

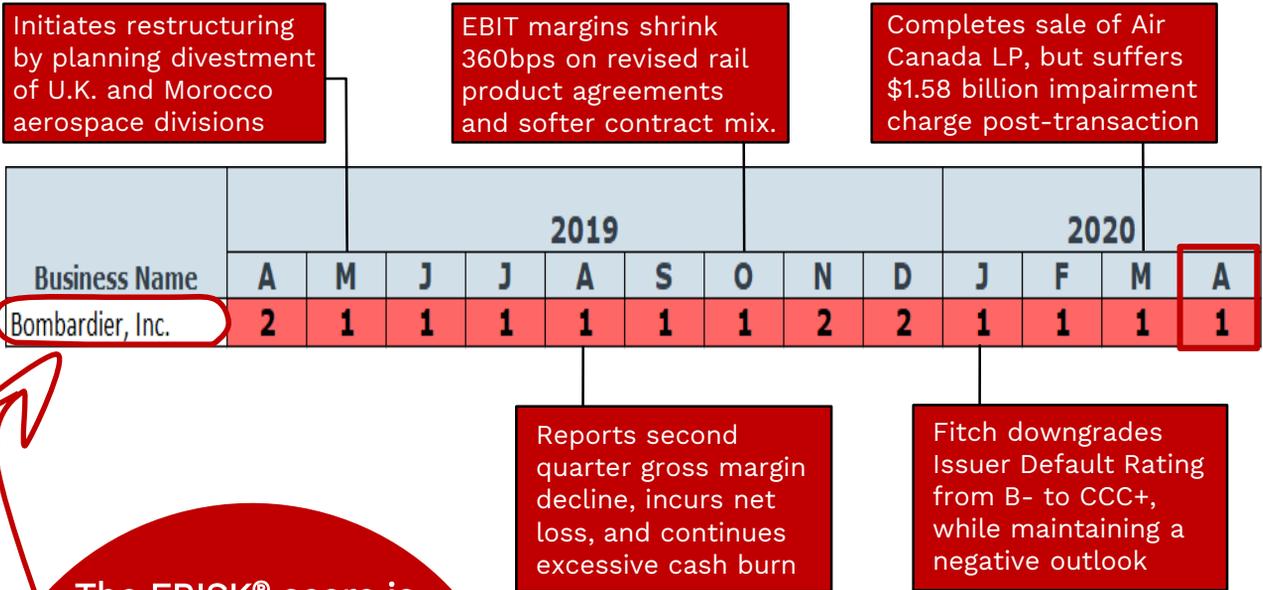


CreditRiskMonitor’s assessment of Bombardier, Inc.’s (“Bombardier”) “high risk” status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that Bombardier (TSE: BBD.B) has a 10 to 50 times greater risk of bankruptcy than the average public company.



The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

| FRISK® Score | BANKRUPTCY RISK RELATIVE TO THE HISTORICAL AVERAGE | |
|--------------|--|--------|
| | FROM | TO |
| 10 | 0.00x | 0.12x |
| 9 | 0.12x | 0.27x |
| 8 | 0.27x | 0.34x |
| 7 | 0.34x | 0.55x |
| 6 | 0.55x | 0.87x |
| 5 | 0.87x | 1.40x |
| 4 | 1.40x | 2.10x |
| 3 | 2.10x | 4.00x |
| 2 | 4.00x | 9.99x |
| 1 | 9.99x | 50.00x |

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

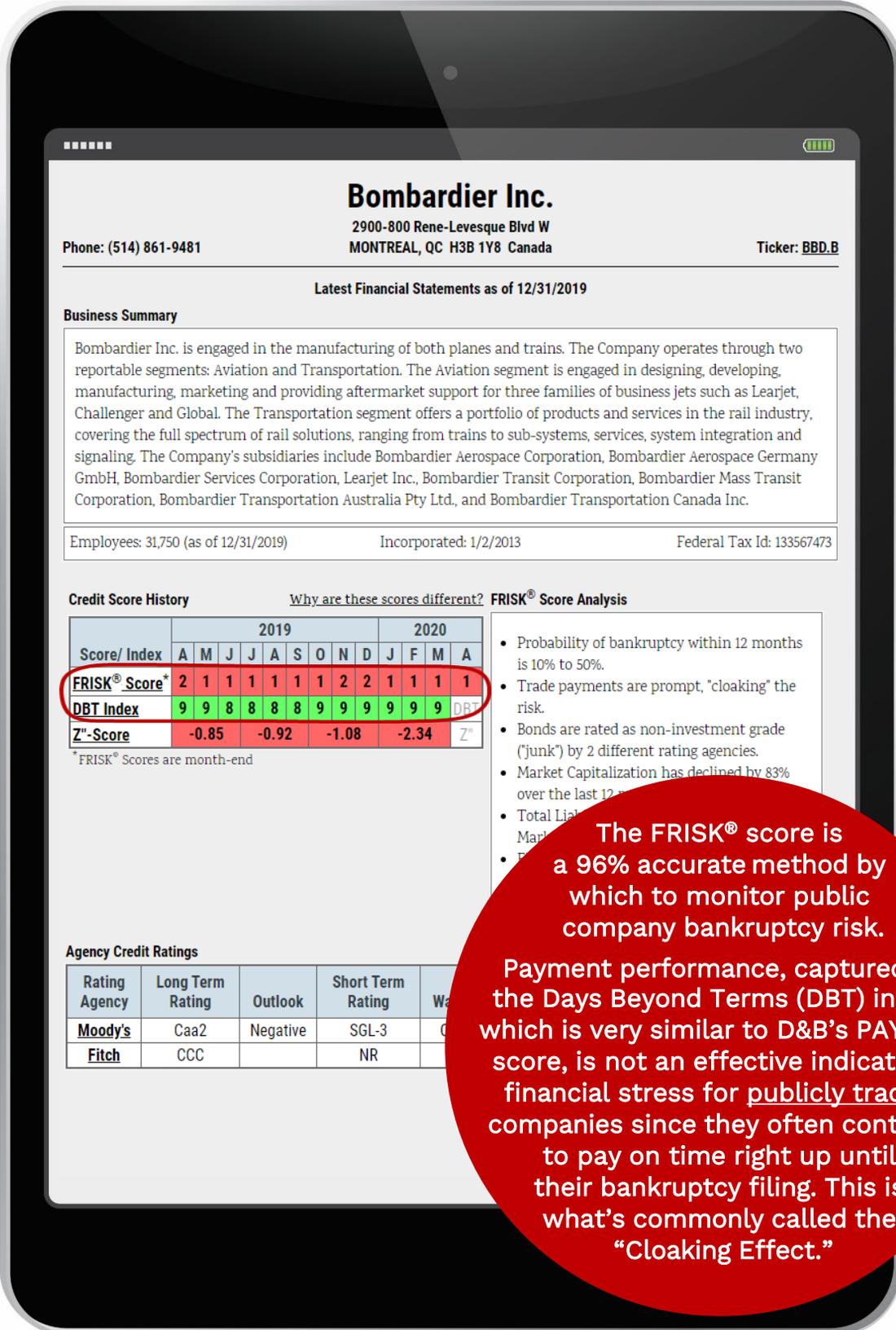
[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL



Bombardier Inc.

2900-800 Rene-Levesque Blvd W
MONTREAL, QC H3B 1Y8 Canada

Phone: (514) 861-9481

Ticker: **BDD.B**

Latest Financial Statements as of 12/31/2019

Business Summary

Bombardier Inc. is engaged in the manufacturing of both planes and trains. The Company operates through two reportable segments: Aviation and Transportation. The Aviation segment is engaged in designing, developing, manufacturing, marketing and providing aftermarket support for three families of business jets such as Learjet, Challenger and Global. The Transportation segment offers a portfolio of products and services in the rail industry, covering the full spectrum of rail solutions, ranging from trains to sub-systems, services, system integration and signaling. The Company's subsidiaries include Bombardier Aerospace Corporation, Bombardier Aerospace Germany GmbH, Bombardier Services Corporation, Learjet Inc., Bombardier Transit Corporation, Bombardier Mass Transit Corporation, Bombardier Transportation Australia Pty Ltd., and Bombardier Transportation Canada Inc.

Employees: 31,750 (as of 12/31/2019)

Incorporated: 1/2/2013

Federal Tax Id: 133567473

Credit Score History

Why are these scores different? **FRISK® Score Analysis**

| Score/ Index | 2019 | | | | | | | | | | | | 2020 | | | | |
|----------------------|-------|---|---|---|-------|---|---|---|---|-------|---|---|------|-------|---|---|----|
| | A | M | J | J | A | S | O | N | D | J | F | M | A | J | F | M | A |
| FRISK® Score* | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| DBT Index | 9 | 9 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Z"-Score | -0.85 | | | | -0.92 | | | | | -1.08 | | | | -2.34 | | | Z" |

*FRISK® Scores are month-end

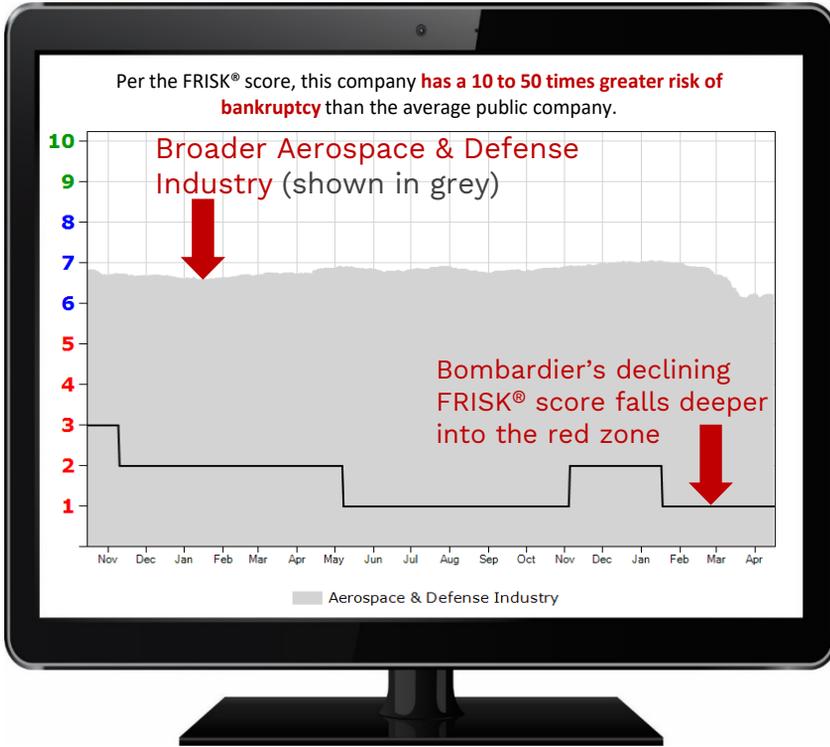
- Probability of bankruptcy within 12 months is 10% to 50%.
- Trade payments are prompt, "cloaking" the risk.
- Bonds are rated as non-investment grade ("junk") by 2 different rating agencies.
- Market Capitalization has declined by 83% over the last 12 months.
- Total Liabilities to Market Capitalization ratio is 1.5x.
- Total Debt to Market Capitalization ratio is 1.5x.

Agency Credit Ratings

| Rating Agency | Long Term Rating | Outlook | Short Term Rating | Wa |
|----------------|------------------|----------|-------------------|----|
| Moody's | Caa2 | Negative | SGL-3 | C |
| Fitch | CCC | | NR | |

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk. Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

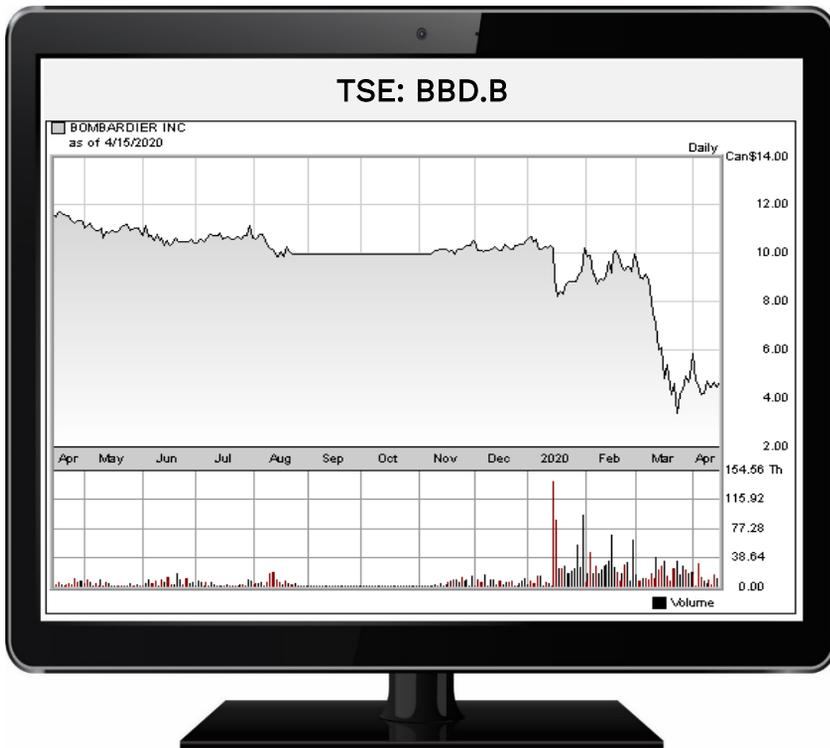
FRISK® DEEP DIVE



The FRISK® score relative to the broader Aerospace & Defense industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

| # | Business Name | Country | Current FRISK® score |
|----|--|--------------------|----------------------|
| 1 | <u>Bombardier Inc.</u> | Canada | 1 |
| 2 | <u>Geci International SA</u> | France | 2 |
| 3 | <u>Draganfly Inc</u> | Canada | 2 |
| 4 | <u>DEA General Aviation Holding Co Ltd</u> | China | 2 |
| 5 | <u>Korean Air Lines Co Ltd</u> | South Korea | 2 |
| 6 | <u>TANTK im. G.M. Beriyeva PAO</u> | Russian Federation | 3 |
| 7 | <u>Workhorse Group Inc</u> | United States | 3 |
| 8 | <u>JejuAir Co Ltd</u> | South Korea | 3 |
| 9 | <u>Parazero Ltd</u> | Australia | 3 |
| 10 | <u>Kawasaki Heavy Industries Ltd</u> | Japan | 3 |

FRISK® Stress Index - SIC classification: Aircraft located in All Countries

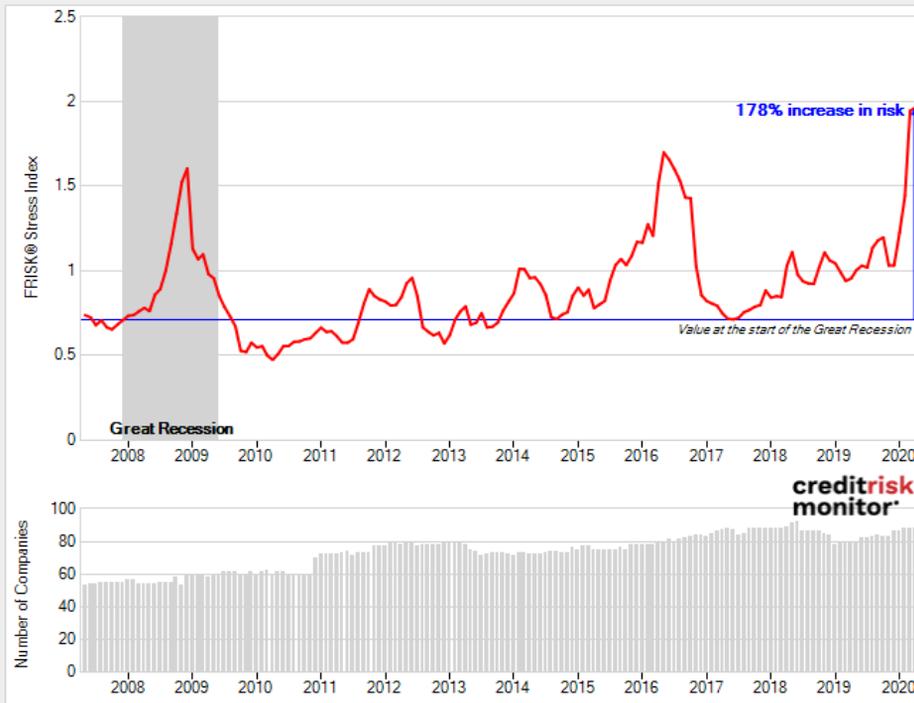
Primary industry codes only
 Primary and secondary industry codes

Businesses From: CLEAR
 In Industry:
 Country:

UPDATE RESULTS

Scale:

Total Companies in all months **120**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 3721 (Aircraft) has increased 178% since 2007. Bombardier is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Businesses Analysis: SIC classification: Aircraft

Calendar Year/Quarter: 2019.4

| Businesses in Peer Group: 215 | Ranking Within Peer Group | Number Of Peers Ranked | Company Value | Peer Group Range | | |
|---|---------------------------|------------------------|---------------|------------------|--------|-----------|
| | | | | Low | Median | High |
| Credit Ratings | | | | | | |
| Z-Score | 43 | 48 | | | | |
| Performance ratios: | | | | | | |
| Net Sales (Thousands of U.S. Dollars) | 6 | 17 | 4,20 | | | |
| Gross Margin % Of Sales | 46 | 50 | | | | |
| Gross Margin % Of Sales -- TTM | 43 | 51 | | | | |
| SGA % Of Sales | 12 | 48 | | | | |
| SGA % Of Sales -- TTM | 10 | 50 | | | | |
| Operating Margin % Of Sales | 49 | 51 | | | | |
| Operating Margin % Of Sales -- TTM | 43 | 53 | | | | |
| EBITDA Margin Of Sales | 28 | 29 | -40.95 | -33,209.37 | 6.94 | 105.65 |
| EBITDA Margin Of Sales -- TTM | 32 | 26 | -3.91 | -16,357.29 | 10.36 | 101.98 |
| Net Profit Margin % Of Sales | 49 | 52 | -42.09 | -30,183.60 | 2.46 | 25,062.43 |
| Net Profit Margin % Of Sales -- TTM | 43 | 53 | -11.40 | -15,453.89 | 1.66 | 41.21 |
| Pre-tax Income % Of Sales | 49 | 52 | -43.92 | -33,195.24 | 3.50 | 25,062.43 |
| Effective Tax Rate | 14 | 52 | 6.93 | -101.23 | 15.47 | 651.40 |
| Depreciation % Of Prop/Plant/Equipment | 40 | 43 | 27.00 | 2.89 | 13.50 | 59.82 |
| Capital Expense % Of Prop/Plant/Equipment | 27 | 36 | 28.26 | 0.00 | 19.75 | 77.40 |
| Interest Coverage | 26 | 28 | | | | |
| Interest Coverage -- TTM | 32 | 35 | | | | |
| Liquidity ratios: | | | | | | |
| Cash Ratio | 33 | 49 | | | | |
| Quick Ratio | 35 | 48 | | | | |
| Current Ratio | 43 | 49 | | | | |
| Efficiency ratios: | | | | | | |
| Accounts Receivable Turnover | 37 | 53 | | | | |
| Days Sales Outstanding | 37 | 52 | | | | |
| % of Inventory Financed by Vendors | 10 | 46 | 101.80 | 3.65 | 43.95 | 1,398.54 |
| % of Inventory Financed by Vendors -- TTM | 13 | 51 | 93.08 | 3.58 | 42.33 | 1,819.35 |
| Inventory Turnover | 18 | 51 | 3.26 | 0.00 | 2.60 | 70.31 |
| Inventory Turnover -- TTM | 17 | 51 | 2.93 | 0.00 | 2.10 | 81.37 |
| Days Sales in Inventory | 18 | 49 | 111.88 | 5.19 | 132.47 | 1,054.83 |
| Inventory to Working Capital | 41 | 46 | -2.51 | -6.83 | 0.82 | 15.58 |
| Accounts Payable Turnover | 36 | 54 | 3.51 | 0.00 | 6.16 | 1,963.98 |
| Accounts Payable Turnover -- TTM | 35 | 54 | 3.05 | 0.00 | 4.11 | 1,814.44 |
| Leverage & debt coverage: | | | | | | |
| Total Debt to Equity Ratio | | 42 | | 0.00 | 0.76 | 8.49 |
| Debt to Tangible Equity Ratio | | 33 | | 0.00 | 0.73 | 6.85 |
| Total Debt to Assets Ratio | 34 | 47 | 0.37 | 0.00 | 0.25 | 76.39 |
| Short-Term Debt % of Total Debt | 1 | 44 | 0.09 | 0.09 | 31.09 | 100.00 |
| Short-Term Debt % of Working Capital | 45 | 45 | -0.44 | -137.70 | 27.57 | 554.05 |
| Liabilities to Net Worth Ratio | | 35 | | 0.15 | 1.97 | 9.75 |
| Total Liabilities to Equity Ratio | | 44 | | 0.14 | 1.93 | 18.10 |
| TTM EBITDA to Total Debt | 31 | 34 | -0.07 | -1.11 | 0.28 | 1.74 |
| Net Debt to TTM EBITDA | | 30 | | -20.35 | 2.07 | 23.44 |

| Rank | Company Name |
|------|------------------------------|
| 1 | Lockheed Martin Corporation |
| 2 | AeroVironment, Inc. |
| 3 | General Dynamics Corporation |

| Rank | Company Name |
|------|------------------------------|
| 1 | AAR Corp. |
| 2 | Lockheed Martin Corporation |
| 3 | General Dynamics Corporation |

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

Bombardier demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Razor thin profit margins evolve into net losses

Deteriorating interest coverage ratio & cumulative free cash flow deficit

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 3 mos 12/31/2019 | 3 mos 9/30/2019 | 3 mos 6/30/2019 | 3 mos 3/31/2019 | 3 mos 12/31/2018 |
|-----------------------------------|----------------------|------------------------------|----------------------------|----------------------------|---------------------|
| Net Sales \$ | \$4,205,000 | \$3,722,000 | \$4,314,000 | \$3,516,000 | \$4,303,000 |
| % change | 12.98% | -13.72% | 22.70% | -18.29% | 18.12% |
| Gross Margin \$ | \$208,000 | \$440,000 | \$496,000 | \$456,000 | \$666,000 |
| % change | -52.73% | -11.29% | 8.77% | -31.53% | 16.84% |
| % of sales | 4.95% | 11.82% | 11.50% | 12.97% | 15.48% |
| change as % of incremental sales | -48.03% | n/m | 5.01% | n/m | 14.55% |
| SG&A \$ | \$235,000 | \$247,000 | \$263,000 | \$268,000 | \$292,000 |
| % change | -4.86% | -6.08% | -1.87% | -8.22% | 8.55% |
| % of sales | 5.59% | 6.64% | 6.10% | 7.62% | 6.79% |
| change as % of incremental sales | -2.48% | n/m | -0.63% | n/m | 3.48% |
| Operating margin \$ | (\$1,696,000) | \$143,000 | \$367,000 | \$604,000 | \$322,000 |
| % change | -1,286.01% | -61.04% | -39.24% | 87.58% | 18.82% |
| % of sales | -40.33% | 3.84% | 8.51% | 17.18% | 7.48% |
| change as % of incremental sales | -380.75% | n/m | -29.70% | n/m | 7.73% |
| EBITDA \$ | (\$1,722,000) | \$143,000 | \$368,000 | \$595,000 | \$354,000 |
| % change | -1,304.20% | -61.14% | -38.15% | 68.08% | 26.88% |
| % of sales | -40.95% | 3.84% | 8.53% | 16.92% | 8.23% |
| change as % of incremental sales | -386.13% | n/m | -28.45% | n/m | 11.36% |
| EBIT \$ | (\$1,851,000) | \$47,000 | \$262,000 | \$504,000 | \$270,000 |
| % change | -4,038.30% | -82.06% | -48.02% | 86.67% | 24.42% |
| % of sales | -44.02% | 1.26% | 6.07% | 14.33% | 6.27% |
| change as % of incremental sales | -392.96% | n/m | -30.33% | n/m | 8.03% |
| Pre-tax income \$ | (\$1,847,000) | (\$90,000) | \$124,000 | \$473,000 | \$114,000 |
| % change | -1,952.22% | -172.58% | -73.78% | 314.91% | -21.38% |
| % of sales | -43.92% | -2.42% | 2.87% | 13.45% | 2.65% |
| change as % of incremental sales | -363.77% | n/m | -43.73% | n/m | -4.70% |
| Net income (loss) \$ | (\$1,770,000) | (\$139,000) | (\$83,000) | \$195,000 | \$15,000 |
| % change | -1,173.38% | -67.47% | -142.56% | 1,200.00% | -86.49% |
| % of sales | -42.09% | -3.73% | -1.92% | 5.55% | 0.35% |
| change as % of incremental sales | -337.68% | n/m | -34.84% | n/m | -14.55% |
| Tax expense \$ | (\$128,000) | \$1,000 | \$160,000 | \$234,000 | \$59,000 |
| Effective tax rate | 6.93% | -1.11% | 129.03% | 49.47% | 51.75% |
| Depreciation expense \$ | \$129,000 | \$96,000 | \$106,000 | \$91,000 | \$84,000 |
| % of sales | 3.07% | 2.58% | 2.46% | 2.59% | 1.95% |
| % of capital expenses | 95.56% | 77.42% | 70.20% | 64.08% | 25.15% |
| % of PP&E, net (annualized) | 27.00% | 18.76% | 20.73% | 20.25% | 21.50% |
| Capital expenditures \$ | \$135,000 | \$124,000 | \$151,000 | \$142,000 | \$334,000 |
| % change | 8.87% | -17.88% | 6.34% | -57.49% | 32.02% |
| % of PP&E, net (annualized) | 28.26% | 24.23% | 29.53% | 31.60% | 85.50% |
| % of working capital (annualized) | -52.50% | -351.77% | 586.41% | 518.72% | 5,453.06% |
| Interest coverage ratio | (10.13) | 0.84 | 2.10 | 3.77 | 2.27 |
| % change | -1,304.16% | -60.00% | -44.16% | 65.95% | -31.68% |
| Free cash flow \$ | \$938,000 | (\$681,000) | (\$440,000) | (\$1,049,000) | \$955,000 |
| % change | 237.74% | -54.77% | 58.06% | -209.84% | 342.39% |
| Source: | ARS 2/13/2020 | Interim Report 10/31/2019 | Interim Report 8/1/2019 | Interim Report 5/2/2019 | ARS 2/14/2019 |

QUARTERLY LEVERAGE RATIOS

Deeply negative tangible net worth indicates no remaining unencumbered assets available

Elevated total debt to assets ratio places unsecured creditors at risk

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|--|------------------|-----------------|----------------------------|----------------------------|------------------|
| Total debt \$ | \$9,333,000 | \$9,323,000 | \$9,344,000 | \$9,485,000 | \$9,102,000 |
| % change | 0.11% | -0.22% | -1.49% | 4.21% | -0.37% |
| Stockholders' equity \$ | (\$5,911,000) | (\$4,680,000) | (\$4,352,000) | (\$4,100,000) | (\$4,014,000) |
| % change | -26.30% | -7.54% | -6.15% | -2.14% | -6.93% |
| Tangible net worth \$ | (\$12,463,000) | (\$11,162,000) | (\$10,866,000) | (\$10,582,000) | (\$10,481,000) |
| % change | -11.66% | -2.72% | -2.68% | -0.96% | -5.43% |
| Total assets \$ | \$24,972,000 | \$26,363,000 | \$26,688,000 | \$26,719,000 | \$24,958,000 |
| % change | -5.28% | -1.22% | -0.12% | 7.06% | 2.84% |
| Total debt to assets ratio | 0.37 | 0.35 | 0.35 | 0.36 | 0.36 |
| % change | 5.68% | 1.00% | -1.38% | -2.66% | -3.11% |
| Tangible assets \$ | \$18,420,000 | \$19,881,000 | \$20,174,000 | \$20,237,000 | \$18,491,000 |
| % change | -7.35% | -1.45% | -0.31% | 9.44% | 2.26% |
| Short-term debt \$ | \$8,000 | \$0 | \$0 | \$168,000 | \$9,000 |
| % change | n/m | n/m | -100.00% | 1,766.67% | -18.18% |
| Short-term debt % of total debt | 0.09% | 0.00% | 0.00% | 1.77% | 0.10% |
| % change | n/m | n/m | -100.00% | 1,690.90% | -17.86% |
| Short-term debt % of working capital | -0.44% | 0.00% | 0.00% | 63.88% | -20.45% |
| % change | n/m | n/m | -100.00% | 412.29% | -272.93% |
| Total liabilities \$ | \$30,883,000 | \$31,043,000 | \$31,040,000 | \$30,819,000 | \$28,972,000 |
| % change | -0.52% | 0.01% | 0.72% | 6.38% | 3.39% |
| Total debt to EBITDA ratio (annualized) | n/a | 16.30 | 6.35 | 3.99 | 6.43 |
| % change | n/a | 156.77% | 59.28% | -38.00% | -21.48% |
| Source: | ARS 2/14/2019 | ARS 5/1/2019 | Interim Report 5/1/2019 | Interim Report 5/2/2019 | ARS 2/14/2019 |

Debt to EBITDA weakens following waning operating margins, revealing highly speculative credit quality

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital severely declines

Paltry cash and current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|-------------------------------|----------------------|------------------------------|----------------------------|----------------------------|---------------------|
| Current assets \$ | \$13,483,000 | \$13,254,000 | \$13,638,000 | \$13,604,000 | \$12,348,000 |
| % change | 1.73% | -2.82% | 0.25% | 10.17% | 6.59% |
| % of short-term debt | 168,537.50% | n/a | n/a | 8,097.62% | 137,200.00% |
| Current liabilities \$ | \$15,315,000 | \$13,479,000 | \$13,695,000 | \$13,341,000 | \$12,392,000 |
| % change | 13.62% | -1.58% | 2.65% | 7.66% | 7.83% |
| Working capital \$ | (\$1,832,000) | (\$225,000) | (\$57,000) | \$263,000 | (\$44,000) |
| % change | -714.22% | -294.74% | -121.67% | 697.73% | -147.31% |
| % of sales (annualized) | -10.89% | -1.51% | -0.33% | 1.87% | -0.26% |
| Cash \$ | \$2,773,000 | \$2,455,000 | \$3,146,000 | \$3,518,000 | \$3,397,000 |
| % change | 12.95% | -21.96% | -10.57% | 3.56% | 37.25% |
| % of short-term debt | 34,662.50% | n/a | n/a | 2,094.05% | 37,744.44% |
| Cash ratio | 0.18 | 0.18 | 0.23 | 0.26 | 0.27 |
| % change | -0.55% | -20.72% | -12.89% | -3.79% | 27.25% |
| Quick assets \$ | \$7,102,000 | \$7,029,000 | \$7,803,000 | \$7,929,000 | \$7,589,000 |
| % change | 1.04% | -9.92% | -1.59% | 4.48% | 11.60% |
| % of short-term debt | 88,775.00% | n/a | n/a | 4,719.64% | 84,322.22% |
| Quick ratio | 0.46 | 0.52 | 0.57 | 0.59 | 0.61 |
| % change | -11.08% | -8.48% | -4.12% | -2.96% | 3.50% |
| Current ratio | 0.88 | 0.98 | 1.00 | 1.02 | 1.00 |
| % change | -10.46% | -1.26% | -2.34% | 2.34% | -1.16% |
| Source: | ARS 2/13/2020 | Interim Report 10/31/2019 | Interim Report 8/1/2019 | Interim Report 5/2/2019 | ARS 2/14/2019 |

Poor returns on total assets

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 3 mos 12/31/2019 | 3 mos 9/30/2019 | 3 mos 6/30/2019 | 3 mos 3/31/2019 | 3 mos 12/31/2018 |
|----------------------------------|---------------------|------------------------------|----------------------------|----------------------------|---------------------|
| Return on total assets | -6.90% | -0.52% | -0.31% | 0.75% | 0.06% |
| % change | -1,216.01% | -68.60% | -141.18% | 1,139.24% | -86.48% |
| Return on tangible assets | -9.24% | -0.69% | -0.41% | 1.01% | 0.08% |
| % change | -1,231.79% | -68.94% | -140.79% | 1,128.05% | -86.26% |
| Source: | ARS 2/13/2020 | Interim Report 10/31/2019 | Interim Report 8/1/2019 | Interim Report 5/2/2019 | ARS 2/14/2019 |

ANNUAL STATEMENT OF CASH FLOWS

Negative cash from operating activities

Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

| Period Ended | 12 mos 12/31/2019 | 12 mos 12/31/2018 | 12 mos 12/31/2017 | 12 mos 12/31/2016 | 12 mos 12/31/2015 |
|--|--|--|--|--|--|
| | | | Reclassified | | |
| | | | 12/31/2018 | | |
| Cash Flows from Operating Activities: | | | | | |
| Net income | (\$1,607,000) | \$318,000 | (\$525,000) | (\$981,000) | (\$5,340,000) |
| Depreciation/depletion | 422,000 | 272,000 | 314,000 | 371,000 | 438,000 |
| Deferred taxes | 113,000 | (74,000) | 35,000 | 31,000 | 63,000 |
| Non-cash Items | 820,000 | 21,000 | (94,000) | (27,000) | 4,184,000 |
| Changes in working capital | (428,000) | 60,000 | 801,000 | 743,000 | 675,000 |
| Total cash from operating activities | (680,000) | 597,000 | 531,000 | 137,000 | 20,000 |
| Cash Flows from Investing Activities: | | | | | |
| Capital expenditures | (552,000) | (1,164,000) | (1,389,000) | (1,255,000) | (1,879,000) |
| Other investing cash flow items, total | 434,000 | 463,000 | 67,000 | 60,000 | 145,000 |
| Total cash from investing activities | (118,000) | (701,000) | (1,322,000) | (1,195,000) | (1,734,000) |
| Cash Flows from Financing Activities: | | | | | |
| Financing cash flow items | 48,000 | (153,000) | 111,000 | 2,233,000 | (132,000) |
| Total cash dividends paid | (20,000) | (20,000) | (18,000) | (17,000) | (19,000) |
| Issuance/retirement of stock, net | 0 | 409,000 | 0 | (43,000) | 813,000 |
| Issuance/retirement of debt, net | 82,000 | (15,000) | 337,000 | (199,000) | 1,387,000 |
| Total cash from financing activities | 110,000 | 221,000 | 430,000 | 1,974,000 | 2,049,000 |
| Foreign exchange effects | 130,000 | 13,000 | 34,000 | (252,000) | (104,000) |
| Net change in cash | (558,000) | 130,000 | (327,000) | 664,000 | 231,000 |
| Net cash-beginning balance | 3,187,000 | 3,057,000 | 3,384,000 | 2,720,000 | 2,489,000 |
| Net cash-ending balance | \$2,629,000 | \$3,187,000 | \$3,057,000 | \$3,384,000 | \$2,720,000 |
| Supplemental Disclosures: | | | | | |
| Cash interest paid | \$732,000 | \$674,000 | \$594,000 | \$565,000 | \$427,000 |
| Cash taxes paid, supplemental | \$172,000 | \$147,000 | \$94,000 | \$111,000 | \$92,000 |
| Auditor/Opinion: | Ernst & Young LLP Unqualified |
| Source: | ARS 2/13/2020 | ARS 2/14/2019 | ARS 2/14/2019 | ARS 2/16/2017 | ARS 2/17/2016 |

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