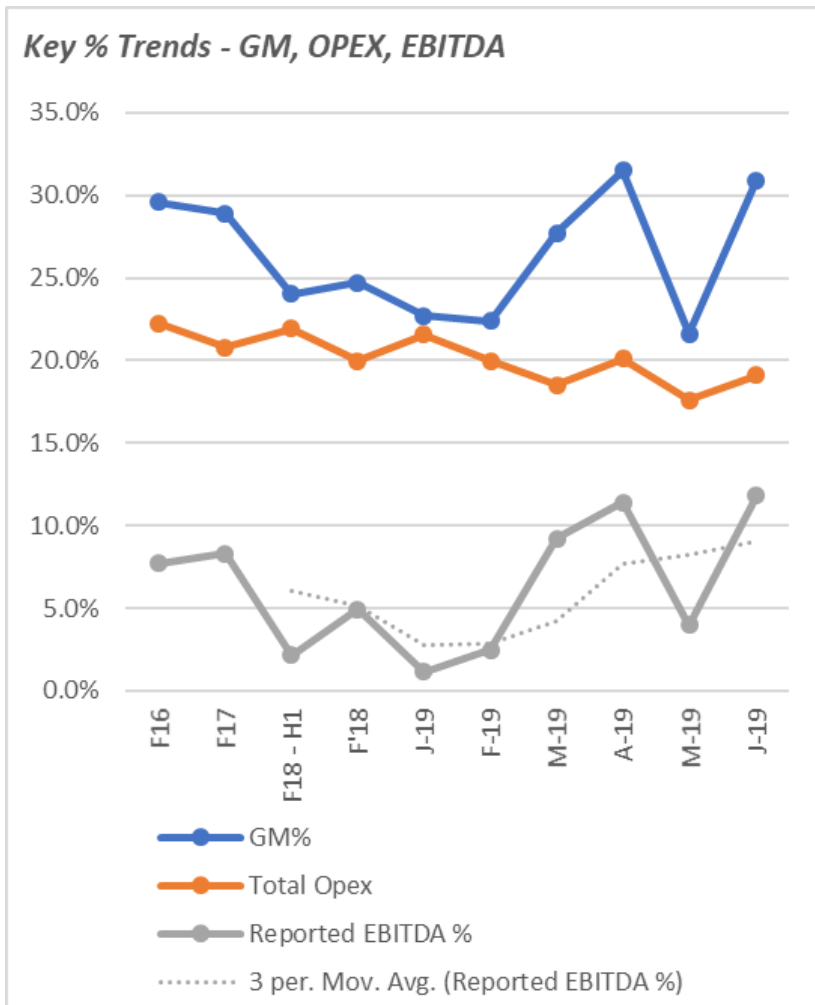
% of Revenue Trends



	2018				2019					
	F16	F17	F18 - H1	F'18	J-19	F-19	M-19	A-19	M-19	J-19
GM%	29.6%	28.9%	24.0%	24.7%	22.7%	22.4%	27.7%	31.5%	21.6%	30.9%
Total Opex	22.3%	20.8%	21.9%	20.0%	21.6%	20.0%	18.5%	20.1%	17.6%	19.1%
Reported EBITDA %	7.7%	8.3%	2.2%	4.9%	1.1%	2.4%	9.2%	11.4%	4.0%	11.8%

	F'16	F'17	F'18	F'19
Sales	\$62,041,325	\$66,570,636	\$64,879,759	\$69,530,293
EBITDA	\$3,968,614	\$4,979,298	\$1,401,847	\$4,720,700
	6.4%	7.5%	2.2%	6.8%

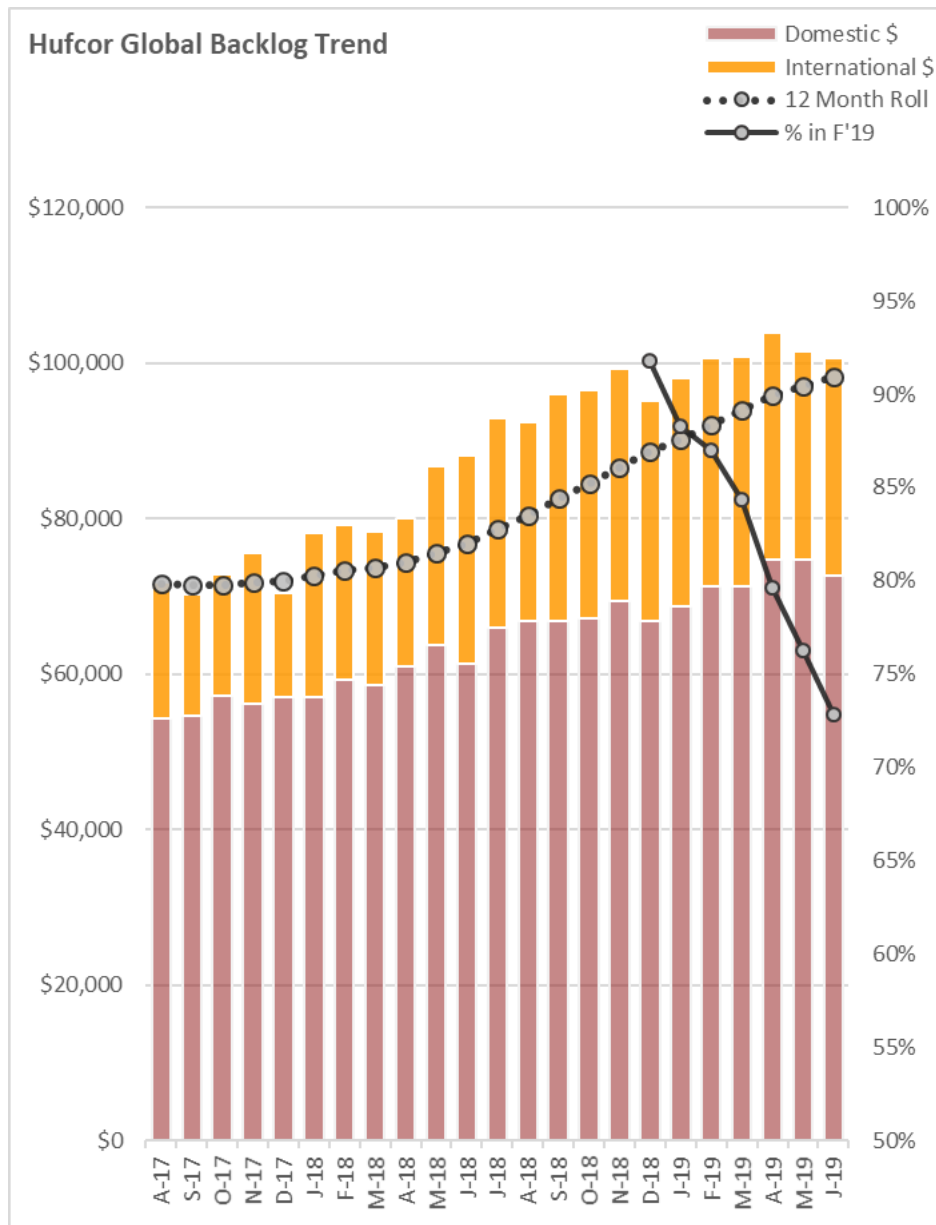
Total Cost of Sales	\$43,877,403	\$47,269,013	\$49,279,992	\$51,341,379
% of Total Sales	70.7%	71.0%	76.0%	73.8%
Gross Profit	\$18,163,922	\$19,301,623	\$15,599,767	\$18,188,914
% of Total Sales	29.3%	29.0%	24.0%	26.2%



**Thru H1 "positive" EBITDA drives \$3.3M swing YOY...
\$4.8M Swing Apples to Apples...**

Compared to Historical Actuals a "Solid Start", +\$3.3M Swing vs. 2018 (H1)...

Global Backlog Trend & Domestic NA% Change Trend



Overview:

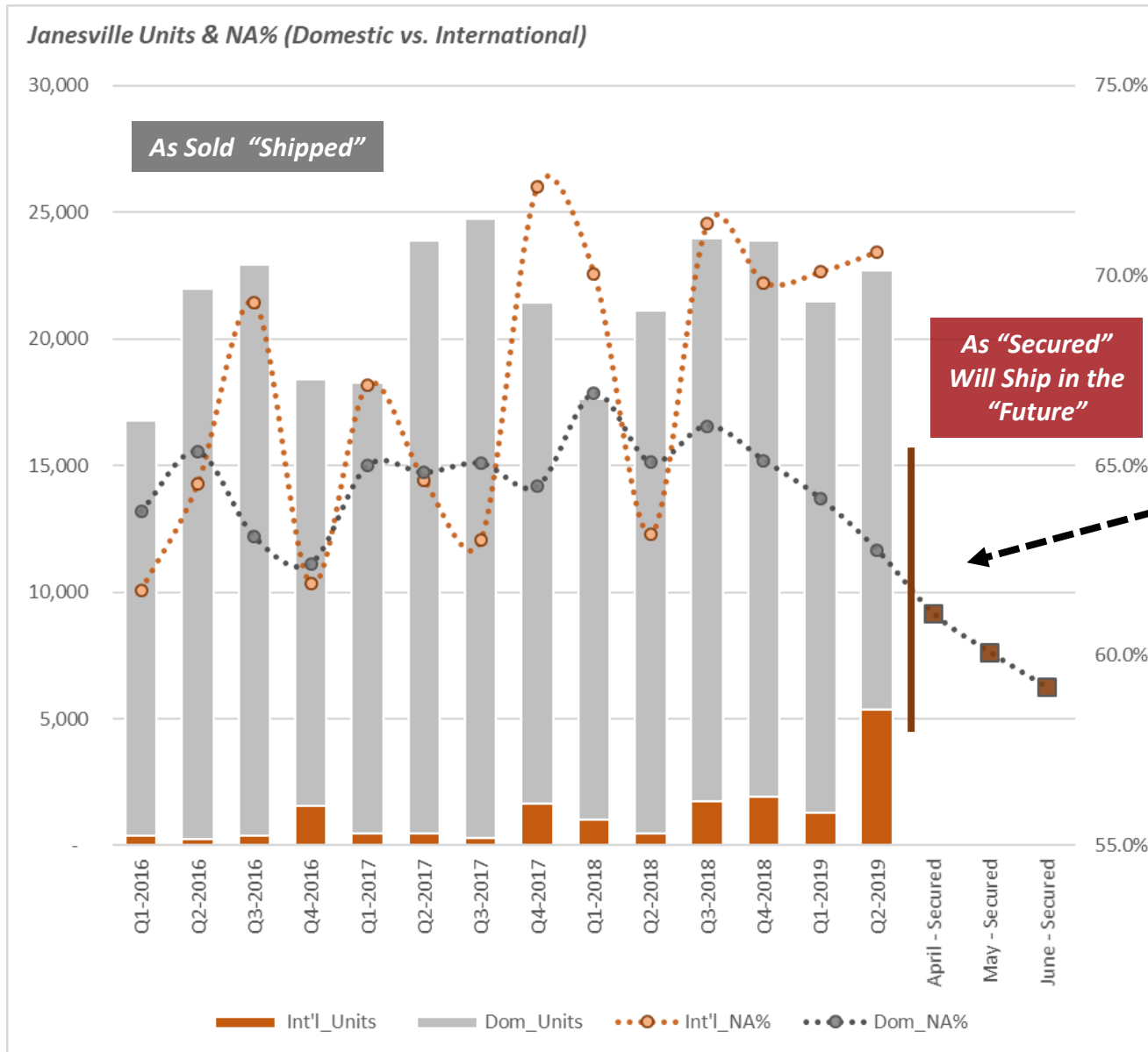
- Global backlog up: 17% (June vs. June)**
 - Domestic: 18%
 - International: 5% (*number of large projects managed out of JVL*)
- Securement NA% change "impact":
 - YTD: \$2.9M of incremental GM \$s
 - 65% vs. 61.3%
- Recent pricing changes:
 - Domestic - service parts w/ min. order quantity
 - Domestic - Logistics
 - EU pricing "launched" – ~€1M impact using 2018 mix

Q4 Gross Securements 2018	\$25,229,202	
October	\$11,768,699	
November	\$8,422,710	
December	\$5,037,793	
Q4 2018 if @ "old" NA%:	\$8,830,221	64.80%
Impact based on lower "NA%":	\$10,611,655	57.94%
	\$1,781,434	
YTD Gross Securements 2019	\$84,168,043	
YTD 2019 if @ "old" NA%:	\$29,629,676	64.80%
2019 YTD "NA%":	\$32,567,983	61.31%
	\$2,938,306	
~Price Change Impact To-Date:	\$4,719,740	

*JVL "Layer" Only...

Global BL Above \$100M, NA% Impact Since Sept 2018 @ \$4.7M (& EU Price Increase Launched)...

YOY by Quarter NA% as Sold (Domestic vs. International)



New Securements are at the lowest NA percentages "ever", these %s include all channels including international...

** Reminder, Hufcor today does not have financial visibility to "as executed" only as sold NA% and as sold gross margin %*

The Domestic Price Increase (NA% Reduction) Is Starting to Show a Trend (Offset by Int'l)...

EBITDA LTM Trend



Comments:

Chart on the left looks at LTM 2 ways:

- As reported
- And the “orange” line is an attempt (not perfect) to analyze where some of the large costs that hit the company in Q3/Q4 2018 that should have been felt in 2017/earlier in 2018
 - Examples:
 - Bad Debt/AR Write Offs: \$450K
 - TCAR/Warranty: \$260K
 - MGM Project: \$230K
- What is very positive to see is that the blue and orange lines now overlap & we are sitting between the reported/adjusted of 2017
 - Oct. 2017 reported: \$11.8M
 - Oct. 2017 adjusted: \$11M
 - May 2019: \$11.1M
 - June 2019: \$10M
- June 2018, we reversed over \$1.5M of discretionary accruals which resulted in a loss of LTM traction (~\$1.15M) based on rolling off June 2018

June EBITDA was “Solid”, However LTM Decreased Month over Month (June 2016: \$2.6M)

Janesville EBITDA Performance



Janesville 2019 P&L by Month:

	J-19	F-19	M-19	A-19	M-19	J-19	YTD Total
Sales (Net):	\$5,068,504	\$4,866,800	\$5,960,877	\$5,451,427	\$6,631,876	\$6,756,088	\$34,735,572
Labor	\$527,852	\$451,060	\$587,134	\$265,627	\$573,801	\$621,072	\$3,026,546
	10.4%	9.3%	9.8%	4.9%	8.7%	9.2%	8.7%
Material (Product)	\$1,840,235	\$2,020,727	\$2,215,830	\$1,750,489	\$2,702,074	\$1,704,448	\$12,233,803
	36.3%	41.5%	37.2%	32.1%	40.7%	25.2%	35.2%
Material (All Other + Freight)	\$455,518	\$457,436	\$437,895	\$337,516	\$813,027	\$723,486	\$3,224,878
	9.0%	9.4%	7.3%	6.2%	12.3%	10.7%	9.3%
Mfg. Overhead	\$1,465,181	\$1,383,760	\$1,263,436	\$1,046,319	\$1,381,299	\$1,366,390	\$7,906,384
	28.9%	28.4%	21.2%	19.2%	20.8%	20.2%	22.8%
Total COS:	\$4,288,786	\$4,312,983	\$4,504,295	\$3,399,951	\$5,470,201	\$4,415,396	\$26,391,611
	84.6%	88.6%	75.6%	62.4%	82.5%	65.4%	76.0%
Total OPEX:	\$733,752	\$784,329	\$829,544	\$870,004	\$968,545	\$1,178,254	\$5,364,429
	14.5%	16.1%	13.9%	16.0%	14.6%	17.4%	15.4%
EBITDA	\$89,196	-\$185,977	\$720,556	\$1,312,438	\$266,282	\$1,202,568	\$3,405,062
	1.8%	-3.8%	12.1%	24.1%	4.0%	17.8%	9.8%

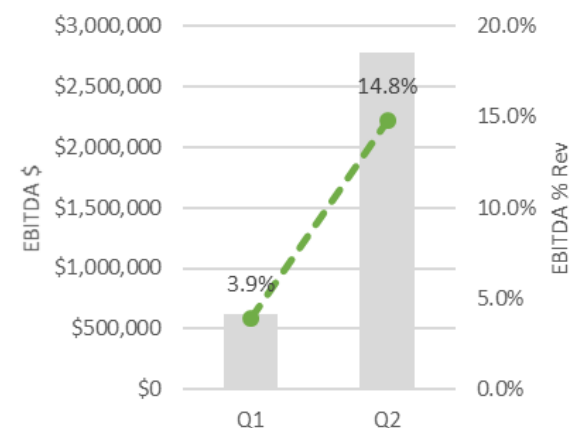
Q1 & Q2 vs. YTD 2019

	Q1	Q2	YTD Total
Sales (Net):	\$15,896,181	\$18,839,391	\$34,735,572
Labor	\$1,566,046	\$1,460,500	\$3,026,546
	9.9%	7.8%	8.7%
Material (Product)	\$6,076,792	\$6,157,011	\$12,233,803
	38.2%	32.7%	35.2%
Material (All Other + Freight)	\$1,350,849	\$1,874,029	\$3,224,878
	8.5%	9.9%	9.3%
Mfg. Overhead	\$4,112,377	\$3,794,008	\$7,906,384
	25.9%	20.1%	22.8%
Total COS:	\$13,106,064	\$13,285,548	\$26,391,611
	82.4%	70.5%	76.0%
Total OPEX:	\$2,347,625	\$3,016,803	\$5,364,429
	14.8%	16.0%	15.4%
EBITDA	\$623,775	\$2,781,288	\$3,405,062
	3.9%	14.8%	9.8%

Janesville Overview:

- All Major cost buckets as % of revenue Q2 vs. YTD run rate
- Able to “absorb” additional revenue almost 1:1 and have it drop thru to EBITDA while overcoming:
 - Cycle count “catch up” and clean up in May (~\$300K unfavorable impact)
 - Freight “up” in Q2 based on international shipments + “catch up” of \$300K in Freight invoices (Leman) dating back to Feb 2019

EBITDA \$

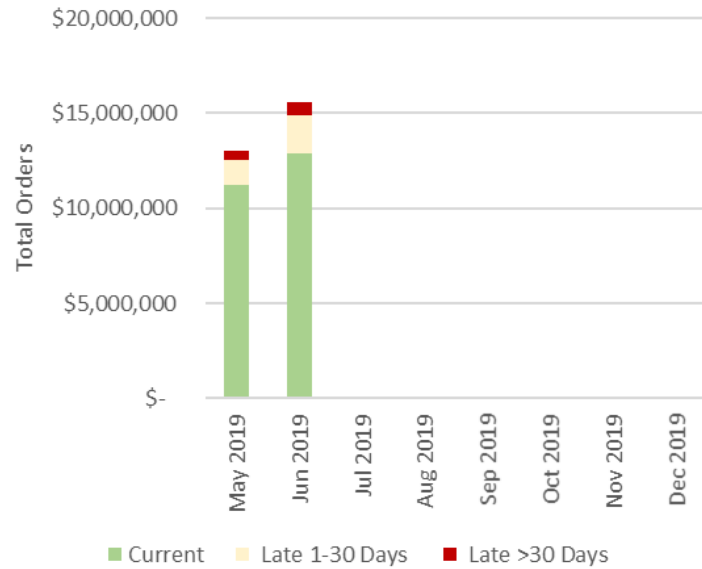


Solid EBITDA Trend Coming Out of Q2...

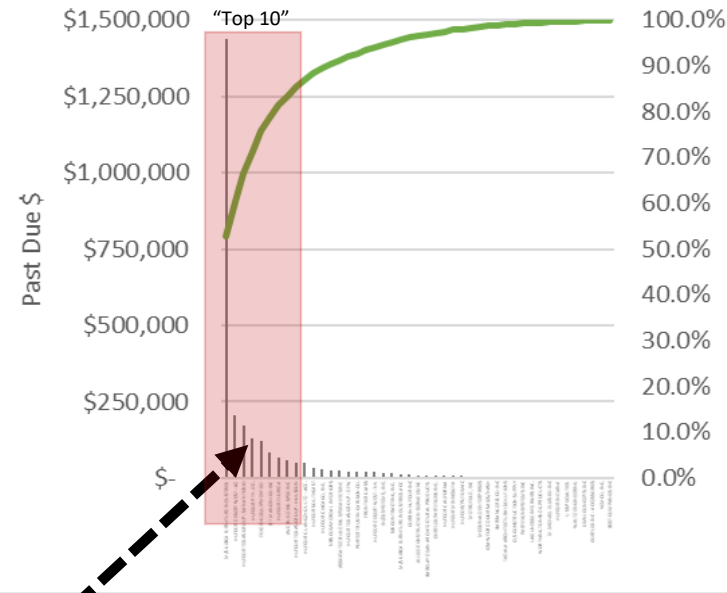
Janesville Open Orders / Aging



Total Orders & Past Due



Past Due Pareto



Comments:

- Total Past Due June: \$2.7M, "Up" \$938K vs. May
- Primarily Driven by:
 - ~\$1.5M of Dubai shipping in July
 - ~\$500K <7 days late impacted by water/flood pushing into July
 - Targeting to be <\$1M "past due" by end of July

Customer	\$	%	Cumulative %
M/S GIBCA FURNITURE INDUSTRIES	\$ 1,439,993	52.9%	52.9%
HUF COR DESERT WEST - AZ	\$ 205,621	7.6%	60.4%
HUF COR TEXAS GROUP - SAN ANTONIO	\$ 170,407	6.3%	66.7%
HUF COR PTY. LTD.	\$ 128,298	4.7%	71.4%
FOLDING EQUIPMENT CO	\$ 119,897	4.4%	75.8%
B T MANCINI CO INC	\$ 83,370	3.1%	78.9%
HUF COR FLORIDA	\$ 66,723	2.5%	81.3%
JWC BUILDING SPEC INC	\$ 56,689	2.1%	83.4%
HUF COR TEXAS GROUP - HOUSTON	\$ 51,898	1.9%	85.3%
HUF COR GUANGZHOU LTD - ACC.	\$ 50,325	1.8%	87.1%

Past Due "up" vs. May Close, ~\$1.7M of Relief coming by end of July...

"One Pager" – Priorities for Q2 & Q3



	Maintain/Better Industry Lead-Times						Growth				Visibility		Productivity	
	1	120 Day Plan	2	JVL Readiness	3	Second Site Ramp	4	Products & Resources	5	Pricing	6	Rebuild Finance Function	7	YOY Cost Control
Description	1 – Engineers to the shop floor 2 – Receiving team process upgrade 3 – New shop floor scheduling logic 4 – Restructure Cost Team (VSM 1 st 3 rd)		1 – Cross training in critical areas (pass door, glass, lever closer, etc.) 2 – Ramp 2 nd shift 3 – Equipment TPM and overhaul		1 – Athens/Cooper 2 – Glass 3 – 600 firm orders converted to HX		1 – HX 2 – PS5 3 – Kick Off New Vertical Wall 4 – Kick Off HX w/ Built-in Flat Panel 5 – A&D Sellers 6 – Rebuild TX & CA (Field Operations)		1 – EU pricing analysis (internally done Q2 2019) 2 – Refresh USA pricing analysis (internally done in Q3 2018) 3 – Gross Margin targets for new “Mega Projects”		1 – Document month end close 2 – Rebuild 3 statement model (MS Excel) 3 – Covenant Template 4 – FP&A Basics 5 – Sage/Procore		1 – TCAR & Warranty 2 - OPEX 3 - Headcount 4 - Overtime 5 – T&E 6 – Professional Services 7 – PPV	
Executive Owner(s)	Justin Smith Koben Miceli		Kelly Lawry Justin Smith		Justin Smith		Koben Miceli Mike Kontranowski		Mike Kontranowski		Koben Miceli		Koben Miceli	
Tactical Owner(s)	Gary Southern Scott Staedter		Sherri Sorg		Jose Hernandez Mark Dean		Neal Berens Gary Southern		Zach Friedrich Steve Wolfe		Lesley Swain Neal Berens		Justin Smith Kelly Lawry	
External Support	Yes - #4		N/A		N/A		Yes - #4		Yes - #1 & #2		Yes – “All”		Yes - #1	
Bridge Impact (EBITDA)	E \$500,000				D -\$1,000,000		F \$500,000		Not in AOP \$2,400,000		N/A - Accuracy		A, B, & C \$7,600,000	

Many Initiatives Have Been Launched, Need to Stay Focused Until Sustainable & Complete...

2019 - Q2 & Q3 (Stabilize)

2019 - Q2 & Q3 (Stabilize)			2019 - Q4		2020 - Q1/Q2		2020 - Q3/Q4	
1	2	3	4	5	6	7	8	9
1. SAGE/Procore Launch	2. Product Roadmap	3. HX Rest of World	4. APAC Plan	5. Product Roadmap	6. Launch HX w/ flat panel	7. PS5 Rest of World	8. Product Roadmap	9. Launch new vertical wall
2. Product Roadmap	3. HX Rest of World	4. APAC Plan	5. Product Roadmap	6. Launch HX w/ flat panel	7. PS5 Rest of World	8. Product Roadmap	9. Launch new vertical wall	10. Launch demountable wall
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4. APAC Plan	5. Product Roadmap	6. Launch HX w/ flat panel	7. PS5 Rest of World	8. Product Roadmap	9. Launch new vertical wall	10. Launch demountable wall	11. Contingency Planning	12. New USA Location
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9. Launch new vertical wall	10. Launch demountable wall	11. Contingency Planning	12. New USA Location					
10. Launch demountable wall	11. Contingency Planning	12. New USA Location						
11. Contingency Planning	12. New USA Location							
12. New USA Location								

2019 - Q4



1. SAGE/Procore Launch
2. Product Roadmap
 - HX Rest of World

Rest of 2019

2020

2020 - Q1/Q2

1. APAC Plan
2. Product Roadmap
 - Launch HX w/ flat panel
3. PS5 Rest of World

2020 - Q3/Q4



1. Product Roadmap
 - Launch new vertical wall
 - Launch demountable wall
2. Contingency Planning
 - New USA Location

Team Has a Solid Set of Initiatives Focused on Stabilization, w/ Strategy for 2020...

Executive Summary

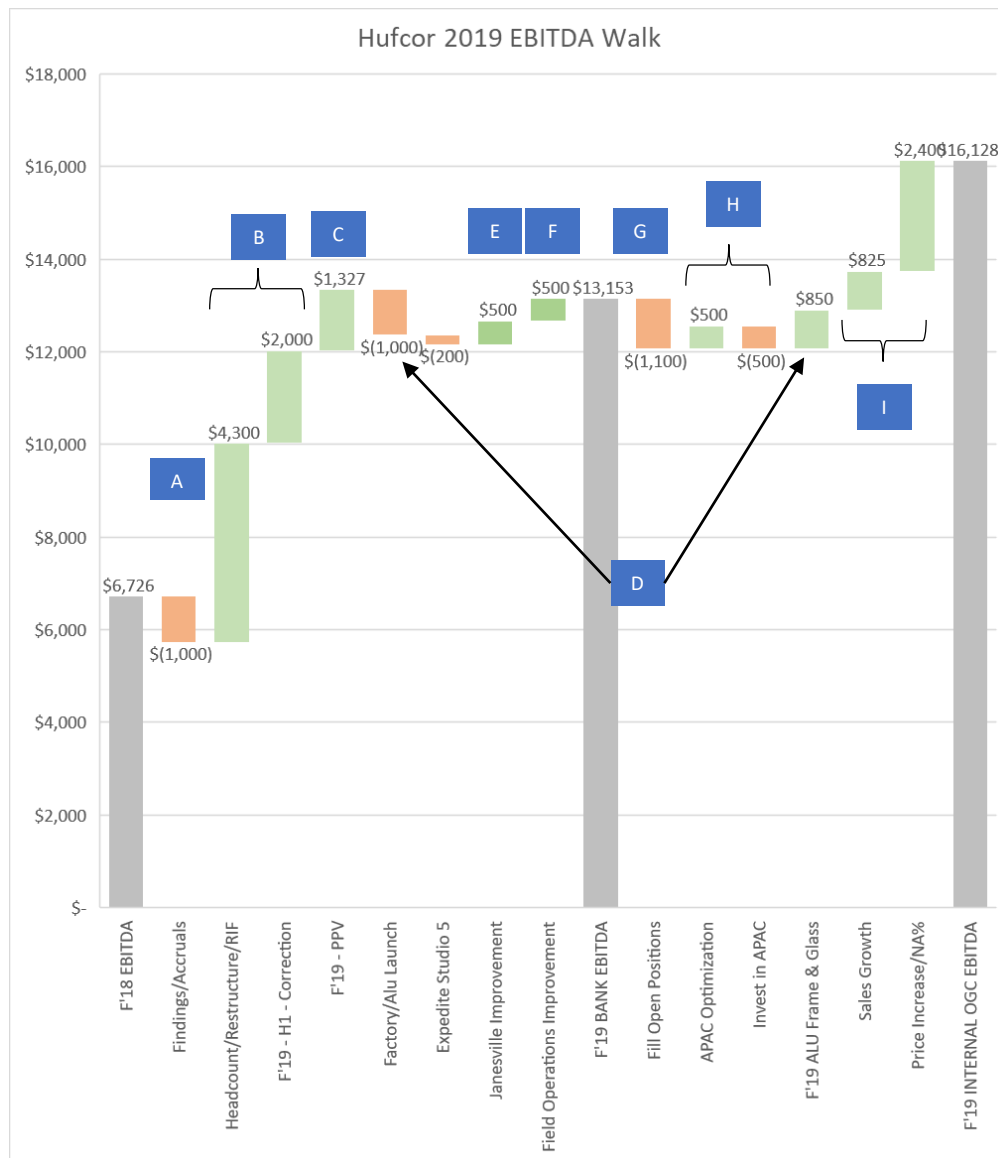
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EBITDA Bridge – 2019 (Bank + Upside Funnel of Actions)



Focus Area	Initiative	EBITDA	Owner	Status	Estimated Timing
	F'18 EBITDA	\$ 6,726			
A	Findings/Accruals	\$ (1,000)	ELT		Q42019
B	Headcount/Restructure/RIF	\$ 4,300	ELT		Complete
C	F'19 - H1 - Correction	\$ 2,000	ELT		Complete
C	F'19 - PPV	\$ 1,327	Smith/Hernandez		Q42019
D	Factory/Alu Launch	\$ (1,000)	Smith/Kontranowski		Q42018 / Q12019
D	F'19 ALU Frame & Glass	\$ 850	Smith/Kontranowski		Q42019
E	Janesville Improvement	\$ 500	Smith/Narczykiewicz		Q22019
F	Field Operations Improvement	\$ 500	Berens/Kontranowski		Q22019
G	Fill Open Positions	\$ (1,100)	Lawry		Q42019
H	APAC Optimization	\$ 500	Smith/Lawry		Q22019
H	Address Malaysia Site	\$ (500)	Smith		Q22019
	Sales Growth	\$ 825	Kontranowski		Q42019
I	Price Increase/NA%	\$ 2,400	Kontranowski		Complete
	Expedite Studio 5	\$ (200)	Kontranowski		Q42018
	Total	\$16,128			

Comments:

- 2018 YE EBITDA: \$6,726
- Built in \$1,000 of accruals for “findings”
- Primary 2018 Action (2 RIFs) – Net Impact \$4.3M
- 2018 H1 “Correction” is a combination of multiple cost cutting actions & a refocus on the “basics”
- Updated APAC Plan based on January 2019 visit
- Growth/price actions underway, Q4 2018 new prices were rolled out, PS5 – Q2, and team is refocusing on glass in 2019

2018 Actions + Initiatives Build a Funnel to \$16.1M EBITDA in 2019...

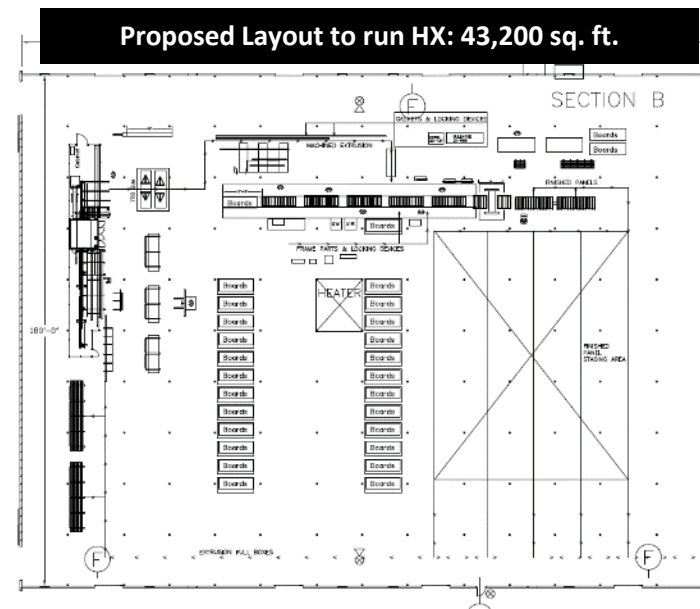
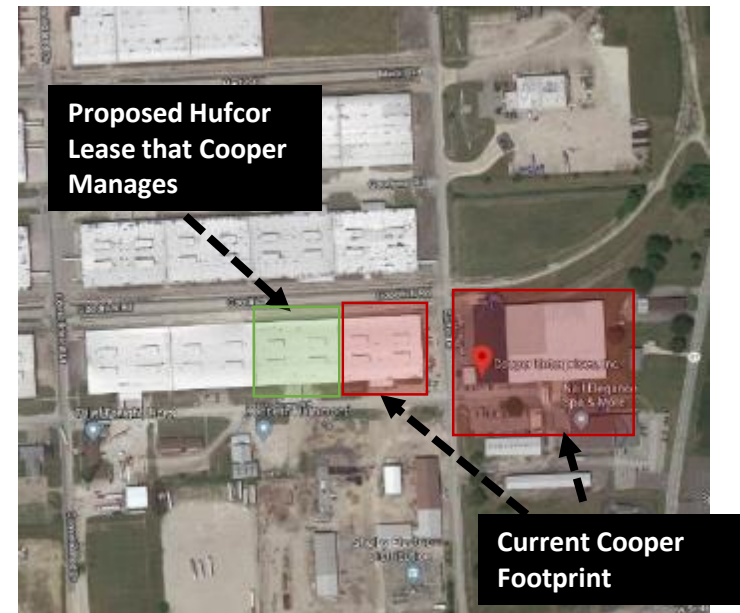
HX Update:

- Progressing with Cooper on transferring equipment/lease & better pricing
- Cooper Pricing Negotiation
 - 15.3% Discount: “Round 1” Direct Negotiation
 - 10% Discount: Cooper Efficiency “pick up” as a result of new machine
 - 10% Discount & Machining Discount (varies): “Round 2” Direction Negotiation
- Updated Cooper Pricing Results in Reduction in Cost vs. current comparable 600 Series Product:

Finish	Pass Door	600 Series	HX Series	Variance	%
Vynil	No	\$ 5,605	\$ 5,475	\$ (130)	-2.3%
HPL	No	\$ 7,443	\$ 6,015	\$ (1,428)	-19.2%
Vynil	Yes	\$ 6,546	\$ 7,392	\$ 846	12.9%

Notes/Assumptions:

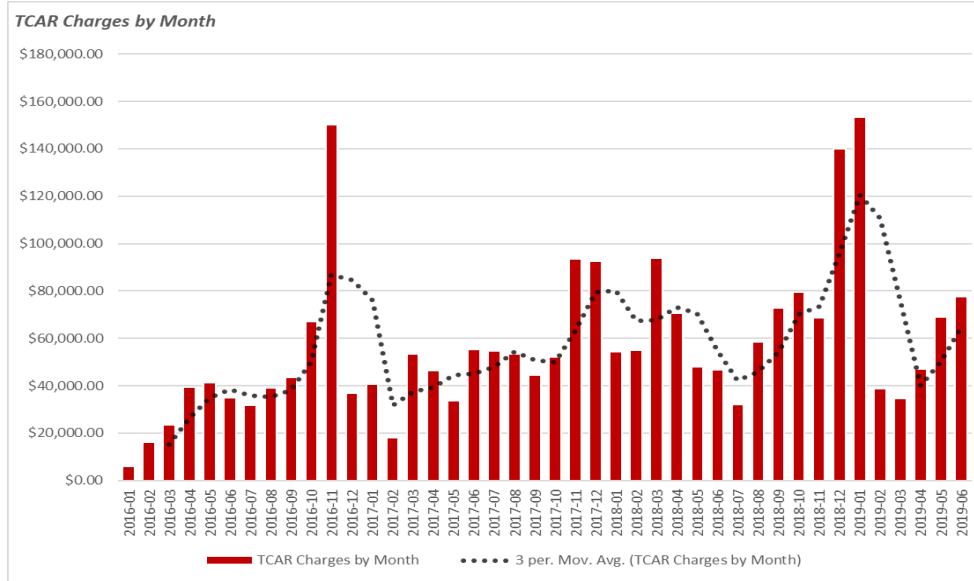
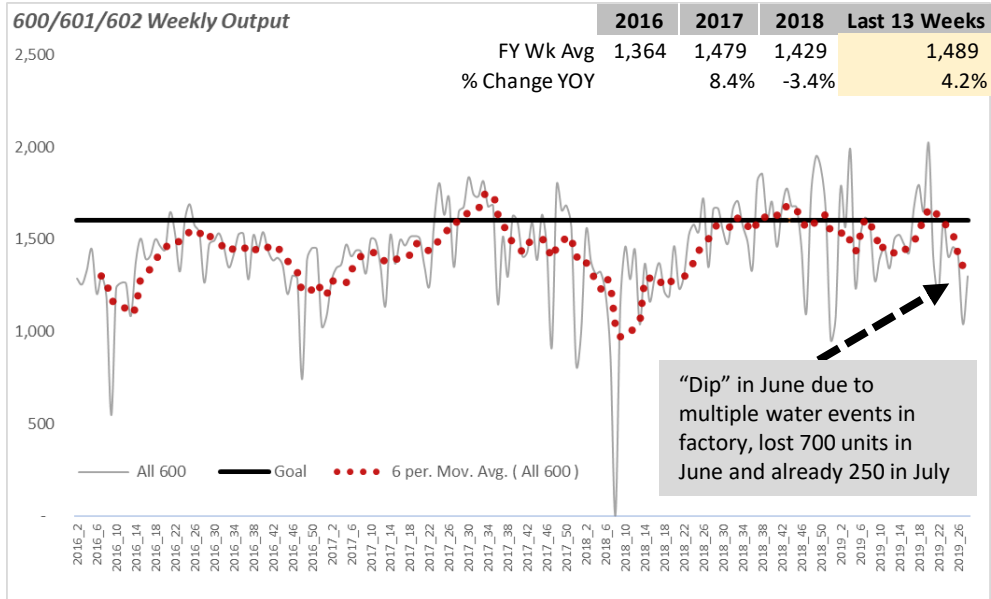
- Comparison: 8 panels, 12 feet tall, 50STC (most of what we sell)
- Pass Door is “more expensive” because it is a better pass door that includes upgraded hardware, aesthetics and new mechanism
- At current negotiated levels of cost (pending final quote from Cooper post discussion) we would be able to sell a SIGNIFICANTLY better product (HPL) for marginally more cost**
- Next Step: Finalize Cooper handles end to end manufacturing/assembly (i.e. we move Athens HX to Cooper), eliminates freight/handling and crating



Cost Savings With New HX Series Driving Higher Value Product at 4-6 Week Lead Times...

Janesville Improvement: 120 Action Plan

E: \$500K



Output:

- YOY Janesville output up 16% YTD
 - 2019: 41,650 units vs. 2018: 35,893 units (thru week 28)
 - “Lost” 700 Units due to water/flood in June and another 250 MTD in July (thru 7/15) – almost a week worth of production
- Last 13 weeks higher than average output past 3 years Average
- 2nd shift focused in support areas and pass door
- Pass Door: 15.5 Units/Day thru May vs. 27.9 June...80% Increase

Cost of Sales:

- International Freight Catch-up: \$300K (Dubai, NZICC, ChristChurch NZ)
- Cycle Count 3 Month True-up: \$225K above YTD average
- Mix: +\$150K (large amount of international)

TCAR/Warranty:

- Spike “up” in May/June to clear all open credit backlog – expect to normalize thru remainder of summer

120 Day Plan Update:

- Lead Times holding at 13 weeks vs. huge spike last summer (20+ weeks)
- Identified 126 Improvements Actions and Closed 79 since the start
- Examples of Improvements:
 - Data Sheet Corrections / Training
 - Material Handling of Faces / Storage Improvements
 - Pass Door Layout
 - New Weld Tables to support Pass Door and Track/Stacks Area
 - Lever Closure Schedule Established that aligns to shipments
 - Water Spiders to Feed Lines
 - Clearer Schedules established for 601 and 602 Line
- Larger Daily Stand up meetings commenced (starting to mature)

120 Day Action Plan In Progress, Yielding Steady Improvement, More Work to Do...

F'19 PPV – Smith/Hernandez

C: \$1.3M



Action Item	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	F19 YTD
Aluminum thru US suppliers	\$ 7	\$ 7	\$ 7	\$ 3	\$ 3	\$ 3	\$ 29
Steel (Mkt Price)	\$ 21	\$ 21	\$ 21	\$ 8	\$ 10	\$ 12	\$ 92
Machined Parts vendor change	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 19
JVL Parts to KANDU	\$ -	\$ -	\$ -	\$ -			\$ -
JVL Parts Alpha Plastics	\$ -	\$ -	\$ -	\$ -			\$ -
Glass move to TrueLite	\$ 2	\$ 3	\$ 3	\$ 3	\$ 4	\$ 4	\$ 18
Hufcor Guangzhou Sourcing	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 36
Total YTD 2019 PPV JVL	\$ 38	\$ 39	\$ 39	\$ 23	\$ 26	\$ 28	\$ 194
Australia	\$ 9	\$ 12	\$ 28	\$ 13	\$ 17	\$ 8	\$ 86
Germany	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 90
Hong Kong	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
China	\$ 11	\$ 5	\$ (1)	\$ 3	\$ 1	\$ 5	\$ 23
Malaysia	\$ 6	\$ 3	\$ 6	\$ 2	\$ 1	\$ 6	\$ 23
Total Global PPV	\$ 79	\$ 74	\$ 87	\$ 55	\$ 60	\$ 61	\$ 417

Action Item	F'19 Fcst	F'19 AOP	Var vs. AOP
Aluminum thru US suppliers	\$ 58	\$ 50	\$ 7
Steel (Mkt Price)	\$ 185	\$ 168	\$ 16
Machined Parts vendor change	\$ 38	\$ 32	\$ 7
JVL Parts to KANDU	\$ 25	\$ 22	\$ 3
JVL Parts Alpha Plastics	\$ 40	\$ 88	\$ (48)
Glass move to TrueLite	\$ 35	\$ 1	\$ 34
Hufcor Guangzhou Sourcing	\$ 73	\$ 97	\$ (25)
Total YTD 2019 PPV JVL	\$ 453	\$ 459	\$ (5)
I-Tech Change over	\$ 150	\$ 257	\$ (107)
Steel (Mkt Price)	\$ 100	\$ 100	\$ -
Machined Parts vendor change	\$ 40	\$ 35	\$ 5
Plastic Extrusions Parts	\$ 25	\$ 25	\$ -
Gyp-Panel Ray	\$ 37	\$ 37	\$ -
Welded parts - find local source	\$ 45	\$ 35	\$ 10
Move from Omnova to Color Design	\$ 15	\$ 33	\$ (18)
Change reveal Track design	\$ 25	\$ 25	\$ -
Adhesive - vendor change	\$ 69	\$ 20	\$ 49
Glass move to TrueLite	\$ 19	\$ 19	\$ -
GL/GF/GT - new vendor in TX	\$ 20	\$ 20	\$ -
2019 JVL PPV	\$ 998	\$ 1,065	\$ (66)
Australia	\$ 173	\$ 157	\$ 16
Germany	\$ 180	\$ 87	\$ 93
Hong Kong	\$ 20	\$ 39	\$ (19)
China	\$ 47	\$ 15	\$ 32
Malaysia	\$ 10	\$ 21	\$ (11)
Total Global PPV	\$ 1,428	\$ 1,384	\$ 44

F19 Actions:

- Aluminum Extrusion to APAC: \$257K By Q3 2019
- Direct Price Reduction with NA Aluminum supply base \$50K
- Second source in NA for Steel, Paint Steel, Glass and Vinyl Q22019 Networking process finished
 - Q32019 bidding process and development
- Supplier development for Metal Fab and Machine Parts - Q32019
- Gypsum second supplier develop from LCC and distribution in USA - bidding process Q32019
- Steel mill direct negotiations for carbon steel for Hufcor low gauge material Q32019
- Barymat for HX product reducing 60% of the material cost

Action Plan To Drive \$1.4M in 2019, 2nd "Source" Key Focus of 2019 to Create Leverage...

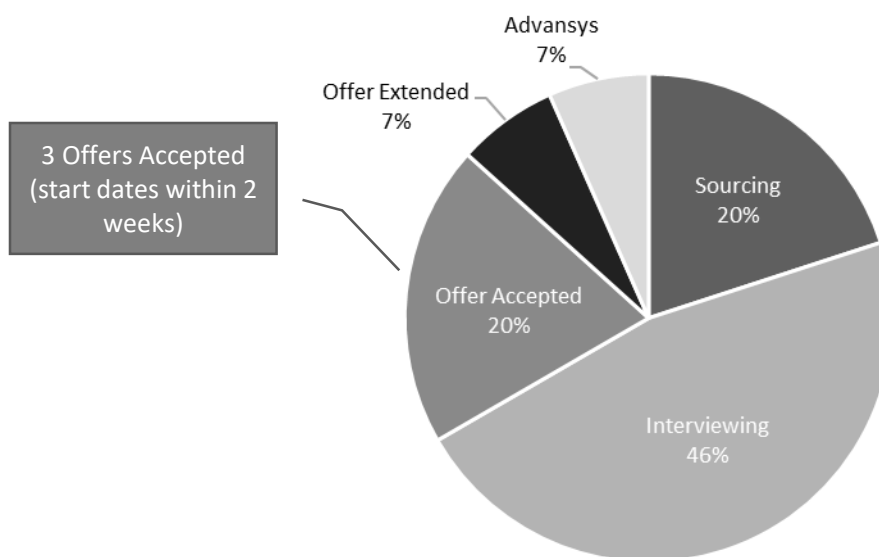
Fill Open Positions - Lawry

G: \$(1.1)M



Key Status / Actions:

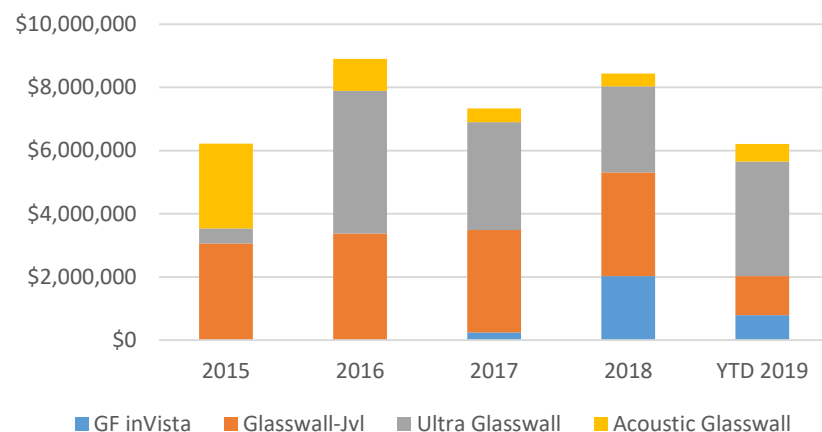
- Filled 5 position, have 3 offers accepted since June BOD
- Sales
 - TX General Manager – Offer Extended
 - TX (Service Sales Manager) – Offer Accepted
 - CA (PM/PMC) – Interviewing (2)
 - CA (Estimator) – Filled
- Operations
 - Production Supervisors – Filled
 - Manufacturing Engineers – Interviewing
 - Buyer/Planner - Filled
- Finance:
 - Controller – Final Interviews
 - Accountant – Interviewing
- Advansys:
 - BIM – Filled
 - CAD – Offer Accepted (1) & Interviewing (1)



Function	Open Reqs	Filled Reqs	Status	Status Notes
Engineering	1	0	○	1 (JVL - Interviewing)
Finance	2	0	○	2 (JVL/DAL - Interviewing)
HR	0	0	●	
Installation	2	0	○	2 (FL - Sourcing)
IT	0	0	●	
Operations	3	0	○	3 (JVL - Shipping/Driver/Cost - Interviewing/Sourcing)
Project Management	1	0	○	1 (CA - Interviewing)
Sales	0	0	●	
Service	1	0	○	1 (CA - Interviewing)

Focusing on Upgrading Talent and Staffing to Drive Growth...

Glass Securements Trend - Domestic

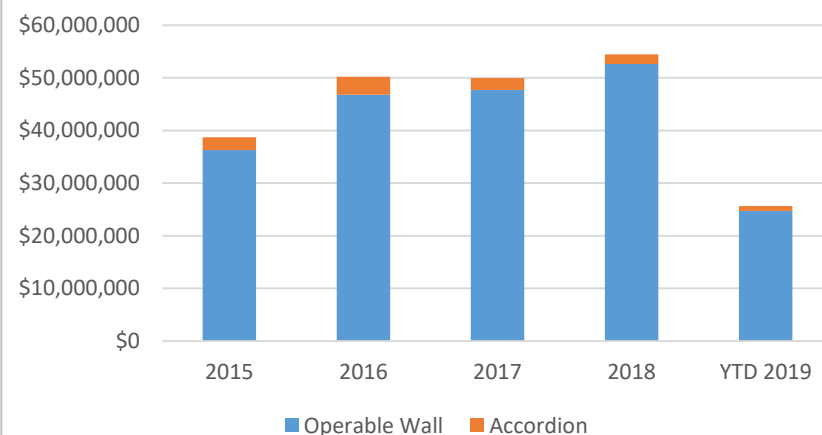


Glass Growth

- 2016 Full Year - New Ultra High STC Glass offered (Many Corflex Conversions and large school sale)
- 2018 Full Year – GF Series Launch (launched w/o IPD & LCP)
- 2019 GF Series Complete as of June
- Issues: TX and SW lack of sales force (in place as of June)
- Issue: Innovate a replacement for Corflex (High low profile STC)

YTD Securements are at 74% of full 2018

OP Wall & Accordion Securements Trend - Domestic



Operable Wall Growth

- Op Wall continues to see strong growth with many larger projects (\$100-\$250K) being secured
- **Focus on higher margin capture**
 - Volume “down” is not bad right now, we are no longer securing work at low double digit GM%
- Accordion sales flat, minimal focus
 - Recently increased price
- Issues: TX and SW lack of sales force (in place as of June), making change in sales for MW

A&D Sellers Onboard, w/ Continued Focus on Promoting and Capturing Glass Share...

Domestic Market (ABI > 50)

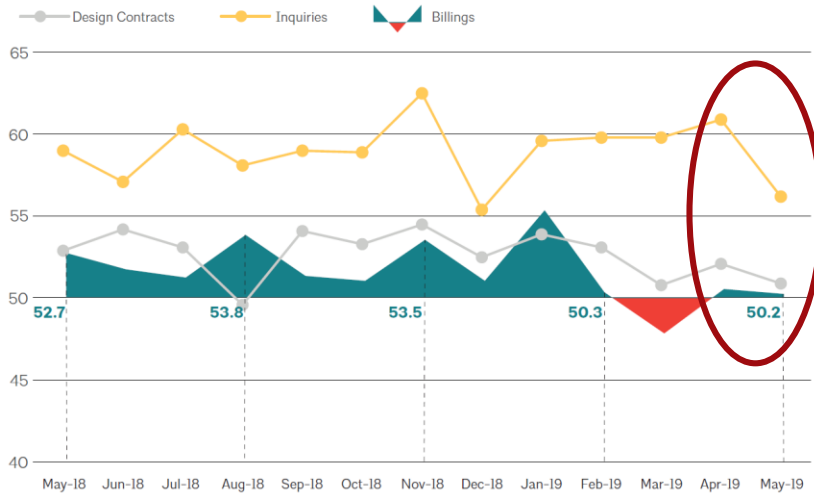
I: \$3.0M



National

Architecture firm billings remain flat in May

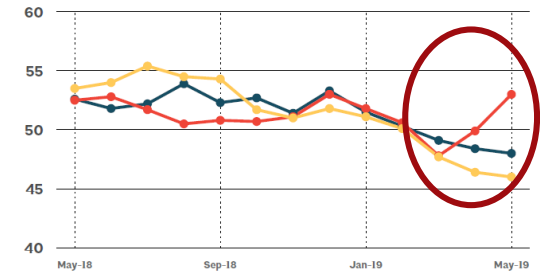
Graphs represent data from May 2018–May 2019.



Sector

Billings strengthen at firms with a commercial/industrial specialization

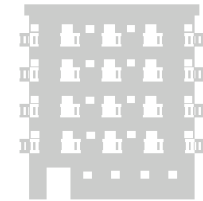
Graphs represent data from May 2018–May 2019 across the three sectors. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.



Commercial/Industrial: 53.0



Institutional: 48.0

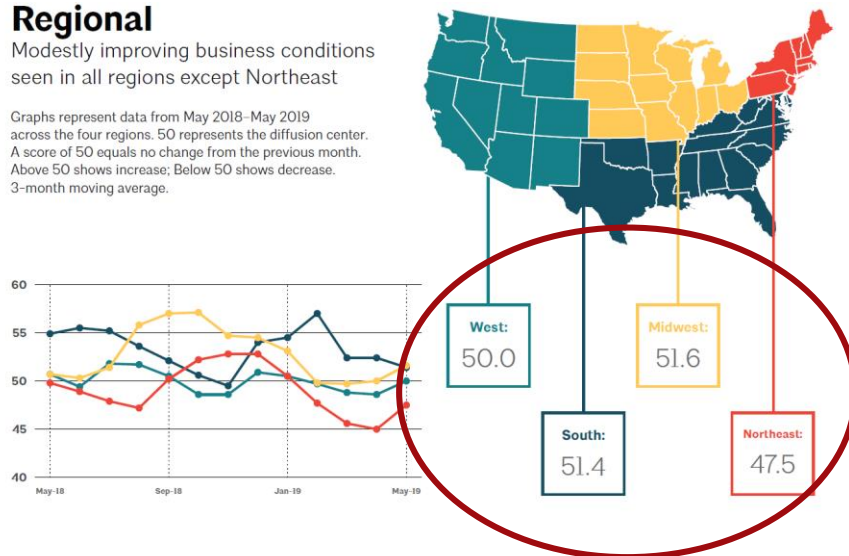


Residential: 46.0

Regional

Modestly improving business conditions seen in all regions except Northeast

Graphs represent data from May 2018–May 2019 across the four regions. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.



Additions and remodels to existing buildings account for nearly half of firm billings. Although the Architecture Billings Index (ABI) score for May remained above the 50-point threshold indicative of expanding billings, the score of 50.2 for the month means that billings at architecture firms were essentially flat. In fact, for the last four consecutive months, firm billings have either decreased or been flat, the longest period of that level of sustained softness since 2012. In addition, while both inquiries into new projects and the value of new design contracts remained positive, they both softened in May as well, another sign that there the amount of pending work in the pipeline at firms may be starting to shrink.

Strong Month in May but Softness in the Market Occurring...

PartitionStudio™

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Wall Configurator

CLOSE SAVE / CLOSE

Identity Product Room Faces Track **Panels**

PRODUCT FLOOR PLAN **ELEVATION** PRICING FEATURES

VIEWING: SideB SIDE 'A' **SIDE 'B'** FIT TO PAGE

Panel Options					
	Panel	Type	Hinging	Width	
<input type="checkbox"/>	01	LCP	SPL	45.875	
<input type="checkbox"/>	02	BSC	TPR	45.875	
<input type="checkbox"/>	03	BSC	SPL	45.875	
<input type="checkbox"/>	04	BSC	TPR	45.875	
<input type="checkbox"/>	05	IPD-U	SPL	48.125	
<input type="checkbox"/>	06	BSC	TPR	48.125	

WIDTH HEIGHT TRAIL DIM. LEAD DIM

Trail Deducts: 6" Lead Deducts: 1"
Factoring: 11/16" per Panel Total Factoring: 3 1/2"

Series: 632 • Opening Width: 24'-1" • Opening Height: 12'-0" • Gross Track: 0 • Gross Panels: 0

Testing

- Testing continues and most minor issues have been corrected
- Detailed internal training for converting orders from PS5 to PS4 starting 7/15-8/2
 - For next 3 months, orders will be rerun through old PS4 version to ensure all details are aligning correctly, including price/cost
- Communication to the field on launch date will be sent first week of August
- Timeline for transitioning Customer Service to full PS5 – Q4 2019

Phase: Initial Launch...

Executive Summary

2019 Plan w/ Initiatives Details

Financial Review

Governance Reporting

Appendix

June 2019 P&L



	MTD		Variance		PY MTD		Variance	
	Act	Bud	\$	%	Act	\$	%	
Gross Revenue	\$ 12,407	\$ 12,954	\$ (547)	(4.2%)	\$ 12,431	\$ (24)	(0.2%)	
Net Revenue	12,407	12,954	(547)	(4.2%)	12,431	(24)	(0.2%)	
Material	3,611	4,185	(574)	(13.7%)	3,959	(347)	(8.8%)	
Labor	3,935	3,586	349	9.7%	3,554	381	10.7%	
Other COGS	1,027	1,003	24	2.4%	965	63	6.5%	
Total COGS	8,573	8,774	(201)	(2.3%)	8,477	96	1.1%	
Gross Margin	3,834	4,180	(346)	(8.3%)	3,954	(120)	(3.0%)	
Gross Margin %	30.9%	32.3%			31.8%			
R&D	—	—	—	N/A	—	—	N/A	
Sales & Marketing	1,160	1,267	(107)	(8.4%)	997	163	16.3%	
Administrative	1,198	995	203	20.4%	337	861	255.6%	
Other Opex	6	(3)	9	(270.6%)	(2)	8	(380.0%)	
Total Opex	2,364	2,258	105	4.7%	1,332	1,031	77.4%	
EBITDA	1,470	1,922	(452)	23.5%	2,621	(1,151)	(43.9%)	
EBITDA %	11.8%	14.8%			21.1%			
Net Income (Loss)	\$ 197	\$ 731	\$ (533)	73.0%	\$ 650	\$ (453)	69.7%	
Capex	\$ —	\$ —	\$ —		\$ 40	\$ (40)		

	MTD		Variance		PY MTD		Variance	
	Act	Bud	\$	%	Act	\$	%	
Payroll	\$ 1,128	\$ 1,194	\$ (66)	(5.5%)	\$ 1,126	\$ 2	0.2%	
Benefits	224	250	(27)	(10.6%)	232	(8)	(3.4%)	
Bonus	75	112	(37)	(33.1%)	(478)	553	(115.6%)	
Marketing	(24)	28	(52)	(184.9%)	0	(24)	(118380.0%)	
Commissions	180	191	(11)	(5.8%)	125	55	44.1%	
Travel and Entertainment	87	87	0	0.3%	82	5	5.7%	
Rent and Facilities	75	65	10	16.2%	66	9	14.2%	
Insurance	33	32	1	3.5%	34	(1)	(2.7%)	
Professional Fees	60	69	(10)	(13.8%)	137	(77)	(56.5%)	
Util., Repair, Maint., & Sec.	33	34	(1)	(2.9%)	32	1	3.1%	
Office Expenses	5	6	(1)	(15.5%)	5	0	5.0%	
IT	67	48	20	41.5%	46	21	46.7%	
Bad Debts	84	12	72	604.9%	(339)	423	(124.8%)	
Supplies	13	18	(5)	(27.5%)	17	(4)	(23.1%)	
FX	—	—	—	N/A	23	(23)	(100.0%)	
Other Expenses	324	114	210	185.0%	225	99	43.9%	
Total Opex	\$ 2,364	\$ 2,258	\$ 105	4.7%	\$ 1,332	\$ 1,031	77.4%	
	19.1%	17.4%			10.7%			

YTD			PY YTD	
Act	Bud	%	Act	%
\$ 69,284	\$ 71,557	(3.2%)	\$ 64,880	6.8%
69,284	71,557	(3.2%)	64,880	6.8%
23,203	25,277	(8.2%)	22,973	1.0%
21,464	20,724	3.6%	20,259	6.0%
6,438	5,876	9.6%	6,048	6.4%
51,104	51,877	(1.5%)	49,280	3.7%
18,180	19,680	(7.6%)	15,600	16.5%
26.2%	27.5%		24.0%	
—	—	N/A	—	N/A
6,799	7,601	(10.5%)	7,427	(8.5%)
6,845	5,970	14.7%	6,808	0.5%
(177)	(21)	755.3%	(37)	375.9%
13,468	13,550	(0.6%)	14,198	(5.1%)
4,712	6,130	23.1%	1,402	236.1%
6.8%	8.6%		2.2%	
\$ (1,549)	\$ 332	566.0%	\$ (5,784)	73.2%
\$ 1,896	\$ —		\$ 611	210.5%

Management Discussion:

Revenue

- June was \$547K lower than “AOP”, lost some month end shipment traction based on weather (rain) & internal flooding in Janesville

Gross Margin

- Better “mix” in June vs. May, less large/international (Dubai) shipments in June
 - Dubai shipments ramp back up in July
- YTD GM% continues to improve over 2018 (26.2% vs. 24% YTD 2018)
- June 2019 – 30.9%

OPEX

- YTD OPEX remains on track with AOP
- 19.1% for June (and 19.4% YTD) vs. 2018 YTD at 21.9%
 - June 2018 is the month we released a number accrual buckets (bonus, warranty, etc.) back into the P&L based on YTD performance in 2018
 - OPEX - Bonus
 - OPEX – Bad Debt
 - For 2018 these buckets of cost are negative in the PY

EBITDA

- June EBITDA of \$1.47M was a miss to “AOP” by \$452K, however YOY YTD we are “better” by \$3.3M, apples to apples (removing the accrual “dump” we are \$4.7M ahead of 2018
- YTD 2019 – 6.8% vs. YTD 2018 at 2.2% (w/ the reversal), YTD 2018 w/o the reversal ~.2% EBITDA

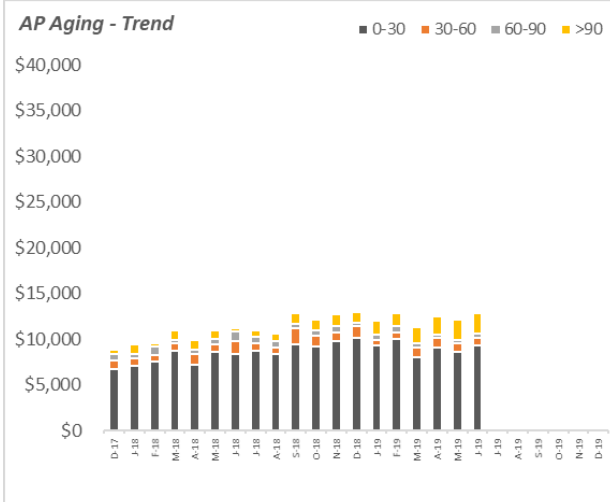
Covenant Analysis - June FCCR: 1.60



\$'000	Jan-19 Actual	Feb-19 Actual	Mar-19 Actual	Apr-19 Actual	May-19 Actual	Jun-19 Actual	Jul-19 Budget	Aug-19 Budget	Sep-19 Budget	Oct-19 Budget	Nov-19 Budget	Dec-19 Budget	2019
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ (26)	\$ (231)	\$ 197	\$ 467	\$ 474	\$ 484	\$ (137)	\$ (143)	\$ (140)	\$ (542)
Bank EBITDA Calculation:													
Interest and amortization	344	347	358	349	98	465	275	266	254	254	262	258	3,530
Taxes	(7)	43	19	36	88	36	156	158	161	(45)	(47)	(46)	553
Depreciation and amortization	494	495	495	569	507	507	577	577	577	577	577	577	6,529
Directors Fees and Expense Reimbursements < \$150k	-	-	-	-	-	-	-	-	-	-	-	-	-
Projected Net Cost Savings from RIF's and Facility Relo's	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition transaction costs < \$250k for 12 month period	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitoring fees (including expenses)	250	18	-	250	-	-	340	-	-	370	-	-	1,228
Gain/loss on disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent Purchase Price Obligation Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Losses (Gains) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
FX gain/loss	(6)	16	48	2	58	(44)	-	-	-	-	-	-	73
Severance	-	-	-	63	-	308	-	-	-	-	-	-	371
Extraordinary charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges or non-cash gains	-	-	51	-	-	-	-	-	-	-	-	-	51
Other non-recurring fees and expenses < \$6.5mm in total	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-recurring items:													
Australian facility certification < \$400k in aggregate	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension Buyout (not to exceed \$500K)	-	-	-	-	-	-	-	-	-	-	-	-	-
One-Time Costs (not to exceed \$2.4M)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory write-offs < \$320k in total	-	-	-	-	-	-	-	-	-	-	-	-	-
A/R write-offs < \$1.3mm in total	64	127	98	78	81	84	-	-	-	-	-	-	533
Warranty claim payments: Mystic Lake < 400k	-	-	-	-	-	-	-	-	-	-	-	-	-
Warranty claim payments: Non- Mystic Lake < 625k	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-recurring items	64	127	98	78	81	84	-	-	-	-	-	-	533
Bank EBITDA	\$ 178	\$ 399	\$ 1,189	\$ 1,321	\$ 601	\$ 1,553	\$ 1,816	\$ 1,476	\$ 1,476	\$ 1,019	\$ 649	\$ 649	\$ 12,325
Less:													
Unfinanced CAPEX	245	117	175	250	-	-	240	250	250	170	170	170	2,037
Cash income and franchise taxes	(7)	43	19	36	88	36	156	158	161	(45)	(47)	(46)	553
Restricted Payments paid in cash	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Monitoring fees (including expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Numerator	\$ (60)	\$ 239	\$ 994	\$ 1,035	\$ 513	\$ 1,517	\$ 1,420	\$ 1,068	\$ 1,065	\$ 894	\$ 526	\$ 525	\$ 9,735
Fixed Charges:													
Cash Interest	300	301	311	349	98	465	275	266	254	254	262	258	3,393
Regularly scheduled principal payments	209	-	-	209	-	-	209	-	-	209	-	-	836
Capital Lease payments	3	3	3	-	-	-	3	3	3	3	3	3	28
Total Fixed Charges	\$ 512	\$ 304	\$ 314	\$ 558	\$ 98	\$ 465	\$ 487	\$ 270	\$ 257	\$ 466	\$ 265	\$ 261	\$ 4,257
TTM Numerator	4,390	5,329	6,086	7,604	8,512	7,335	8,669	8,641	8,672	8,984	9,197	9,735	9,735
TTM Fixed Charges	4,410	4,464	4,480	4,565	4,388	4,589	4,591	4,571	4,555	4,372	4,326	4,257	4,257
Fixed Charge Covenant Ratio	1.00	1.19	1.36	1.67	1.94	1.60	1.89	1.89	1.90	2.06	2.13	2.29	2.29
Required	1.00 x			1.00 x			1.00 x			1.15 x			
Leverage Ratio (LBC Credit Partners- Quarterly)													
Total Debt for Leverage Calculation	\$ 42,975	\$ 43,739	\$ 41,814	\$ 41,771	\$ 41,456	\$ 42,744	\$ 39,647	\$ 39,147	\$ 38,438	\$ 38,138	\$ 37,738	\$ 37,229	\$ 37,229
TTM Bank EBITDA	\$ 7,009	\$ 7,986	\$ 8,871	\$ 10,417	\$ 11,188	\$ 9,929	\$ 11,309	\$ 11,557	\$ 11,986	\$ 11,786	\$ 11,774	\$ 12,325	\$ 12,325
Leverage Ratio	6.13	5.48	4.71	4.01	3.71	4.31	3.51	3.39	3.21	3.24	3.21	3.02	3.02
Required	*NR			*NR			*NR			4.75 x			

*Not required until December 31st, 2019 pursuant to section 2.9 (ii) of the 2nd amendment to the Term Loan Credit Agreement and Waiver

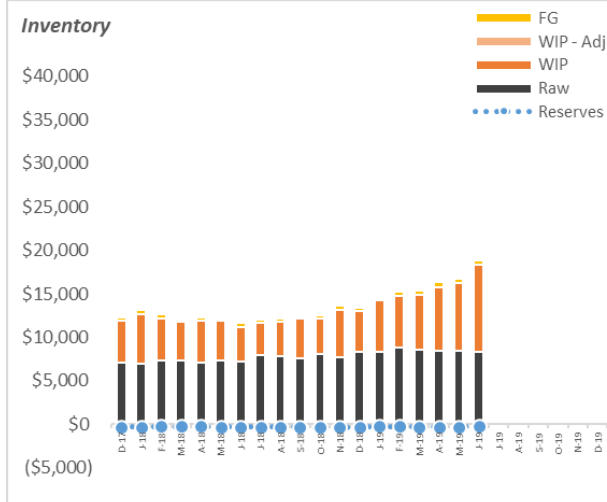
Monthly Working Capital (AP, Inventory, & AR)



Total AP: \$12,791
DPO: 30

Comments/Next Steps:

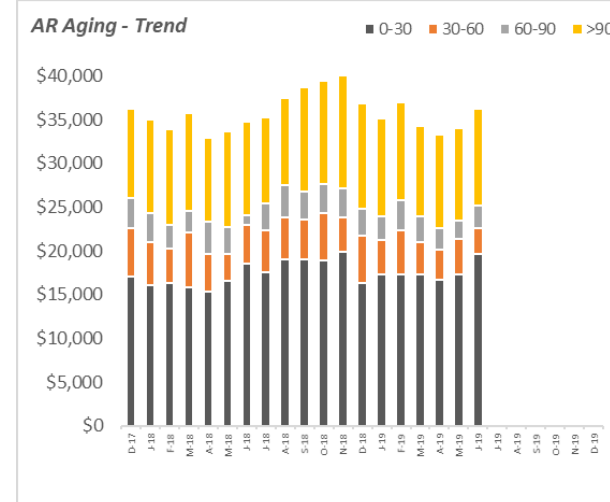
- Domestic: started weekly meetings to review due invoices and pay what is necessary until domestic LOC availability goes above \$3.5M
- International: We paid salary/wages and installers first, then pay past-due invoices



Total Inventory: \$19,280
Reserves: \$195K

Comments/Next Steps:

- Raw/FG – in line with historical run rates factoring in summer season
- WIP: Total increase in WIP since Dec 2018: \$5.3M
- International WIP: +\$2,930 vs. Dec 2018 driven by NZICC & Christchurch projects
- Domestic WIP +\$2,380 vs. Dec 2018 driven by \$1.2M JVL (Dubai/Major Projects) and another +\$1M in the sub offices – need to dig into sub office detail as next step
 - Financial reporting/visibility today is not in place to quickly deep dive



Total AR: \$36,272
DSO: 93

Comments/Next Steps:

- High Level “in line” with historical cycle of AR, however now layering in \$3-4M+ of large projects on top of normal run rate, Dubai ~\$2M alone
- Domestically:
 - Set up aggressive collection targets and then follow up with the subs to explain variances
- Internationally: Starting weekly cash calls
- However, the main driver is the strategic “shift” to large projects in 2016/2017 and the impact that has on working capital

Large Projects Having Significant Impact on Working Capital, Monitoring Cash Closely...

Domestic Overview



Sales:

	Month							YTD						
	Variance vs. PY			Variance vs. Budget				Variance vs. PY				Variance vs. Budget		
	Actual	PY	(%)	(\$)	Budget	(%)	(\$)	Actual	PY	(%)	(\$)	Budget	(%)	(\$)
<\$500K														
>\$500K														
Glass Wall														
Service														
Vertical Lift														
Royalties and Other														
Total														

**Team Working on Rolling Up
Data/Reporting to be able to start
this in July**

Gross Margin:

	Month							YTD						
	Variance vs. PY			Variance vs. Budget				Variance vs. PY				Variance vs. Budget		
	Actual	PY	(%)	(\$)	Budget	(%)	(\$)	Actual	PY	(%)	(\$)	Budget	(%)	(\$)
<\$500K														
>\$500K														
Glass Wall														
Service														
Vertical Lift														
Royalties and Other														
Total														

Management Commentary

- **Projects <\$500K:** Lead time delays and focus on major projects caused decrease in day-to-day business
- **Projects >\$500K:** YTD trending to Q2 Reforecast
- **Glass Wall:** YTD trending to Q2 Reforecast
- **Service:** Domestic misses at sales offices account for the YTD reduction from forecast; beginning to recover
- **Vertical Lift:** Product is on hold for remainder of 2018
- **Royalties and Other:** []

	Month							YTD						
	Actual	PY	Variance vs. PY		Variance vs. Budget			Actual	PY	Variance vs. PY		Variance vs. Budget		
			(\$)	(%)	Budget	(\$)		(%)			(\$)	(%)	Budget	(\$)
Domestic														
Revenue	8,103	8,236	(133)	-1.61%	8,677	(574)	-6.62%	45,515	41,861	3,655	8.73%	49,590	(4,075)	-8.22%
EBITDA	1,136	1,988	(852)	-42.86%	213	923	433.68%	3,193	(1,681)	4,874	-289.98%	(1,127)	4,320	-383.40%
Margin (%)	14.02%	24.14%			2.45%			7.02%	-4.01%	133.36%		-2.27%		
Malaysia														
Revenue	211	335	(123)	-36.90%	300	(89)	-29.66%	1,374	1,836	(462)	-25.17%	1,708	(334)	-19.54%
EBITDA	14	182	(167)	-92.07%	47	(32)	-69.06%	15	287	(272)	-94.60%	226	(211)	-93.16%
Margin (%)	6.82%	54.24%			15.51%			1.13%	15.64%			13.26%		
HK/China														
Revenue	909	1,111	(203)	-18.24%	1,517	(608)	-40.08%	5,002	5,049	(47)	-0.93%	5,692	(690)	-12.13%
EBITDA	27	243	(216)	-88.80%	260	(232)	-89.50%	110	137	(27)	-20.00%	433	(323)	-74.64%
Margin (%)	3.00%	21.90%			17.12%			2.20%	2.72%			7.61%		
Australia														
Revenue	2,159	1,853	306	16.51%	3,149	(990)	-31.43%	11,121	10,679	442	4.14%	12,476	(1,355)	-10.86%
EBITDA	94	116	(22)	-19.25%	225	(131)	-58.32%	445	301	144	47.72%	666	(221)	-33.15%
Margin (%)	4.35%	6.27%			7.15%			4.00%	2.82%			5.34%		
Europe														
Revenue	1,025	929	96	10.32%	1,285	(260)	-20.24%	6,322	5,605	717	12.79%	6,557	(235)	-3.58%
EBITDA	(73)	50	(123)	-247.72%	119	(192)	-161.52%	(75)	202	(278)	-137.16%	312	(387)	-124.11%
Margin (%)	-7.14%	5.33%			9.25%			-1.19%	3.61%			4.76%		
Eliminations														
Revenue	0	(33)	33	-100.00%	(20)	20	-100.00%	(50)	(150)	100	-66.88%	(120)	70	-58.58%
EBITDA	8	1	8	1426.74%	0	8	0.00%	8	3	5	176.88%	0	8	0.00%
Margin (%)	#DIV/0!	-1.63%			0.00%			-16.96%	-2.03%			0.00%		
Total International														
Revenue	4,304	4,195	108	2.58%	6,230	(1,927)	-30.92%	23,769	23,019	750	3.26%	26,313	(2,544)	-9.67%
EBITDA	70	591	(521)	-88.08%	650	(580)	-89.16%	504	931	(427)	-45.91%	1,637	(1,133)	-69.24%
Margin (%)	1.64%	14.09%	-481.21%		10.44%	30.09%		2.12%	4.04%			6.22%		
Total Consolidated														
Revenue	12,406	12,431	(25)	0.97%	14,907	(2,501)	-37.54%	69,284	64,880	4,405	11.99%	75,903	(6,618)	-17.88%
EBITDA	1,206	2,579	(1,373)	-130.94%	863	343	344.52%	3,697	(750)	4,446	-335.89%	510	3,186	-452.64%
Margin (%)	9.72%	20.75%	5571.41%		5.79%	-13.73%		5.34%	-1.16%	100.94%		0.67%	-48.14%	

Management Commentary (Variance vs Budget)

- **Malaysia:** Unfavorable revenue due to lower demand and not winning key projects in India and Indonesia. Unfavorable EBITDA mostly driven by unfavorable revenue (\$38K), Installation cost being \$28K unfavorable due to overruns in the KLCC project. SGA is \$27K favorable.
- **Hong Kong/China:** Unfavorable revenue is due to early delivery of the Macau Athletic Club (delivered in Q1-\$717K). Unfavorable EBITDA due to unfavorable revenue (\$201K). SG&A is favorable \$32K and FX is \$11K favorable
- **Australia:** Unfavorable revenue is mainly due to delays in delivering the New Zealand projects. Unfavorable EBITDA attributed to lower revenue \$180K, favorable COGS \$31K and favorable SG&A \$33K
- **Europe:** Unfavorable revenue is due to not delivering Celtic Manor (\$250K). Unfavorable EBITDA is due to unfavorable revenue (\$58K) higher COGS (material \$112K, labor \$28K, installation \$23K). SG&A is favorable \$37K and FX is favorable \$45K

13 Week Cash Flow Forecast



\$ 000's	Week Ending:														Total
	19-Apr	26-Apr	3-May	10-May	17-May	24-May	31-May	7-Jun	14-Jun	21-Jun	28-Jun	5-Jul	12-Jul		
Total Inflows	2,646	2,556	2,762	2,725	2,499	2,392	2,808	3,575	2,684	2,728	2,734	2,505	2,453	35,068	
Total Operating Disbursements	(2,447)	(2,847)	(2,737)	(2,675)	(2,282)	(2,415)	(2,305)	(3,589)	(2,064)	(2,489)	(2,318)	(2,842)	(1,908)	(32,919)	
Net Operating Cash Flow	200	(291)	24	50	217	(23)	503	(14)	620	238	416	(336)	545	2,149	
Interest Expense	-	-	48	-	-	-	-	49	-	-	-	48	-	146	
Taxes	152	102	-	56	91	138	-	21	33	156	-	6	54	807	
CapEx	45	20	64	20	20	20	38	64	20	20	38	20	20	409	
Other Non-Op	34	5	5	5	31	5	5	5	15	5	5	5	5	129	
Total Non-Operating Disbursements	231	126	117	81	142	163	43	139	68	181	43	80	79	1,491	
Total Net Cash Flow	(31)	(418)	(93)	(31)	75	(186)	460	(153)	553	57	373	(416)	466	657	
Beginning Bank Cash	1,322	1,270	1,345	1,056	1,221	1,096	1,272	1,427	1,399	1,281	1,442	1,334	1,480	1,322	
Net Global Cash Flow	(31)	(418)	(93)	(31)	75	(186)	460	(153)	553	57	373	(416)	466	657	
Transfers In / (Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Draw / Sweep	(21)	493	(196)	196	(201)	362	(306)	125	(671)	104	(481)	561	(251)	(285)	
Ending Bank Cash	1,270	1,345	1,056	1,221	1,096	1,272	1,427	1,399	1,281	1,442	1,334	1,480	1,695	1,695	
Term Loan Balance	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,774	32,564	32,564	32,564	
Beginning Revolver Balance	8,489	8,473	8,965	8,780	8,976	8,775	9,137	8,832	8,986	8,315	8,419	7,938	8,522	8,489	
Domestic PIK Interest	5	-	11	-	-	-	-	29	-	-	-	22	-	67	
Draw / Sweep	(21)	493	(196)	196	(201)	362	(306)	125	(671)	104	(481)	561	(251)	(285)	
Ending Revolver Balance	8,473	8,965	8,780	8,976	8,775	9,137	8,832	8,986	8,315	8,419	7,938	8,522	8,271	8,271	
Borrowing Base	17,350	17,707	17,849	17,391	17,167	17,084	18,270	17,416	17,130	17,149	18,639	18,442	18,343	18,343	
Availability	8,877	8,742	9,069	8,415	8,391	7,946	9,439	8,430	8,815	8,730	10,700	9,920	10,072	10,072	
Liquidity	10,148	10,087	10,125	9,636	9,487	9,218	10,866	9,829	10,096	10,172	12,035	11,400	11,767	11,767	
Total Debt	41,247	41,739	41,554	41,750	41,549	41,911	41,606	41,760	41,089	41,193	40,712	41,086	40,835	40,835	

Accrued Liabilities – Current (Excluding Debt)



\$'000

Accrued Liabilities - Current (Excluding Debt)

Account Name	Mar-19	Apr-19	May-19	Jun-19	%
Accrued Compensation	\$ 2,088	\$ 2,121	\$ 1,508	\$ 1,551	12.6%
Income Taxes Payable	298	129	83	113	0.9%
Customer Deposits	540	545	817	724	5.9%
Accrued Bonuses	103	307	487	679	5.5%
Accrued Insurance	1,064	800	1,034	1,271	10.3%
Accrued Commission	319	330	265	224	1.8%
Accrued Interest	512	799	260	510	4.1%
Accrued Professional Fees	359	278	202	312	2.5%
Accrued Supplier Invoices	346	302	163	195	1.6%
Transaction Cost Accrual	-	-	-	-	-
Accrued Other Non-Income Taxes	1,123	1,005	1,039	1,141	9.3%
Curr Portion Emp Retirement Plans	1,143	1,039	995	989	8.1%
Accrued Warranty	845	1,549	1,572	1,605	13.1%
All Other	2,163	1,992	1,930	2,965	24.1%
Total Accrued Liabilities	\$ 10,904	\$ 11,195	\$ 10,354	\$ 12,278	100.0%
				\$ 1,924	15.7%

P&L by Location - Domestic



	Janesville	RVTC	Chicago	Indiana	Minnesota	Potomac	Southeast	Southwest	Texas	Total Domestic
Gross Revenue	6,756,087	368,170	471,737	34,863	923,068	119,800	1,119,306	898,541	1,174,372	8,103,225
Net Revenue	6,756,087	368,170	471,737	34,863	923,068	119,800	1,119,306	898,541	1,174,372	8,103,225
Material	2,442,934	0	228,757	13,807	625,194	54,034	563,486	460,298	779,837	1,595,884
Labor	1,614,568	29,833	138,903	11,574	137,339	33,386	189,630	266,679	273,902	2,695,814
Other COGS	341,645	223,486	8,629	1,084	17,869	6,468	62,516	14,603	48,324	724,624
Total COGS	4,399,147	253,319	376,289	26,465	780,402	93,888	815,632	741,580	1,102,063	5,016,322
Gross Margin	2,356,940	114,851	95,448	8,398	142,666	25,912	303,674	156,961	72,309	3,086,903
<i>Gross Margin %</i>	34.89%	31.20%	20.23%	24.09%	15.46%	21.63%	27.13%	17.47%	6.16%	38.09%
R&D	0	0	0	0	0	0	0	0	0	0
Sales & marketing	231,632	0	60,113	11,817	64,658	44,492	160,237	147,466	79,438	799,853
Administrative	617,989	26,896	23,203	2,523	10,165	16,863	54,979	54,494	40,504	847,616
<i>Other Opex</i>	-3,493	0	0	0	0	0	-665	0	-18	-4,176
Total OPEX (excl D&A)	846,128	26,896	83,316	14,340	74,823	61,355	214,551	201,960	119,924	1,643,293
EBITDA	1,510,812	87,955	12,132	-5,942	67,843	-35,443	89,123	-44,999	-47,615	1,443,610
<i>EBITDA Margin %</i>	22.36%	23.89%	2.57%	-17.04%	7.35%	-29.59%	7.96%	-5.01%	-4.05%	17.82%

Domestic Eliminations for June 2019

RVTC Revenue	(\$368k)
RVTC COGS	(\$368k)
Domestic Revenue	(\$3.083M)
Domestic COGS	(\$2.951M)
Worldwide Revenue	(\$311k)
Worldwide COGS	(\$253k)

P&L by Location – International & Consolidated



HK/Macau	China/Shanghai	Malaysia/Singapore	Australia Consol	Europe	Total Int'l	CONSOLIDATED
644,117	370,815	211,151	2,158,985	1,024,766	4,303,614	12,406,839
644,117	370,815	211,151	2,158,985	1,024,766	4,303,614	12,406,839
179,383	160,527	72,820	1,138,980	577,998	2,015,381	3,611,265
267,082	74,985	62,093	480,788	353,923	1,238,871	3,934,685
40,666	68,517	8,744	116,289	68,358	302,574	1,027,198
487,131	304,029	143,657	1,736,057	1,000,279	3,556,826	8,573,148
156,986	66,786	67,494	422,928	24,487	746,788	3,833,691
24.37%	18.01%	31.96%	19.59%	2.39%	17.35%	30.90%
0	0	0	0	0	0	0
48,831	16,645	18,893	182,715	93,111	360,195	1,160,048
63,739	55,742	40,936	141,442	48,192	350,051	1,197,667
14,316	545	-10,883	4,930	1,145	10,053	5,877
126,886	72,932	48,946	329,087	142,448	720,299	2,363,592
30,100	-6,146	18,548	93,841	-117,961	26,489	1,470,099
4.67%	-1.66%	8.78%	4.35%	-11.51%	0.62%	11.85%

International Eliminations

HAP Revenue	(\$106k)
Hap COGS	(\$106k)
International COGS	(\$8k)

Balance Sheet



	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	FY	PY
\$'000	Act	Act	Act	Act	Act	Act	Bud	Act
Current Assets								
Cash and cash equivalents	\$ 2,930	\$ 2,754	\$ 1,577	\$ 1,521	\$ 1,561	\$ 3,263	\$ 3,500	\$ 2,668
Short term investments	—	—	—	—	—	—	—	—
<i>Accounts receivable, gross</i>	35,130	36,910	34,436	33,243	34,172	36,345	34,452	36,879
<i>Accounts receivable, reserves</i>	(1,455)	(1,545)	(1,629)	(1,679)	(1,746)	(1,836)	—	(1,407)
Accounts receivable, net	33,675	35,365	32,807	31,564	32,426	34,509	34,452	35,472
<i>Inventory, gross</i>	14,553	15,308	15,388	16,303	16,774	18,889	11,969	13,393
<i>Inventory, reserves</i>	(243)	(253)	(264)	(274)	(282)	(195)	—	(298)
Inventory, net	14,310	15,055	15,124	16,028	16,493	18,695	11,969	13,095
Prepaid expenses and other current assets	1,832	1,728	1,591	1,529	1,476	1,338	1,595	1,666
Current portion of deferred taxes	5,612	5,579	5,583	5,568	5,263	5,280	5,797	5,559
Revenue in excess of billings	—	—	—	—	—	—	—	—
Other current assets	285	331	222	318	323	397	—	261
Total Current Assets	58,644	60,813	56,904	56,528	57,542	63,482	57,313	58,721
Non-Current Assets								
<i>Property, plant & equipment, gross</i>	36,688	37,895	38,006	38,147	38,088	38,362	37,697	36,262
<i>Accumulated depreciation</i>	(23,108)	(23,208)	(23,334)	(23,515)	(23,601)	(23,838)	(22,835)	(22,835)
Property, plant & equipment, net	13,580	14,687	14,673	14,632	14,487	14,524	14,862	13,427
<i>Identifiable intangible assets, gross</i>	15,247	15,236	15,238	15,233	15,227	15,233	5,583	15,231
<i>Accumulated amortization</i>	(5,870)	(6,215)	(6,561)	(6,906)	(7,251)	(7,597)	—	(5,523)
Identifiable intangible assets, net	9,377	9,022	8,677	8,327	7,976	7,636	5,583	9,707
Deferred financing cost	1,906	1,955	1,908	1,862	1,950	1,900	1,903	1,950
Other non-current assets	3,723	2,705	2,703	2,697	2,693	2,697	2,696	3,719
Total Non-Current Assets	28,585	28,368	27,961	27,518	27,106	26,756	25,044	28,804
Total Assets	\$ 87,230	\$ 89,181	\$ 84,864	\$ 84,046	\$ 84,648	\$ 90,238	\$ 82,357	\$ 87,524
Current Liabilities								
Current portion of long-term debt	\$ 1,250	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835
Line of Credit	10,203	11,382	9,458	9,623	9,308	10,596	5,544	7,832
Accounts payable	12,385	12,453	10,618	15,884	15,798	16,614	8,913	13,527
Accrued liabilities	6,054	6,682	6,363	962	2,508	5,564	5,748	6,224
Accrued compensation	1,508	1,551	1,662	1,461	1,364	1,970	—	2,121
Income taxes payable	83	113	129	146	188	246	260	129
Other current liabilities	2,630	2,911	2,895	2,905	2,957	3,075	2,011	2,721
Total Current Liabilities	34,112	36,789	32,416	31,895	33,037	38,965	23,311	33,389
Long-term liabilities								
Long-term debt less current maturities	31,521	31,521	31,521	31,313	31,313	31,313	30,895	31,730
Deferred income taxes	47	68	96	95	94	95	45	46
Other non-current liabilities	48	47	(111)	46	46	(653)	49	46
Total Long-Term Liabilities	31,616	31,636	31,507	31,454	31,452	30,755	30,989	31,822
Total Liabilities	65,728	68,425	63,923	63,349	64,489	69,720	54,300	65,211
Shareholders' Equity								
Common stock	—	—	—	—	—	—	—	—
Capital in excess of stated value	36,350	36,350	36,350	36,350	36,350	36,350	36,350	36,350
Retained earnings	(14,999)	(15,646)	(15,377)	(15,544)	(16,069)	(15,872)	(9,109)	(14,038)
Accumulated other comprehensive income	512	512	521	518	519	522	47	47
Other equity transactions	(361)	(460)	(553)	(627)	(641)	(482)	769	(46)
Total Shareholders' Equity	21,501	20,756	20,942	20,697	20,158	20,518	28,056	22,313
Total Liabilities and Shareholders' Equity	\$ 87,230	\$ 89,181	\$ 84,864	\$ 84,046	\$ 84,648	\$ 90,238	\$ 82,357	\$ 87,524

OPEX Summary



\$'000

Opex Overview:

	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	%	Act	%
Payroll	\$ 1,128	\$ 1,194	\$ (66)	(5.5%)	\$ 1,126	\$ 2	0.2%		\$ 6,046	\$ 7,165	(15.6%)	\$ 7,335	(17.6%)
Benefits	224	250	(27)	(10.6%)	232	(8)	(3.4%)		1,367	1,502	(9.0%)	1,616	(15.4%)
Bonus	75	112	(37)	(33.1%)	(478)	553	(115.6%)		597	671	(11.0%)	40	1394.9%
Marketing	(24)	28	(52)	(184.9%)	0	(24)	(118380.0%)		160	167	(4.1%)	288	(44.4%)
Commissions	180	191	(11)	(5.8%)	125	55	44.1%		1,023	1,146	(10.7%)	839	22.0%
Travel and Entertainment	87	87	0	0.3%	82	5	5.7%		553	519	6.5%	620	(10.8%)
Rent and Facilities	75	65	10	16.2%	66	9	14.2%		427	389	9.7%	392	9.0%
Insurance	33	32	1	3.5%	34	(1)	(2.7%)		216	190	13.6%	192	12.3%
Professional Fees	60	69	(10)	(13.8%)	137	(77)	(56.5%)		503	415	21.4%	636	(20.8%)
Utl., Repair, Maint., & Sec.	33	34	(1)	(2.9%)	32	1	3.1%		210	206	1.8%	219	(3.9%)
Office Expenses	5	6	(1)	(15.5%)	5	0	5.0%		33	35	(6.3%)	39	(14.8%)
IT	67	48	20	41.5%	46	21	46.7%		401	285	40.8%	314	27.7%
Bad Debts	84	12	72	604.9%	(339)	423	(124.8%)		533	72	645.2%	(146)	(464.6%)
Supplies	13	18	(5)	(27.5%)	17	(4)	(23.1%)		104	105	(1.0%)	136	(23.5%)
FX	—	—	—	N/A	23	(23)	(100.0%)		—	—	N/A	144	(100.0%)
Other Expenses	324	114	210	185.0%	225	99	43.9%		1,292	681	89.7%	1,535	(15.8%)
Total Opex	\$ 2,364	\$ 2,258	\$ 105	4.7%	\$ 1,332	\$ 1,031	77.4%		\$ 13,468	\$ 13,550	(0.6%)	\$ 14,198	(5.1%)
	19.1%	17.4%			10.7%				19.4%	18.9%		21.9%	

Management Discussion

- **Payroll/Benefits:** Compensation expense below AOP in line with expectations
- **Bonus:** We started new bonus accruals for 2019 at 50%, in addition we are accruing 10k/month for sales push program for glass (accrued in other)
- **Bad Debt:** The bad debt negative variance to AOP is mainly driven by the intended build up to the standard accrual and some write offs in Texas

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)	\$	197	\$	731	\$	(533)	(73.0%)	\$	650	\$	(453)	(69.7%)	\$	(1,486)	\$	332	\$	(1,818)	(547.1%)	\$	(5,784)	\$	4,299	(74.3%)
Depreciation, amortization and other		507		577		(70)	(12.2%)		1,565		(1,058)	(67.6%)		3,067		3,462		(395)	(11.4%)		3,034		33	1.1%
Capitalized fees & expenses		88		32		56	178.4%		32		56	178.4%		33		190		(156)	(82.4%)		190		(156)	(82.4%)
Gain (loss) on sale of fixed assets		—		—		—	N/A		—		—	N/A		—		—		—	N/A		(19)		19	(100.0%)
Non-cash interest expense		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Non-cash dividends		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Deferred income tax		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Change in operating assets and liabilities:																								
Accounts receivable		(2,157)		(1,518)		(638)	42.0%		(1,641)		(516)	31.4%		828		(1,832)		2,659	(145.2%)		377		451	119.5%
Inventory		(2,202)		84		(2,286)	(2736.9%)		605		(2,807)	(464.0%)		(5,600)		(1,528)		(4,072)	266.4%		655		(6,255)	(955.5%)
Prepaid expenses and other current assets		35		588		(554)	(94.1%)		369		(334)	(90.6%)		430		312		118	37.8%		498		(68)	(13.7%)
Accounts payable		(134)		(56)		(78)	140.7%		284		(418)	(147.1%)		3,187		395		2,792	707.7%		1,624		1,563	96.3%
Accrued expenses		3,714		(1,655)		5,369	(324.4%)		(1,228)		4,942	(402.5%)		(388)		390		(778)	(199.5%)		(2,432)		2,043	(84.0%)
Accrued income taxes		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other changes in operating assets and liabilities		(238)		—		(238)	N/A		83		(321)	(385.6%)		(1,056)		—		(1,056)	N/A		355		(1,410)	(397.4%)
Other cash flow from operations		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Operations	\$	(190)	\$	(1,218)	\$	1,029	(84.4%)	\$	720	\$	(910)	(126.4%)	\$	(2,458)	\$	1,720	\$	(4,178)	(242.9%)	\$	(1,503)	\$	(955)	63.5%
Cash flow from investing																								
Additions to property, plant and equipment	\$	(274)	\$	—	\$	(274)		\$	(40)	\$	(234)	591.1%	\$	(898)	\$	—	\$	(898)	N/A	\$	(611)	\$	(288)	47.1%
Acquisitions of companies, net of cash acquired		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Investment in intangibles		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Earnout payments		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from investing (goodwill)		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Total Cash Flow from Investing	\$	(274)	\$	—	\$	(274)		\$	(40)	\$	(234)	591.1%	\$	(898)	\$	—	\$	(898)	N/A	\$	(611)	\$	(288)	47.1%
Cash flow from financing																								
Proceeds from the issuance (repayment) of ST	\$	1,288	\$	1,458	\$	(170)	(11.7%)	\$	(1,379)	\$	2,667	(193.4%)	\$	2,764	\$	433	\$	2,331	538.8%	\$	1,871	\$	893	47.7%
Proceeds from the issuance of debt		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Repayment of debt		—		—		—	N/A		22		(22)	(100.0%)		(418)		(418)		1	(0.1%)		(343)		(75)	21.8%
Capital lease		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Common stock issued (repurchased)		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Common stock cash dividends paid		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Preferred stock issued (repurchased)		—		—		—	N/A		—		—	N/A		—		—		—	N/A		—		—	N/A
Other cash flow from financing costs		—		—		—	N/A		—		—	N/A		—		—		—	N/A		(0)		0	(100.0%)
Total Cash Flow from Financing	\$	1,288	\$	1,458	\$	(170)	(11.7%)	\$	(1,358)	\$	2,646	(194.8%)	\$	2,346	\$	15	\$	2,331	15933.0%	\$	1,528	\$	818	53.5%
Effect of FX rates on cash and cash equivalents	\$	332	\$	(240)	\$	572	(238.3%)	\$	(4)	\$	336	(8399.5%)	\$	109	\$	(333)	\$	442	(132.9%)	\$	(419)	\$	528	(126.1%)
Net change in cash	\$	38	\$	(0)	\$	38	<-1000%	\$	(682)	\$	720	(105.6%)	\$	593	\$	1,402	\$	(809)	(57.7%)	\$	(1,004)	\$	1,597	(159.0%)
Beginning cash		1,561		3,500		(1,939)	(55.4%)		4,012		(2,451)	(61.1%)		2,668		2,668		—	0.0%		4,335		(1,667)	(38.5%)
Change in cash		38		(0)		38	<-1000%		(682)		720	(105.6%)		593		1,402		(809)	(57.7%)		(1,004)		1,597	(159.0%)
Ending cash	\$	1,599	\$	3,500	\$	(1,901)	(54.3%)	\$	3,330	\$	(1,732)	(52.0%)	\$	3,263	\$	3,500	\$	(237)	(6.8%)	\$	3,330	\$	(68)	(2.0%)

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	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	\$	%	Act	\$	%
Gross Revenue	\$ 10,051	\$ 11,098	\$ 11,865	\$ 10,751	\$ 13,113	\$ 12,407	\$ 12,954	\$ 12,954	\$ 12,954	\$ 10,898	\$ 10,898	\$ 10,898	\$ 140,841	\$ 143,114	\$ (2,273)	(1.6%)	\$ 137,796	\$ 3,045	2.2%
Net Revenue	10,051	11,098	11,865	10,751	13,113	12,407	12,954	12,954	12,954	10,898	10,898	10,898	140,841	143,114	(2,273)	(1.6%)	137,796	3,045	2.2%
Material	3,191	4,159	3,724	3,056	5,461	3,611	4,535	4,535	4,535	3,617	3,617	3,617	47,659	49,734	(2,074)	(4.2%)	48,075	(416)	(0.9%)
Labor	3,460	3,335	3,733	3,255	3,746	3,935	3,586	3,586	3,586	3,322	3,322	3,322	42,189	41,449	740	1.8%	42,598	(410)	(1.0%)
Other COGS	1,119	1,118	1,118	981	1,075	1,027	1,003	1,003	1,003	955	955	955	12,313	11,752	562	4.8%	13,102	(789)	(6.0%)
Total COGS	7,770	8,612	8,576	7,292	10,282	8,573	9,124	9,124	9,124	7,895	7,895	7,895	102,161	102,934	(772)	(0.8%)	103,776	(1,614)	(1.6%)
Gross Margin	2,281	2,486	3,289	3,459	2,831	3,834	3,830	3,830	3,830	3,003	3,003	3,003	38,680	40,180	(1,500)	(3.7%)	34,020	4,659	13.7%
Gross Margin %	22.7%	22.4%	27.7%	32.2%	21.6%	30.9%	29.6%	29.6%	29.6%	27.6%	27.6%	27.6%	27.5%	28.1%			24.7%		
R&D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Sales & Marketing	1,068	1,085	1,132	1,192	1,162	1,160	1,267	1,267	1,267	1,267	1,267	1,267	14,400	15,201	(801)	(5.3%)	14,603	(203)	(1.4%)
Administrative	1,115	1,136	1,136	1,063	1,197	1,198	995	995	995	995	995	995	12,815	11,939	876	7.3%	12,941	(126)	(1.0%)
Other Opex	(16)	(7)	(71)	(39)	(49)	6	(3)	(3)	(3)	(3)	(3)	(3)	(197)	(41)	(156)	377.6%	(322)	124	(38.6%)
Total Opex	2,167	2,215	2,198	2,215	2,310	2,364	2,258	2,258	2,258	2,258	2,258	2,258	27,017	27,099	(82)	(0.3%)	27,223	(205)	(0.8%)
EBITDA	114	272	1,091	1,244	521	1,470	1,572	1,572	1,572	745	745	745	11,662	13,081	(1,418)	(10.8%)	6,797	4,865	71.6%
EBITDA %	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	12.1%	12.1%	12.1%	6.8%	6.8%	6.8%	8.3%	9.1%			4.9%		
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ (26)	\$ (231)	\$ 197	\$ 467	\$ 474	\$ 484	\$ (137)	\$ (143)	\$ (140)	\$ (542)	\$ 1,339	\$ (1,881)	(140.5%)	\$ (7,771)	\$ 7,229	(93.0%)
Capex	\$ 245	\$ 1,277	\$ 15	\$ 250	\$ 109	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,021	\$ -	\$ 2,021	N/A	\$ 2,279	\$ (258)	(11.3%)
\$'000	1	1	1	0	1	1	1	0	1	1	1	0	FY	FY	Var		PY	Var	
	Jan-19	Feb-19	Mar-19	Jan-00	Apr-19	May-19	Jun-19	Jan-00	Jul-19	Aug-19	Sep-19	Jan-00	Jan-00	Jan-00	\$	%	Act	\$	%
Opex Overview:																			
Payroll	\$ 1,057	\$ 1,023	\$ 1,004	\$ 863	\$ 971	\$ 1,128	\$ 1,194	\$ 1,194	\$ 1,194	\$ 1,194	\$ 1,194	\$ 1,194	\$ 13,211	\$ 14,329	\$ (1,118)	(7.8%)	\$ 13,807	\$ (596)	(4.3%)
Benefits	239	209	232	247	216	224	250	250	250	250	250	250	2,869	3,004	(135)	(4.5%)	2,571	298	11.6%
Bonus	96	96	93	139	98	75	112	112	112	112	112	112	1,269	1,342	(74)	(5.5%)	272	997	366.3%
Commissions	15	22	19	56	72	(24)	28	28	28	28	28	28	328	334	(7)	(2.0%)	681	(353)	(51.9%)
Marketing	134	159	187	174	189	180	191	191	191	191	191	191	2,170	2,293	(123)	(5.4%)	1,935	235	12.1%
Travel and Entertainme	80	82	85	120	99	87	87	87	87	87	87	87	1,073	1,039	34	3.3%	1,247	(174)	(14.0%)
Rent and Facilities	68	69	67	75	72	75	65	65	65	65	65	65	816	779	38	4.8%	789	27	3.5%
Insurance	35	43	35	35	34	33	32	32	32	32	32	32	406	380	26	6.8%	262	144	55.1%
Professional Fees	78	76	110	100	80	60	69	69	69	69	69	69	918	830	89	10.7%	1,101	(183)	(16.6%)
Utl., Repair, Maint., & S	28	38	38	38	35	33	34	34	34	34	34	34	417	413	4	0.9%	408	9	2.1%
Office Expenses	5	4	5	8	6	5	6	6	6	6	6	6	68	71	(2)	(3.2%)	74	(6)	(7.9%)
IT	55	58	58	91	72	67	48	48	48	48	48	48	686	570	116	20.4%	680	6	0.9%
Bad Debts	64	127	98	78	81	84	12	12	12	12	12	12	605	143	462	322.6%	340	264	77.7%
Supplies	25	10	17	17	22	13	18	18	18	18	18	18	209	210	(1)	(0.5%)	251	(42)	(16.6%)
FX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Other Expenses	188	198	147	172	264	324	114	114	114	114	114	114	1,974	1,363	611	44.8%	2,805	(831)	(29.6%)
Total Opex	\$ 2,167	\$ 2,215	\$ 2,198	\$ 2,215	\$ 2,310	\$ 2,364	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 27,017	\$ 27,099	\$ (82)	(0.3%)	\$ 27,223	\$ (205)	(0.8%)

Monthly EBITDA & 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	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 114	\$ 272	\$ 1,091	\$ 1,244	\$ 521	\$ 1,470	\$ 1,572	\$ 1,572	\$ 1,572	\$ 745	\$ 745	\$ 745	\$ 13,431	\$ 13,081	\$ 351	2.7%	\$ 6,797	\$ 6,634	97.6%
Depreciation and amortization	(494)	(495)	(495)	(569)	(507)	(507)	(577)	(577)	(577)	(577)	(577)	(577)	(6,759)	(6,924)	165	(2.4%)	(6,032)	(727)	12.1%
Interest and amortization	(344)	(347)	(358)	(349)	(98)	(465)	(275)	(266)	(254)	(254)	(262)	(258)	(3,354)	(3,216)	(138)	4.3%	(3,962)	607	(15.3%)
Other financial income/expense	6	(16)	(48)	(2)	(58)	44	—	—	—	—	—	—	(10)	—	(10)	N/A	(216)	207	(95.6%)
Non-financial income/expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Monitoring fees (including expenses)	(250)	(18)	—	(250)	—	—	(96)	(96)	(96)	(96)	(96)	(96)	(1,228)	(1,152)	(76)	6.6%	(1,100)	(127)	11.6%
Restructuring costs	—	—	—	(63)	—	—	—	—	—	—	—	—	—	—	—	N/A	(1,387)	1,387	(100.0%)
Non-recurring items	—	—	(51)	—	—	(308)	—	—	—	—	—	—	—	—	—	N/A	(1,403)	1,403	(100.0%)
Taxes	7	(43)	(19)	(36)	(88)	(36)	(156)	(158)	(161)	45	47	46	(866)	(450)	(416)	92.5%	(469)	(397)	84.8%
GAAP Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ (26)	\$ (231)	\$ 197	\$ 467	\$ 474	\$ 484	\$ (137)	\$ (143)	\$ (140)	\$ 1,215	\$ 1,339	\$ (124)	(9.3%)	\$ (7,771)	\$ 8,986	(115.6%)

Monthly Cost of Goods Sold



\$'000	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Var		PY	Var	
	Act	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	\$	%	Act	\$	%
Material																			
Material costs at standard	\$ 3,159	\$ 4,033	\$ 3,686	\$ 3,085	\$ 5,337	\$ 3,599	\$ 4,149	\$ 4,149	\$ 4,149	\$ 3,510	\$ 3,510	\$ 3,510	\$ 45,875	\$ 45,473	\$ 402	0.9%	\$ 46,555	\$ (680)	(1.5%)
Materials FX loss / (gain)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Purchase price variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Freight in	33	126	39	(29)	123	13	386	386	386	108	108	108	1,785	4,261	(2,476)	(58.1%)	1,520	265	17.4%
Cost revision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Scrap costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Total Material COGS	\$ 3,191	\$ 4,159	\$ 3,724	\$ 3,056	\$ 5,461	\$ 3,611	\$ 4,535	\$ 4,535	\$ 4,535	\$ 3,617	\$ 3,617	\$ 3,617	\$ 47,659	\$ 49,734	\$ (2,074)	(4.2%)	\$ 48,075	\$ (416)	(0.9%)
Labor																			
Direct labor	\$ 1,087	\$ 1,028	\$ 1,197	\$ 847	\$ 1,175	\$ 1,277	\$ 1,106	\$ 1,106	\$ 1,106	\$ 930	\$ 930	\$ 930	\$ 12,720	\$ 12,215	\$ 505	4.1%	\$ 12,047	\$ 673	5.6%
Direct labor - bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Direct labor - overtime	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Direct labor - benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Direct labor - overtime	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Direct labor - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Indirect labor	734	672	754	571	704	753	735	735	735	719	719	719	8,549	8,723	(174)	(2.0%)	8,888	(339)	(3.8%)
Indirect labor - bonus	9	9	7	8	8	8	2	2	2	2	2	2	58	20	38	187.7%	37	21	57.5%
Indirect labor - overtime	59	32	42	18	49	67	43	43	43	36	36	36	505	475	30	6.4%	568	(63)	(11.1%)
Indirect labor - benefits	599	587	611	599	641	627	605	605	605	576	576	576	7,207	7,086	121	1.7%	6,893	314	4.6%
Indirect labor - other	143	103	123	85	100	114	(56)	(56)	(56)	38	38	38	614	(107)	722	(672.2%)	1,289	(674)	(52.3%)
Sub-contractor costs	829	904	1,000	1,127	1,068	1,089	1,152	1,152	1,152	1,021	1,021	1,021	12,535	13,036	(501)	(3.8%)	12,876	(342)	(2.7%)
Total Labor COGS	\$ 3,460	\$ 3,335	\$ 3,733	\$ 3,255	\$ 3,746	\$ 3,935	\$ 3,586	\$ 3,586	\$ 3,586	\$ 3,322	\$ 3,322	\$ 3,322	\$ 42,189	\$ 41,449	\$ 740	1.8%	\$ 42,598	\$ (410)	(1.0%)
Other																			
Repairs and maintenance	\$ 40	\$ 49	\$ 35	\$ 53	\$ 39	\$ 65	\$ 42	\$ 42	\$ 42	\$ 35	\$ 35	\$ 35	\$ 511	\$ 461	\$ 50	10.9%	\$ 474	\$ 37	7.9%
Absorption	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Freight out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Rent / facilities	140	145	142	124	142	142	122	122	122	122	122	122	1,565	1,463	103	7.0%	1,501	65	4.3%
Utilities	54	74	34	45	36	35	38	38	38	32	32	32	490	423	67	15.8%	521	(31)	(6.0%)
Other cost of sales	884	850	908	759	858	785	801	801	801	766	766	766	9,747	9,405	342	3.6%	10,606	(859)	(8.1%)
Total Other COGS	\$ 1,119	\$ 1,118	\$ 1,118	\$ 981	\$ 1,075	\$ 1,027	\$ 1,003	\$ 1,003	\$ 1,003	\$ 955	\$ 955	\$ 955	\$ 12,313	\$ 11,752	\$ 562	4.8%	\$ 13,102	\$ (789)	(6.0%)
Total COGS	\$ 7,770	\$ 8,612	\$ 8,576	\$ 7,292	\$ 10,282	\$ 8,573	\$ 9,124	\$ 9,124	\$ 9,124	\$ 7,895	\$ 7,895	\$ 7,895	\$ 102,161	\$ 102,934	\$ (772)	2.4%	\$ 103,776	\$ (1,614)	(7.8%)

AP / AR Aging Detail



\$'000

AR Aging						
Days	Dec-18	%	Apr-19	May-19	Jun-19	%
0-30	\$ 16,376	44.4%	\$ 16,739	\$ 21,312	\$ 19,756	54.4%
30-60	5,342	14.5%	3,407	2,092	2,911	8.0%
60-90	3,176	8.6%	2,494	1,658	2,606	7.2%
>90	11,985	32.5%	10,598	14,285	11,072	30.5%
Total Gross AR	\$ 36,879	100.0%	\$ 33,238	\$ 39,348	\$ 36,345	100.0%
Reserves	(1,407)		(1,679)	(1,746)	(1,836)	
Total Net AR	\$ 35,472		\$ 31,559	\$ 37,602	\$ 34,509	
Change in AR Reserve			(51)	(66)	(90)	
Actual Bad Debt P&L Charge			78	81	84	
LTM Bad Debt P&L Charge			\$ 520	\$ 555	\$ 597	

AP Aging					
Days	Dec-18	Apr-19	May-19	Jun-19	%
0-30	\$ 10,682	\$ 8,545	\$ 8,240	\$ 14,225	85.6%
30-60	1,234	1,074	1,007	936	5.6%
60-90	343	423	261	435	2.6%
>90	1,268	1,922	2,244	1,018	6.1%
Total	\$ 13,526	\$ 11,963	\$ 11,752	\$ 16,614	100.0%

Retainage						
Days	Dec-18	%	Apr-19	May-19	Jun-19	%
0-30	\$ 1,182	3.2%	\$ 1,197	\$ 1,182	\$ 910	2.5%
% of AR	7.2%		7.1%	5.5%	4.6%	
30-60	325	0.9%	318	325	642	1.8%
% of AR	6.1%		9.3%	15.5%	22.1%	
60-90	337	0.9%	522	337	347	1.0%
% of AR	10.6%		20.9%	20.3%	13.3%	
>90	3,037	8.2%	3,717	3,037	3,259	9.0%
% of AR	25.3%		35.1%	21.3%	29.4%	
Total Retainage	\$ 4,881	13.2%	\$ 5,754	\$ 4,881	\$ 5,158	14.2%
% of AR	13.2%		17.3%	12.4%	14.2%	

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Appendix:

- **Supplemental Financial Information**
- **Additional Back Up Slides**

Red flags:

- Month-end close process continues to improve with focus on internal reporting templates and system-generated reports

Ongoing Governance Activities:

- Cleaning up internal reporting

Action:

- Review of ERP reports and reporting capabilities scheduled for July 2019
- Documentation in the form of detailed SOP (Standard Operating Procedures) continuing

Governance Matter		Q2 Update
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	Yes, have found multiple reporting issues with templates and process steps as part of month end close – these are systematically being addressed
d)	Any reports or complaints regarding accounting, internal accounting controls or auditing matters	None

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Governance Reporting

Appendix

Global Communication Road Map



Month	Town Halls	Field Office / Country Town Halls	Lunch & Learns	Other	Accountable	Comments	Status
January		CA Field Office Hong Kong Malaysia China		Proactive Business Update with Key Distributors	K. Miceli / J. Smith K. Miceli / J. Smith K. Miceli / J. Smith K. Miceli / J. Smith K. Miceli / M. Kontranowski		✓ ✓ ✓ ✓ ✓
February			JVL - Marketing & Engineering JVL - Operations & Large Projects Dept JVL - Finance, IT & HR	Global LT Monthly Update Global LT Monthly Update	K. Miceli / J. Smith K. Miceli / J. Smith K. Miceli / J. Smith K. Miceli	Post MOR/BOD meetings cascading results	✓ ✓ ✓ ✓
March					K. Miceli		✓
April		Germany	Germany - Key Employees	Global LT Monthly Update	K. Miceli / J. Smith K. Miceli / J. Smith K. Miceli	Post MOR/BOD meetings cascading results	✓ ✓ ✓
May		Chicago Field Office	MN/IL/IN - Key Employees	Proactive Business Update with Key Distributors Global LT Monthly Update Global LT Monthly Update	K. Miceli / M. Kontranowski K. Miceli K. Miceli / M. Kontranowski K. Miceli	Post MOR/BOD meetings cascading results Post MOR/BOD meetings cascading results	✓ ✓ ✓ ✓
June					K. Miceli	Post MOR/BOD meetings cascading results	✓
July		TX Field Office	TX - Key Employees	Global LT Monthly Update	K. Miceli / M. Kontranowski K. Miceli K. Miceli	Post MOR/BOD meetings cascading results	
August	Global Janesville Germany Australia Hong Kong China Malaysia				K. Miceli K. Narczykiewicz R. Lehmann G. Sauer W. Chiang S. Wong A. Teoh		
September		FL Field Office	FL - Key Employees	Proactive Business Update with Key Distributors Global LT Monthly Update	K. Miceli / M. Kontranowski K. Miceli / M. Kontranowski K. Miceli K. Miceli	Post MOR/BOD meetings cascading results	
October		Australia China Malaysia	Australia, China, Malaysia - Key Employees	Global LT Monthly Update	J. Smith / K. Lawry J. Smith / K. Lawry J. Smith / K. Lawry J. Smith / K. Lawry K. Miceli	Post MOR/BOD meetings cascading results	
November		Germany Cairo	Germany - Key Employees Advansys / Cairo - Key Employees	Global LT Monthly Update	K. Miceli / K. Lawry K. Miceli / K. Lawry K. Miceli / K. Lawry K. Miceli / K. Lawry K. Miceli	Post MOR/BOD meetings cascading results	
December		Potomac Field Office	MD - Key Employees	Proactive Business Update with Key Distributors Global LT Monthly Update	K. Miceli / M. Kontranowski K. Miceli / M. Kontranowski K. Miceli / M. Kontranowski K. Miceli	Post MOR/BOD meetings cascading results	

Starting in 2018, High Touch Communication Plan Across Multiple Levels...

2019 Focus on 5



	1 - Team Centric	2 - Safety	3 - Quality	4 - Delivery	5 - Cost/Growth
Macro	<ul style="list-style-type: none"> High "Say Do" Ratio "One Hufcor" 	<ul style="list-style-type: none"> Safety First 5S Maturity 	<ul style="list-style-type: none"> Right "First" Time Bias for Action 	<ul style="list-style-type: none"> World Class Lead Times "Perfect Order" 	<ul style="list-style-type: none"> Focus on GM% New Products & Globalization
Detail Focus Areas	<ul style="list-style-type: none"> a. Performance Management Process b. Development Plans c. X-Training d. Organizational Design e. Goal Alignment f. Global Standard Work Development g. Town Halls h. Quarterly Lunch & Learns (L&L) 	<ul style="list-style-type: none"> a. RIR / First Aid Pareto & Action Plan b. 5S c. Consistent Policies d. Management System: <ul style="list-style-type: none"> a. High Hazard b. LOTO c. Job Site d. Confined Space e. Environmental Compliance 	<ul style="list-style-type: none"> a. Standard Work Adherence b. ISO Certifications c. Poka-Yoke d. Scrap e. Correct Tools/Equipment f. Right First Time Delivery to Jobsite 	<ul style="list-style-type: none"> a. PFEP <ul style="list-style-type: none"> a. SKU Rationalization b. Level Load c. Lean Mgmt System d. Global Standard BOM <ul style="list-style-type: none"> a. Part "reuse" b. SKU naming convention e. Warm Start Focus f. Customer Service Excellence g. Project Management Excellence h. NA Growth Readiness 	<ul style="list-style-type: none"> a. Strategic Procurement (PPV) & Dual Sourcing b. Gross Margin reporting at: SKU / Project c. Product Line Expansion <ul style="list-style-type: none"> a. Alu Frame, Glass, Demountable b. Optimize Vertical Wall d. Global PS5 & Price e. APAC Optimization f. Advansys Partnership
Reactive KPI(s)	<ul style="list-style-type: none"> Absenteeism < 15% Staffing Cycle Time, < 60 days for prof., < 30 days for union G&O 100% Completion Mid Year/End of Year 100% Completion L&L Quarterly and Town Hall 2x/year 100% Complete 	<ul style="list-style-type: none"> RIR: 50% Reduction to 4.9 Lost Time: 0 	<ul style="list-style-type: none"> TCAR Reduction 24 Hour Response Time (Calls and E mails) Customer Feedback In field Service Warranty \$ Reduction 	<ul style="list-style-type: none"> +90% OTD Past Due \$s below \$100K (average) Past Due Aging – Below 30 Days 24 Hour Response Time (Calls and E mails) Project Schedule Fidelity Increase Output X% at each location 	<ul style="list-style-type: none"> EBITDA - \$16M (12.9% of sales) Direct Mat'l: 33.4% of Sales Manf. O/H: 18.5% of Sales Opex: 17.5% of Sales GM% - +31% Launch Standard Glass in NA, GER & AUS Q1 Launch AL Frame NA & GER Q1 Launch PS5 & Price Book Q12019
Proactive KPI(s)	<ul style="list-style-type: none"> 100% Completion of Cross Training Plan for critical roles within each function High "Say - Do" Ratio 	<ul style="list-style-type: none"> Safety Concern(s) Closed: +1,000 globally Global 5S Score Maturity by YE: 3 	<ul style="list-style-type: none"> Warranty Trending 	<ul style="list-style-type: none"> S&OP Launch Inventory +90% "Green" per PFEP Inventory Accuracy: +98% SQDC Operating Mechanisms Weekly Sales & Securement Op Mech (Internal + Distributors) 	<ul style="list-style-type: none"> PPV: +\$3M Dual Source +50% of Critical Spend OT - Below \$350K
Stretch Goal(s)					<ul style="list-style-type: none"> Revenue \$150M+ Glass Sales: +\$20M Globally

Goals Aligned Cross Functionally & Globally = "One Hufcor"...