QORVAL: EXPERIENCE.

- Founded 1996 by Jim Malone, a six-time Fortune 500 CEO, renowned business transformation, turnaround, and corporate executive and director
- Led by Paul Fioravanti, a proven CEO, CRO, COO who has managed more than 60 situations in 30 industries
- QORVAL has been engaged in hundreds of challenging situations
- A bias for action and impactful solutions
- A team of more than 35+ experienced professionals with diverse subject matter expertise
- Extensive resources and networks
- Industry agnostic

QORVAL: SOLUTIONS.

- Business Transformation and Executive, Director, Manager, Supervisory Coaching
- Turnaround & Restructuring
- Interim CEO or CFO Services
- Management Consulting
- Board Advisory
- Insolvency and Trustee Services
- Private Equity Operating Partner Roles
- Capital Advisory
- EBITDA and Profitability Improvement
- Operations Optimization
- Subject Matter Expertise in Accounting and Finance, HR, Technology, Sales Management, Valuation, Leadership Training, Culture Transformation

QORVAL: WHAT WE DO:

WE IMPROVE ORGANIZATIONS THROUGH TRANSFORMATIVE CHANGE

EXTENSIVE PROVEN EXPERIENCE.

We transform organizations through the power of proven experience. Our principals have extensive background operating, growing, and fixing companies of various sizes, in a variety of situations. We are in the business of generating *results*, not *reports*, and *our* business is helping you improve *yours.*

STRATEGIC COUNSEL.

Every business will experience cycles and phases. Often an organization needs external counsel on a short, interim or long-term basis to help stabilize and grow. Whether it's an interim CEO, COO, or GM your business needs, to other key roles, we assemble the right mix of management advisors and subject matter experts from every relevant and necessary area of the org chart, unique to every engagement. Often, the incumbent leadership can benefit from strategic coaching, mentoring and leadership development aimed at improving quality, satisfaction, and profitability.

GROW IT, FIX IT, EXIT.

We create discrete, tangible, measurable, and positive results for your business. The experts at QORVAL provide solutions, opportunities, and proven expertise to a wide array of business challenges and problems in a number of different industries. Whether you need to grow it, fix it, or exit, we’re there for you.

QORVAL: PROVEN EXPERTISE

EXECUTIVE SERVICES

- Executive Leadership
- Interim CEO, CFO, CRO
- Crisis Management
- Business Planning
- Divestiture
- Recapitalization
- Executive Coaching
- Change Management

SME SERVICES

- LEAN, 5S, Six Sigma, OpEx
- HR Support Services
- Insurance and Benefits Cost Reduction

TURNAROUND

- Forecasting/Cash Flow
- Renegotiation of contracts, debt instruments
- Cost reduction
- Team formation
- Tactics and strategy
- Insolvency counsel
- Financial advisory

SPECIAL SITUATIONS

- Background investigation
- Covert management operations
- Governance, Board Issues
- Trustee and Receiver
- CIO and Technology

BUSINESS SITUATIONS

- Strategic divestiture
- M&A
- Capital advisory
- Family Office Support
- Merger and Acquisition Counsel
- Post-Merger Integration
- Valuation and ESOP's
- Expert Witness
- Valuation
- Claims
- Bankruptcy/Insolvency
- Litigation Support
- Complex Negotiations
- Liquidity Sourcing

QORVAL: APPROACH: DIVE I

QORVAL'S approach begins with a detailed diagnostic assessment and situational analysis aimed at determining the most impactful solutions. By focusing on creating results rather than reports, and finding out what the best path forward is, rather than assigning blame, QORVAL helps organizations transform. Whether your business is on the cusp of a crisis or you're seeking to improve performance with high-level solutions, our team of experts will be able to match your needs with the right solution.

We are truly industry agnostic – working across all industries. In fact, many of our most successful commercial transformations have come from industries we've never stepped foot in prior to Day 1. The truth is, every industry thinks that it is special and unique. Most are, in some way, but what's more important is adhering to the fundamental principles of operating a business. What's really special and unique are the situations those companies are in, and the people that are in those situations. Experience has told us time and again that there's no substitute from the power of experienced employee insights when they are free to share them, combined with external counsel and a fresh set of eyes.

QORVAL: FIND THE PATH FO

Up front, we do a deep dive into all aspects of the business, to gain objectivity and clarity on the challenges and the opportunities facing the business, and we develop a laser-focused tactical plan to improve the organization, improve profitability, and drive KPI's and results.

OPERATIONAL SUPPORT & IMPROVEMENT

A company that is not operating to its full potential can sometimes be more frustrating to stakeholders than a company in crisis. During a crisis, there is focus. However, if a company has reached its peak and growth has been stagnant, there is certainly a need for business revitalization. QORVAL provides a thorough assessment to create a plan to improve operations, thus improving profit and growth.

ORGANIZATIONAL RECOVERY

Rarely do companies on the cusp of a crisis (or, in the middle of one) view themselves with total clarity and accuracy. QORVAL'S team of experts will assess your business, with your team's help, and create a turnaround plan, and get your business from out of the red and into the black.

QORVAL: CLIENT

- Direct clients
- For profit
- Non-profit
- Conglomerates
- Private equity
- Banks
- Credit lenders
- Manufacturers
- Service companies
- Hedge Funds
- Distressed
- Pre-petition
- Post-petition
- Special Masters
- Companies struggling with culture and performance
- Trustees
- Family Offices
- Boards of Directors
- Holding companies
- Family Offices
- Global operating companies
- Publicly held companies
- Privately held and closely held enterprises
- Public sector
- Government

QORVAL: SELECT CASE STU

CASE: NAUTIC GLOBAL GROU

Headquartered in Elkhart, Indiana, Nautic Global Group was one of the world's largest producers of cruisers, hurricane boats, pontoon boats, specialty fishing boats and bowriders.

OPPORTUNITIES AND CHALLENGES

- Rollup of four recreational brands (Godfrey, Rinker, Polar Kraft and Hurricane) owned by hedge fund
- Integration synergy opportunities were thought to exist; synergies and strategies were disjointed and the rollup failed to deliver anticipated opportunities.

SOLUTIONS AND RESULTS

- *QORVAL engaged in the CEO role*
- *Critical integration teams were formed to drive synergy savings, best practices and culture change*
- *Served on the management team directing and participating in strategy definition*
- *Modified and improved critically deficient business practices including bill of materials, product concept to production, pricing strategies,* facility rationalization, and global sourcing strategies
- QORVAL led efforts to transform the company and prepare it for exit through a sale process in part or whole.
- Significant operational overhead savings
- Redirected company from "adrift at sea" to "clear direction and course"
- Improved dealer relations and sales and marketing strategy
- Focused on products and initiatives that produced profit
- Modeled company to optimize profits post-sale (helped buyers see the opportunity)
- Led sale of company
- Identified buyer
- Closed sale
- Jobs and lines saved
- Company survived, but changed form, ultimately integrated and sold with Bennington Marine to Polaris Industries for $850MM

SILVER POINT CAPITAL

OAKTREE

BENNINGTON NAUTIC GLOBAL GROUP

CASE: WOLF HOME PRODUC

- Wolf Home Products is the largest supplier of kitchen and bath cabinetry in the US, and major supplier of building products
- Brands include: Wolf; Aristokraft Cabinetry; Contractor’s Choice; TruExterior Trim; Westbury Rail; Block-It Housewrap
- Market includes: 4,000+ independent building materials dealers in over 30 states and Canada
- Founded in 1843. Headquartered in York, Pennsylvania

OPPORTUNITIES AND CHALLENGES

- Top management failing to recognize dramatic changes in industry
- Overleveraged balance sheet
- Different shareholder groups with differing long-term objectives
- EBITDA failing to meeting debt covenants
- Inventory levels creating liquidity crisis
- Revenue dropped from $800m to $380m
- EBITDA dropped from $72 to $19m

WOLF HOME PRODUCTS™

SOLUTIONS AND RESULTS

- Substantially reduced corporate office overhead and inefficiencies
- Consolidated physical operations
- Outsourced IT
- Streamlined supply chain
- Redefined and refined distribution strategy - contract/designer; traditional building products channel; and national accounts
- Developed and expanded relationships with full range of distribution channels
- Increased Mexican sourcing
- Sold 11 lumberyards and related properties
- Sized overhead based on reduced revenue
- Company returned to profitability in 6 months with EBITDA increasing 50%
- Bank loans renegotiated and restructured
- Insider-generated management changes
- Developed licensing relationships in N America to simplify and streamline relationships
- Restructured board with QORVAL in chairman and CEO roles
- Company eventually acquired by US-based private equity firm
- Leading shareholder pivoted from success at Wolf to become leading US politician

CASE: IRS:

OPPORTUNITIES/CHALLENGES

- A mission critical process of the IRS Network Management Control Center (NMCC) is to ensure all devices and servers within the global NMCC network are updated with the latest vulnerability patches.
- NMCC is mandated to respond to the IRS Computer Security Incident Response Center (CSIRC) within 48 hours on hardware impacted by those vulnerabilities flagged with critical priority and 72 hours on those flagged with high priority
- Heavily relying on e-mail and spreadsheets, the original process required the NMCC Advisory Manager to surveil the CSIRC Advisory Bulletin and manually notify, assign, and track completion of vulnerability patching throughout the NMCC Engineering Team.
- The completion of those tasks resulted in emails and spreadsheets, leaving no traceability, performance metrics, or other insights from the process
- Taking much of the NMCC team away from core work actives, this critical process became a heavy burden across the department

SOLUTIONS and RESULTS

- Working directly with the NMCC manager, through ongoing meetings and software development, we successfully automated this entire process by authoring a series of custom written integration scripts
- These scripts ran concurrently on both a scheduled basis and in real-time, handling the assignment, tracking, and reporting of system to the CSIRC. Microsoft SharePoint was also leveraged in this new system to capture all necessary information critical to the process
- A reduction of manual labor by 90% across the department
- A 45% increase in quarterly advisory completion, leading to 98% average achieved annually
- A weekly average of 35% increase in system patching
- Recognition from the IRS CTO in the annual performance report
- Interest from other IRS departments to implement a similar process

CASE: ADS LOGISTICS

Headquartered in Chesterton, IN ADS Logistics is a premier provider of fully-integrated supply chain management services in the United States and parts of Canada. With over 30 years of experience, ADS Logistics has emerged as the North American leader in metals transportation and warehousing. The Company is made up of three fully integrated divisions: 1) Trucking 2) Warehousing and 3) Intermodal.

CHALLENGES AND OPPORTUNITIES

- Given the economic downturn in the automotive and manufacturing industries, ADS experienced a severe decline in its business
- Revenue declined from an annualized run rate of $120mm to $75mm, producing negative EBITDA
- SG&A reductions did not coincide with the incremental decline in revenues
- The warehousing division occupied numerous facilities that were unprofitable and saddled by above market long-term leases

SOLUTIONS AND RESULTS

- QORVAL was installed as the CRO and several QORVAL team members took positions on the Board
- Worked with the company to restructure driver incentives to improve profitability of the trucking divisions
- Completed a comprehensive profitability analysis of the warehousing division and developed a strategy to exit unprofitable locations
- Utilized the Chapter 11 process to restructure the business and exit unprofitable leases
- Improved EBITDA from a run rate of negative $1.2mm to positive $5.5mm
- Reduced annual SG&A by $4mm
- Successfully reorganized the footprint of the warehousing division to achieve maximum utilization and profitability
- Completed a successful restructuring and sale to the Company's existing lenders
- Exited bankruptcy in less than 60 days with a 363 sale process
- Positioned the restructured company to actively capture the improved economic conditions in the automotive market

CASE: BROWN JORDAN:

- *Leading global manufacturer of innovative luxury outdoor furniture and accessories including outdoor kitchens*
- *Considered the gold standard in outdoor furnishings due to company's iconic, award winning designs and quality*
- *Designs, manufactures and markets retail and contract furnishings under the brand names Brown Jordan, Tommy Bahama, Pompeii, Winston, Vineyard, Molla, Tradewinds, Stuart Clark, Werner Woods, Casual Living, Loewenstein, Charter, Lodging by Charter, Wabash Valley, Texacraft, and Tropic Craft.*
- *Headquartered in Pompano Beach, Florida, with offices and manufacturing facilities located both domestically and internationally.*

OPPORTUNITIES/CHALLENGES

- *EBITDA had decreased from a run rate of $40M to annualized $17M*
- *Overhead had increased three-fold*
- *Layered, non-responsive corporate office had been established*
- *Inventory levels and costs were out of control*
- *Off-shore sourcing in constant state of disruption*
- *Poor quality in company's own facilities*

SOLUTIONS AND RESULTS

- *Focus efforts on overhead and operating costs*
- *Eliminate "corporate office" structure*
- *Establish four distinct market-focused SBUs*
- *Utilize China sourcing and logistics*
- *Increased Mexican manufacturing efforts and enhanced efficiency of Mexican operations*
- *Refocus SKU management and responsibilities*
- *Reduce SKUs by over 40% in the "traditional" market channel*
- *Establish detailed focus on cost*
- *No "Silver Bullets"; enforce cost and quality discipline*
- *EBITDA doubled in two years, tripled in three.*
- *Drove manufacturing cost efficiencies from operating margin in low 20s to mid-40s*
- *Improved "big box" channel profitability by 30% - from an average of 14% to 18%*
- *Each SBU became its own profit center*
- *Regained leadership position "channel-by-channel" in product offering and design through disciplined product design and replacement process and procedures*
- *Improved employee turnover while reducing employee costs with consumer-driven health insurance*

CASE: AVBORNE:

Avborne is one of North America's largest independent aviation service companies providing maintenance, repair and overhaul services to US and international passenger and cargo airlines. Avborne, Inc. originally consisted of two divisions: Avborne Accessory Group (components and parts repair, inventory management) and Avborne Heavy Maintenance (airframe heavy checks, MRO, conversions, installations, interior modifications). Major customers included Airborne Express, ASTAR, FedEx, AirTran and US Airways.

CHALLENGES AND OPPORTUNITIES

- Profitability declined from $20.0 million of EBITDA to $5.0 million of EBITDA
- Highly leveraged balance sheet
- Negative cash flow
- $123 million of debt in default
- Customer base had its own financial distress
- Extremely low employee morale

SOLUTIONS AND RESULTS

- Negotiated a significant restructuring of the senior and subordinated debt, buying $100 million of senior debt for $30.0 million and converting $25 million of sub-debt into equity
- Reduced corporate overhead burden from parent to subsidiary
- De-centralized senior management
- Provided subsidiary with necessary resources and cash flow to rebuild the business
- Created separate manpower training and outsourcing pool for the industry
- Built consensus among ownership interests
- Negotiated a new $25 million senior credit facility and $9.0 million sale leaseback facility, returning most of the capital invested in the restructuring
- Improved trailing EBITDA from $3 million to $9 million in an 18-month period
- As the accessories division was getting ready to be sold (a long-term objective), the multiples in this industry changed from the 4-6's to the 7-9's
- Turned one-time projects into long-term service contracts
- Employee morale was at all-time high
- Customer satisfaction was highest level ever, leading to 5-year supply agreements
- Returned 80% of capital invested at time of restructuring
- 50% of the business (accessories) was sold to a large strategic buyer for a purchase price in excess of $90 million (11 times EBITDA), providing the investors with a 34% IRR
- Company executed a $15 million dividend recap from the remaining business (heavy maintenance)
- The heavy maintenance portion of the business was sold to AAR Corp.; the remaining at-risk capital ($16.75 million) was recovered – with an opportunity to receive an additional $8 million in excess distributions

CASE: AVARA PHARMA:

$350MM global, private equity owned rollup of 9 legacy big pharma sites in CDMO (Contract Development and Manufacturing Organization) model

CHALLENGES AND OPPORTUNITIES

- Losses, negative $45,000 EBITDA
- Rigid asset purchase agreements that restricted commercial opportunities, prohibited headcount reductions, and titular changes
- Underutilized sites, excess capacity, producing late lifecycle products approaching or past the pharma “patent cliff”
- Contract pricing and volume design that frontloaded obligations from former legacy owners for sustainable volumes for a very short term
- An unrealistic forecast for commercial opportunities coupled with a grossly undersized sales team
- Sizeable capex obligations due to deferred maintenance, poorly executed contracts for new business requiring AVARA to expend large sums to “buy business” from other pharma companies willing to transfer their commercial production (manufacturing and packaging) in exchange for low pricing, and large commitments to buy machinery and equipment
- Large deferred obligations, such as balloon payments, substantial seller note obligations, and other acquisition financing arrangements that severely impaired near-term and long-term cash flow
- Excessive spending on IT (opex and capex)
- Excessive spending on HQ staff
- Ineffective sales and marketing – the company was focused on brand leadership above its size and scope when what it really needed was sales
- In addition, AVARA was in covenant violation with its bank, and the relationship was strained

SOLUTIONS AND RESULTS

- Reduce headquarters line and staff officers’ headcount
- Recruit global restructuring team
- Cease all non-critical spending
- Contact Customers/Seller Note holders
- Cease payments and begin negotiation of seller notes
- Freeze all past due payables
- Model Proforma forecast

Cease IT projects and reduce IT spend

AVARA PHARMA, cont'd:

- Replace law and accounting firms at lower rates
- Replace overpriced IT through insourcing
- Move HQ; sublease corporate office
- Establish supply chain credit programs with vendors
- Accelerate A/R Collections
- Limited headcount reductions/consolidation/attrition
- Wage and benefit alignment
- Consolidate certain senior management positions

Of those action steps:

- HQ headcount reductions produced an annual EBITDA improvement (Salary, Bonus, and Perquisites)
  Lease termination generated a savings, boosting annual EBITDA
  Cancellation of certain corporate events and trade shows produced an annual EBITDA improvement
  Divestiture/administration of certain European sites created tens of millions of annual EBITDA improvement
- Reduction of marketing expense
  Renegotiation of supply agreements at four US sites improved EBITDA by millions annually
- Renegotiation of the maturities of seller notes and certain accounts payable
  Restructuring and insourcing of the expensive IT program
- Negotiated stretch-out of the high accounts payable related to prior IT expense with legacy IT vendors
- In-depth, on-site review of each operation to explore opportunities to reduce costs and drive production and revenue
- Freeze on all hires
- Review of all insurances and health care policies with a new Broker of Record to eliminate excess costs and improve coverages and increase employee participation in premiums
- Consolidation of executive roles and elimination of duplicate roles
- Reduction of millions in IT capex spend
- Reduction in IT contractor fees
- Reduction in audit and legal fees
- Streamlining and consolidation of common vendor contracts
- Drawdown sale and shipment of excess inventory to customers to reduce on- hand materials and improve cash flow and cash on-hand

PayDay 1 One
Beretta U.S.A.
BROWN JORDAN
SG CREDIT PARTNERS
hobokenfloors inspiring great rooms
Linebarger Goggan Blair & Sampson, LLP Attorneys at Law
MARKANDY A DOVER COMPANY
ARI
LIXIL
AllPoints Foodservice Parts & Supplies
TruckPro
AVBORNE HEAVY MAINTENANCE
Heilig-Meyers Furniture
ROTOMETRICS
enow
Loewenstein.
Alan White "Made for Living"
UHS
REGIONS
STELLAVALLE
PRIMUS INTERNATIONAL
SILVER POINT CAPITAL
siren marine
REAL MEX RESTAURANTS
THE GORES GROUP
syntaxBrillian
REMETRONIX
avara PHARMACEUTICAL SERVICES
Malibu BOATS
HPC WIRELESS SERVICES
Purolator
RINKER
Manhattan "Building Excellence"
AVborne
PATRIOT Aviation Services
intelex
SPARTAN RACE
Honeywell Aerospace
James River COAL COMPANY
DEE HOWARD Aircraft Maintenance, L.P.
Huntington Ingalls Industries + fulcrum EXPANDED PIVOTAL PERFORMANCE
VCL Direct A Division of Vision Capital Logic
ADMIRAL METALS
PENNZOIL
SAGE PARK versatility creating value
MPI INTERNATIONAL, INC.
METI
M&T Bank
Polaroid
DIAMONDBACK
AMETEK
GRIMES AEROSPACE
EDART The driving force in leasing
FLORIDA GULF COAST UNIVERSITY
Suture Express
ADS Logistics, LLC Supply Chain Solutions for the Metals Industry
KEY CONTAINER
PineBridge INVESTMENTS
KRAFT CONSTRUCTION COMPANY, INC.
Citizens First Bancorp, Inc.
WNA
KOMATSU
Wellington
MCA The Reliable Source
FORT DEARBORN COMPANY
O'Sullivan Industries, Inc.
CONQUEST TECHNOLOGY SERVICES
inacom Information Systems
American Asphalt Company
PATRIOT Aviation Services
CLASSIC PARTY RENTALS EVENT SPECIALISTS
SUNBELT DIVERSIFIED ENTERPRISES, LLC
International Bedding
OAKTREE
RENOVATION ROOM
Joe Corbi's
acpjets Your personal sky.
FAMILY PRIVATE CARE
DEPARTMENT OF DEFENSE UNITED STATES OF AMERICA
NAPLES SOAP COMPANY NATURALLY BETTER SKIN CARE
CITIZENS PROPERTY INSURANCE CORPORATION
BARRIERSAFE SOLUTIONS INTERNATIONAL
Cenveo
Vivitar we make it easy
TRIVEST Private Equity for Founders
engineticsaerospace
dig COMMUNICATIONS
PENHALL COMPANY
STRUCTURE MEDICAL IMPLANTS | INSTRUMENTS | CUTTING TOOLS
NAUTIC GLOBAL GROUP
SUN CAPITAL PARTNERS, INC.
IDEAL IMAGE
Platinum Equity
BATTLEFROG
Harbor TECHNOLOGIES
GULF FLEET Gulf Fleet
Facet
SOUTH FLORIDA PAIN RELIEF CENTERS
HEALTH-MOR An HMI Industries Inc. Company
GREAT SEAL OF THE STATE OF FLORIDA IN GOD WE TRUST
HONOR DEFENSE
Apex REPORTING GROUP
ADS
Godfrey MARINE
BCA
BOYNE CAPITAL