# Hufcor - Monthly Operating Review (MOR) Thru May

Conf. Call Date: June 24, 2019



# **Operating Review Agenda**



**Executive Summary** 

2019 Plan w/ Initiatives Details

**Financial Review** 

**Governance Reporting** 

**Appendix** 

# Executive Summary – May



### Desirable:

May EBITDA: \$521K (4% of Rev) vs. PY May -\$75K (-.7% of Rev), \$595K swing YOY

	F'16	F'17	F'18	F'19
EBITDA %	5.8%	5.4%	-2.3%	5.7%
GM %	28.8%	27.7%	22.2%	25.1%

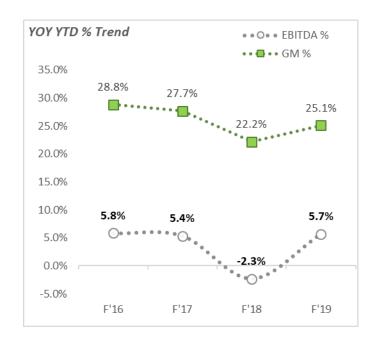
- Key Drivers:
  - OPEX spend control, May 17.6% vs. PY at 22%
    - May SG&A salaries were ~\$288 lower vs. PY (\$971K vs. \$1.26M)
- YTD Janesville output up 28% YTD:

	2018	2019	%
May	5,711	7,371	29%
YTD	26,139	33,445	28%

- 12 month rolling backlog reached new record high of \$97.1M/Total backlog \$101.5M
- EU price increase implemented, impact of €1.1M based on 2018 volume/mix

### **Undesirable:**

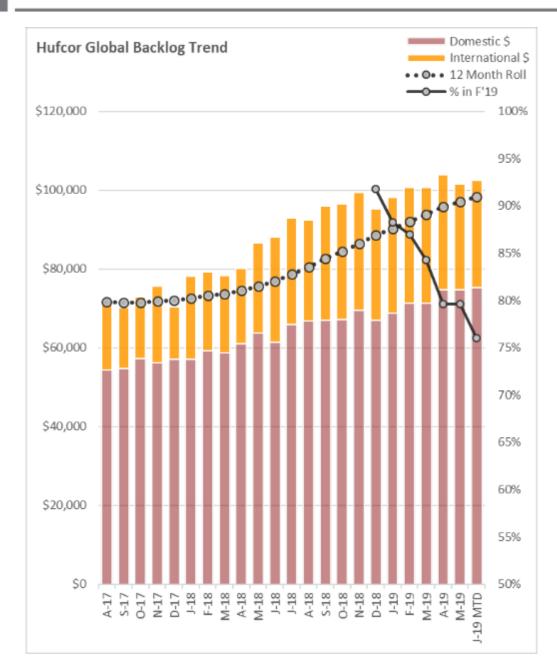
- Macro Level OPEX spend is solid, however we are digging into IT, Marketing, Professional Services, and "Other"
- Janesville COS:
  - International Freight Catch-up: \$300K (Dubai, NZICC, ChristChurch NZ)
  - Cycle Count 3 Month True-up: \$225K above YTD average
  - Mix: +\$150K (large amount of international, we are deep diving this)
- Better month end close 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 starting in June (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...

# Global Backlog Trend & Domestic NA% Change Trend





### Overview:

- Global backlog up: 17% (May vs. May)
  - Domestic: 17.3%
  - International: 16.7% (number of large projects managed out of JVL)
- Securement NA% change "impact:
  - YTD: \$2.7M of incremental GM \$s
  - 65% vs. 61.4%
- Recent pricing changes:
  - Domestic service parts w/ min. order quantity
  - Domestic Logistics
  - EU pricing "launched" ~€1M impact using 2018 mix

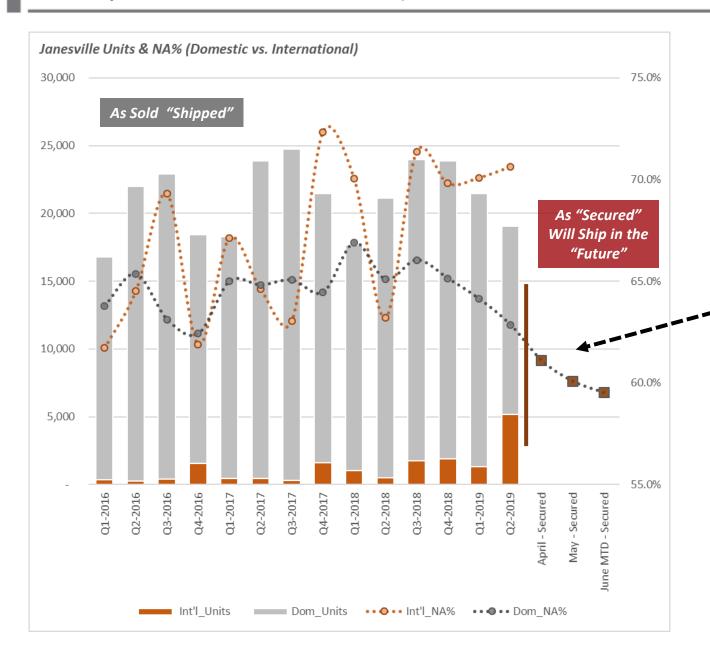
Q4 Gross Securements 2018	\$25,229,202	
October	\$11,768,699	
November	\$8,422,710	
December	\$5,037,793	
Q4 2018 if @ "old" NA%:	\$8,830,221	64.80%
Impact based on lower "NA%":	\$10,611,655	57.94%
	¢1 701 424	
	\$1,781,434	
YTD Gross Securements 2019	\$80,742,254	
YTD Gross Securements 2019 YTD 2019 if @ "old" NA%:	. , ,	64.80%
	\$80,742,254	64.80% 61.42%
YTD 2019 if @ "old" NA%:	\$80,742,254 \$28,423,696	
YTD 2019 if @ "old" NA%:	\$80,742,254 \$28,423,696 \$31,150,362	

<sup>\*</sup>JVL "Layer" Only...

Global BL Above \$100M, NA% Impact Since Sept 2018 @ <u>\$4.5M</u> (& EU Price Increase Launched)...

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





New Securements are that 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)...





### 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 2018 we reversed over \$1M of discretionary accruals which means depending on June 2019 EBITDA results we will loose some LTM traction (~\$1M)
  - However in the next couple of slides you will see that the mix that the business has been dealing with for the last 12 months is about to drastically change

LTM Increased Month over Month, May EBITDA Impacted by Mix & "Catch Up"...

# Janesville Past Due & International "Large" Trend



Past Due Burn Down							
	Total	June	July	August	% Reduction		
Burn Down	\$2,125,079	\$1,567,233	\$596,585	\$567,031			
	%_Top_10	26%	46%	6%	-73%		

Project_Name	Project_\$	June	July	August	
Int'l - Dubai	\$961,002	\$150,000	\$811,002	\$0	
Loews KC	\$171,039	\$171,039	\$0	\$0	
Cuyahoga	\$144,680	\$144,680	\$0	\$0	
Int'l - NZICC	\$129,554	\$0	\$0	\$129,554	*Dubai 1st
Amazon Lab	\$53,916	\$0	\$53,916	\$0	*Accordion Doo
Int'l - Celtic Manor	\$51,157	\$0	\$51,157	\$0	
Liberty Hill	\$46,675	\$46,675	\$0	\$0	
Meadow View	\$45,453	\$45,453	\$0	\$0	
Microsoft B30	\$28,191	\$0	\$28,191	\$0	
Wynn	\$26,383	\$0	\$26,383	\$0	

\$557,847

\$970,647

\$129,554

Project	Gross	NA%	Net
Dubai	\$13,230,921	71.2%	\$3,816,988
NZIZCC	\$7,471,422	72.2%	\$2,077,055
Celtic Manor	\$459,591	71.0%	\$133,281

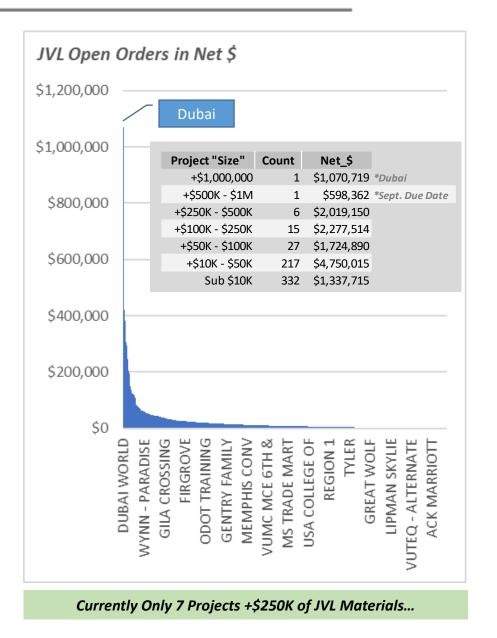
May 2019 JVL
Sales/Mix had
+\$1M of
International, at
a 71% Discount
(NA%)

#### Overview:

Dubai & Celtic Manor – July

Top "10" \$1,658,048

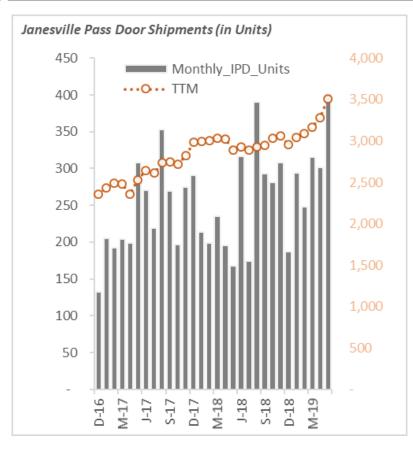
- NZICC August
- Less "strain" on the organization:
  - Paperwork
  - Capacity "slugs"
  - Massive drain on pass door capacity



The Perfect Storm of "Large" Int'l Projects, Labor Availability, & Pass Door is "Almost" Done...

# 2016 – 2019 Pass Door Trend & Recovery Actions





\*Unit quantities of IPDs invoiced out of JVL

## Some large projects that drove the ramp trend:

- NZICC (238 Units)
- Dubai (138 Units)
- Wynn (151 Units)
- Hard Rock Tampa (66 Units)
- Christchurch (52 Units)
- Grand Hyatt (37 units)
- Business Was Not Ready:
- Labor contract impacted onboarding (quality/quantity)
- Lack of SOP(s) & Training
- Missing Tables



\*Legacy 600 Series Pass Door...



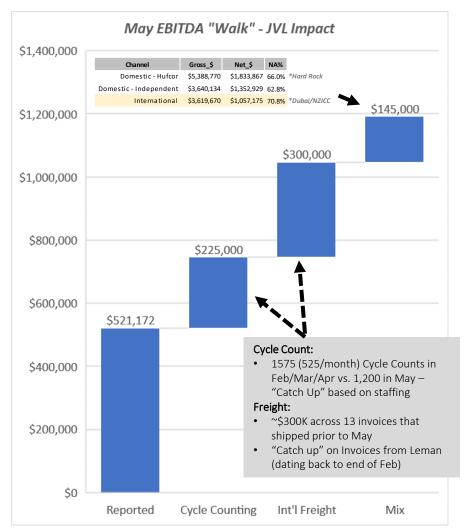
### Pass Door "IPD" Overview:

- Made by hand on assembly benches (the frame and the door are made separately and then brought together) Average time is ~3 hours/frame and ~3 hours/door
- This is a "craftsman" type role and requires months of training
- What we did to start to recover:
  - Dedicated Supervisor
  - Dedicated engineering support
  - Locked schedule to keep support areas prepping parts 2-3 days in advance
  - +4 Build/Assembly Stations (12 Total, 50% increase)
  - 2nd shift Prioritizes Pass Door Prep
  - Continued focus area to get further ahead in prep areas and flow improvements

In The Last 12 Months Pass Door TTM has Increased 21%, We Are Ramping...

# May EBITDA Bridge





	-,	••				
	J-19	F-19	M-19	A-19	M-19	YTD Total
Sales (Net):	\$5,068,504	\$4,866,800	\$5,960,877	\$5,451,427	\$6,631,876	\$27,979,484
Labor	\$527,852	\$451,060	\$587,134	\$265,627	\$573,801	\$2,405,473
	10.4%	9.3%	9.8%	4.9%	8.7%	8.6%
Material (Product)	\$1,840,235	\$2,020,727	\$2,215,830	\$1,750,489	\$2,702,074	\$10,529,354
	36.3%	41.5%	37.2%	32.1%	40.7%	37.6%
Mat'l (All Other/Freight)	\$455,518	\$457,436	\$437,895	\$337,516	\$813,027	\$2,501,392
	9.0%	9.4%	7.3%	6.2%	12.3%	8.9%
Mfg. Overhead	\$1,465,181	\$1,383,760	\$1,263,436	\$1,046,319	\$1,381,299	\$6,539,995
	28.9%	28.4%	21.2%	19.2%	20.8%	23.4%
Total COS:	\$4,288,786	\$4,312,983	\$4,504,295	\$3,399,951	\$5,470,201	\$21,976,214
	84.6%	88.6%	75.6%	62.4%	82.5%	78.5%
Total OPEX:	\$733,752	\$784,329	\$829,544	\$870,004	\$968,545	\$4,186,175
	14.5%	16.1%	13.9%	16.0%	14.6%	15.0%
EBITDA	\$89,196	-\$185,977	\$720,556	\$1,312,438	\$266,282	\$2,202,494
	1.8%	-3.8%	12.1%	24.1%	4.0%	7.9%

### Janesville Overview:

Janesville 2019 P&L by Month:

- Labor, Manufacturing Overhead, & OPEX all "in control" as % of revenue May vs. YTD run rate
- The large ratio swing COS (specifically materials)
  - Material, 2 "Outliers" vs. run rate driving up total COS:
    - Product Material
      - Cycle count "catch up": 1,200 cycle counts in May vs. 525 average each month for last 3 months
    - · Other/Freight
      - International freight invoice "catch up" from Leman (Freight company), invoices going back to February departure dates

May EBITDA Impacted by Janesville Mix & "Catch Up"...

# % of Revenue Trends



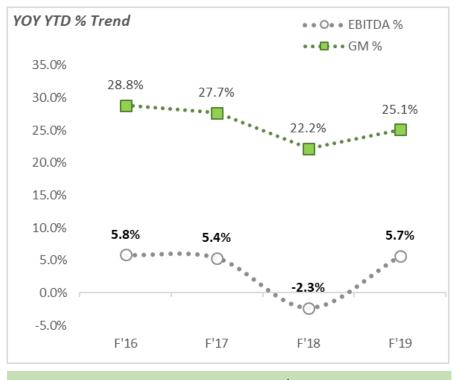
			2018				2019		
	F16	F17	F18 - H1	F'18	J-19	F-19	M-19	A-19	M-19
GM%	29.6%	28.9%	24.0%	24.7%	22.7%	22.4%	27.7%	31.5%	21.6%
Total Opex	22.3%	20.8%	21.9%	20.0%	21.6%	20.0%	18.5%	20.1%	17.6%
Reported EBITDA %	7.7%	8.3%	2.2%	4.9%	1.1%	2.4%	9.2%	11.4%	4.0%

Key %	Trend	ls - Gi	M, OI	PEX, E	BITD	Α			
35.0%									
30.0%	•	<u> </u>						1	
25.0%			-	~					$\leftarrow$
20.0%	_	~		<b>~</b>			_	<u> </u>	•
15.0%									_
10.0%		_					8	1	
5.0%					···				-
0.0%	9				6	6	6	6	6
	F16	F17	F18 - H1	F'18	J-19	F-19	M-19	A-19	M-19
	_	<b>—</b> G1	V1%						
	_	<b>—</b> To	tal Op	ex					
	_	- Re	porte	4 ERITI	οΛ %				

........ 3 per. Mov. Avg. (Reported EBITDA %)

	F'16	F'17	F'18	F'19
Sales	\$50,759,958	\$52,830,192	\$52,449,074	\$57,123,293
<b>EBITDA</b>	\$2,964,988	\$2,832,323	(\$1,219,572)	\$3,250,700
	5.8%	5.4%	-2.3%	5.7%

<b>Total Cost of Sales</b>	\$36,138,555	\$38,193,131	\$40,802,798	\$42,768,379
% of Total Sales	71.2%	72.3%	77.8%	74.9%
Gross Profit	\$14,621,403	\$14,637,061	\$11,646,276	\$14,354,914
% of Total Sales	28.8%	27.7%	22.2%	25.1%



Thru May "positive" EBITDA drives \$4.4M swing YOY...

Compared to Historical Actuals a "Solid Start", +\$4.47M Swing vs. 2018 (thru May)...

# "One Pager" – Priorities for Q2 & Q3



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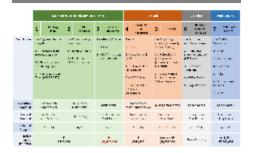
	Maintain	/Better Industry Lead	d-Time	2S		Gro	wth			Visibility	F	Productivity												
	1 120 Day Plan	2 JVL Readiness	3	Second Site Ramp	4	Products & Resources	5	Pricing	6	Rebuild Finance Function		YOY Cost Control												
Description	1 – Engineers to the shop floor  2 – Receiving team process upgrade  3 – New shop floor scheduling logic  4 – Restructure Cost Team (VSM 1 <sup>st</sup> 3 <sup>rd</sup> )	1 – Cross training in critical areas (pass door, glass, lever closer, etc.)  2 – Ramp 2 <sup>nd</sup> shift  3 – Equipment TPM and overhaul	2-0	Athens/Cooper Glass 500 firm orders verted to HX	Ver 4 – Buil 5 – 6 – CA (		anal done  2 - I prici (integral anal anal anal anal anal anal anal a	EU pricing lysis (internally e Q2 2019)  Refresh USA ing analysis ernally done in 2018)  Gross Margin eets for new ega Projects"	2 – stat (MS 3 – Ten	month end close  2 – Rebuild 3 statement model (MS Excel)  3 – Covenant Femplate  4 – FP&A Basics  5 – Sage/Procore		TCAR & cranty  DPEX  Headcount  Overtime  T&E  Professional vices  PPV												
Executive Owner(s)	Justin Smith Koben Miceli	Kelly Lawry Justin Smith	J	ustin Smith		Koben Miceli e Kontranowski	Mik	e Kontranowski	ı	Koben Miceli	ŀ	Koben Miceli												
Tactical Owner(s)	Gary Southern Scott Staedter	Sherri Sorg		se Hernandez Mark Dean		Neal Berens ary Southern		ach Friedrich Steve Wolfe		Lesley Swain Neal Berens		Justin Smith Kelly Lawry												
External Support	Yes - #4	N/A		N/A		Yes - #4	Y	es - #1 & #2	Yes – "All"		Yes – "All"		Yes – "All"		Yes – "All"		Yes – "All"		Yes – "All"		Yes – "All"			Yes - #1
Bridge Impact (EBITDA)	E \$500,	000	-	D \$1,000,000		F \$500,000		Not in AOP \$2,400,000	N	I/A - Accuracy		A, B, & C \$7,600,000												

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

# **Priorities Horizon**



# 2019 - Q2 & Q3 (Stabilize)



## 2019 - Q4



- L. 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

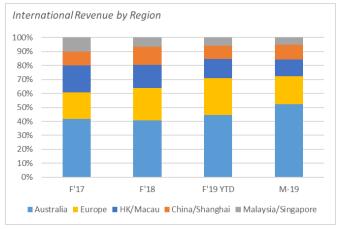


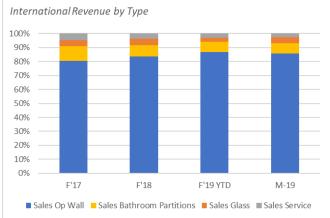
- 1. Product Roadmap
  - Launch new vertical wall
  - Launch demountable wall
- 2. Contingency Planning
  - New USA Location

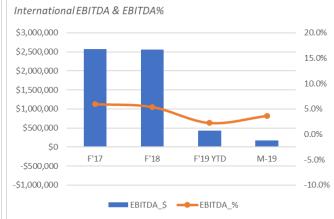
Team Has a Solid Set of Initiatives Focused on Stabilization, w/ Strategy for 2020...

# International Team Overview









#### International Revenue Overview:

- Total revenue for May is \$4.6M (vs \$3.9M in 2018).
   YTD Revenue is \$18M, an increase of \$.6M YOY.
- International backlog declined \$2.4M from \$29.2 in April to \$26.8M in May. This decline is mostly driving by invoicing of \$1.8M in New Zealand
- China "sells" to HK/Macau, the above does not include the "eliminations" between regions, 35% of China sales are to HK/Macau. Total Intercompany eliminations for May is \$94K and \$552K May YTD

### Revenue by "Type":

- Bathroom partition sales are only in Australia
- Like the domestic market Hufcor international is primarily OP Wall sales driven

### **International EBITDA Overview:**

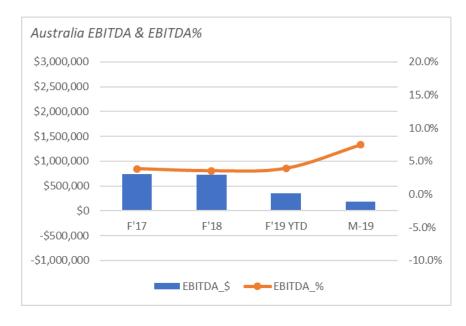
- International is ~5% EBITDA (w/ eliminations)
- Asia historically is a backend loaded P&L
- Recently pushed thru a significant price increase in Europe (June 2019)
- May EBITDA is \$167K (vs \$196K in 2018. Unfavorable variance driven by negative EBITDA in Germany in 2019). YTD EBITDA is \$433K an increase of \$93K or 27% YOY

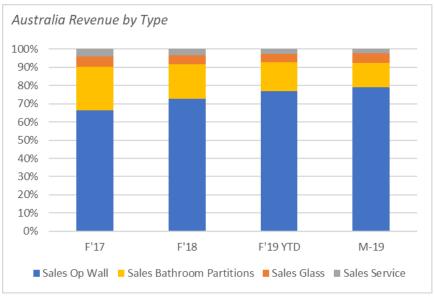
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Hufcor International Revenue Historically & YTD Driven by Australia & Europe: ~60-70%...

# Australia/NZ Overview – Gary Sauer







#### Australia P&L:

#### Backlog Trend:

- Backlog has reduced, \$1.8M USD of the NZ projects invoiced (end of May)
  - Underlying order bank is growing
- Underlying backlog sits around \$11.5M USD at 38.6% mark up which is strong and indicative of strong order intake at excellent margins over this year
- Around \$6.1M USD to invoice in NZ projects
- \$1.55M USD order intake in May

#### Revenue YTD & Month:

- YTD revenue up ~\$898k (11.3%) on previous year on the back of increased underlying revenue growth in strong East Coast market & \$1.8M USD invoiced so far this year for NZ projects
- YTD revenue down \$610k USD against budget due to NZ project being pushed out and some transport documentation delays which have now ben sorted
- May revenue \$460k USD (22%) up on budget and ~\$741K USD up on previous year due to NZ project invoicing and organic growth in strong market conditions on East Coast

#### COS YTD & Month:

- May \$414k USD, in line with invoiced revenue YTD
- \$693k above YTD previous year in line with increased Rev for 2019

#### OPEX YTD & Month:

 In line with budget YTD and May, reflective of increased sales driven by with NZ projects(s)

### EBITDA YTD & Month:

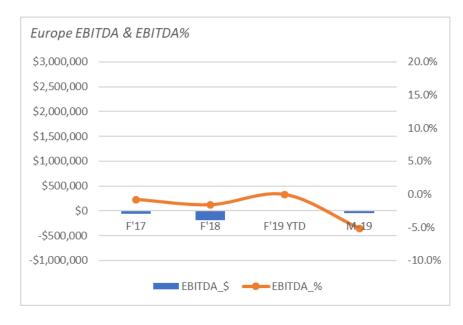
- Higher in May 2019 due to NZ invoicing (\$703k) and increased margins (26.5%)
  - YTD \$130k behind budget due to timing delays on invoicing of NZ project (~\$850k)
- \$167K favorable to previous years due to NZ project and organic growth and increased margin on underlying projects (26.5%)

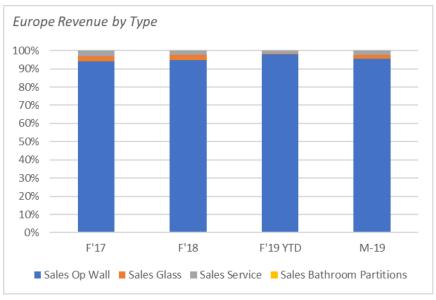
# Australia/NZ Bounced Back in May Due to NZ Project(s) Beginning to Install/Invoice...

# Europe Overview – Melle De Pater



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### **Europe P&L:**

#### Backlog Trend:

- YTD orders received \$5.6M vs \$6M same period last year
  - YTD total orders for 2019 (shipped and planned to ship) \$10.6M vs \$9.06 for the same period last year
- Price changes have the "potential" to drive volume drop (will course correct costs if needed)
- MTD (June) order intake at \$500K @15% mark up, due to the fact that France accounts for the larger part of order entry (did not get the price increase, contractual limitations)
  - All offers made from June 1st average at 20% mark up

#### Revenue YTD & Month:

- YTD revenue up by \$900K vs same period last year
  - Due to CNC machine breakdown, \$180K of project value dropped out of the month of May
- Service revenue down \$60K vs budget

### COS YTD & Month:

- Temp labor (\$24K) and machine repairs (\$12K) mainly drove the variance in COS for May
- YTD 4% of unplanned material usage, \$85K of unplanned temp labor and \$60K of unplanned installation costs are the key drivers behind GM% being YTD 15% vs 19% YTD 2018

### OPEX YTD & Month:

- No significant variance in OPEX for the month of May
- YTD \$60K positive variance vs YTD 2018 due to not replacing sales person
- Provision \$60K higher than YTD 2018 driven by higher sales in Germany

### EBITDA YTD & Month:

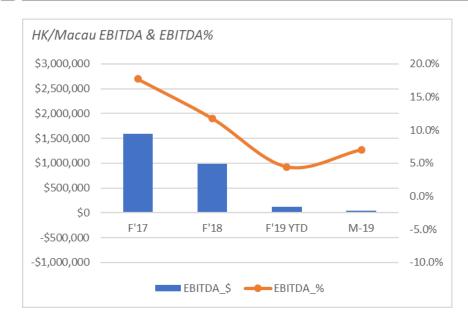
- YTD EBITDA at (\$5K) vs \$140K for the same period last year, driven by legacy pricing & negative COS variances
- For May, a \$120K variance in GM against budget caused by unplanned material, labor and repair costs has driven an undesirable EBITDA of (\$51K) vs the planned EBITDA of \$63K

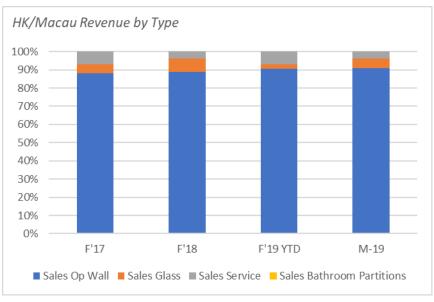
Determined EU Has Been Pricing at Breakeven (Blended) for Years, New Pricing Launched...

Based on 2018 "Mix" Drives ~10% EBITDA...

# HK/Macau Overview – Wayne Chiang







### HK/Macau P&L:

### Backlog Trend:

- Thru May 2018, backlog was \$2.38M, thru May 2019 is USD2.20M, or a decrease of 7.2% YOY
  - Slow down start due to the trade war between China and US, some projects were delayed or even cancelled in Q1 2019
- Slight pick up in the market since April, expect the backlog will gain momentum

#### Revenue YTD & Month:

- Sales May 2019: \$2.75M, compared with YTD May 2018: \$2.55M, or an increase of 7.8% YOY
- Sales for the month of May 2019: \$0.56M, compared with May 2018: \$0.45M, or an increase of 15.9%
- Higher revenue for YTD May 2019 was mainly due to the delivery of the Macau Athlete Training Center project

#### COS YTD & Month:

- COS for the month of May 2019: USD0.42M, compared with May 2018: USD0.35M, or an increase of 20.6%
- The delivery of the Macau Athlete Training Center project incurred higher COS as it is a construction site project

### **OPEX YTD & Month:**

- OPEX for YTD May 2019: USD.060M, compared with YTD May 2018: USD0.62M, or a decrease of 2.5%, mainly due to savings on depreciation and T&E
- OPEX for the month of May 2019: USD0.13M, compared with May 2018: USD0.11M, or an increase of 11.7%, because of bonus provisions made for May 2019 while no such provision was made for May 2018

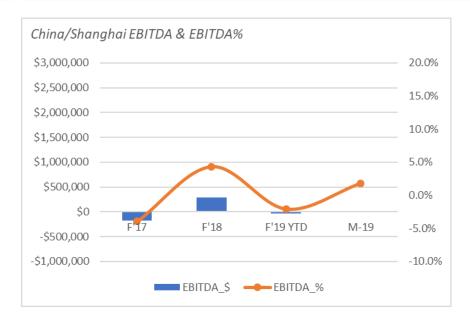
#### EBITDA YTD & Month:

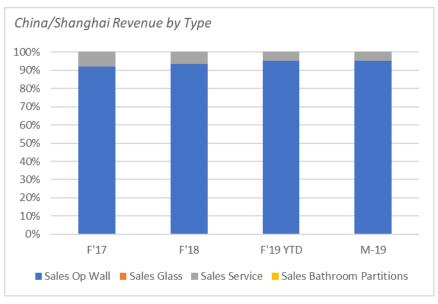
- EBITDA for YTD May 2019: USD.012M, compared with YTD May 2018: USD0.11M, or an increase of 11.8%
- EBITDA for the month of May 2019: USD40K, compared with May 2018: USD35K, or an increase of 12.5%
- EBITDA in 2017 includes dividend income from Malaysia of USD0.3M, which was not derived from R1 operations

Slow Start to 2019 (somewhat driven by China/USA relations), Starting to See Improvement...

# China/Shanghai Overview – Shirley Wong







### China/Shanghai P&L:

### Backlog Trend:

- In May, China's backlog increased from USD1.3M to USD1.8M
- Most of the added projects are medium size projects and should be ready to ship in Q4
  - Majority of projects are 600 Series (OP Wall)
- Secured the Guangzhou YE project in June for \$300K to be delivered in Q3

#### Revenue YTD & Month:

- YTD May sales is below budget USD461K, HK shipments were postponed to Q3/Q4 (mainland China factory is the supplier to HK)
- Increased efforts to improve hit rate to increase backlog

#### COS YTD & Month:

- Material cost is under control and PPV control in (3.34%)
  - Major for 643E-automation to increase material cost savings
- · Labor cost is a little higher than budget because of production volumes postponement

#### **OPEX YTD & Month:**

- Overall, operations expenses are under control
  - Control of travelling, entertainment, freight, repair, welfare expenses to achieve budget
- Bonus accrual based on EBITDA

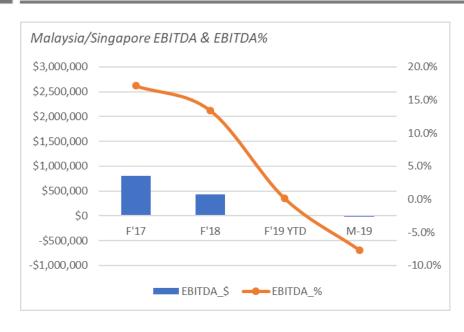
### EBITDA YTD & Month:

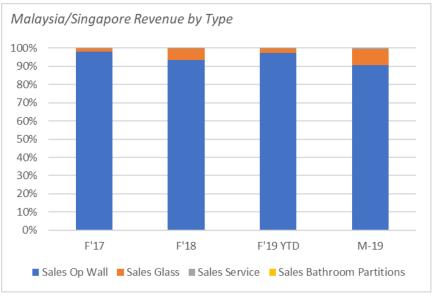
- YTD May, EBITDA below budget USD96K because shipments postponement
  - Shipment peak season postponed from Aug to Oct and forecasted EBITDA will be approach budget at that time
- Continue to control operation expenses to achieve budget

China Supplies HK (Better To Look at a Combined P&L), HK Delays Impact China P&L...

# Malaysia/Singapore Overview – Andy Teoh







### Malaysia/Singapore P&L:

### Backlog Trend:

- YOY May 19 backlog dropped by 60%, from USD1,200k to USD484K, very limited major project tendering activities for the pass months and the backlog is expected to declined to USD365K level
- The lower demand is expected to continue in Q3, as there were less major project awards from key markets; Malaysia, India, and Indonesia
- The focus is on selective the commercial segment that has quick turn around within one
  month

#### Revenue YTD & Month:

 YOY May 19 Revenue has dropped 30%, from USD1,475K to USD1,137K. MTD Revenue decreased 66%, from USD393k to USD236K.

#### COS YTD & Month:

- YOY May 2019 COS has increased from 62% to 76%, MTD COS is 82% on revenue due to SSIPL project
- The Increase of COS are mainly due to higher installation/consultation overhead to complete the KLCC and SSIPL project
- Pricing were adjusted to secure enough jobs to balance off fixed overheads expenses during this low season with intense competition

### **OPEX YTD & Month:**

- YOY OPEX decreased by 30%, from USD451K to USD347K.
- YTD OPEX on % sales maintained as per prior year of 31%, with prudent management of expenditure
- Vacant headcount has been deferred, except for critical role in commercial and engineering

### EBITDA YTD & Month:

 YOY May 19 EBITDA at breakeven level vs prior year, USD103K, expected better EBITDA in end Q3 & Q4 with the latest offering of GF and 5000G glass products

# 2019 Demand "Very Weak", Focus on Commercial Glass to Rebuild Backlog/Margin...



# **Executive Summary**

2019 Plan w/ Initiatives Details

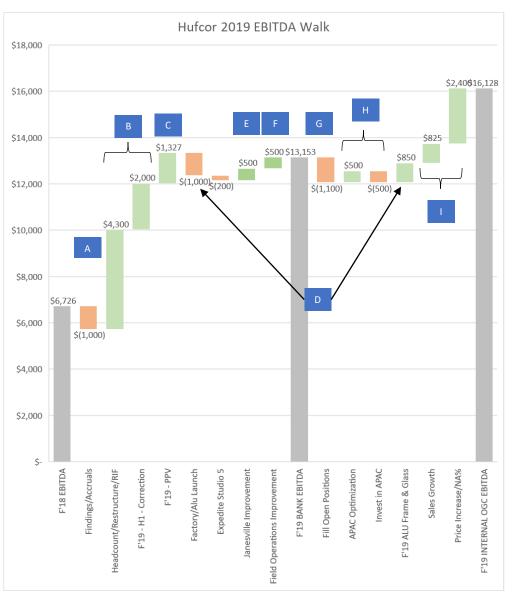
**Financial Review** 

**Governance Reporting** 

**Appendix** 

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





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

# F'19 HX Series – Smith/Kontranowski



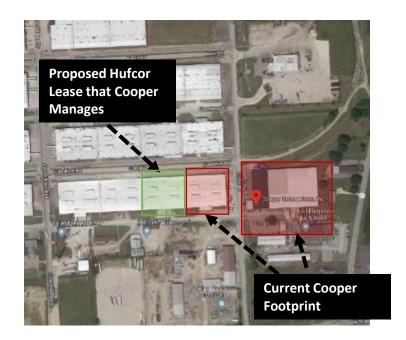
# **HX Update:**

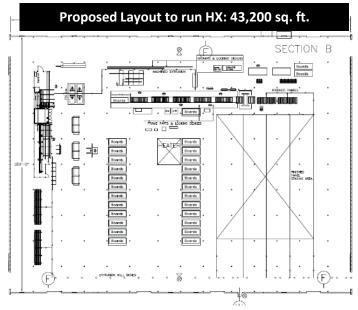
- Progressing with Cooper on transferring equipment/lease & better pricing
- Cooper Pricing Negotiation
  - 15.3% Discount: "Round 1" Direct Negotiation
  - 10% Discount: Cooper Efficiency "pick up" as a result of new machine
  - 10% Discount & Machining Discount (varies):
     "Round 2" Direction Negotiation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

Finish	Pass Door	600	Series	НХ	Series	V	ariance	%
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 expense" 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

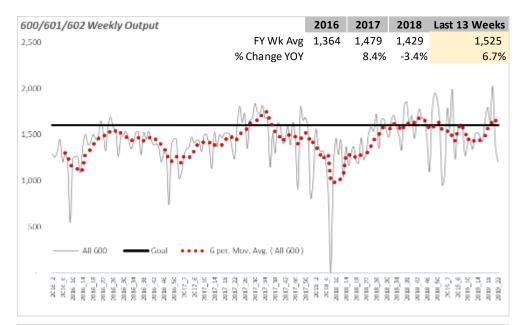


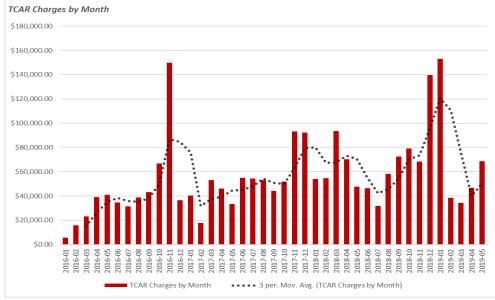


Cost Savings With New HX Series Driving Higher Value Product at 4-6 Week Lead Times...

# Janesville Improvement: 120 Action Plan







### **Output:**

- YOY Janesville output up 28% YTD
  - 2019: 33,445 units vs. 2018: 26,139 units (thru week 22)
- Last 13 weeks higher than average output past 3 years Average
- 2<sup>nd</sup> shift focused in support areas and pass door
- Pass Door: 15.5 Units/Day thru May vs. 24.7 June YTD...59% 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:

· Running at more "normalized" rate compared to historical

### 120 Day Plan Update:

- Lead Times holding at 12 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





Action Item	Jan	2019	Fe	b 2019	M	ar <b>201</b> 9	ΑĮ	pr <b>201</b> 9	Ma	ay 2019	F1	9 YTD
Aluminum thru US suppliers	\$	7	\$	7	\$	7	\$	3	\$	3	\$	26
Steel (Mkt Price)	\$	21	\$	21	\$	21	\$	8	\$	10	\$	80
Machined Parts vendor change	\$	3	\$	3	\$	3	\$	3	\$	3	\$	16
JVL Parts to KANDU	\$	-	\$	-	\$	-	\$	-			\$	-
JVL Parts to Alpha Plastics	\$	-	\$	-	\$	-	\$	-			\$	-
Glass move to TrueLite	\$	2	\$	3	\$	3	\$	3	\$	4	\$	14
Hufcor Guangzhou Sourcing	\$	6	\$	6	\$	6	\$	6	\$	6	\$	30
Total YTD 2019 PPV JVL											\$	166
Australia	\$	9	\$	12	\$	28	\$	13	\$	17	\$	78
Germany	\$	15	\$	15	\$	15	\$	15	\$	15	\$	75
Hong Kong	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
China	\$	11	\$	5	\$	(1)	\$	3	\$	1	\$	19
Malaysia <sub>_</sub>	\$	6	\$	3	\$	6	\$	2	\$	1	\$	17
Total Global PPV											\$	355

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- 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 Item		'19 Fcst	19 AOP	 vs. AOP
Aluminum thru US suppliers	\$	62	\$ 50	\$ 12
Steel (Mkt Price)	\$	193	\$ 168	\$ 25
Machined Parts vendor change	\$	39	\$ 32	\$ 7
Suspension Brackets to KANDU	\$	25	\$ 22	\$ 3
Carrier assy - Alpha Plastics	\$	40	\$ 88	\$ (48)
Glass move to TrueLite	\$	32	\$ 1	\$ 31
Hufcor Guangzhou Sourcing	\$	73	\$ 97	\$ (25)
Total YTD 2019 PPV JVL	\$	464	\$ 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
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	\$	1,009	\$ 1,065	\$ (56)
Australia	\$	188	\$ 157	\$ 31
Germany	\$	180	\$ 87	\$ 93
Hong Kong	\$	20	\$ 39	\$ (19)
China	\$	75	\$ 15	\$ 60
Malaysia	\$	10	\$ 21	\$ (11)
Total Global PPV	\$	1,481	\$ 1,384	\$ 98

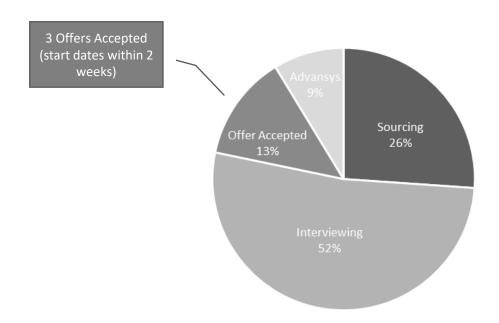
Action Plan To Drive \$1.5M in 2019, 2<sup>nd</sup> "Source" Key Focus of 2019 to Create Leverage...

# Fill Open Positions - Lawry



### **Key Status / Actions:**

- Filled 3 position, have 3 offers accepted since May BOD
- Sales
  - TX General Manager Interviewing
  - A&D Sellers Filled
  - TX (Service Sales Manager) Interviewing
  - CA (PM/PMC) Interviewing (2)
  - CA (Estimator) Offer Accepted
- Operations
  - Plant Manager Interviewing
  - Production Supervisors Offer Accepted
  - Shipping Supervisor Interviewing
  - Manufacturing Engineers Interviewing
  - Buyer/Planner Interviewing
- Finance:
  - Controller Interviewing
  - Accountant Interviewing
- Advansys:
  - BIM Offer Accepted
  - CAD Offer Accepted (1) & Interviewing (1)
  - Contracts Admin Final Interviews



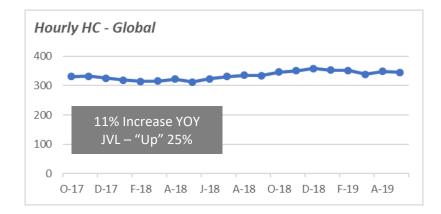
	Open	Filled		
Function	Reqs	Reqs	Status	Status Notes
Engineering	1	0		1 (JVL - Sourcing)
Finance	3	0		1 (JVL ), 2 (DAL) - Interviewing
HR	1	1		1 (JVL - Payroll/HR - Offer Accepted)
Installation	2	0		2 (FL - Interviewing)
IT	1	0		1 (JVL - Interviewing)
Operations	8	1		7 (JVL - Shipping/SC/Driver/Cost - Interviewing)
Project Management	1	0	•	1 (CA - Sourcing)
Sales	3	1	•	2 (TX GM & SS Rep - Interviewing)
Service	1	0		1 (CA - Sourcing)

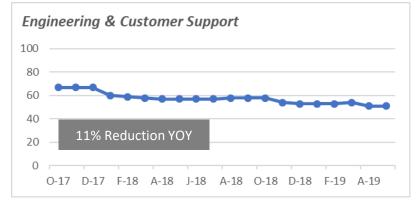
Focusing on Upgrading Talent and Staffing to Drive Growth...

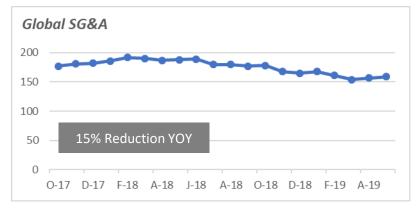
# F'19 H1 Correction & Headcount – ELT (Miceli)











### YTD:

- Solid HC control YOY and YTD
  - 15% reduction in SG&A
  - 2% in global hourly/factory HC
    - JVL +25%
- Adding back SG&A in select regions and functions
  - New A&D seller onboard for the SE
  - New sellers onboard in California

### F'19 H1 Correction: \$2M

- OPEX Cost Controls Implemented in H22018 resulting in \$4M annual savings, \$2M will roll over into 2019
- SG&A Costs, T&E, All Controllable Spend, OT, Manufacturing Overhead etc.

# Headcount Reduction/Restructure/RIF: \$4.3M

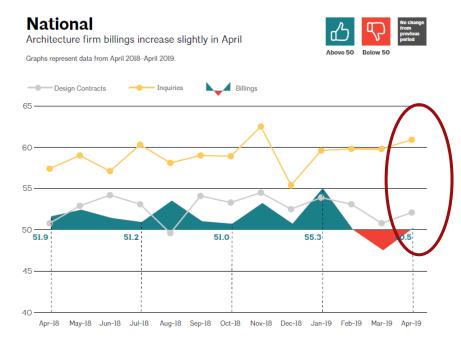
- 74% Direct FTEs
  - Global Factory Output +35% on ~7% Increase in FTEs (OT Normalized to FTEs), Absolute HC Flat
- YTD Indirect Actions:
  - Round 1 August
    - 17 Employees
    - Savings \$1.9M (Net)
  - Round 2 October
    - 22 Employees
    - Savings \$2.4M (Net)

Net \$4.3M Cost Out (+90% in NA) Run-Rate On Track, SG&A HC Down 15% YOY...

# Domestic Market (ABI > 50)



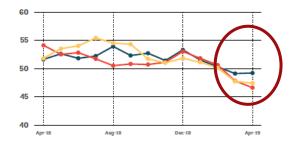




## Sector

Billings continue to soften at firms with a commercial/industrial specialization

Graphs represent data from April 2018-April 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.



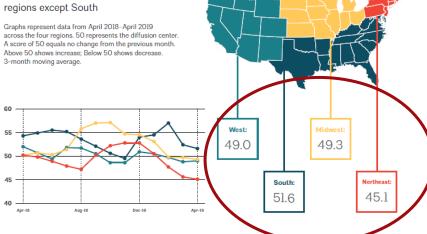






# Regional

Business conditions remain weak in all



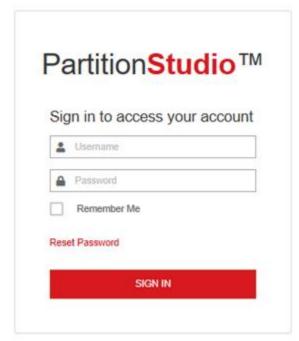
### An uptick, but not a huge one

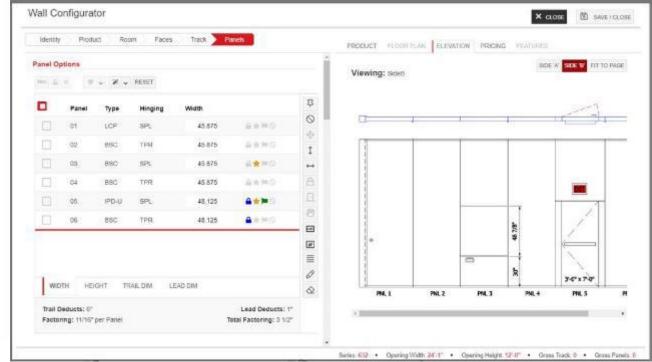
Despite a return to modest growth in the national billings index, billings remained soft at firms in most regions of the country in April. Only firms located in the South continued to report improving business conditions, while firms located in the rest of the country saw declining billings for the third consecutive month. This was most noticeable at firms located in the Northeast, where billings softened even further this month. In addition, firms of all specializations also reported declining firm billings in April, with firms with a commercial/industrial specialization reporting the weakest conditions at this time. quarter at its lowest level in over six years.

Softness in the Market Occurring...

# Partition Studio 5 - Kontranowski







# Testing

- Team of 20 people (Customer Service / Sales) currently testing multiple configurations and full quoting capabilities
- Minor issues identified and corrected daily
- Next 2-3 weeks to finalize testing and corrections

Currently in Test Mode & Working Through Minor Issues...



**Executive Summary** 

2019 Plan w/ Initiatives Details

**Financial Review** 

**Governance Reporting** 

**Appendix** 

# May P&L



\$'000	MTD		Varia	nce	F	PY MTD	Varian	ce			YTD		PY YTC	,
	Act	Bud	\$	%		Act	\$	%		Act	Bud	%	Act	%
Gross Revenue	\$ 13,113 \$	12,954 \$	158	1.2%	\$	11,197 \$	1,916	17.1%	\$	56,877 \$	58,603	(2.9%) \$	52,449	8.4%
Net Revenue	13,113	12,954	158	1.2%		11,197	1,916	17.1%		56,877	58,603	(2.9%)	52,449	8.4%
Material	5,461	4,535	926	20.4%		4,316	1,144	26.5%		19,591	21,092	(7.1%)	19,015	3.0%
Labor	3,746	3,586	160	4.5%		3,427	319	9.3%		17,530	17,138	2.3%	16,705	4.9%
Other COGS	1,075	1,003	72	7.1%		1,005	70	7.0%		5,410	4,873	11.0%	5,083	6.4%
Total CO GS	10,282	9,124	1,157	12.7%		8,748	1,534	17.5%		42,531	43,103	(1.3%)	40,803	4.2%
Gross Margin	 2,831	3,830	(999)	(26.1%)		2,449	382	15.6%		14,346	15,500	(7.4%)	11,646	23.2%
Gross Margin %	21.6%	29.6%				21.9%				25.2%	26.4%		22.2%	
R&D	-	-	-	N/A		-	-	N/A		-	-	N/A	-	N/A
Sales & Marketing	1,162	1,267	(105)	(8.3%)		1,293	(131)	(10.1%)		5,639	6,334	(11.0%)	6,430	(12.3%)
Administrative	1,197	995	202	20.3%		1,194	4	0.3%		5,648	4,975	13.5%	6,471	(12.7%)
Other Opex	(49)	(3)	(46)	1335.2%		37	(86)	(233.8%)		(183)	(17)	960.5%	(35)	421.2%
Total Opex	 2,310	2,258	52	2.3%		2,524	(214)	(8.5%)		11,104	11,291	(1.7%)	12,866	(13.7%)
EBITDA	 521	1,572	(1,051)	66.8%		(74)	595	802.1%		3,242	4,209	23.0%	(1,220)	(365.8%)
EBITDA %	4.0%	12.1%				(0.7%)				5.7%	7.2%		(2.3%)	
Net Income (Loss)	\$ (231) \$	469 \$	(700)	149.3%	\$	(1,844) \$	1,613	87.5%	\$	(1,746) \$	(398)	(338.4%) \$	(6,435)	72.9%
Capex	\$ - \$	- \$			5	76 \$	(76)		٠,	1,787 \$		\$	571	213.0%

\$'000	MTD		Varia	nce	1	PY MTD	Varian	ce	YTD			PY YTD	)
	 Act	Bud	\$	%		Act	\$	%	Act	Bud	%	Act	%
Opex Overview:													
Payroll	\$ 971 \$	1,194 \$	(223)	(18.7%)	\$	1,259 \$	(288)	(22.9%)	\$ 4,918 \$	5,970	(17.6%) \$	6,209	(20.8%)
Benefits	216	250	(35)	(13.9%)		223	(7)	(3.2%)	1,143	1,252	(8.7%)	1,385	(17.4%)
Bonus	98	112	(13)	(12.0%)		(26)	125	(477.0%)	523	559	(6.6%)	518	0.8%
Marketing	72	28	44	158.0%		56	16	29.0%	184	139	32.1%	288	(36.1%)
Commissions	189	191	(2)	(1.1%)		141	47	33.6%	843	955	(11.7%)	714	18.1%
Travel and Entertainment	99	87	12	14.2%		91	8	8.7%	467	433	7.8%	538	(13.3%)
Rent and Facilities	72	65	7	10.3%		64	8	12.3%	351	324	8.4%	325	8.0%
Insurance	34	32	3	8.5%		30	5	15.9%	183	158	15.7%	159	15.5%
Professional Fees	80	69	11	15.2%		79	1	1.1%	444	346	28.4%	499	(11.0%)
Utl., Repair, Maint., & Sec.	35	34	0	1.1%		36	(2)	(4.4%)	177	172	2.8%	186	(5.1%)
Office Expenses	6	6	(0)	(1.8%)		7	(1)	(17.8%)	28	29	(4.5%)	34	(17.5%)
IT	72	48	24	51.3%		49	23	46.1%	334	238	40.7%	268	24.4%
Bad Debts	81	12	69	581.9%		39	42	107.0%	449	60	653.2%	192	133.4%
Supplies	22	18	4	25.2%		19	3	18.4%	91	88	4.3%	119	(23.5%)
FX	-	-	-	N/A		71	(71)	(100.0%)	-	-	N/A	120	(100.0%)
Other Expenses	264	114	151	132.6%		386	(122)	(31.5%)	969	568	70.6%	1,310	(26.1%)
Total Opex	\$ 2,310 \$	2,258 \$	52	2.3%	\$	2,524 \$	(214)	(8.5%)	\$ 11,104 \$	11,291	(1.7%) \$	12,866	(13.7%)

YOY YTD \$4.5M "Better", However June 2018 was a \$2.6M EBITDA month based on the deep cost cutting actions taken...

## **Management Discussion:**

#### Revenue

 May was \$158k higher than plan and ahead of Prior Year by \$1.9M

### **Gross Margin**

- The realized GM for May came in \$1M lower at 21.6% which is below AOP by 8.0%
- The material COGS bridge contains three variables all impacting Janesville P&L:
  - significant cycle count adjustment of \$307k
  - international freight (vendor was past due on invoicing): ~\$300K
  - a variance in material net vs. cost of +\$150k (international project mix)

### **OPEX**

- Total OPEX for May vs. AOP is higher by \$52k and 8.5% lower than prior year
- \*Note that May is one of two months in 2019 with an additional payroll period

### **EBITDA**

- May EBITDA of \$451k is behind plan by \$1.05M and ahead of PY MTD by \$595K
- Bank adjusted EBIDTA, however, is better at \$602k (4.6%)

# Covenant Analysis – May FCCR: 1.94



																					_	
élenn		n-19 ctual		eb-19 Actual	Mar- Actu		Apr-19 Actual		May-19 Actual	Jun-19		ul-19		-19	Sep-19		t-19	Nov		Dec-19		2019
\$'000	А									Budget		udget		iget	Budget	Bu	dget	Bud	get	Budget	<u> </u>	
Not become discord	Ś									BC Credit Pa				474	ć 484		(122)	,	(neal	÷ /24	2 6	In
Net Income (Lass)	>	(961)	, >	(647)	>	119	\$ (26	) \$	(231)	\$ 731	\$	467	\$	474	\$ 484	\$	(137)	>	(143)	\$ (140	) \$	(9
Bank EBITDA Calculation:																						
Interest and amortization		344		347		358	349		98	274		275		266	254		254		262	258		3,339
Taxes		(7)	)	43		19	36		88	244		156		158	161		(45)		(47)	(46	5)	761
Depreciation and amortization		494		495		495	569		507	577		577		577	577		577		577	57		6,599
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			-		-					-		-	117
Severance				-		-	63		-			-		-	-				-		-	63
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													449
Warranty claim payments: Mystic Lake < 400k																					.	
Warranty claim payments: Non- Mystic Lake < 625k																					.	
Total non-recurring items		64		127		98	78		81													449
Bank EBITDA	\$	178	5	399	5 1.		5 1,321			\$ 1,826	\$	1,816	\$ 1	1,476	\$ 1,476	Ś	1,019	Ś	649	\$ 649	5	12,598
Less:			_		,			_		,	-			,			-,				+	
Unfinanced CAPEX		245		117		175	250			200	1	240		250	250		170		170	170	П	2,237
Cash income and franchise taxes		(7)	1	43		19	36		88	244		156		158	161		(45)		(47)	(46		761
Restricted Payments paid in cash			,				-										(40)		()	144	"	
Cash Monitoring fees (including expenses)																					.	
Numerator	\$	(60)	1 5	239	Ś	994	\$ 1,035	Ś	513	\$ 1,382	\$	1,420	\$ 1	1,068	\$ 1,065	\$	894	Ś	526	\$ 525	5 5	9,600
Fixed Charges:	-	(00)	7		*	224	2 2,033	-	313	, 1,502	-	2,420	-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, 1,003	-	034	-	320	7 32	+	3,000
Cash Interest		300		301		311	349		98	274		275		266	254		254		262	258	ı	3,202
Regularly scheduled principal payments		209					209					209					209					836
Capital Lease payments		3		3		3				3		3		3	3		3		3			31
Total Fixed Charges	\$	512	5	304	S		\$ 558	5	98	\$ 277		487	Ś		\$ 257	\$	466	Ś		\$ 26	-	
			_																		+	,,,,,,
TTM Numerator	_	4,390		5,329		086	7,604		8,512	7,200		8,534		,505	8,537		8,849		,052	9,600	-	9,600
TTM Fixed Charges		4,410		4,464	4,	480	4,565		4,388	4,402		4,403	-	1,384	4,367		4,184	4	,138	4,069	'	4,069
Fixed Charge Covenant Ratio		1.00		1.19	1	1.36	1.67		1.94	1.64		1.94		1.94	1.95		2.11		2.19	2.36	6	2.36
Required					1.	x 00.				1.00	×				1.00 x	í.				1.15	x	
				Lev	verage	Ratio	(LBC Cred	lit P	artners- (	Quarterly)												
Total Debt for Leverage Calculation	\$ 4	12,975	\$	43,739	\$ 41,	814	\$ 41,771	\$	41,456	\$ 40,147	\$ 1	39,647	\$ 39	,147	\$ 38,438	\$ 3	8,138	\$ 37	,738	\$ 37,225	5	37,229
TTM Bank EBITDA	\$	7,009		7,986			\$ 10,417			\$ 10,202		11,581			\$ 12,259		2,059	\$ 12		\$ 12,590	_	12,598
Leverage Ratio		6.13		5.48	-	4.71	4.01		3.71	3.94		3.42		3.31	3.14		3.16		3.13	2.96	;	2.96
						TAIR														4.75	$\pm$	
Required						TNR				*NF	1				*NR					4.75	×	

<sup>&</sup>quot;Not required until December 31st, 2019 pursuant to section 2.9 (ii) of the 2nd amendment to the Term Loan Credit Agreement and Waiver

# P&L by Location - Domestic



	Janesville	RVTC	Chicago	Indiana	Minnesota	Potomac	Southeast	Southwest	Texas	Total Domestic
Gross Revenue	6,631,876	319,540	647,145	127,849	814,888	210,270	1,708,603	1,073,869	501,444	8,480,119
Net Revenue	6,631,876	319,540	647,145	127,849	814,888	210,270	1,708,603	1,073,869	501,444	
Material	3,515,101	0	384,264	91,544	570,456	92,653	1,170,076	732,368	269,239	3,409,945
Labor	1,545,629	31,138	117,657	15,753	114,312	48,283	162,863	181,112	214,665	2,431,412
Other COGS	376,949	260,442	8,159	1,715	4,164	7,721	59,403	9,068	37,969	765,590
Total COGS	5,437,679	291,580	510,080	109,012	688,932	148,657	1,392,342	922,548	521,873	6,606,947
Gross Margin	1,194,197	27,960	137,065	18,837	125,956	61,613	316,261	151,321	-20,429	1,873,172
Gross Margin %	18.01%	8.75%	21.18%	14.73%	15.46%	29.30%	18.51%	14.09%	-4.07%	22.09%
R&D	0	0	0	0	0	0	0	0	0	0
Sales & marketing	319,358	0	67,914	10,782	52,171	41,387	113,540	93,601	59,861	758,614
Administrative	628,796	27,089	23,891	2,841	9,717	9,174	52,921	42,328	42,718	839,475
Other Opex	-20,237	0	0	0	0	0	-78	0	-18	-20,333
Total OPEX (excl D&A)	927,917	27,089	91,805	13,623	61,888	50,561	166,383	135,929	102,561	1,577,756
EBITDA	266,280	871	45,260	5,214	64,068	11,052	149,878	15,392	-122,990	295,416
EBITDA Margin %	4.02%	0.27%	6.99%	4.08%	7.86%	5.26%	8.77%	1.43%	-24.53%	3.48%

# P&L by Location – International & Consolidated



HK/Macau	China/Shanghai	Malaysia/Singapore	Australia Consol	Europe	Total Int'l	CONSOLIDATED
564,189	508,895	238,696	2,474,521	939,890	4,632,529	13,112,648
564,189	508,895	238,696	2,474,521	939,890	4,632,529	13,112,648
170,675	256,505	78,887	1,203,091	435,893	2,050,810	5,460,755
207,807	88,269	95,371	599,156	323,837	1,314,440	3,745,852
41,128	46,945	18,564	147,973	54,834	309,444	1,075,034
419,610	391,719	192,822	1,950,220	814,564	3,674,694	10,281,641
144,579	117,176	45,874	524,301	125,326	957,835	2,831,007
25.63%	23.03%	19.22%	21.19%	13.33%	20.68%	21.59%
0	0	0	0	0	0	0
50,185	20,808	42,317	191,196	98,784	403,290	1,161,904
69,975	42,054	39,391	150,666	55,811	357,897	1,197,372
-15,208	941	-15,744	-2,440	3,343	-29,108	-49,441
104,952	63,803	65,964	339,422	157,938	732,079	2,309,835
39,627	53,373	-20,090	184,879	-32,612	225,756	521,172
7.02%	10.49%	-8.42%	7.47%	-3.47%	4.87%	3.97%

# **Balance Sheet**



	Jan-19	Fal	b-19		Mar-19		Apr-19		May-19	FY	1	PY
čiana.							•		•		-	
\$'000	Act	A	Act		Act		Act		Act	Bud		Act
Carrent Assets	2,930	<u>_</u>	2,754	,	1,577		1,521	,	1,561	\$ 3,500	\$	2,668
•	2,930	Ş	2,754	Ş	1,5//	Ş	1,521	Ş	1,501	\$ 5,500	۶	2,000
Short term investments  Accounts receivable, gross	35,130		36,910		34,436		33,243		34,172	34,452		36.879
, 3	(1,455)		,		(1,629)		,		(1,746)	34,432		(1,407)
Accounts receivable, reserves Accounts receivable, net	33,675		(1,545) 35,365		32,807		(1,679) 31,564		32,426	34,452		35,472
Inventory, gross	14,553		15,308		15,388		16,303		16,774	11,969		13,393
	(243)				(264)				(282)	11,969		(298)
Inventory, reserves	, ,		(253)		. ,		(274)		. ,	11.060		13,095
Inventory, net Prepaid expenses and other current assets	14,310 1,832		15,055 1,728		15,124 1,591		16,028 1,529		16,493 1,476	11,969 1,595		1,666
• •	,		,		,		,		,			,
Current portion of deferred taxes Revenue in excess of billings	5,612		5,579		5,583		5,568		5,263	5,797		5,559
Other current assets	285		331		222		318		323	_		261
Total Current Assets	58,644		60,813		56,904		56,528		57,542	57,313		58,721
	30,044		00,613		30,904		30,326		37,342	57,313		30,721
Non-Current Assets	26.600		27.005		20.000		20.447		20.000	27.607		26.262
Property, plant & equipment, gross	36,688		37,895		38,006		38,147		38,088	37,697		36,262
Accumulated depreciation	(23,108)	(	(23,208)		(23,334)		(23,515)		(23,601)	(22,835)		(22,835)
Property, plant & equipment, net	13,580		14,687		14,673		14,632		14,487	14,862		13,427
Identifiable intangible assets, gross	15,247		15,236		15,238		15,233		15,227	5,583		15,231
Accumulated amortization	(5,870)		(6,215)		(6,561)		(6,906)		(7,251)			(5,523)
Identifiable intangible assets, net	9,377		9,022		8,677		8,327		7,976	5,583		9,707
Deferred financing cost	1,906		1,955		1,908		1,862		1,950	1,903		1,950
Other non-current assets	3,723		2,705		2,703		2,697		2,693	2,696		3,719
Total Non-Current Assets	28,585		28,368		27,961		27,518		27,106	25,044		28,804
Total Assets	87,230	\$	89,181	\$	84,864	\$	84,046	\$	84,648	\$ 82,357	\$	87,524
Current Liabilities												
Current portion of long-term debt	1,250	\$	835	\$	835	\$	835	\$	835	\$ 835	\$	835
Line of Credit	10,203		11,382		9,458		9,623		9,308	5,544		7,832
Accounts payable	12,385		12,453		10,618		15,884		15,798	8,913		13,527
Accrued liabilities	6,054		6,682		6,363		962		2,508	5,748		6,224
Accrued compensation	1,508		1,551		1,662		1,461		1,364	_		2,121
Income taxes payable	83		113		129		146		188	260		129
Other current liabilities	2,630		2,911		2,895		2,905		2,957	2,011		2,721
Total Current Liabilities	34,112		36,789		32,416		31,895		33,037	23,311		33,389
Long-term liabilities												
Long-term debt less current maturities	31,521		31,521		31,521		31,313		31,313	30,895		31,730
Deferred income taxes	47		68		96		95		94	45		46
Other non-current liabilities	48		47		(111)		46		46	49		46
Total Long-Term Liabilities	31,616		31,636		31,507		31,454		31,452	30,989		31,822
Total Liabilities	65,728		68,425		63,923		63,349		64,489	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
Retained earnings	(14,999)		(15,646)		(15,377)		(15,544)		(16,069)	(9,109)		(14,038)
Accumulated other comprehensive income	512	'	512		521		518		519	47		47
Other equity transactions	(361)		(460)		(553)		(627)		(641)	769		(46)
Total Shareholders' Equity	21,501		20,756		20,942		20,697		20,158	28,056		22,313
Total Liabilities and Shareholders' Equity	87,230	\$	89,181	\$	84,864	\$	84,046	\$	84,648	\$ 82,357	\$	87,524

# **Management Discussion**

### May

- A/R, Net:
  - A/R balance increased by \$862k due to a higher volume of invoicing

### Inventory:

Inventory increased MOM due to large projects in process at JVL

### AP:

 Slight decrease from April with focus on utilizing vendor terms and cash management

### **Total Debt:**

- New covenant agreement for April for JPM and LBC
- Limited usage of LOC during the month

# **OPEX Summary**



\$'000	 MTD		Varia	nce	F	PY MTD	Varian	ce		YTD		PY YTD	
	 Act	Bud	\$	%		Act	\$	%	 Act	Bud	%	Act	%
Opex Overview:													
Payroll	\$ 971 \$	1,194 \$	(223)	(18.7%)	\$	1,259 \$	(288)	(22.9%)	\$ 4,918 \$	5,970	(17.6%) \$	6,209	(20.8%)
Benefits	216	250	(35)	(13.9%)		223	(7)	(3.2%)	1,143	1,252	(8.7%)	1,385	(17.4%)
Bonus	98	112	(13)	(12.0%)		(26)	125	(477.0%)	523	559	(6.6%)	518	0.8%
Marketing	72	28	44	158.0%		56	16	29.0%	184	139	32.1%	288	(36.1%)
Commissions	189	191	(2)	(1.1%)		141	47	33.6%	843	955	(11.7%)	714	18.1%
Travel and Entertainment	99	87	12	14.2%		91	8	8.7%	467	433	7.8%	538	(13.3%)
Rent and Facilities	72	65	7	10.3%		64	8	12.3%	351	324	8.4%	325	8.0%
Insurance	34	32	3	8.5%		30	5	15.9%	183	158	15.7%	159	15.5%
Professional Fees	80	69	11	15.2%		79	1	1.1%	444	346	28.4%	499	(11.0%)
Utl., Repair, Maint., & Sec.	35	34	0	1.1%		36	(2)	(4.4%)	177	172	2.8%	186	(5.1%)
Office Expenses	6	6	(0)	(1.8%)		7	(1)	(17.8%)	28	29	(4.5%)	34	(17.5%)
IT	72	48	24	51.3%		49	23	46.1%	334	238	40.7%	268	24.4%
Bad Debts	81	12	69	581.9%		39	42	107.0%	449	60	653.2%	192	133.4%
Supplies	22	18	4	25.2%		19	3	18.4%	91	88	4.3%	119	(23.5%)
FX	_	_	_	N/A		71	(71)	(100.0%)	_	_	N/A	120	(100.0%)
Other Expenses	264	114	151	132.6%		386	(122)	(31.5%)	969	568	70.6%	1,310	(26.1%)
Total Opex	\$ 2,310 \$	2,258 \$	52	2.3%	\$	2,524 \$	(214)	(8.5%)	\$ 11,104 \$	11,291	(1.7%) \$	12,866	(13.7%)
	17.6%	17.4%				22.5%			19.5%	19.3%		24.5%	

# **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
- Professional Fees: Will see these costs start to decrease as new finance team members are onboarded

# **Cash Flow Statement**



Signor Act  Cash flow from operations  Net Income (Loss) \$ (961) \$ Depreciation, amortization and other 494  Gain (loss) on sale of fixed assets 44  Gain (loss) on sale of fixed assets 5 - 5 Non-cash dividends 5 - 5 Deferred income tax 7 - 7 Change in operating assets and liabilities: 7 - 7 Inventory (1,216) 7 Prepaid expenses and other current assets (123) 7 Accounts recivable (1,213) 7 Accounts payable (1,213) 7 Accrued expenses 7 - 7 Other changes in operating assets and liabilities (123) 7 Accrued income taxe 7 - 7 Other changes in operating assets and liabilities (123) 7 Accrued income taxes 7 - 7 Other changes in operating assets and liabilities (142) 7 Other cash flow from Operations 7 - 7 Total Cash Flow from Operations 7 - 7 Earnout payments 7 - 7 Other cash flow from operating assets and liabilities 7 - 7 Inventory 8 - 7 Inventory 9 - 7 Inv		Mar-19 Act  119 \$ 495 47 2,667 (69) 140 (1,920) (550) 14 943 \$ (111) \$	Act  (26) \$ 569 47 1,147 (905) 27 5,242 (5,936) - 55 - 220 \$	(231) \$ 507 88 (867) (464) 233 (134) 1,594 - (423) - 303 \$	731 \$ 577 32 (1,518) 84 588 (56) (1,655) (1,218) \$	Jul-19 Bud  467 \$ 577 32 (153) (84) (126) 350 295 1,358 \$	Aug-19 Bud  474 \$ 577 32 (418) 294 (239) 294 733 1,748 \$	Sep-19 Bud  484 \$ 577 32 (293) (128) (365) (294) 2,463 2,477 \$	Oct-19 [1] Bud  (137) \$ 577 32 525 1,109 859 (211) (4,901)	Nov-19 Bud  (143) \$ 577 32 (785) (136) (137) 297 734	Dec-19	(9) \$ 6,600 (1,640) 1,127 (2,123) 922 2,381 (6,300) 566	1,339 (6,924 379 (2,171) (337) 250 534 (152)	\$ (1,348) (324) (2,020)	% (100.7%) (4.7%) (532.4%) N/A	Act  \$ (7,771) \$ 6,032   457   14   -	Variant \$  7,762 568 (2,097) (14) 2,393 (1,010) 676 (1,289) (5,468) - (83)	% (99.9%) 9.4% (459.1%) (100.0%) N/A N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A (59.5%)
Net Income (Loss)         \$ (961)           Depreciation, amortization and other         494           Capitalized fees & expenses         44           Gain (loss) on sale of fixed assets         —           Non-cash interest expense         —           Non-cash dividends         —           Deferred income tax         —           Change in operating assets and liabilities:         —           Accounts receivable         1,774           Inventory         (1,216)           Prepaid expenses and other current assets         (123)           Accrued spenses and other current assets         (123)           Accrued income taxes         —           Other changes in operations         (1213)           Actrued income taxes         —           Other cash flow from operations         (2,149)           Cosh flow from investing         (2,149)           Cosh flow from investing         —           Additions to property, plant and equipment         \$ (2,149)           Acquisitions of companies, net of cash acquired         —           Investment in intangibles         —           Earnout payments         —           Other cash flow from investing (goodwill)         —           Total Cash Flow from investing	495 (49) - - - (1,737) (745) 119 322 1,596 - 9 - \$ (637) \$	495 47 - - - - 2,667 (69) 140 (1,920) (550) - 14 - 943 \$	569 47	507 88 	577 32 - - - - (1,518) 84 588 (56) (1,655) - -	577 32 - - - (153) (84) (126) 350 295 - -	577 32 - - - - (418) 294 (239) 294 733 - -	577 32 - - - (293) (128) (365) (294) 2,463 - -	577 32 - - - - - 525 1,109 859 (211)	577 32 - - - - (785) (136) (137) 297	577 32 - - - - - 785 136 (54) (297)	6,600 (1,640) - - - - - 1,127 (2,123) 922 2,381 (6,300) -	6,924 379 - - - - - (2,171) (337) 250 534	(324) (2,020) - - - - 3,298 (1,786) 671 1,847 (6,148)	(4.7%) (532.4%) N/A N/A N/A N/A (151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	6,032 457 14 - - - \$ (1,266) (1,112) 246 3,670 (832)	568 (2,097) (14) - - - 2,393 (1,010) 676 (1,289) (5,468)	9.4% (459.1%) (100.0%) N/A N/A N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Depreciation, amortization and other Capitalized fees & expenses Gain (loss) on sale of fixed assets Non-cash interest expense Non-cash interest expense Non-cash interest expense Non-cash interest expense Non-cash dividends Deferred income tax Change in operating assets and liabilities: Accounts receivable Inventory Inventory Inventory Repaid expenses and other current assets (123) Accounts payable (1,213) Accrued expenses (806) Accrued income taxes Other changes in operating assets and liabilities (142) Other cash flow from operations Total Cash Flow from Operations Cash flow from investing Additions to property, plant and equipment Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill) Total Cash Flow from investing Rotal Cash Flow from investing Other cash flow from investing Total Cash Flow from investing Proceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	495 (49) - - - (1,737) (745) 119 322 1,596 - 9 - \$ (637) \$	495 47 - - - - 2,667 (69) 140 (1,920) (550) - 14 - 943 \$	569 47	507 88 	577 32 - - - - (1,518) 84 588 (56) (1,655) - -	577 32 - - - (153) (84) (126) 350 295 - -	577 32 - - - - (418) 294 (239) 294 733 - -	577 32 - - - (293) (128) (365) (294) 2,463 - -	577 32 - - - - - 525 1,109 859 (211)	577 32 - - - - (785) (136) (137) 297	577 32 - - - - - 785 136 (54) (297)	6,600 (1,640) - - - - - 1,127 (2,123) 922 2,381 (6,300) -	6,924 379 - - - - - (2,171) (337) 250 534	(324) (2,020) - - - - 3,298 (1,786) 671 1,847 (6,148)	(4.7%) (532.4%) N/A N/A N/A N/A (151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	6,032 457 14 - - - \$ (1,266) (1,112) 246 3,670 (832)	568 (2,097) (14) - - - 2,393 (1,010) 676 (1,289) (5,468)	9.4% (459.1%) (100.0%) N/A N/A N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Capitalized fees & expenses  Gain (loss) on sale of fixed assets  Non-cash interest expense  Non-cash dividends  Deferred income tax  Change in operating assets and liabilities:  Accounts receivable  Inventory  Inventory  Prepaid expenses and other current assets  Accounts payable  Accrued expenses  Accounts payable  Actured income taxes  Other changes in operating assets and liabilities  (1213)  Actured expenses  (806)  Actured income taxes  Other changes in operating assets and liabilities  (142)  Other cash flow from Operations  Cash flow from investing  Additions to property, plant and equipment  Acquisitions of companies, net of cash acquired  Investment in intangibles  — Earnout payments  Other cash flow from Investing (goodwill)  Total Cash Flow from investing (goodwill)  Total Cash Flow from Investing  Cash flow from financing  Proceeds from the issuance (repayment) of ST  Proceeds from the issuance of debt  Repayment of debt  Capital lease  Common stock issued (repurchased)	(49) (1,737) (745) 119 322 1,596 - 9 - \$ (637) \$	47 - - - - 2,667 (69) 140 (1,920) (550) - 14 - 943 \$	47 - - - - 1,147 (905) 27 5,242 (5,936) - 55 -	88	32 - - - (1,518) 84 588 (56) (1,655) - -	32 - - (153) (84) (126) 350 295 - -	32 - - - (418) 294 (239) 294 733 - -	32 - - - (293) (128) (365) (294) 2,463 - -	32 - - - - 525 1,109 859 (211)	32 - - - - (785) (136) (137) 297	32 - - - - 785 136 (54) (297)	(1,640) 1,127 (2,123) 922 2,381 (6,300) -	379 - - - - (2,171) (337) 250 534	(2,020) - - - - 3,298 (1,786) 671 1,847 (6,148)	(532.4%) N/A N/A N/A N/A (151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	457 14 - - - - \$ (1,266) (1,112) 246 3,670 (832) -	(2,097) (14) - - 2,393 (1,010) 676 (1,289) (5,468)	(459.1%) (100.0%) N/A N/A N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Gain (loss) on sale of fixed assets  Non-cash interest expense  Deferred income tax  Change in operating assets and liabilities:  Accounts receivable Inventory Inventory Inventory Inventory Accounts payable Accounts payable Account spayable Acquide in operating assets and liabilities Intercount of the count of	(1,737) (745) 119 322 1,596 - 9	2,667 (69) 140 (1,920) (550) - 14 - 943 \$	- - - 1,147 (905) 27 5,242 (5,936) - 55	(867) (464) 233 (134) 1,594 – (423) –	- - - (1,518) 84 588 (56) (1,655) - -	(153) (84) (126) 350 295	- - - (418) 294 (239) 294 733 - -	(293) (128) (365) (294) 2,463	- - - - 525 1,109 859 (211)	- - - - (785) (136) (137) 297	- - - - 785 136 (54) (297)	1,127 (2,123) 922 2,381 (6,300)	(2,171) (337) 250 534	3,298 (1,786) 671 1,847 (6,148)	N/A N/A N/A N/A (151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	14 - - 5 - (1,266) (1,112) 246 3,670 (832) -	2,393 (1,010) 676 (1,289) (5,468)	(100.0%) N/A N/A N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Non-cash interest expense Non-cash dividends Deferred income tax Change in operating assets and liabilities:  Accounts receivable Inventory Inventory Accounts payable Accounts payable Accrued expenses Accrued expenses Accrued income taxes Other changes in operating assets and liabilities (1421) Attractive dexpenses Accrued income taxes Other changes in operating assets and liabilities (1422) Actrued income taxes Total Cash flow from Operations Total Cash Flow from Operations Additions to property, plant and equipment Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill) Total Cash Flow from investing Cash flow from investing Froceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	(745) 119 322 1,596 - 9 - \$ (637) \$	(69) 140 (1,920) (550) - 14 - 943 \$	(905) 27 5,242 (5,936) - 55 -	(464) 233 (134) 1,594 - (423) - 303 \$	84 588 (56) (1,655) - -	(84) (126) 350 295 - -	294 (239) 294 733 – –	(128) (365) (294) 2,463 - -	1,109 859 (211)	(136) (137) 297	136 (54) (297)	(2,123) 922 2,381 (6,300)	(337) 250 534	(1,786) 671 1,847 (6,148)	N/A N/A N/A (151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	- - - \$ - (1,266) (1,112) 246 3,670 (832) -	2,393 (1,010) 676 (1,289) (5,468)	N/A N/A N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Non-cash dividends — Deferred income tax — Change in operating assets and liabilities:  Accounts receivable 1,774   Inventory (1,216)   Prepaid expenses and other current assets (123)   Accounts payable (1,213)   Accrued expenses (806)   Accrued income taxes — Other changes in operating assets and liabilities (142)   Other cash flow from operations — Total Cash Flow from Operations (2,149)   Cash flow from investing   Additions to property, plant and equipment   \$ (245)   Acquisitions of companies, net of cash acquired — Investment in intangibles — Earnout payments — Cash flow from Investing (goodwill) — Total Cash Flow from Investing (goodwill) — Proceeds from the issuance (repayment) of ST   \$ 2,786   \$ (245)   Proceeds from the issuance of debt (209)   Repayment of debt (209)   Capital lease   — Repayment of Common stock issued (repurchased) — Former common	(745) 119 322 1,596 - 9 - \$ (637) \$	(69) 140 (1,920) (550) - 14 - 943 \$	(905) 27 5,242 (5,936) - 55 -	(464) 233 (134) 1,594 - (423) - 303 \$	84 588 (56) (1,655) - -	(84) (126) 350 295 - -	294 (239) 294 733 – –	(128) (365) (294) 2,463 - -	1,109 859 (211)	(136) (137) 297	136 (54) (297)	(2,123) 922 2,381 (6,300)	(337) 250 534	(1,786) 671 1,847 (6,148)	N/A N/A (151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	(1,112) 246 3,670 (832)	(1,010) 676 (1,289) (5,468)	N/A N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Deferred income tax  Change in operating assets and liabilities:  Accounts receivable 1,774 Inventory (1,216) Prepaid expenses and other current assets (123) Accounts payable (1,213) Accrued expenses (806) Acrued expenses (806) Acrued income taxes - Other changes in operating assets and liabilities (142) Other cash flow from operations - Total Cash Flow from Operations \$ (2,149) \$  Cash flow from investing Additions to property, plant and equipment \$ (245) \$  Acquisitions of companies, net of cash acquired - Investment in intangibles - Earnout payments Other cash flow from investing (goodwill) - Total Cash Flow from Investing \$ (245) \$  Cash flow from financing Proceeds from the issuance (repayment) of ST \$ 2,786 \$  Proceeds from the issuance of debt - Repayment of debt (209) Capital lease - Common stock issued (repurchased) -	(745) 119 322 1,596 - 9 - \$ (637) \$	(69) 140 (1,920) (550) - 14 - 943 \$	(905) 27 5,242 (5,936) - 55 -	(464) 233 (134) 1,594 - (423) - 303 \$	84 588 (56) (1,655) - -	(84) (126) 350 295 - -	294 (239) 294 733 – –	(128) (365) (294) 2,463 - -	1,109 859 (211)	(136) (137) 297	136 (54) (297)	(2,123) 922 2,381 (6,300)	(337) 250 534	(1,786) 671 1,847 (6,148)	N/A (151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	(1,112) 246 3,670 (832)	(1,010) 676 (1,289) (5,468)	N/A (189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Change in operating assets and liabilities:  Accounts receivable 1,774 Inventory (1,216) Prepaid expenses and other current assets (123) Accounts payable (1,213) Accrued expenses (806) Accrued income taxes - Other changes in operating assets and liabilities (142) Other cash flow from Operations - Total Cash Flow from Operations \$ (2,149) \$  Cash flow from investing Additions to property, plant and equipment \$ (245) \$  Acquisitions of companies, net of cash acquired - Investment in intangibles - Earnout payments - Other cash flow from investing (goodwill) - Total Cash Flow from investing (goodwill) -  Total Cash Flow from investing (sodwill) -  Total Cash Flow from investing (goodwill) -  Cash flow from financing -  Proceeds from the issuance (repayment) of ST \$ 2,786 \$ 9  Proceeds from the issuance of debt     Cash flow from financing -  Proceeds from the issuance of debt     Capital lease     Common stock issued (repurchased) -	(745) 119 322 1,596 - 9 - \$ (637) \$	(69) 140 (1,920) (550) - 14 - 943 \$	(905) 27 5,242 (5,936) - 55 -	(464) 233 (134) 1,594 - (423) - 303 \$	84 588 (56) (1,655) - -	(84) (126) 350 295 - -	294 (239) 294 733 – –	(128) (365) (294) 2,463 - -	1,109 859 (211)	(136) (137) 297	136 (54) (297)	(2,123) 922 2,381 (6,300)	(337) 250 534	(1,786) 671 1,847 (6,148)	(151.9%) 530.5% 268.2% 346.1% 4035.2% N/A N/A	(1,112) 246 3,670 (832)	(1,010) 676 (1,289) (5,468)	(189.0%) 90.8% 275.2% (35.1%) 657.7% N/A
Accounts receivable 1,774 Inventory (1,216) Prepaid expenses and other current assets (123) Accounts payable (1,213) Accounts payable (806) Accrued expenses (806) Accrued income taxes - Other changes in operating assets and liabilities (142) Other cash flow from operations - Total Cash Flow from Operations (2,149)  Cash flow from Investing Additions to property, plant and equipment (2,245) Acquisitions of companies, net of cash acquired - Investment in intangibles - Earnout payments - Other cash flow from Investing (goodwill) - Total Cash Flow from Investing (goodwill)  Cash flow from financing Proceeds from the issuance (repayment) of ST \$ 2,786 \$ Proceeds from the issuance of debt	(745) 119 322 1,596 - 9 - \$ (637) \$	(69) 140 (1,920) (550) - 14 - 943 \$	(905) 27 5,242 (5,936) - 55 -	(464) 233 (134) 1,594 - (423) - 303 \$	84 588 (56) (1,655) - -	(84) (126) 350 295 - -	294 (239) 294 733 – –	(128) (365) (294) 2,463 - -	1,109 859 (211)	(136) (137) 297	136 (54) (297)	(2,123) 922 2,381 (6,300)	(337) 250 534	(1,786) 671 1,847 (6,148)	530.5% 268.2% 346.1% 4035.2% N/A N/A	(1,112) 246 3,670 (832)	(1,010) 676 (1,289) (5,468)	90.8% 275.2% (35.1%) 657.7% N/A
Inventory (1,216) Prepaid expenses and other current assets (123) Accounts payable (1,213) Accrued expenses (806) Accrued income taxes Other changes in operating assets and liabilities (142) Other cash flow from operations Total Cash Flow from Operations (2,149)  Cash flow from investing Additions to property, plant and equipment \$ (245) \$ Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill) Total Cash Flow from Investing (goodwill) Total Cash Flow from investing (goodwill) Proceeds from the issuance (repayment) of ST \$ 2,786 \$ Proceeds from the issuance of debt Repayment of debt (209) Capital lease Common stock issued (repurchased)	(745) 119 322 1,596 - 9 - \$ (637) \$	(69) 140 (1,920) (550) - 14 - 943 \$	(905) 27 5,242 (5,936) - 55 -	(464) 233 (134) 1,594 - (423) - 303 \$	84 588 (56) (1,655) - -	(84) (126) 350 295 - -	294 (239) 294 733 – –	(128) (365) (294) 2,463 - -	1,109 859 (211)	(136) (137) 297	136 (54) (297)	(2,123) 922 2,381 (6,300)	(337) 250 534	(1,786) 671 1,847 (6,148)	530.5% 268.2% 346.1% 4035.2% N/A N/A	(1,112) 246 3,670 (832)	(1,010) 676 (1,289) (5,468)	90.8% 275.2% (35.1%) 657.7% N/A
Prepaid expenses and other current assets  Accounts payable  Accrued expenses  Accrued expenses  Other changes in operating assets and liabilities  Other cash flow from operations  Cosh flow from investing  Additions to property, plant and equipment  Acquisitions of companies, net of cash acquired  Investment in intangibles  Earnout payments  Other cash flow from investing (goodwill)  Total Cash Flow from investing  Cash flow from investing  Acquisitions of companies, net of cash acquired  Investment in intangibles  ——  Earnout payments  Other cash flow from investing (goodwill)  ——  Total Cash Flow from Investing  Proceeds from the issuance (repayment) of ST  Proceeds from the issuance of debt  Repayment of debt  Capital lease  ——  Common stock issued (repurchased)	119 322 1,596 - 9 - \$ (637) \$	140 (1,920) (550) - 14 - 943 \$	27 5,242 (5,936) - 55 - 220 \$	233 (134) 1,594 - (423) - 303 \$	588 (56) (1,655) – –	(126) 350 295 - -	(239) 294 733 – –	(365) (294) 2,463 – –	859 (211)	(137) 297	(54) (297)	922 2,381 (6,300)	250 534	671 1,847 (6,148)	268.2% 346.1% 4035.2% N/A N/A	246 3,670 (832)	676 (1,289) (5,468)	275.2% (35.1%) 657.7% N/A
Accounts payable (1,213) Accrued expenses (806) Accrued income taxes (206) Other cash flow from operations (142) Other cash flow from Operations (2,149)  Cash flow from investing Additions to property, plant and equipment (245) Acquisitions of companies, net of cash acquired (100) Investment in intangibles (100) Investment in intangibles (100) Other cash flow from investing (goodwill) (100)  Total Cash flow from investing (goodwill) (100)  Cash flow from investing (245)  Cash flow from financing  Proceeds from the issuance (repayment) of ST (2,786)  Proceeds from the issuance of debt (209) Capital lease (100) Capital lease (100)	322 1,596 - 9 - \$ (637) \$	(1,920) (550) - 14 - 943 \$	5,242 (5,936) - 55 - 220 \$	(134) 1,594 - (423) - 303 \$	(56) (1,655) – –	350 295 - - -	294 733 - - -	(294) 2,463 – –	(211)	297	(297)	2,381 (6,300) -	534	1,847 (6,148) –	346.1% 4035.2% N/A N/A	3,670 (832) –	(1,289) (5,468) –	(35.1%) 657.7% N/A
Accrued expenses Accrued income taxes Other changes in operating assets and liabilities Other cash flow from operations  Total Cash Flow from Operations  Cash flow from investing Additions to property, plant and equipment Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from Investing (goodwill)  Total Cash Flow from Investing Cash flow from Investing Forceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	1,596 - 9 - \$ (637) \$	(550) - 14 - 943 \$	(5,936) - 55 - <b>220</b> \$	1,594 - (423) - 303 \$	(1,655) - - -	295 - - -	733 - - -	2,463 - - -	. ,			(6,300) –		(6,148)	4035.2% N/A N/A	(832)	(5,468)	657.7% N/A
Accrued income taxes Other changes in operating assets and liabilities Other cash flow from operations  Total Cash Flow from Operations  Cash flow from investing Additions to property, plant and equipment Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill)  Total Cash Flow from Investing Cash flow from investing Proceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	9 - \$ (637) \$	14 - 943 \$	55 - 220 \$	(423) - 303 \$	- - -	- - -	- - -	- - -	(4,901) - - -	734 - -	133 - - -	-	(152) - - -	-	N/A N/A	` -	-	N/A
Other changes in operating assets and liabilities Other cash flow from operations  Total Cash Flow from Operations  Additions to property, plant and equipment Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill)  Total Cash Flow from investing Cash flow from investing  Cash flow from investing Proceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	\$ (637) \$	943 \$	220 \$	303 \$	- - - (1,218) \$	- - - 1,358 \$	- - - 1,748 \$	- - -	- - -	- - -	-	- 56 -	-	- 56 -	N/A	139		
Other cash flow from operations  Total Cash Flow from Operations  Cash flow from investing Additions to property, plant and equipment Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill)  Total Cash Flow from Investing Cash flow from Investing Proceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	\$ (637) \$	943 \$	220 \$	303 \$	- - (1,218) \$	- - 1,358 \$	- - 1,748 \$	- -	-	-	-	56 -	-	56		139	(83)	(59.5%)
Total Cash Flow from Operations \$ (2,149) \$  Cash flow from investing Additions to property, plant and equipment \$ (245) \$  Acquisitions of companies, net of cash acquired   -   Investment in intangibles   -   Earnout payments   -   Other cash flow from investing (goodwill)   -   Total Cash Flow from investing   \$ (245) \$  Cash flow from financing Proceeds from the issuance (repayment) of ST   \$ 2,786 \$  Proceeds from the issuance of debt   -   Repayment of debt   (209)  Capital lease   -   Common stock issued (repurchased)   -	. , , .				- (1,218) \$	_ 1,358 \$	1,748 \$	- 2 477      ¢	_	_	-	-	_	_	N/A	_	_	(33.370)
Cash flow from investing  Additions to property, plant and equipment  Acquisitions of companies, net of cash acquired Investment in intangibles  Earnout payments Other cash flow from investing (goodwill)  Total Cash Flow from Investing  Cash flow from financing Proceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	. , , .				(1,218) \$	1,358 \$	1,748 \$	2 477 ¢								-		N/A
Additions to property, plant and equipment Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill) Total Cash Flow from Investing Cash flow from financing Proceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)  (245)	\$ (186) \$	(111) \$	(141) \$					2,4// 3	(2,148) \$	439 \$	1,172 \$	1,014 \$	6,766	(5,752)	(85.0%)	\$ (424) \$	1,438	(339.1%)
Acquisitions of companies, net of cash acquired Investment in intangibles Earnout payments Other cash flow from investing (goodwill) Total Cash Flow from Investing Cash flow from Investing Proceeds from the issuance (repayment) of ST \$ 2,786 \$ Proceeds from the issuance of debt Repayment of debt (209) Capital lease Common stock issued (repurchased)	\$ (186) \$	(111) \$	(141) \$															
Investment in intangibles — Earnout payments — Other cash flow from investing (goodwill) — Total Cash Flow from Investing (goodwill) \$ (245) \$				59 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(624) \$	-   5	(624)	N/A	\$ (2,279) \$	1,654	(72.6%)
Earnout payments Other cash flow from investing (goodwill)  Total Cash Flow from Investing  Cash flow from financing Proceeds from the issuance (repayment) of ST Proceeds from the issuance of debt Repayment of debt Capital lease Common stock issued (repurchased)	_		-	-	-	-	-	-	-	-	-		-	-	N/A		_	N/A
Other cash flow from investing (goodwill)  Total Cash Flow from Investing  Cash flow from Investing  Proceeds from the issuance (repayment) of ST  Proceeds from the issuance of debt  Repayment of debt  Capital lease  Common stock issued (repurchased)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	_	N/A
Total Cash Flow from Investing \$ (245) \$  Cash flow from financing Proceeds from the issuance (repayment) of ST \$ 2,786 \$  Proceeds from the issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Cash flow from financing Proceeds from the issuance (repayment) of ST \$ 2,786 \$ Proceeds from the issuance of debt - Repayment of debt (209) Capital lease - Common stock issued (repurchased) -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Proceeds from the issuance (repayment) of ST \$ 2,786 \$ 9 \$ 2,786 \$ 9 \$ 9 \$ 9 \$ 9 \$ 9 \$ 9 \$ 9 \$ 9 \$ 9 \$	\$ (186) \$	(111) \$	(141) \$	59 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(624) \$	- ;	(624)	N/A	\$ (2,279) \$	1,654	(72.6%)
Proceeds from the issuance of debt –  Repayment of debt (209)  Capital lease –  Common stock issued (repurchased) –																		
Repayment of debt (209) Capital lease – Common stock issued (repurchased) –	\$ 764 \$	(1,925) \$	166 \$	(315) \$	1,458 \$	(910) \$	(1,508) \$	(2,237) \$	2,596 \$	(200) \$	(932) \$	(257) \$	(2,758)	2,501	(90.7%)	\$ 1,758 \$	(2,015)	(114.6%)
Capital lease – Common stock issued (repurchased) –	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Common stock issued (repurchased) –	-	-	(209)	-	-	(209)	-	-	(209)	-	-	(836)	(836)	1	(0.1%)	(753)	(83)	11.0%
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Common stock cash dividends paid –	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Preferred stock issued (repurchased) –	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	N/A
Other cash flow from financing costs –	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	(0)	0	(100.0%)
Total Cash Flow from Financing \$ 2,577 \$	\$ 764 \$	(1,925) \$	(43) \$	(315) \$	1,458 \$	(1,119) \$	(1,508) \$	(2,237) \$	2,387 \$	(200) \$	(932) \$	(1,092) \$	(3,594)	2,501	(69.6%)	\$ 1,005 \$	(2,098)	(208.6%)
Effect of FX rates on cash and cash equivalents \$ 80 \$		(85) \$	(93) \$	(8) \$	(240) \$	(240) \$	(240) \$	(240) \$	(240) \$	(240) \$	(240) \$	(1,903) \$	(1,773)	(130)	7.3%	\$ 30 \$	(1,932)	(6477.8%)
Net change in cash \$ 262 \$	\$ (117) \$	(1,177) \$	(56) \$	47 ^	(0) ^	(a) ¢	(0) \$	0 \$	(1) \$	(1) \$	(1) \$	(2,605) \$	1,399	(4,004)	(286.1%)	\$ (1,667) \$	(937)	56.2%
Beginning cash 2,668			(20) \$	47 \$	(0) \$	(1) \$	(0) 9							_		4,335 \$	(1,667)	(38.5%)
Change in cash 262		2,754	1,577	1,521	3,500	3,500	3,500	3,500	3,500	3,500	3,500	2,668	2,668			4,555   \$		
Ending cash \$ 2,930 \$	\$ (176) \$							3,500 0		3,500 (1)	3,500 (1)	2,668 (2,605)	2,668 1,399	(4,004)	(286.1%)	(1,667) \$	(937)	56.2%

# 13 Week Cash Flow Forecast



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\$ 000's	_								_		_				
V	Veek Ending:	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
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	i e	(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 Disburser	ments	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)	195	(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
TOTAL DEDT		41,247	41,739	41,334	41,730	41,349	41,511	41,006	41,760	41,089	41,193	40,712	41,086	40,635	40,035

# Monthly P&L



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INCOME STATEMENT	Act	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud
	1/31/2019	2/28/2019	3/31/2019	Quarter Ending 3/31/2019	4/30/2019	5/31/2019	6/30/2019	Quarter Ending 6/30/2019	7/31/2019	8/31/2019	9/30/2019	Quarter Ending 9/30/2019	10/31/2019	11/30/2019	12/31/2019	Quarter Ending 12/31/2019	FY 2019
	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	
its produced	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	
s shipped	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
kings (\$'000)	15,194	1,234	1,233	17,660	9,966	1,233	-	-		-	-	-	-	-	-	-	1
klog (\$'000)	98,078	100,415	100,719	299,213	103,917	100,719	-	-	-	-	-	-	-	-	-	-	
ss Revenue	\$ 10,051 \$	11,098	\$ 11,865	\$ 33,014	\$ 10,751 \$	13,113	12,954	\$ 38,863	\$ 12,954	\$ 12,954	\$ 12,954	\$ 38,863	\$ 10.898	\$ 10.898	\$ 10,898	\$ 32,694	\$ 14
counts	\$ - \$			\$ -	\$ - \$			\$ -	\$ - :			\$ -	\$ -	\$ - :		\$ -	\$
turns	\$ - \$	- :	\$ -	\$ -	\$ - \$	- \$	-	\$ -	\$ - :	\$ - !	\$ -	\$ -	\$ -	\$ - :	\$ -	\$ -	\$
pates	\$ - \$	- :	\$ -	\$ -	\$ - \$	- \$		\$ -	\$ - :	s - :	\$ -	\$ -	\$ - :	\$ - :	ş -	\$ -	\$
her Revenue	\$ - \$	-	\$ -	\$ -	\$ - \$	- <u>\$</u>	-	\$ -	\$ - !	s - !	\$ -	\$ -	\$ - :	\$ - !	\$ -	\$ -	\$
Revenue	\$ 10,051 \$	11,098	11,865	\$ 33,014	\$ 10,751 \$	13,113 \$	12,954	\$ 38,863	\$ 12,954	12,954	\$ 12,954	\$ 38,863	\$ 10,898	\$ 10,898	\$ 10,898	\$ 32,694	\$ 14
aterial	\$ 3,191 \$	4,159	\$ 3,724	\$ 11,075	\$ 3,056 \$	5,461 \$	4,185	\$ 13,255	\$ 4,535	\$ 4,535	\$ 4,535	\$ 13,605	\$ 3,617	\$ 3,617	\$ 3,617	\$ 10,852	\$ 4
bor	\$ 3,460 \$		\$ 3,733	\$ 10,528		3,746 \$	3,586	\$ 10,758			\$ 3,586	\$ 10,758	\$ 3,322		\$ 3,322	\$ 9,966	\$ 4
her COGS	\$ 1,119 \$				\$ 981 \$	1,075 \$	1,003		\$ 1,003								\$ 1
al COGS	\$ 7,770 \$	8,612	\$ 8,576	\$ 24,958	\$ 7,292 \$	10,282 \$	8,774	\$ 27,023	\$ 9,124	\$ 9,124	\$ 9,124	\$ 27,373	\$ 7,895	\$ 7,895	\$ 7,895	\$ 23,684	\$ 10
oss Margin	\$ 2,281 \$	2,486	\$ 3,289	\$ 8,056	\$ 3,459 \$	2,831 \$	4,180	\$ 11,840	\$ 3,830	\$ 3,830	\$ 3,830	\$ 11,490	\$ 3,003	\$ 3,003	\$ 3,003	\$ 9,010	\$ 4
oss Margin %	22.7%	22.4%	27.7%	24.4%	32.2%	21.6%	32.3%	30.5%	29.6%	29.6%	29.6%	29.6%		27.6%	27.6%		
									l.								
D as 8 marketing	\$ - \$ \$ 1.068 \$			\$ - \$ 3.285	\$ - \$		1202	\$ -	\$ - :			\$ -	\$ -			\$ - \$ 3,800	\$
les & marketing Iministrative	\$ 1,068 \$ \$ 1,115 \$				\$ 1,192 \$ \$ 1,063 \$			\$ 3,800	\$ 1,267 S			\$ 3,800 \$ 2,985					\$ 1 \$ 1
ther Opex	\$ (16) \$			\$ 3,366	\$ (39) \$				\$ (3)			\$ (10)					Š
	\$ 2,167 \$											\$ 6,775					\$ 2
ex Overview avroll	\$ 1,057 \$	1,023	\$ 1,004	\$ 3,084	\$ 863 \$	971 \$	1,194	\$ 3,582	\$ 1,194	\$ 1,194	\$ 1,194	\$ 3,582	\$ 1,194	\$ 1,194 5	\$ 1,194	\$ 3,582	\$ 1
vertime	\$ 1,057 \$ \$ - \$			\$ 3,064	\$ 603 \$			\$ 3,362	\$ 1,194			3,302	\$ 1,194			3,362	, 1
enefits	\$ 239 \$	209		\$ 681	\$ 247 \$	216 \$		\$ 751	\$ 250			\$ 751	\$ 250			\$ 751	S
onus	\$ 96 \$	96		\$ 285	\$ 139 \$	98 \$		\$ 336	\$ 112			\$ 336					\$
everance	\$ - \$	- :	\$ -	\$ -	\$ - \$	- \$		\$ -	\$ - :	s - :	\$ -	\$ -	\$ - :	\$ - :	ş -	\$ -	\$
Marketing	\$ 15 \$				\$ 56 \$			\$ 84	\$ 28			\$ 84					\$
ommissions	\$ 134 \$ \$ 80 \$				\$ 174 \$ \$ 120 \$			\$ 573	\$ 191 \$ 87			\$ 573					\$
ravel and Entertainment ent and Facilities	\$ 80 \$ \$ 68 \$							\$ 260 \$ 195	\$ 87 S			\$ 260 \$ 195					\$
nsurance	\$ 35 \$								\$ 32							\$ 95	Š
rofessional Fees	\$ 78 \$	76	\$ 110	\$ 264	\$ 100 \$			\$ 207	\$ 69	\$ 69 5	\$ 69	\$ 207	\$ 69	\$ 69 5			\$
Jtl., Repair, Maint., & Sec.	\$ 28 \$	38			\$ 38 \$			\$ 103	\$ 34 :								\$
Office Expenses	\$ 5 9			\$ 14		6 \$	6	\$ 18	\$ 6			\$ 18	-			\$ 18	\$
afety and Training	\$ - \$ \$ 55 \$	- 58		\$ - \$ 171	\$ - \$		- 48	S - 143	S 48			S - 143	\$ - :			S - 143	Ş
lad Debt	\$ 55 \$							\$ 143	\$ 48 : \$ 12 :								Ş
upplies	\$ 25 \$			\$ 52				\$ 53	\$ 18							\$ 53	Š
x	\$ - \$			\$ -	\$ - \$			\$ -	\$ -			\$ -	\$ -			\$ -	\$
V Loss (Income)	\$ - \$			\$ -	\$ - \$		-	\$ -	\$ - :			\$ -	\$ - :			\$ -	\$
ther Expenses	\$ 188 \$ \$ 2.167 \$				\$ 172 \$			\$ 341	\$ 114	\$ 114 :		\$ 341	\$ 114				\$
ral OPEX (excl D&A)	\$ 2,167 \$	2,215	\$ 2,198	\$ 6,579	\$ 2,215 \$	2,310 \$	2,258	\$ 6,775	\$ 2,258	\$ 2,258	\$ 2,258	\$ 6,775	\$ 2,258	\$ 2,258	\$ 2,258	\$ 6,775	\$ 2
TDA	\$ 114 \$	272	\$ 1,091	\$ 1,477	\$ 1,244 \$	521 \$	1,922	\$ 5,065	\$ 1,572	\$ 1,572	\$ 1,572	\$ 4,715	\$ 745	\$ 745 \$	\$ 745	\$ 2,235	\$ 1
ITDA Margin %	1.1%	2.4%	9.2%		11.6%	4.0%	14.8%		12.1%	12.1%	12.1%			6.8%	6.8%		
		150				162 \$	F 77	6 1774					6 577		\$ 577		
epreciation nortization	\$ 148 \$ \$ 346 \$				\$ 224 \$ \$ 346 \$			\$ 1,731 \$ -	\$ 577	\$ 577 ! \$ - !		\$ 1,731	\$ 577			\$ 1,731	\$
ess: D&A	s 494 S			S 1,484	\$ 569 \$	507 \$	577	\$ 1.731	\$ 577			\$ 1.731	\$ 577			\$ 1.731	\$
	\$ (380) \$	(224)	\$ 596	\$ (8)	\$ 675 \$	14 \$	1,345	\$ 3,334	\$ 995	\$ 995	\$ 995	\$ 2,984	\$ 168	\$ 168	\$ 168	\$ 504	
terest and financial amortization	\$ 344 \$						274		\$ 275			\$ 795				\$ 774	\$
ther financial income/expense (e.g. fx, l on-financial income/expense	\$ (6) \$ \$ - \$			\$ 57 \$ -	\$ 2 \$ \$ - \$			\$ - \$ -	\$ - :		\$ - \$ -	-	\$ - : \$ -				\$
onitoring fees (including expenses)	\$ 250 \$			\$ 268				\$ 288	\$ 96			\$ 288				\$ 288	S
estructuring costs	\$ - \$			\$ -	\$ 63 \$			\$ -	\$ -			\$ -	\$ -			\$ -	\$
on-recurring items	s - s	-	5 51		s - s	- \$	-	\$ -	\$ -	s - :	\$ -	ş -	\$ -	ş - :	ş <u>-</u>	\$ -	\$
	\$ (968) \$					(143) \$											\$
ixes	\$ (7) \$								\$ 156								\$
Income (Loss) %	\$ (961) \$ -9.6%	-5.8%	\$ 119 1.0%		\$ (26) \$ -0.2%	(231) \$ -1.8%	<b>731</b> 5.6%	\$ 1,669 4.3%	\$ 467	\$ 474 5 3.7%	\$ 484 3.7%	\$ 1,426 3.7%		\$ (143) \$ -1.3%	\$ (140) -1.3%	\$ (420) -1.3%	>
	-3.0%	-3.0%	1.0%	-4.3%	-0.2%	-1.076	3.0%	4.376	3.0%	3.776	3.7%	3.7%	-1.376	-1.376	-1.5%	-1.5%	
ank allowable EBITDA add-backs	\$ 1,075 \$						1,191	\$ 3,295	\$ 1,104			\$ 3,289					\$ 1
nk EBITDA	\$ 114 \$	272	\$ 1,091	\$ 1,477	\$ 1,244 \$	602 \$		\$ 4,963	\$ 1,572	\$ 1,572	\$ 1,572	\$ 4,715	\$ 745	\$ 745 \$	\$ 745	\$ 2,235	\$ 1
ITDA - IIII - I												L			•	<u> </u>	
ITDA addbacks TDA, adjusted	S - S S 114 S	272	5 - 5 1,091	\$ - \$ 1,477	\$ - S \$ 1.244 \$	- S	1,922	\$ 5,065	\$ 1.572	5 - 5 \$ 1.572	\$ - \$ 1,572	\$ 4,715	\$ 745	S - : S 745 :	\$ - \$ 745	\$ 2.235	\$ 1
usted EBITDA % sales	1.1%	2.4%	9.2%		\$ 1,244 \$ 11.6%	4.6%	1,922			1,5/2	1,5/2			5 745 3	5 745		· 1

# Monthly EBITDA & Net Income (Loss) Bridge



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	FY	Va	ır	PY	Va	ar
\$'000	Act	Act	Act	Act	Act	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	Bud	\$	%	Act	\$	%
EBITDA - as reported	\$ 114	\$ 272	\$ 1,091	\$ 1,244	\$ 521	\$ 1,922	\$ 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)	(577)	(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)	(274)	(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)	-	-	-	-	-	-	-	(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)	(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)	-	-	-	-	-	-	-	-	-	-	-	-	N/A	(1,403)	1,403	(100.0%)
Taxes	7	(43)	(19)	(36)	(88)	(244)	(156)	(158)	(161)	45	47	46	(866)	(450)	(416)	92.5%	(469)	(397)	84.8%
GAAP Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ (26) \$	\$ (231)	\$ 731	\$ 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
	Act		Act		Act	Act		Act		Bud	Bud	Bud	Bud		Bud		Bud		Bud		Bud
<u>Material</u>																					
Material costs at standard	\$ 3,159	\$	4,033	\$	3,686	\$ 3,085	\$	5,337	\$	4,149	\$ 4,149	\$ 4,149	\$ 4,149	\$	3,510	\$	3,510	\$	3,510	\$	46,425
Materials FX loss / (gain)	_		_		_	_		_		-	-	-	_		-		_		_		-
Purchase price variance	-		-		_	-		-		-	-	-	_		_		_		-		-
Freight in	33		126		39	(29)		123		36	386	386	386		108		108		108		1,808
Cost revision	_		_		_	_		_		-	-	-	_		-		_		_		_
Scrap costs	_		_		_	_		_		-	-	-	_		-		_		_		_
Consumables	_		_		-	_		_		-	-	-	_		-		_		_		-
Total Material COGS	\$ 3,191	\$	4,159	\$	3,724	\$ 3,056	\$	5,461	\$	4,185	\$ 4,535	\$ 4,535	\$ 4,535	\$	3,617	\$	3,617	\$	3,617	\$	48,233
<u>Labor</u>																					
Direct labor	\$ 1,087	\$	1,028	\$	1,197	\$ 847	\$	1,175	\$	1,106	\$ 1,106	\$ 1,106	\$ 1,106	\$	930	\$	930	\$	930	\$	12,548
Direct labor - bonus	_		_		_	_		_		_	-	-	_		-		_		_		_
Direct labor - overtime	_		_		_	_		_		_	_	_	_		_		_		_		_
Direct labor - benefits	_		_		_	_		_		_	-	-	_		-		_		_		_
Direct labor - overtime	_		_		_	_		_		_	_	_	_		_		_		_		_
Direct labor - other	_		_		_	_		_		_	-	-	_		-		_		_		_
Indirect labor	734		672		754	571		704		735	735	735	735		719		719		719		8,531
Indirect labor – bonus	9		9		7	8		8		2	2	2	2		2		2		2		52
Indirect labor - overtime	59		32		42	18		49		43	43	43	43		36		36		36		481
Indirect labor – benefits	599		587		611	599		641		605	605	605	605		576		576		576		7,185
Indirect labor – other	143		103		123	85		100		(56)	(56)	(56)	(56)		38		38		38		444
Sub-contractor costs	829		904		1,000	1,127		1,068		1,152	1,152	1,152	1,152		1,021		1,021		1,021		12,598
Total Labor COGS	\$ 3,460	\$	3,335	\$	3,733	\$ 3,255	\$	3,746	\$	3,586	\$ 3,586	\$ 3,586	\$ 3,586	\$	3,322	\$	3,322	\$	3,322	\$	41,840
<u>Other</u>																					
Repairs and maintenance	\$ 40	\$	49	\$	35	\$ 53	\$	39	\$	42	\$ 42	\$ 42	\$ 42	\$	35	\$	35	\$	35	\$	488
Absorption	_		_		_	_		_		_	_	_	_		_		_		_	-	_
Freight out	_		_		_	_		_		_	_	_	_		_		_		_		_
Rent / facilities	140		145		142	124		142		122	122	122	122		122		122		122		1,546
Utilities	54		74		34	45		36		38	38	38	38		32		32		32		493
Other cost of sales	884		850		908	759		858		801	801	801	801		766		766		766		9,763
Total Other COGS	\$ 1,119	\$	1,118	\$	1,118	\$ 981	\$	1,075	\$	1,003	\$ 1,003	\$ 1,003	\$ 1,003	\$	955	\$	955	\$	955	\$	12,290
Total COGS	\$ 7,770	Ś	8,612	<u>,</u>	8,576	\$ 7,292	ċ	10,282	,	8,774	\$ 9,124	\$ 9,124	\$ 9,124	Ś	7,895	_	7,895	<u>,</u>	7,895		102,363

# AP / AR Aging Detail



%

70.1%

8.6%

2.2%

19.1%

100.0%

40

### \$'000

		AR Agir	ng				
Days	Dec-18	%	Mar-19	ΑĮ	pr-19	May-19	%
0-30	\$ 16,376	44.4%	\$ 17,475	\$ 1	L6,739	\$ 21,312	54.2%
30-60	5,342	14.5%	3,758		3,407	2,092	5.3%
60-90	3,176	8.6%	2,898		2,494	1,658	4.2%
>90	11,985	32.5%	10,305	1	10,598	14,285	36.3%
Total Gross AR	\$ 36,879	100.0%	\$ 34,436	\$ 3	33,238	\$ 39,348	100.0%
Reserves	(1,407)		(1,629	)	(1,679)	(1,746	5)
Total Net AR	\$ 35,472		\$ 32,807	\$ 3	31,559	\$ 37,602	
Change in AR Reserve			(84	)	(51)	(66	<u>)</u>
Actual Bad Debt P&L Charge			98		78	81	<del>_</del>
LTM Bad Debt P&L Charge			\$ 520	\$	555	\$ 597	<del></del> ,

et			

Days	De	ec-18	%	Mar-19	Apr-19	May-19	%
0-30	\$	1,182	3.2%	\$ 1,197	\$ 1,182	\$ 910	2.3%
% of AR		7.2%		6.8%	7.1%	4.3%	
30-60		325	0.9%	318	325	642	1.6%
% of AR		6.1%		8.5%	9.5%	30.7%	
60-90		337	0.9%	522	337	347	0.9%
% of AR		10.6%		18.0%	13.5%	20.9%	
>90		3,037	8.2%	3,717	3,037	3,259	8.3%
% of AR		25.3%		36.1%	28.7%	22.8%	
Total Retainage	\$	4,881	13.2%	\$ 5,754	\$ 4,881	\$ 5,158	13.1%
% of AR		13.2%		16.7%	14.7%	13.1%	

Draft "Not Final" - Internal Confidential

AP Aging 19 Apr-19

\$ 7,577 \$ 8,545 \$

\$13,526 \$10,771 \$11,963 \$ 11,752

1,074

1,922

423

Mar-19

1,011

1,705

477

Dec-18

\$ 10,682

1,234

1,268

343

Days

0-30

30-60

60-90

>90

Total

May-19

8,240

1,007

2,244

261

# Accrued Liabilities – Current (Excluding Debt)



\$'000

<b>Accrued Liabilities - Current</b>	(Excluding Debt)
--------------------------------------	------------------

Account Name	Feb-19	Mar-19	Apr-19	May-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%



# **Executive Summary**

2019 Plan w/ Initiatives Details

**Financial Review** 

**Governance Reporting** 

# **Appendix:**

- Supplemental Financial Information
- Additional Back Up Slides

# Management Governance Summary



# Red flags:

Issues with accuracy and timeliness of month end process

# **Ongoing Governance Activities:**

Internal Control Authority Matrix to be reviewed at Q2 2019 BOD

### **Action:**

• New leader hired and onboarded in March 2019, have brought in multiple consultants to augment/support the month end close process, team is currently working on documentation of existing tools and reports

	Governance Matter	March & Q1 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	
d)	Any reports or complaints regarding accounting, internal accounting controls or auditing matters	None	

# **Operating Review Agenda**



**Executive Summary** 

2019 Plan w/ Initiatives Details

**Financial Review** 

**Governance Reporting** 

**Appendix** 

# Global Communication Road Map



Month T January	Town Halls						
lanuary	Town Halls	Town Halls	Lunch & Learns	Other	Accountable	Comments	Status
Juliudiy		CA Field Office			K. Miceli / J. Smith		<b>V</b>
		Hong Kong			K. Miceli / J. Smith		<b>V</b>
		Malaysia			K. Miceli / J. Smith		<b>V</b>
		China			K. Miceli / J. Smith		<b>V</b>
				Proactive Business Update with Key Distributors	K. Miceli / M. Kontranowski		<b>V</b>
February			JVL - Marketing & Engineering		K. Miceli / J. Smith		<b>~</b>
			JVL - Operations & Large Projects Dept		K. Miceli / J. Smith		<b>~</b>
			JVL - Finance, IT & HR		K. Miceli / J. Smith		<b>~</b>
				Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	<b>✓</b>
March				Global LT Monthly Update	K. Miceli		<b>V</b>
April		Germany			K. Miceli / J. Smith		<b>~</b>
			Germany - Key Employees		K. Miceli / J. Smith		<b>V</b>
				Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	<b>V</b>
May		Chicago Field Office			K. Miceli / M. Kontranowski		<b>\</b>
			MN/IL/IN - Key Employees		K. Miceli		<b>V</b>
				Proactive Business Update with Key Distributors	K. Miceli / M. Kontranowski		<b>\</b>
				Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	<b>-</b>
June				Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	
July		TX Field Office			K. Miceli / M. Kontranowski		
			TX - Key Employees		K. Miceli		
				Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	
August	Global				K. Miceli		
	Janesville				K. Narczykiewicz		
	Germany				R. Lehmann		
	Australia				G. Sauer		
ľ	Hong Kong China				W. Chiang		
					S. Wong A. Teoh		
September	Malaysia	FL Field Office			K. Miceli / M. Kontranowski		
September		rt rieid Office	FL - Key Employees		K. Miceli / M. Kontranowski		
			FL - Key Employees	Proactive Business Update with Key Distributors	K. Miceli		
				Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	
October		Australia		Global ET Working Opuate	J. Smith / K. Lawry	Fost Work Bod Meetings cascading results	
October		China			J. Smith / K. Lawry		
		Malaysia			J. Smith / K. Lawry		
		ividiaysia	Australia, China, Malaysia - Key Employees		J. Smith / K. Lawry		
			Australia, Clinia, Walaysia Rey Employees	Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	
November		Germany		Global Et Wolfeling Opuace	K. Miceli / K. Lawry	1 ost Mony 202 meetings casedaing results	
		Seiairy	Germany - Key Employees		K. Miceli / K. Lawry		
		Cairo	dermany ney employees		K. Miceli / K. Lawry		
			Advansys / Cairo - Key Employees		K. Miceli / K. Lawry		
			. aranaya / cana ney Employees	Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	
December		Potomac Field Office		Lista I manun, opuace	K. Miceli / M. Kontranowski	and the second s	
			MD - Key Employees		K. Miceli / M. Kontranowski		
			·,p,	Proactive Business Update with Key Distributors	K. Miceli / M. Kontranowski		
				Global LT Monthly Update	K. Miceli	Post MOR/BOD meetings cascading results	

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

# 2019 Focus on 5



	$oldsymbol{1}$ - Team Centric	<b>2</b> - Safety	<b>3</b> – Quality	<b>4</b> - Delivery	<b>5</b> – Cost/Growth
Macro	<ul><li>High "Say Do" Ratio</li><li>"One Hufcor"</li></ul>	<ul><li>Safety First</li><li>5S Maturity</li></ul>	<ul><li>Right "First" Time</li><li>Bias for Action</li></ul>	<ul><li>World Class Lead Times</li><li>"Perfect Order"</li></ul>	<ul><li>Focus on GM%</li><li>New Products &amp; Globalization</li></ul>
Detail Focus Areas	<ul> <li>a. Performance Management Process</li> <li>b. Development Plans</li> <li>c. X-Training</li> <li>d. Organizational Design</li> <li>e. Goal Alignment</li> <li>f. Global Standard Work Development</li> <li>g. Town Halls</li> <li>h. Quarterly Lunch &amp; Learns (L&amp;L)</li> </ul>	<ul> <li>a. RIR / First Aid Pareto &amp; Action Plan</li> <li>b. 5S</li> <li>c. Consistent Policies</li> <li>d. Management System: <ul> <li>a. High Hazard</li> <li>b. LOTO</li> <li>c. Job Site</li> <li>d. Confined Space</li> </ul> </li> <li>e. Environmental Compliance</li> </ul>	<ul> <li>a. Standard Work Adherence</li> <li>b. ISO Certifications</li> <li>c. Poka-Yoke</li> <li>d. Scrap</li> <li>e. Correct Tools/Equipment</li> <li>f. Right First Time Delivery to Jobsite</li> </ul>	<ul> <li>a. PFEP <ul> <li>a. SKU Rationalization</li> </ul> </li> <li>b. Level Load</li> <li>c. Lean Mgmt System</li> <li>d. Global Standard BOM <ul> <li>a. Part "reuse"</li> <li>b. SKU naming convention</li> </ul> </li> <li>e. Warm Start Focus</li> <li>f. Customer Service Excellence</li> <li>g. Project Management <ul> <li>Excellence</li> <li>h. NA Growth Readiness</li> </ul> </li> </ul>	<ul> <li>a. Strategic Procurement (PPV) &amp; Dual Sourcing</li> <li>b. Gross Margin reporting at: SKU / Project</li> <li>c. Product Line Expansion <ul> <li>a. Alu Frame, Glass,</li> <li>Demountable</li> <li>b. Optimize Vertical Wall</li> </ul> </li> <li>d. Global PS5 &amp; Price</li> <li>e. APAC Optimization</li> <li>f. Advansys Partnership</li> </ul>
Reactive KPI(s)	<ul> <li>Absenteeism &lt; 15%</li> <li>Staffing Cycle Time, &lt; 60 days for prof., &lt; 30 days for union</li> <li>G&amp;O 100% Completion</li> <li>Mid Year/End of Year 100% Completion</li> <li>L&amp;L Quarterly and Town Hall 2x/year 100% Complete</li> </ul>	<ul> <li>RIR: 50% Reduction to 4.9</li> <li>Lost Time: 0</li> </ul>	<ul> <li>TCAR Reduction</li> <li>24 Hour Response Time (Calls and E mails)</li> <li>Customer Feedback</li> <li>In field Service Warranty \$ Reduction</li> </ul>	<ul> <li>+90% OTD</li> <li>Past Due \$s below \$100K (average)</li> <li>Past Due Aging – Below 30 Days</li> <li>24 Hour Response Time (Calls and E mails)</li> <li>Project Schedule Fidelity</li> <li>Increase Output X% at each location</li> </ul>	<ul> <li>EBITDA - \$16M (12.9% of sales)</li> <li>Direct Mat'l: 33.4% of Sales</li> <li>Manf. O/H: 18.5% of Sales</li> <li>Opex: 17.5% of Sales</li> <li>GM% - +31%</li> <li>Launch Standard Glass in NA, GER &amp; AUS Q1</li> <li>Launch AL Frame NA &amp; GER Q1</li> <li>Launch PS5 &amp; Price Book Q12019</li> </ul>
Proactive KPI(s)	<ul> <li>100% Completion of Cross         Training Plan for critical roles within each function     </li> <li>High "Say - Do" Ratio</li> </ul>	<ul> <li>Safety Concern(s) Closed:         <ul> <li>+1,000 globally</li> </ul> </li> <li>Global 5S Score Maturity by         YE: 3</li> </ul>	Warranty Trending	<ul> <li>S&amp;OP Launch</li> <li>Inventory +90% "Green" per PFEP</li> <li>Inventory Accuracy: +98%</li> <li>SQDC Operating Mechanisms</li> <li>Weekly Sales &amp; Securement Op Mech (Internal + Distributors)</li> </ul>	<ul> <li>PPV: +\$3M</li> <li>Dual Source +50% of Critical Spend</li> <li>OT - Below \$350K</li> </ul>
Stretch Goal(s)					<ul><li>Revenue \$150M+</li><li>Glass Sales: +\$20M Globally</li></ul>

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

# Rock Valley Trucking Company







Crane System and Lower Deck Height on Trailers Allows for more efficient and flexible drop off options for customers

# **Rock Valley Trucking:**

- Fleet
  - Tractors: 9 (8 Over the Road + 1 Yard Truck)
    - 9 Leased / 0 Owned
    - Brands: Kenworth & Freightliner
  - Trailers: 22
    - 12 Leased
    - 10 Owned
    - Brands: Great Dane, Wabash and Hyundai
- 5 Drivers
  - Miles Driven:
    - 2018: 825,359
    - 2019 YTD (thru 6/17): 272,496
- RVTC P&L:

	2016	2017	2018	2019 YTD
Sales (Net):	\$4,058,914	\$4,649,257	\$4,547,130	\$1,740,083
Total COS:	\$2,723,978	\$3,467,974	\$3,710,746	\$1,482,696
	67.1%	74.6%	81.6%	85.2%
Total OPEX:	\$761,473	\$999,071	\$281,385	\$67,295
	18.8%	21.5%	6.2%	3.9%
EBITDA	\$573,463	\$182,212	\$554,999	\$190,092
	14.1%	3.9%	12.2%	10.9%

Need to Deep Dive Zip Code/Route Data and Look at Growth Opportunity as Next Step...