

DIXIE GROUP INC

FORM 8-K (Current report filing)

Filed 05/19/20 for the Period Ending 05/19/20

Address	PO BOX 2007 DALTON, GA, 30722
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Industry	Home Furnishings
Sector	Consumer Cyclical
Fiscal Year	12/28

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934

Date of Report (Date of earliest event reported): May 19, 2020



THE DIXIE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Tennessee

(State or other jurisdiction of incorporation)

0-2585

(Commission File Number)

62-0183370

(I.R.S. Employer Identification No.)

475 Reed Road, Dalton, Georgia

(Address of principal executive offices)

30720

(zip code)

(706) 876-5800

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

The information attached as Exhibit 99.1 hereto supersedes the investor presentation previously furnished on Form 8-K dated March 5, 2020, and is being furnished pursuant to Item 7.01; such information, including the information excerpted below in this Item 7.01, shall not be deemed to be "filed" for any purpose.

These updated investor presentation materials may be found on the Company's website at www.thedixiegroup.com.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

(99.1) [Presentation Materials, May 19, 2020.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 19, 2020

THE DIXIE GROUP, INC.

/s/ Allen L. Danzey

Allen L. Danzey
Chief Financial Officer



THE DIXIE GROUP

Exhibit 99.1

May 2020 Investor Presentation

Contact:
Allen Danzey
CFO
The Dixie Group

Phone: 706-876-5865

allen.danzey@dixiegroup.com

Forward Looking Statements

The Dixie Group, Inc.



- Statements in this presentation which relate to the future, are subject to risk factors and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. Such factors include the levels of demand for the products produced by the Company. Other factors that could affect the Company's results include, but are not limited to, raw material and transportation costs related to petroleum prices, the cost and availability of capital, and general economic and competitive conditions related to the Company's business. Issues related to the availability and price of energy may adversely affect the Company's operations. Additional information regarding these and other factors and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.
- General information set forth in this presentation concerning market conditions, sales data and trends in the U.S. carpet and rug markets are derived from various public and, in some cases, non-public sources. Although we believe such data and information to be accurate, we have not attempted to independently verify such information.

Dixie History



THE DIXIE GROUP

-
- 1920 Began as Dixie Mercerizing in Chattanooga, TN
 - 1990's Transitioned from textiles to floorcovering
 - 2003 Refined focus on upper- end floorcovering market
 - 2003 Launched Dixie Home - upper end residential line
 - 2005 Launched modular tile carpet line – new product category
 - 2012 Purchased Colormaster dye house and Crown Rugs
 - 2013 Purchased Robertex - wool carpet manufacturing
 - 2014 Purchased Atlas Carpet Mills – high-end commercial business
 - 2014 Purchased Burtco - computerized yarn placement for hospitality
 - 2016 Launched Calibr  luxury vinyl flooring in Masland Contract
 - 2017 Launched Stainmaster® LVF in Masland and Dixie Home
 - 2018 Launched engineered wood in our Fabrica brand
 - 2018 Unified Atlas and Masland Contract into single business unit
 - 2019 Launched TRUCOR™ and TRUCOR Prime™ LVF in Dixie Home and Masland

COVID – 19 Response

Health & Safety

- Large scale COVID-19 testing where necessary
- Monitoring and complying with all government regulations
- Restrictions implemented minimize group meetings
- Remote work schedules have been implemented
- Deep cleaning and sanitizing on a frequent basis in facilities and offices
- Daily temperature checks prior to the start of work in all facilities and offices

Cost Reductions

- Temporary pay reductions have been implemented for salaried workforce
- We have placed a large percentage of our associates either on rotating layoff or furlough.
- Reduced 401k matching
- All spending is under review with reductions and deferrals being implemented in many areas

Liquidity

- Working with vendors, landlords and providers of debt to extend terms
- Pursuing opportunities through government programs to provide additional sources of funds
- Amended our revolving credit facility to provide additional availability during this time
- Reduction in capital spending and non-essential cash outlays



- Commitment to brands in the upper-end market with strong growth potential.
- Diversified between Commercial and Residential markets.
- Diversified customer base (TTM Basis)
 - Top 10 carpet customers
 - 14% of sales
 - Top 100 carpet customers
 - 29% of sales

Dixie Group Drivers

What affects our business?



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The market dynamics:

- Residentially
 - The market is driven by home sales and remodeling.
 - New construction is a smaller effect.
 - Dixie is driven by the wealth effect.
 - The stock market and consumer confidence.
- Commercially
 - The market is driven by remodeling of offices, schools, retail and hospitality as demonstrated by the investment in non-residential fixed structures.
 - Dixie is driven by upper-end remodeling in offices, retail remodeling, higher education, and upper-end hospitality that primarily involves a designer.

New and Existing Home Sales

Seasonally Adjusted Annual Rate



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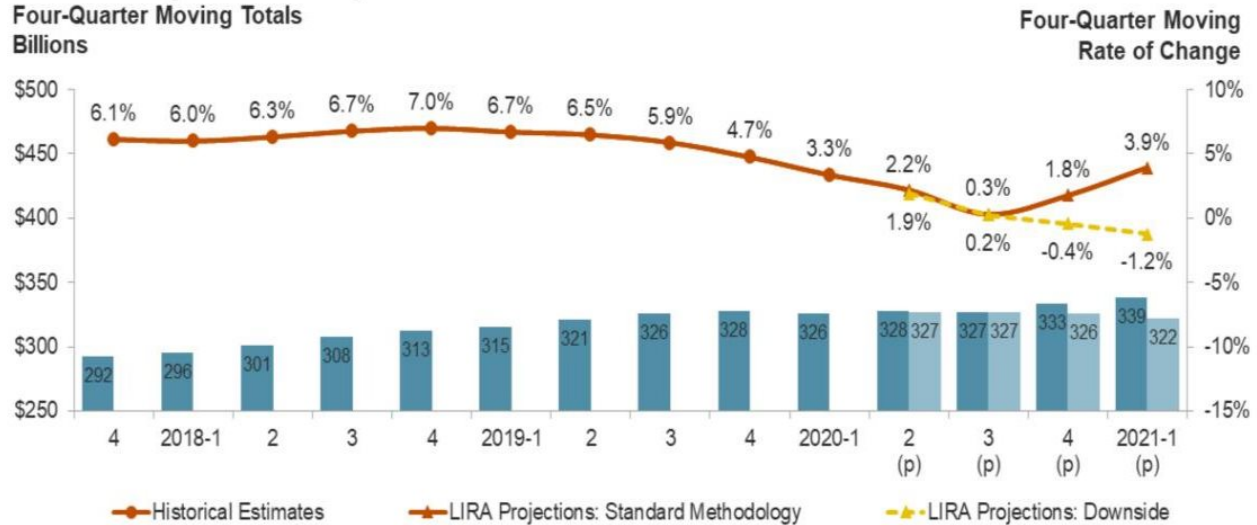
- “Unfortunately, we knew home sales would wane in March due to the coronavirus outbreak. More temporary interruptions to home sales should be expected in the next couple of months, though home prices will still likely rise.
- “Earlier in the year, we watched inventory gradually tick upward but with the current quarantine recommendations in place, fewer sellers are listing homes, which will limit buyer choices. Significantly more listings are needed and more will come on to the market once the economy steadily reopens.”

Lawrence Yun
Chief Economist
National Association of Realtors
April 21, 2020

Source: National Association of Realtors (existing) and census.gov/newhomesales

Leading Indicator of Remodeling Activity – First Quarter 2020

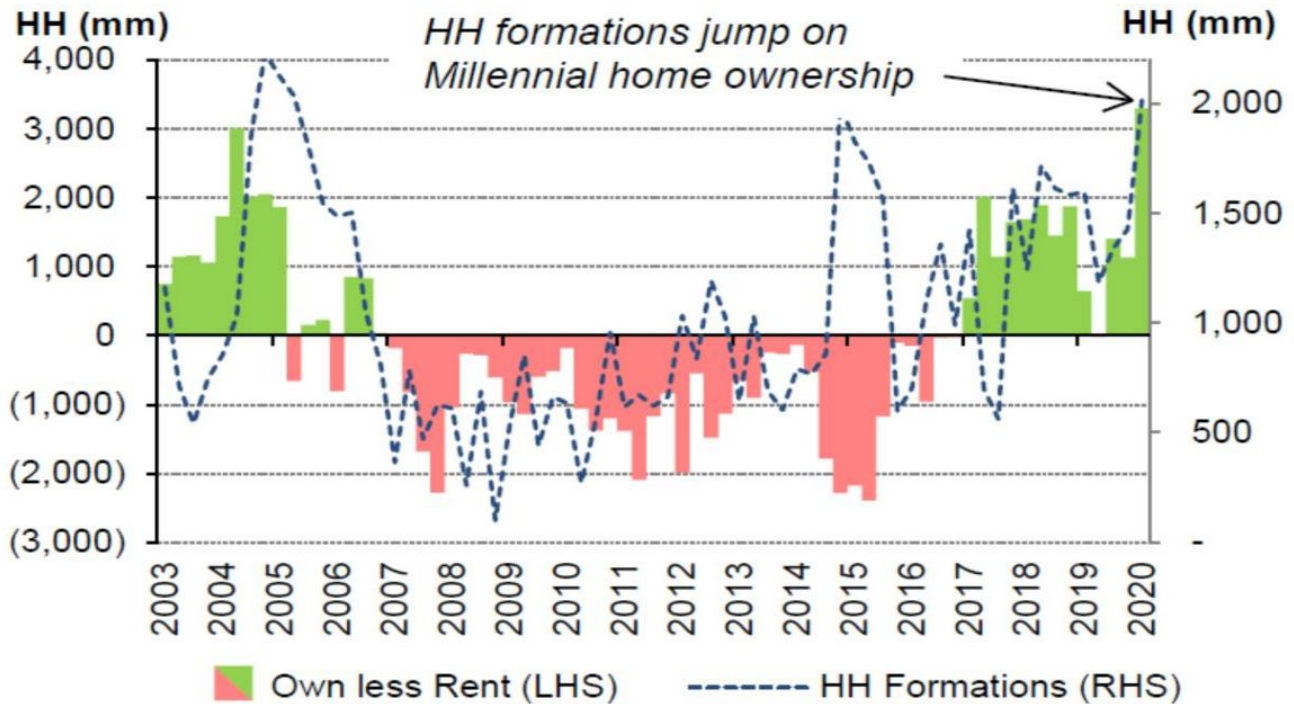
Homeowner Improvements & Repairs
Four-Quarter Moving Totals
Billions



Notes: The downside projections incorporate forecasted data for coincident model inputs: retail sales at building materials and supplies dealers, CoreLogic's Home Price Index, and GDP. Forecasted data provided by Moody's Analytics Forecasted, Alternative Scenario 3, April 2020. Historical estimates since 2017 are produced using the LIRA model until American Housing Survey benchmark data become available.

Household Formations

Figure 1: Household Formations

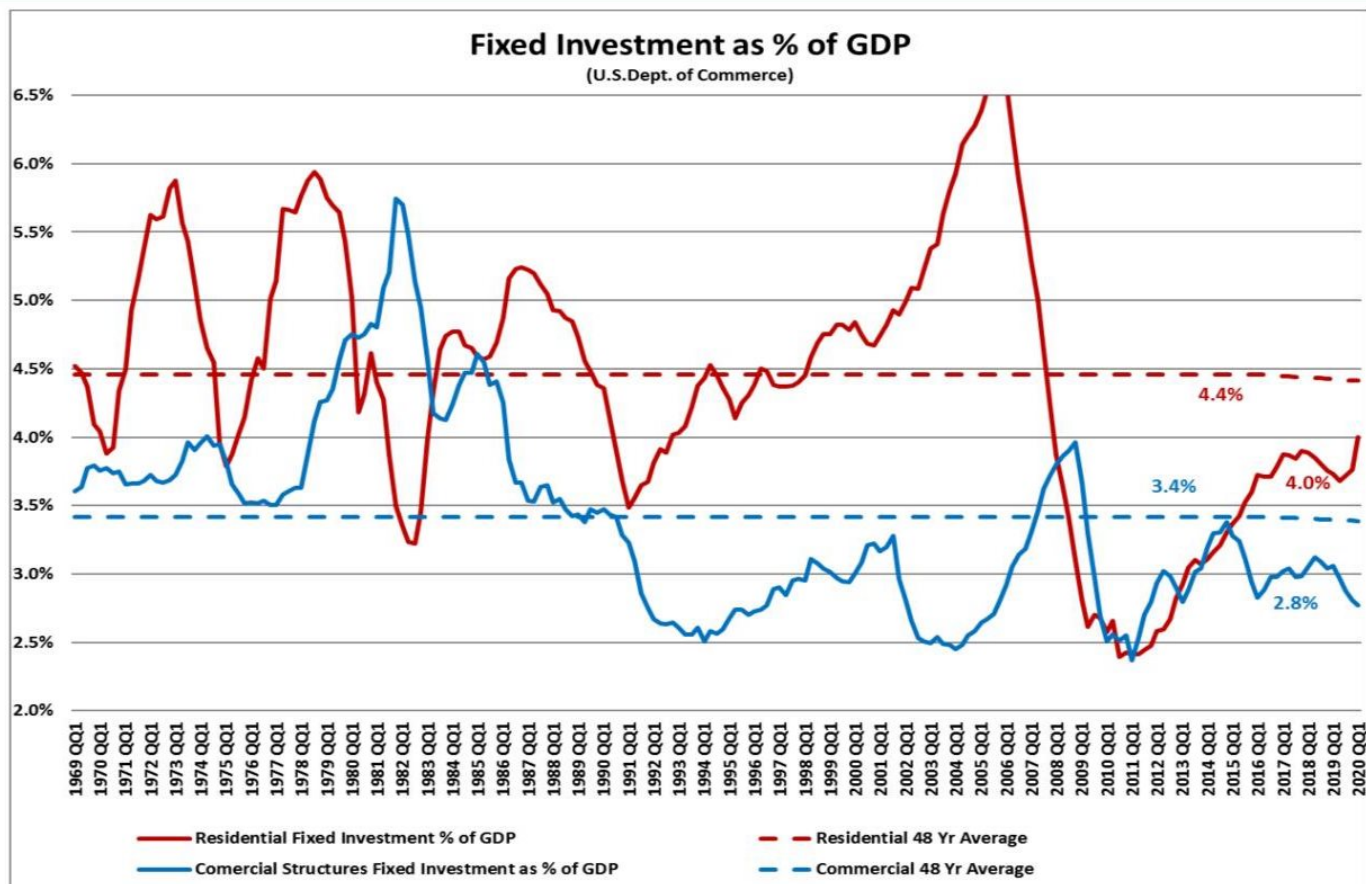


Source: Census Bureau, Evercore ISI Research

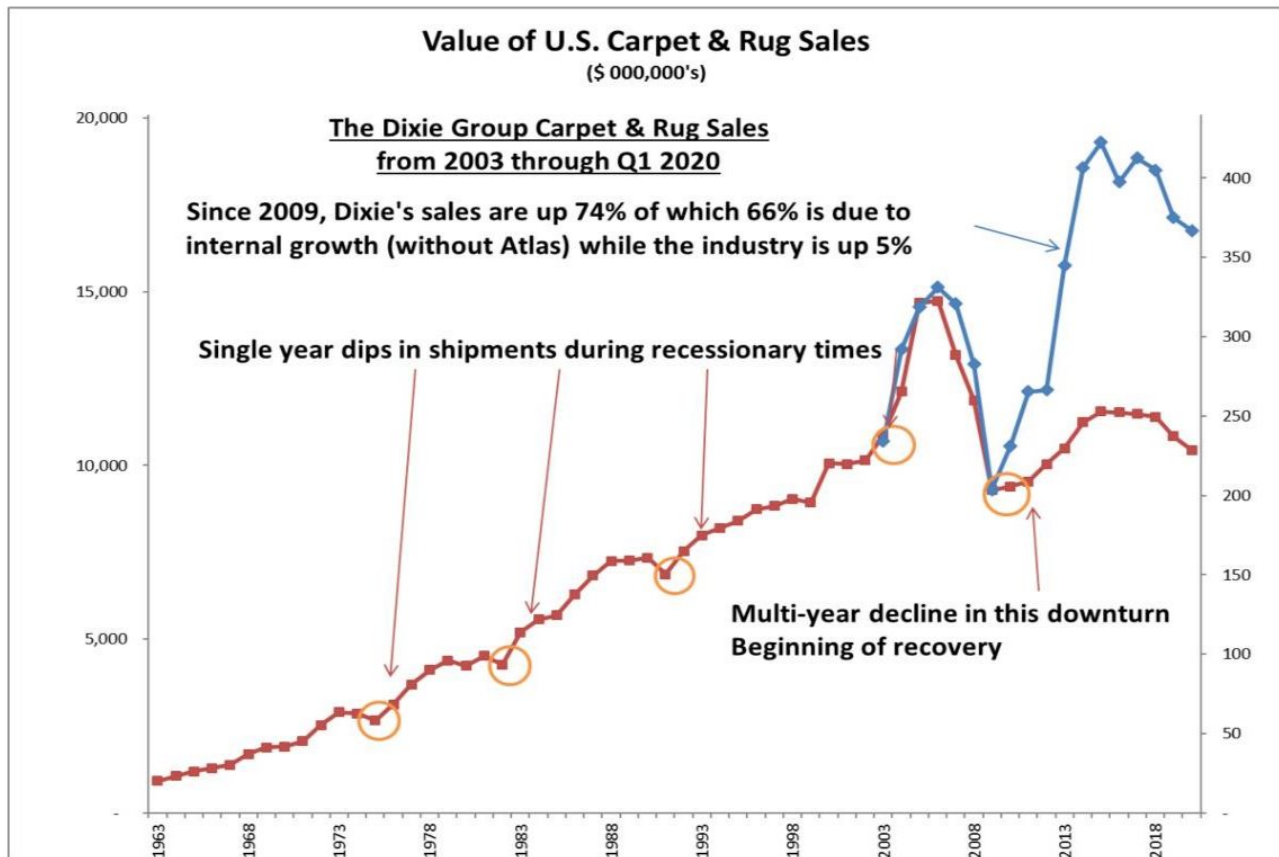
Residential and Commercial Fixed Investment



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The Industry as compared to The Dixie Group



Source: U.S. Bureau of Economic Analysis and Company estimates

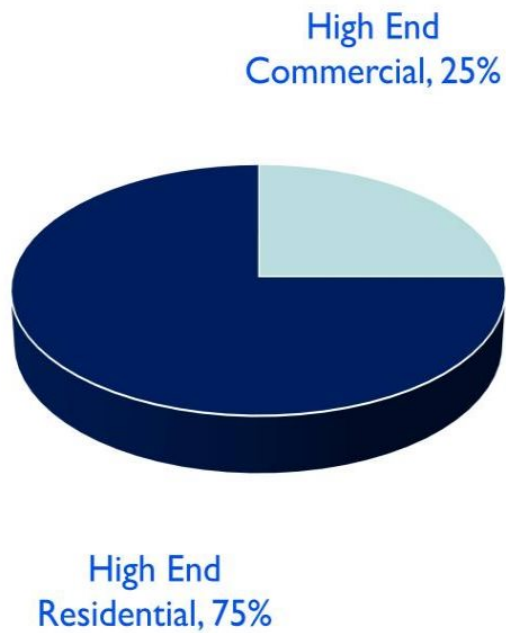
2018 U.S. Flooring Manufacturers

Flooring Manufacturers	Flooring \$ in millions	Flooring Market %
Shaw (Berkshire Hathaway)	5,142	21.7%
Mohawk (MHK)	5,213	22.0%
Engineered Floors (Private)	1,015	4.3%
Interface (TILE)	601	2.5%
Dixie (DXYN)	405	1.7%
Imports & All Others	11,304	47.7%
U.S. Carpet & Rug Market	23,680	100.0%

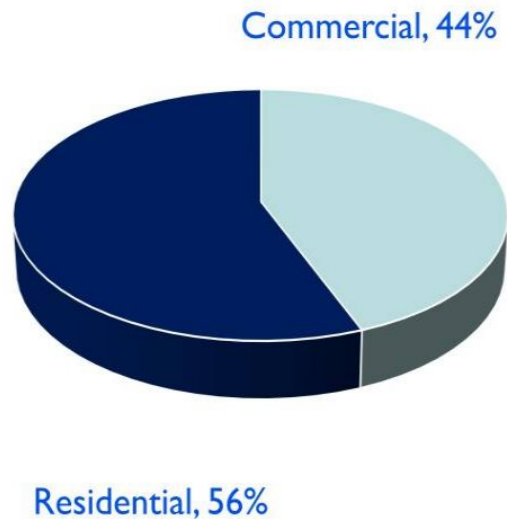
Source: Floor Focus - Flooring includes sales of carpet, rugs, ceramic floor tile, wood, laminate, resilient and rubber

Dixie versus the Industry

2020 First Quarter Dixie sales



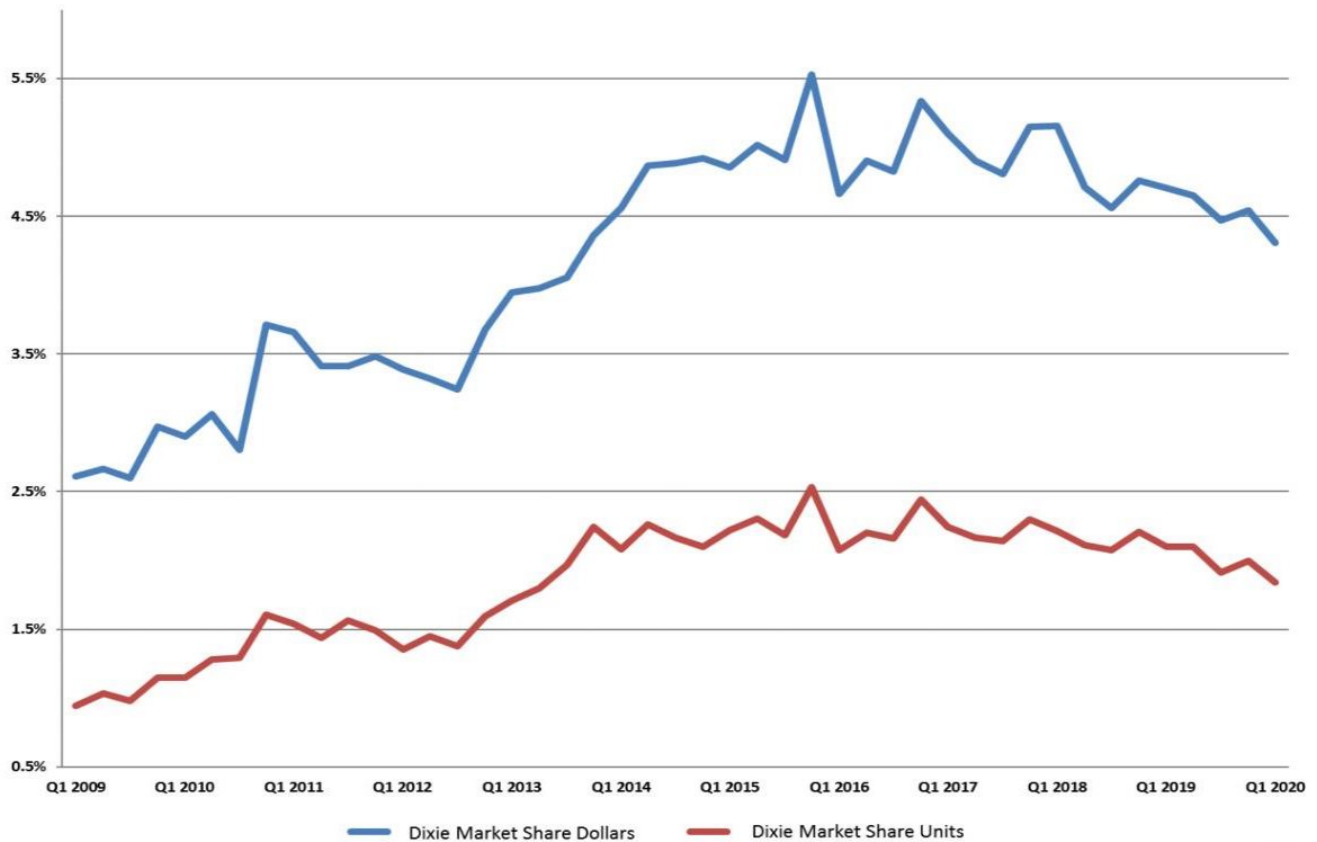
2020 First Quarter U.S. Carpet & Rug Market of \$10.6 billion



Source: Floor Covering Weekly and Dixie Group estimate

Carpet Growth

Dixie Market Share in Dollars and Units



Industry Positioning

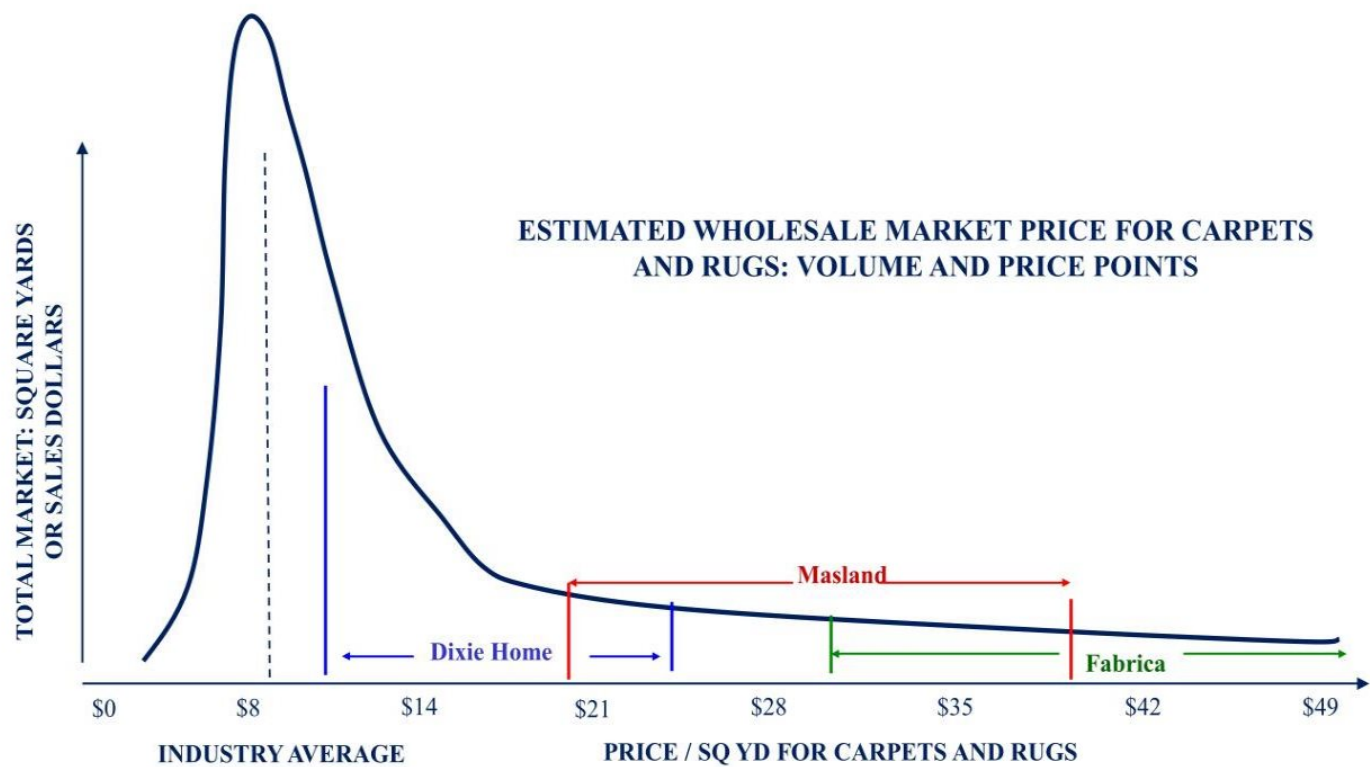
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- Strategically our residential and commercial businesses are driven by our relationship to the upper-end consumer and the design community
- This leads us to:
 - Have a sales force that is attuned to design and customer solutions
 - Be a “product driven company” with emphasis on the most beautiful and up-to-date styling and design
 - Be quality focused with excellent reputation for building excellent products and standing behind what we make
 - And, unlike much of the industry, not manufacturing driven

Residential Brand Positioning

The Dixie Group



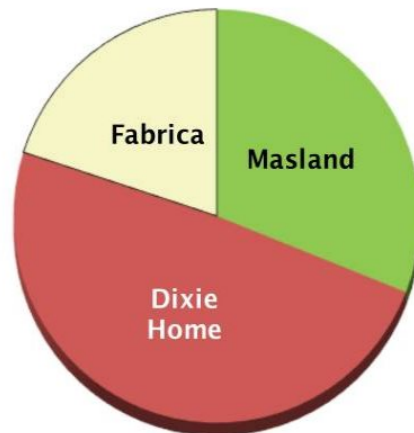
Note: Market share data based on internal company estimates – Industry average price based on sales reported through industry sources

Dixie Group High-End Residential Sales

All Residential Brands



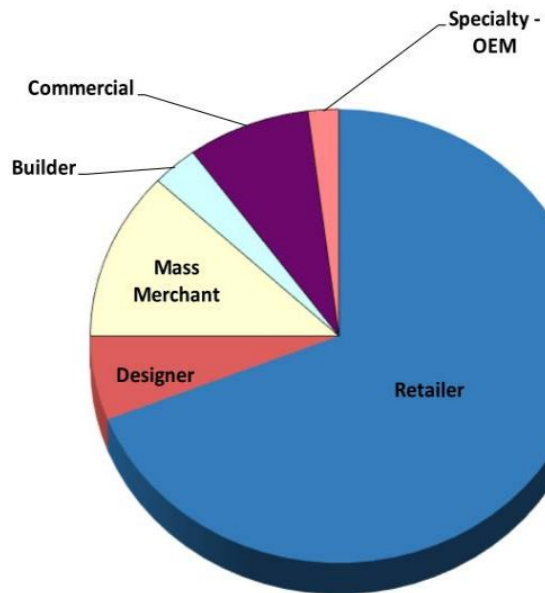
Sales by Brand for Q1 2020



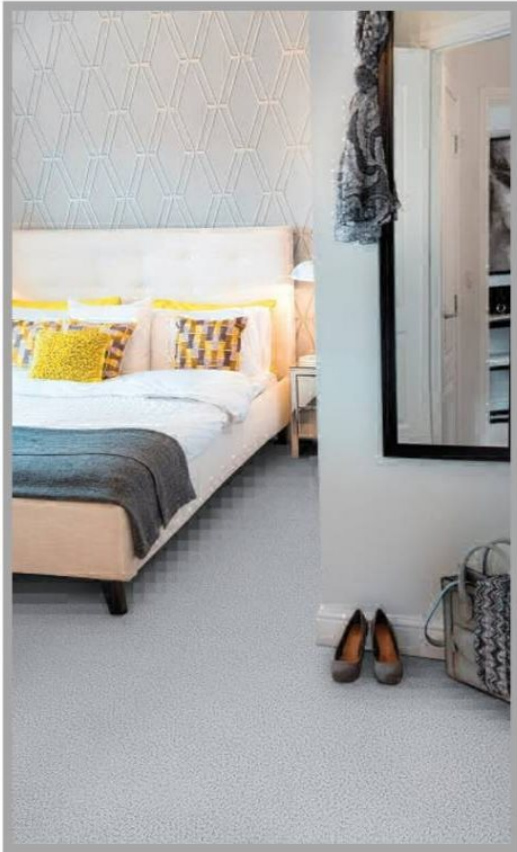
Dixie Group High-End Residential Sales All Brands



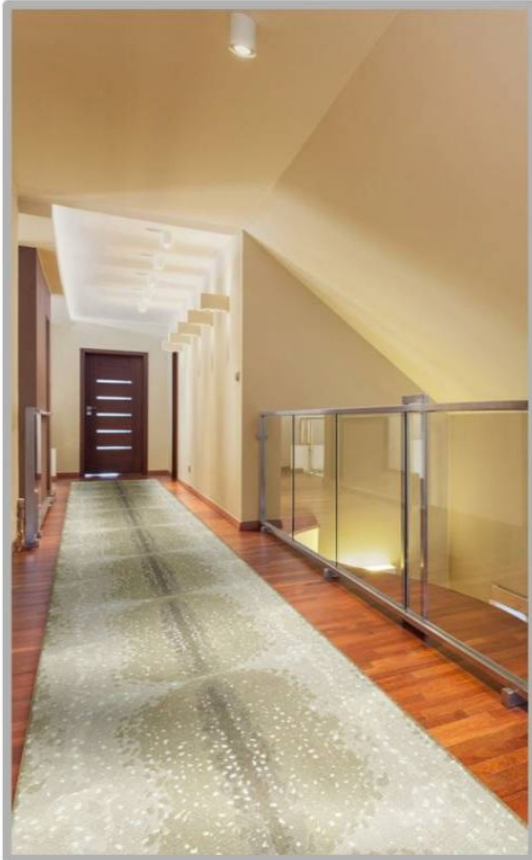
Sales by Channel for Q1 2020



The company believes that a significant portion of retail sales also involve a designer.



- Well-styled moderate to upper priced residential broadloom line
 - Known for differentiated pattern and color selection
- Dixie Home provides a “full line” to retailers
 - Sells specialty and mass merchant retailers
- Growth initiatives
 - TRUCOR™ SPC and TRUCOR Prime™ WPC Luxury Vinyl Flooring
 - Stainmaster® PetProtect® Fiber Technology



- Leading high-end brand with reputation for innovative styling, design and color
- High-end retail / designer driven
 - Approximately 21% of sales directly involve a designer
 - Hand crafted and imported rugs
- Growth initiative
 - TRUCOR Prime™ WPC Luxury Vinyl Flooring
 - Stainmaster® PetProtect® Fiber Technology
 - Wool products in both tufted and woven constructions



- Premium high-end brand
 - “Quality without Compromise”
- Designer focused
 - Approximately 29% of sales directly involve a designer
 - Hand crafted and imported rugs
- Growth initiatives
 - Fabrica Fine Wood Flooring, a sophisticated collection of refined “best in class” wood flooring products.

Commercial Market Positioning

The Dixie Group



- We focus on the “high-end specified soft floorcovering contract market”
- Our AtlasMasland products
 - Designer driven focused on the fashion oriented market space
 - Broad product line for diverse commercial markets
- Our Masland eNergy products
 - Sells “main street commercial” through retailers
- Our Masland Residential and AtlasMasland sales forces
 - Commercial design firms and select commercial retailers



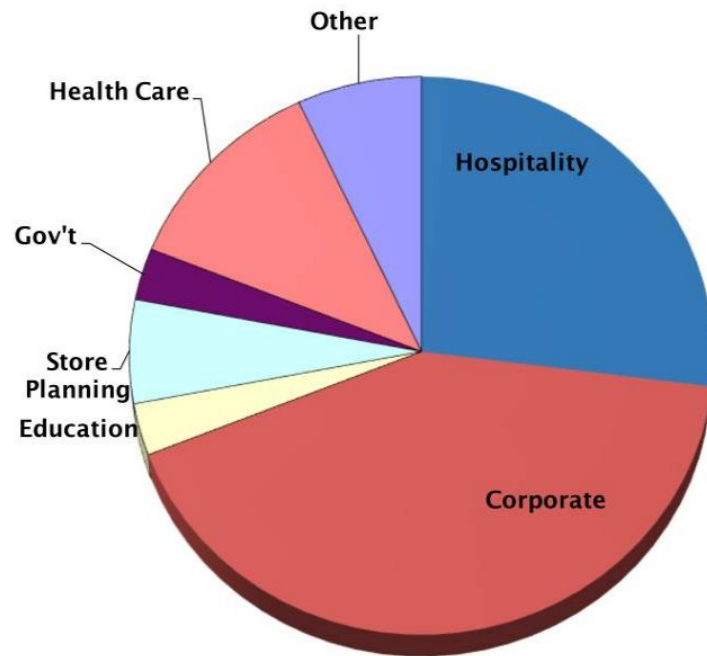
- The consolidation of Atlas and Masland Contract provides an exciting opportunity for us to become a greater resource to our customers in the hyper competitive commercial flooring market.
- AtlasMasland has become a comprehensive resource to the commercial flooring customer. Whether a project calls for broadloom carpet, modular carpet tile, area rugs, walk off material or luxury vinyl flooring, we have the product and expertise to service any market segment.



- Upper-end brand in the specified commercial marketplace
 - Corporate, End User, Store Planning, Hospitality, Health Care, Government and Education markets
- Designer focused
- Strong national account base
- Growth initiatives
 - Sustaina™ cushion modular carpet backing with the ability to install in high relative humidity environments
 - The Crafted Collection with Sustaina™ cushion modular carpet backing, both PVC and polyurethane free – over 80% recycled content
 - Calibré Luxury Vinyl Tile



Sales by Channel for Q1 2020



Channels: Interior Design Specifier and Commercial End User

Dixie Group Sales

\$ in millions



*2016 had 53 weeks.

Sales & Operating Income

\$ in millions



<u>Annual</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>TTM 2020</u>
Net Sales	266	344	407	422	397	412	405	375	367
Net Income (Loss)	(0.9)	5.3	(1.4)	(2.4)	(5.3)	(9.6)	(21.4)	15.3	19.3
Operating Income	1.8	8.9	(5.2)	2.0	(3.4)	4.0	(15.6)	21.3	24.9
Non-GAAP Adjusted Op. Income	3.5	16.4	4.7	4.9	(2.0)	4.6	(1.1)	1.8	3.1
EBITDA	11.2	18.7	16.9	15.9	10.0	16.6	(3.1)	32.9	36.2
Non-GAAP Adjusted EBITDA	13.2	26.5	17.7	19.0	11.5	17.5	11.4	13.7	14.9
 <u>Quarterly</u>	 <u>Q1 2018</u>	 <u>Q2 2018</u>	 <u>Q3 2018</u>	 <u>Q4 2018</u>	 <u>Q12019</u>	 <u>Q22019</u>	 <u>Q32019</u>	 <u>Q42019</u>	 <u>Q12020</u>
Net Sales	98.9	106.4	101.6	98.2	88.6	100.4	95.4	90.1	80.6
Net Income (Loss)	(2.9)	(1.8)	(3.0)	(13.7)	(6.7)	(1.2)	(2.6)	25.7	(2.7)
Operating Income	(1.5)	(0.2)	(1.2)	(12.8)	(4.9)	0.6	(1.0)	26.7	(1.3)
Non-GAAP Adjusted Op. Income	(1.3)	2.0	0.7	(2.4)	(2.6)	2.5	0.1	1.8	(1.3)
EBITDA	1.6	3.0	1.9	(9.5)	(1.8)	3.3	1.9	29.4	1.6
Non-GAAP Adjusted EBITDA	1.8	5.0	3.8	0.8	0.5	5.3	3.0	4.8	1.7
 <u>Change Year over Year</u>	 <u>Q1 2018</u>	 <u>Q2 2018</u>	 <u>Q3 2018</u>	 <u>Q4 2018</u>	 <u>Q12019</u>	 <u>Q22019</u>	 <u>Q32019</u>	 <u>Q42019</u>	 <u>Q12020</u>
Net Sales	1.3	(0.7)	(1.1)	(6.9)	(10.3)	(6.0)	(6.1)	(8.0)	(8.0)
Net Sales % Change	1.4%	-0.7%	-1.1%	-6.6%	-10.4%	-5.7%	-6.0%	-8.2%	-9.1%
Net Income (Loss)	(2.3)	(2.9)	(2.4)	(4.2)	(3.8)	0.6	0.4	39.4	4.0
Operating Income	(2.1)	(3.3)	(1.9)	(12.2)	(3.3)	0.7	0.1	39.4	3.5
Non-GAAP Adjusted Op. Income	(1.9)	(1.2)	(0.1)	(2.5)	(1.3)	0.5	(0.6)	4.3	1.3
EBITDA	(2.2)	(3.3)	(2.1)	(12.2)	(3.4)	0.4	0.0	38.9	3.4
Non-GAAP Adjusted EBITDA	(2.0)	(1.4)	(0.2)	(2.5)	(1.3)	0.3	(0.7)	4.0	1.2

Note: 2016 has 53 operating weeks, all other periods had 52 operating weeks

Note: Non-GAAP reconciliation starting on slide 27

Current Business Conditions

2020 Outlook



In 2019:

- We have consolidated our two commercial brands into AtlasMasland.
- We launched Sustaina™, our 95% post-consumer recycled material, PVC free and polyurethane free, cushion modular carpet tile backing.
- We launched TRUCOR™ and TRUCOR Prime™ luxury vinyl flooring.
- In the last year, we have paid down \$42 million in debt.
- We returned to operating profitability in the fourth quarter of 2019.

In 2020:

- We are growing the number of items in our TRUCOR™ family of luxury vinyl flooring products by over 40%. We are featuring, “Integrated Grout Technology” where the locking system is engineered to simulate a real grout line. We are launching our new oversized planks in contemporary, clean visuals.
- With the beginning of the pandemic, our orders and sales declined dramatically in late March and early April. The first few weeks of April were impacted the most and our sales and orders decreased over 50% for the month of April. Since the second week of April, our sales and orders have continued to improve and in May we anticipate sales and orders being down in the 35% range but continuing to improve sequentially. Many of our customers are reopening and beginning to generate business. We would expect business to continue improving and be at more normal levels later this year.



Non-GAAP Information



Use of Non-GAAP Financial Information:

The Company believes that non-GAAP performance measures, which management uses in evaluating the Company's business, may provide users of the Company's financial information with additional meaningful bases for comparing the Company's current results and results in a prior period, as these measures reflect factors that are unique to one period relative to the comparable period. However, the non-GAAP performance measures should be viewed in addition to, not as an alternative for, the Company's reported results under accounting principles generally accepted in the United States.

The Company defines Adjusted Gross Profit as Gross Profit plus manufacturing integration expenses of new or expanded operations, plus acquisition expense related to the fair market write up of inventories, plus one time items so defined (Note 1)

The Company defines Adjusted S,G&A as S,G&A less manufacturing integration expenses included in selling, general and administrative, less direct acquisition expenses, less one time items so defined. (Note 2)

The Company defines Adjusted Operating Income as Operating Income plus manufacturing integration expenses of new or expanded operations, plus acquisition expense related to the fair market write up of inventories, plus facility consolidation and severance expenses, plus acquisition related expenses, plus impairment of assets, plus impairment of goodwill, plus one time items so defined. (Note 3)

The company defines Adjusted Income from Continuing Operations as net income plus loss from discontinued operations net of tax, plus manufacturing integration expenses of new or expanded operations, plus facility consolidation and severance expenses, plus acquisition related expenses, plus impairment of assets, plus impairment of goodwill, plus one time items so defined, all tax effected. (Note 4)

The Company defines Adjusted EBIT as net income plus taxes and plus interest. The Company defines Adjusted EBITDA as Adjusted EBIT plus depreciation and amortization, plus manufacturing in integration expenses of new or expanded operations, plus facility consolidation and severance expenses, plus acquisition related expenses, plus impairment of assets, plus impairment of goodwill, plus one time items so defined. (Note 5)

The company defines Free Cash Flow as Net Income plus interest plus depreciation plus non-cash impairment of assets and goodwill minus the net change in working capital minus the tax shield on interest minus capital expenditures. The change in net working capital is the change in current assets less current liabilities between periods. (Note 6)

The company defines Non-GAAP Earnings per Share (EPS) as the adjusted operating income less Interest and other expense, tax adjusted at a 35% rate, and divided by the number of fully diluted shares. (Note 7)

The Company defines Net Sales as Adjusted as net sales less the last week of sales in a 53 week fiscal year. (Note 8)

The Company defines Non-GAAP earnings per Share (EPS) for the Jobs Cut and Tax Act of 2017 as Net Income less discontinued operations minus the effect of the tax act and divided by the number of fully diluted shares. (Note 9)

Non-GAAP Information



	Three Months Ended								
<u>Non-GAAP Gross Profit</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q12019</u>	<u>Q22019</u>	<u>Q32019</u>	<u>Q42019</u>	<u>Q12020</u>
Net Sales	98,858	106,438	101,562	98,175	88,606	100,394	95,447	90,134	80,578
Gross Profit	21,580	25,144	21,887	18,380	18,919	23,493	21,074	22,719	18,993
Plus: Unusual Workers Comp	-	450	-	-	-	-	-	-	-
Plus: Inventory write off for PIP	-	-	963	1,738	-	202	82	123	-
Plus: Business integration expense	-	-	-	-	-	-	-	-	-
Plus: Amortization of inventory step up	-	-	-	-	-	-	-	-	-
Non-GAAP Adj. Gross Profit (Note 1)	21,580	25,594	22,850	20,118	18,919	23,695	21,156	22,843	18,993
Gross Profit as % of Net Sales	21.8%	23.6%	21.6%	18.7%	21.4%	23.4%	22.1%	25.2%	23.6%
Non-GAAP Adj. Gross Profit % of Net Sales	21.8%	24.0%	22.5%	20.5%	21.4%	23.6%	22.2%	25.3%	23.6%
<u>Non-GAAP S,G&A</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q12019</u>	<u>Q22019</u>	<u>Q32019</u>	<u>Q42019</u>	<u>Q12020</u>
Net Sales	98,858	106,438	101,562	98,175	88,606	100,394	95,447	90,134	80,578
Selling and Administrative Expense	23,120	23,801	23,033	22,518	21,660	21,114	21,036	20,015	20,397
Plus: Business integration expense	-	-	-	-	-	-	-	-	-
Less: Acquisition expenses	-	-	-	-	-	-	-	-	-
Non-GAAP Adj. Selling and Admin. Expense	23,120	23,801	23,033	22,518	21,660	21,114	21,036	20,015	20,397
S,G&A as % of Net Sales	23.4%	22.4%	22.7%	22.9%	24.4%	21.0%	22.0%	22.2%	25.3%
Non-GAAP S,G&A as % of Net Sales (Note 2)	23.4%	22.4%	22.7%	22.9%	24.4%	21.0%	22.0%	22.2%	25.3%



<u>Non-GAAP Operating Income</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q12019</u>	<u>Q22019</u>	<u>Q32019</u>	<u>Q42019</u>	<u>Q12020</u>
Net Sales	98,858	106,438	101,562	98,175	88,606	100,394	95,447	90,134	80,578
Operating income (loss)	(1,515)	(165)	(1,179)	(12,765)	(4,863)	574	(1,042)	26,681	(1,336)
Plus: Unusual Workers Comp	-	450	-	-	-	-	-	-	-
Plus: Legal Settlement	-	1,514	-	-	-	-	-	-	-
Plus: Inventory write off for PIP	-	-	963	1,738	-	202	82	123	-
Plus: Profit improvement plans	216	190	531	2,230	2,091	1,725	1,043	160	24
Plus: Impairment of assets	-	-	349	815	5	(1)	6	(25,121)	-
Plus: Impairment of goodwill and intangibles	-	-	-	5,545	-	-	-	-	-
Non-GAAP Adj. Operating Income (Loss) (Note 3)	(1,299)	1,989	664	(2,437)	(2,767)	2,500	89	1,843	(1,312)
Operating income as % of net sales	-1.5%	-0.2%	-1.2%	-13.0%	-5.5%	0.6%	-1.1%	29.6%	-1.7%
Adjusted operating income as a % of net sales	-1.3%	1.9%	0.7%	-2.5%	-3.1%	2.5%	0.1%	2.0%	-1.6%
<u>Non-GAAP Income from Continuing Operations</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q12019</u>	<u>Q22019</u>	<u>Q32019</u>	<u>Q42019</u>	<u>Q12020</u>
Net income (loss) as reported	(2,907)	(1,815)	(2,962)	(13,699)	(6,672)	(1,216)	(2,554)	25,712	(2,689)
Less: (Loss) from discontinued, net tax	(23)	157	(40)	1	(31)	(35)	23	(305)	(77)
Income (loss) from Continuing Operations	(2,884)	(1,972)	(2,922)	(13,700)	(6,641)	(1,181)	(2,577)	26,018	(2,612)
Plus: Unusual Workers Comp	-	450	-	-	-	-	-	-	-
Plus: Legal Settlement	-	1,514	-	-	-	-	-	-	-
Plus: Inventory write off for PIP	-	-	963	1,738	-	202	82	123	-
Plus: Profit improvement plans	216	190	531	2,230	2,091	1,725	1,043	160	24
Plus: Impairment of assets	-	-	349	815	5	(1)	6	(25,121)	-
Plus: Impairment of goodwill and intangibles	-	-	-	5,545	-	-	-	-	-
Plus: Tax effect of above	-	-	-	-	-	-	-	-	-
Plus: Tax credits, rate change and valuation allowance	-	-	-	-	-	(14)	-	-	-
Non-GAAP Adj. (Loss) / Inc from Cont. Op's (Note 4)	(2,668)	182	(1,079)	(3,372)	(4,545)	731	(1,446)	1,180	(2,588)
Adj diluted EPS from Cont. Op's	(0.17)	0.01	(0.07)	(0.21)	(0.29)	0.05	(0.09)	0.08	(0.17)
Wt'd avg. common shares outstanding - diluted	15,851	15,864	15,786	15,792	15,809	15,809	15,899	15,400	15,356



Non-GAAP EBIT and EBITDA	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q12019	Q22019	Q32019	Q42019	Q12020
Net income (loss) as reported	(2,907)	(1,815)	(2,962)	(13,699)	(6,672)	(1,216)	(2,554)	25,712	(2,689)
Less: (Loss) from discontinued, net tax	(23)	157	(40)	1	(31)	(35)	23	(305)	(77)
Plus: Taxes	(166)	(26)	82	(721)	100	34	(109)	(682)	(4)
Plus: Interest	1,533	1,642	1,664	1,651	1,720	1,717	1,648	1,359	1,285
Non-GAAP Adjusted EBIT (Note 5)	(1,517)	(356)	(1,176)	(12,770)	(4,821)	570	(1,038)	26,694	(1,331)
Plus: Depreciation and amortization	3,143	3,164	3,089	3,257	3,098	2,808	2,924	2,973	3,035
Non-GAAP EBITDA from Cont Op	1,626	2,808	1,913	(9,513)	(1,723)	3,378	1,886	29,667	1,704
Plus: Legal Settlement	-	1,514	-	-	-	-	-	-	-
Plus: Inventory write off for PIP	-	-	963	1,738	-	202	82	123	-
Plus: Profit improvement plans	216	190	531	2,230	2,091	1,725	1,043	160	24
Plus: Impairment of assets	-	-	349	815	5	(1)	6	(25,121)	-
Plus: Impairment of goodwill and intangibles	-	-	-	5,545	-	-	-	-	-
Non-GAAP Adj. EBITDA (Note 5)	1,842	4,962	3,756	815	373	5,304	3,017	4,830	1,728
Non-GAAP Adj. EBITDA as % of Net Sales	1.9%	4.7%	3.7%	0.8%	0.4%	5.3%	3.2%	5.4%	2.1%
Management estimate of severe weather (not in above)	-	-	-	-	-	-	-	-	-
Non-GAAP Free Cash Flow	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q12019	Q22019	Q32019	Q42019	Q12020
Non-GAAP Adjusted EBIT (from above)	(1,517)	(356)	(1,176)	(12,770)	(4,821)	570	(1,038)	26,694	(1,331)
Times: 1 - Tax Rate = EBIAT	(1,517)	(356)	(1,176)	(12,770)	(4,821)	570	(1,038)	26,694	(1,331)
Plus: Depreciation and amortization	3,143	3,164	3,089	3,257	3,098	2,808	2,924	2,973	3,035
Plus: Non Cash Impairment of Assets, Goodwill	-	-	349	6,360	5	(1)	6	(25,121)	-
Minus: Net change in Working Capital	2,138	5,416	2,356	(18,488)	(1,022)	(4,293)	(4,376)	1,393	1,004
Non-GAAP Cash from Operations	(512)	(2,608)	(94)	15,335	(696)	7,670	6,268	3,153	700
Minus: Capital Expenditures	752	745	1,627	1,317	(1,010)	1,029	1,078	319	794
Minus: Business / Capital acquisitions	-	-	-	-	-	-	-	-	-
Non-GAAP Free Cash Flow (Note 6)	(1,264)	(3,353)	(1,721)	14,018	314	6,641	5,190	2,834	(94)

