

HARBORLINE SUPPLY CO. Q3 QUARTERLY BUSINESS REVIEW AND UPDATE PRESENTATION FOR STAKEHOLDERS!!!

Prepared by the Operations, Finance, Sales & Marketing Departments (DRAFT v7 FINAL
final)



Agenda: Overview / Revenue / Regions / Costs / Customers / Risks / Opportunities / Hiring / Next Steps /
Q&A / Appendix A-F

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Q3 Key Performance Indicators and Metrics Summary

Overview

- Revenue was \$16.8M in Q3 which compared to Q2 (\$15.6M) is an increase of approximately 7.7% quarter over quarter which is good
- Gross margin was 31.2% (Q2 was 29.8%) due to freight renegotiation and also some pricing changes in some regions
- On-time delivery 94.1% vs 91.0% target, up from 92.4% last quarter, mostly East
- Customer count 1,284 accounts (+61), churn 2.1%
- Online channel grew 50% (from \$1.6M to \$2.4M)!!!
- South region declined slightly (-6%), see appendix C for details and explanation
- Headcount 212 (+9) • Inventory turns 6.3 • DSO 41 days

KPI TABLE:	
Revenue	\$16.8M (+7.7%)
Gross Margin ...	31.2%
OTD	94.1%
Accounts	1,284
Churn	2.1%
Online	\$2.4M
Headcount	212
Inv. Turns	6.3
DSO	41

Revenue by Region Q2 vs Q3 (\$ millions) (see notes)



Notes:

- North up
- South down (pricing?)
- East up because of new warehouse in Q3 (opened July)
- West flat
- Online up a lot!!
- Total = 16.8
- Q4 forecast TBD pending finance review
- Seasonality may affect Q4

Next Steps / Action Items / Owners / Timeline / Open Questions

1. Expand online channel
(Marketing) - Q4?

2. Fix South pricing (Sales +
Finance) ASAP

3. Hire 6 more drivers (HR) by Nov

4. Renew freight contracts (Ops)
Dec 15

5. New CRM evaluation (IT) -
ongoing

6. Customer survey (Marketing) - TBD

7. Warehouse #2 East phase 2
(Ops) - Q1

8. Update pricing sheet (Finance) - ?

9. Board deck prep (Exec) - Dec 1

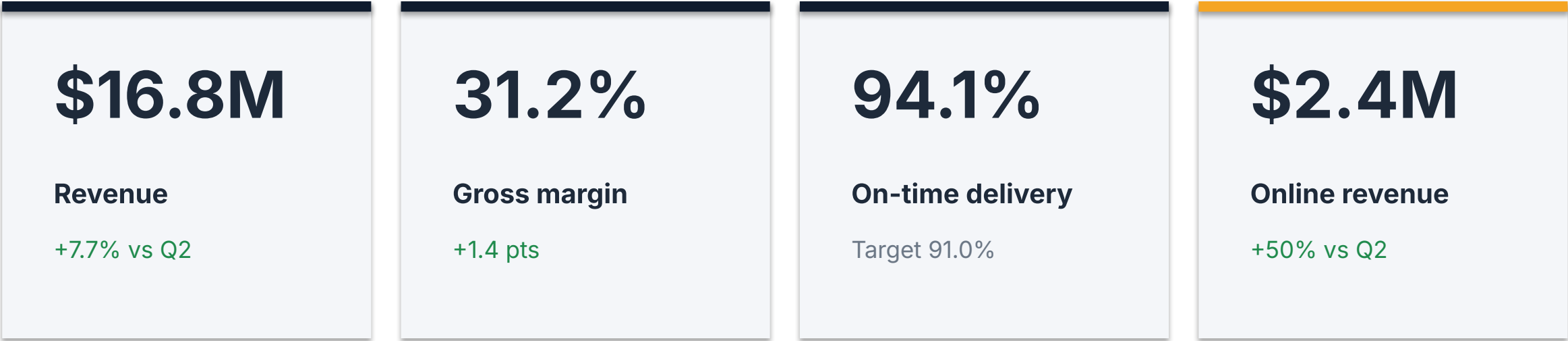


HARBORLINE SUPPLY CO.

Q3 Business Review

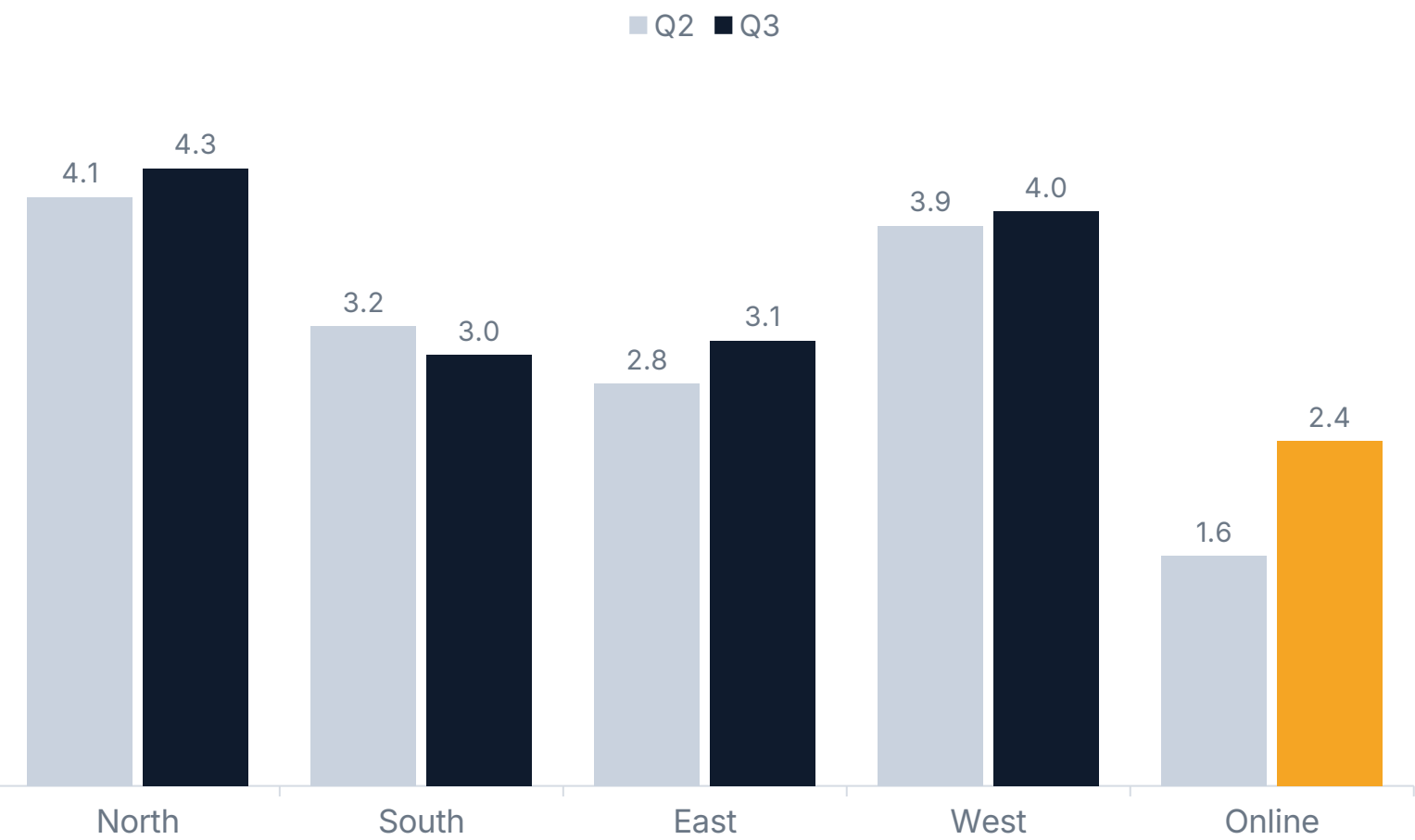
Revenue up 7.7% on margin gains and a fast-growing online channel

Growth came with better margins and service



Accounts 1,284 (+61) · Churn 2.1% · Inventory turns 6.3 · DSO 41 days · Headcount 212 (+9)

Online and East drove the quarter; South needs attention



What changed

- Online +50%
New channel now 14% of revenue
- East +11%
New warehouse opened in July
- South -6%
Pricing review under way

NEXT STEPS

Four priorities for Q4, each with an owner and a date

PRIORITY

OWNER

DUE

1	Scale the online channel	Marketing	Dec 31
2	Fix South pricing	Sales + Finance	Nov 15
3	Hire 6 drivers	HR	Nov 30
4	Renew freight contracts	Operations	Dec 15

Also tracking: CRM evaluation, customer survey, East warehouse phase 2 (Q1), board deck (Dec 1).