STORM Engagement Examples
Impact on EBITDA/FCF

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Healthcare Services Provider

- Situation: Provider of home respiratory therapy suffering from failed integration, lack of focus on revenue cycle and massive Medicare price cuts. Burned through $25MM of cash in 3 months.

- STORM/CCG Role: Restructure business model to service at lower price reality, drive rapid and significant EBITDA/FCF improvements to turn cash positive and support $20MM annual cash interest.

- Key Actions and Results:
  - In 4 months realized $62.5MM structural cost reductions and $11.2MM one time cash improvements
  - Targeted and achieved additional $24.9 MM annual improvements and $11.5MM one time improvements in next 6 months
  - Focused and supported core product and customer strategies, which lead to significant growth in all core products
  - Over time, company grew to over $100MM EBITDA even in the face of price declines of 50 to 55% for two core product services

Structural Cost & Cash Improvements after 3 months ($MM)

Improvement Area	Annualized Cost	One Time Cash	Description
Headcount Reduction	$21.7		$27RIF (21%). Savings net of increased salaries, bonuses, positions
Purchasing – Major Vendors	$16.9	$10.2	Price reduction for major vendors 6.5% to 30% and payable terms increased by 10 to 60 days
Vehicle Reduction	$3.3		301 Vehicles (24%) by 6/30/14, more expected over time
Eliminated Money Losing Product Lines	$5.0	$1.5	Variable loss eliminated, working capital liquidated
Adjustments & Bad Debt	$9.5		Most improvements realized 4Q14
Other	$6.1		Other vendors, insurance, $10/day program
Total	**$62.5**	**$11.7**	

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Additional Improvements over next 6 months ($MM)

Improvement Area	Annualized Cost	One Time Cash	Description
Inventory Reduction		$3.5	Eliminated bulk buys, price reduction, PAR levels
Administrative process reengineering	$1.2	$5.0	Eliminated 40 h/c and reduced billing cycle time
Location Consolidation – Short Term	$1.7		Consolidated and shut locations
Billing for Items Gave Away for Free	$1.0		CPAP Supplies, DME
Location Engineering	$7.0		Migrate to smaller sites – saved >50% space
Further Headcount Reduction/ Turnover Reduction Programs	$5.0		Various programs and focus
Recovery Program	$1.0		Better recovery and reuse %
Payer Contract Improvements	$3.0	$3.0	Better pricing, terms, contract provisions
Adjustment/ Bad Debt	$4.0		Further improvements % sales
LOX Cost Savings	$1.0		Certain additional cost reductions
Total Additional Savings	**$24.9**	**$11.5**	

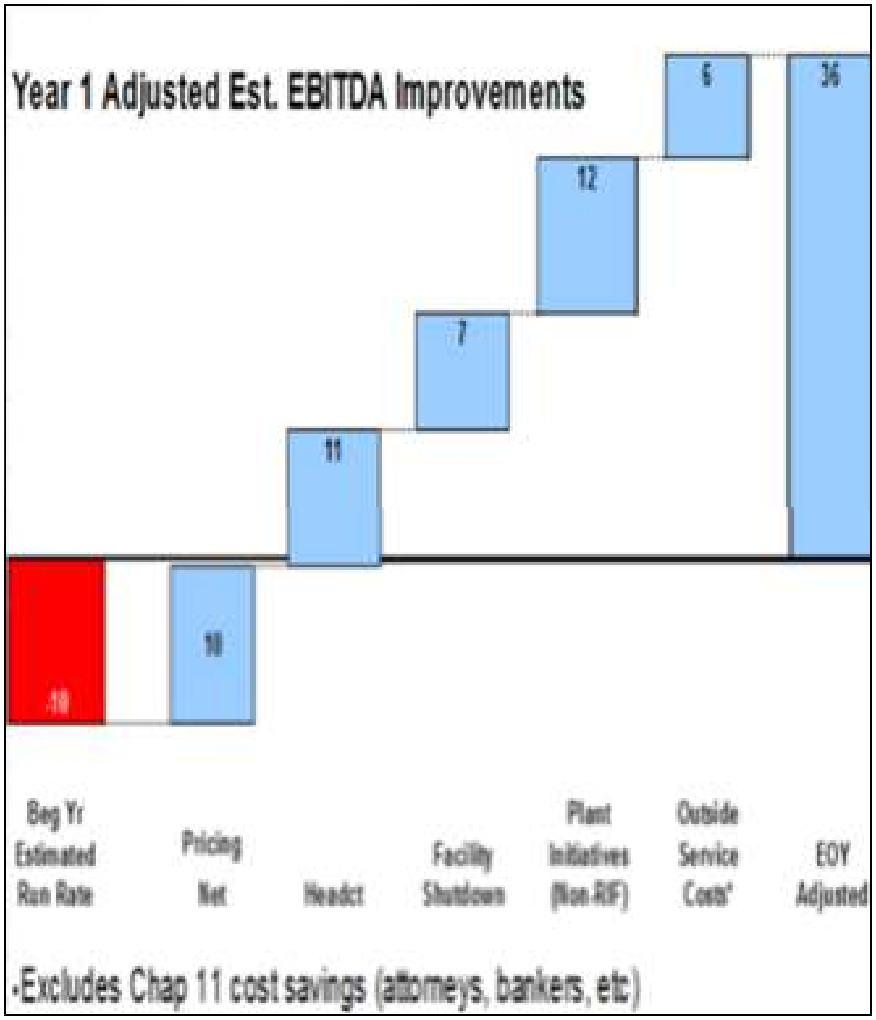
$450M Specialty Paper Manufacturer

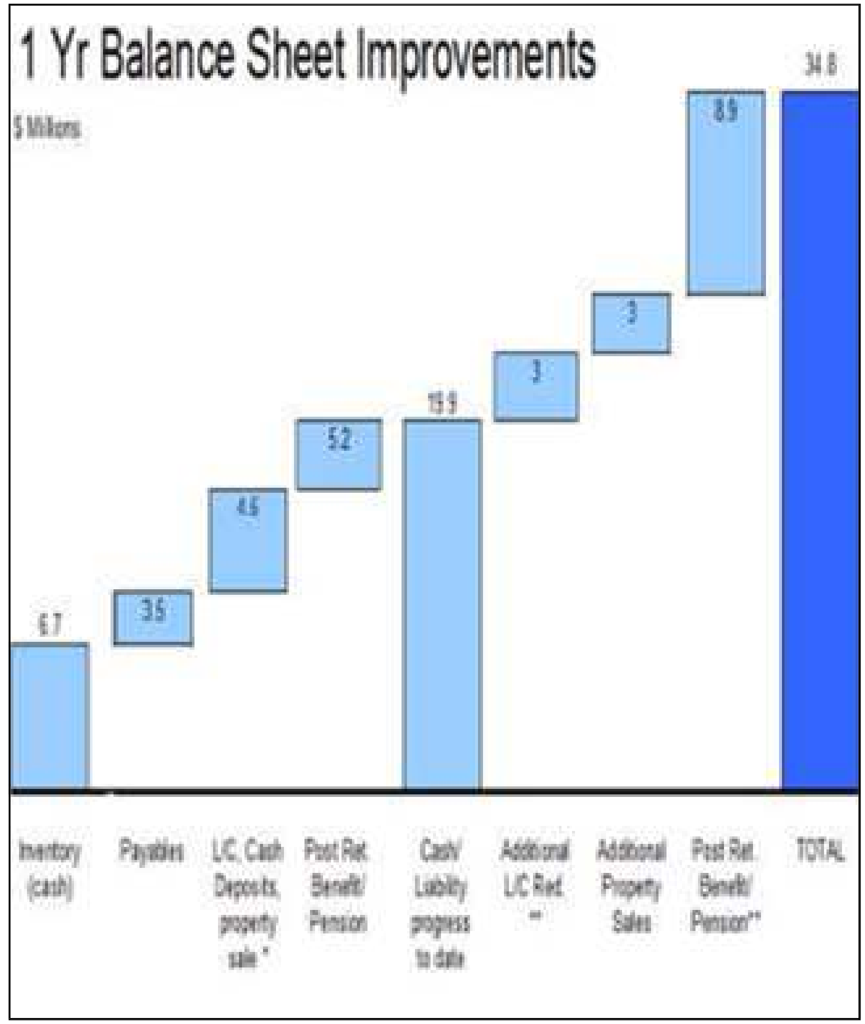
- Situation: International Company exiting bankruptcy with a ($6MM) loss in 4Q 2005

- STORM/CCG Role: CEO and Senior management leadership roles upon the Company's exit from bankruptcy

- Key Actions and Results:
  - Dramatic improvement in EBITDA from ($15.4MM) loss in 2005 to $34.5MM profit in 2006 and $40.4MM in 2007
  - Reduced operating expenses by $11.1MM
  - Redesigned benefit plans to realize over $3MM in annual savings
  - Profitable spin-off of European Ops, closed and sold 5 unprofitable mfg. sites
  - Realized working capital impr. of $34.6MM, funded ops. from current cash flows
  - Renegotiated labor agreements to provide competitive rates and work rules, Reduced the total labor force by one-third
  - Reorganized sales and marketing functions to drive sales <u>and</u> profit growth
  - Outsourced base materials to lower cost and improve competitive profile of products

$450M Specialty Paper Manufacturer





$13B Global Specialty Metals Aerospace & Transportation Parts & Service Supplier

- Situation: Significant number of underperforming parts, plants and customers
- STORM/CCG Role: Engaged to improve EBITDA and FCF of underperforming businesses – focused on lowest performing plants
- Key Actions and Results:
  - Annual Business Improvements of over $ 70M
    - Lead financial turnaround at 21 plant locations
    - Focused on commercial strategies (charging for services not included in contract), "Bottom 20" sku's by plant and capex/working capital management initiatives
      - Trained over 500 managers on incremental profit enhancement opportunities/ culture cg.
    - Improvements in commercial contracts and customer pricing management
      - 2+ points of gross margin increase (addressing negative margin parts)
      - Improvements in near term pricing strategies to enhance current year profitability
      - Key Customer commercial strategy and execution
      - Charging for services not specifically included in contracts (stop giving away "free" services)

$13B Global Specialty Metals Aerospace & Transportation Parts & Service Supplier

STORM/CCG Impact (as reported by client CFO)

Section #	Business Improvements ($000 USD)	# Actions	$ Impact view Thru 2019
1	Sustainable annualized Adjusted EBITDA (2019 run-rate)	102	29,168
2	Incremental Impact through 2019 of entered Improvements	-	18,394
3	One-time Improvement in Free Cash Flow (see below)	7	22,875
	Special invoices	2	3,520
	Capital Avoidance	3	13,430
	Settlement Support on Claims	2	5,925
	Sub Total After Risk Adjustments (2/02/18 Update)	109	70,437
4	Other Identified Margin Uplift Opportunities not Included	25	12,792
Total	Total After Risk Adjustments (2/02/18 Update)	142	83,230

Note: Business improvements defined as the dollar increase in sustainable annualized adjusted EBITDA plus one-time improvements in free cash flow (i.e., sustainable working capital improvements and utilization/deployment of capital), resulting from strategies and actions taken by Storm/CCG in combination with management.

$7B Tier One Automotive Supplier

- Situation: Underperforming Tier 1 Automotive Supplier with concentrated customer base and internally focused management
- STORM/CCG Role: Performance improvement Advisory services to Chairman and CEO
- Key Actions and Results:
  - Estimated improvements of over $180M
    - Price management major short term source of profitability improvement
    - Strategies developed and executed upon for 2012 & beyond
    - Trained almost 700 managers on incremental profit enhancement opportunities – culture change
    - Customer price reductions declined by over 50% in 2012 timeframe
    - A number of cost initiatives were pursued impacting COGS and SGA in excess of $50M
    - One time impacts on cash in excess of $20M

$7B Tier One Automotive Supplier

STORM/CCG Sources of Improvements $MM:

		Annualized		One tIme	
		Low	High	Low	High
2012 Impact					
	Pricing	$ 55.5	$ 106.7	$ 4.9	$ 5.1
	COGS	$ 9.2	$ 17.6	$ 3.8	$ 36.7
	SG&A	$ 11.5	$ 18.0	$ -	$ -
	Warranty	$ 1.5	$ 2.5	$ -	$ -
	Capex/Other	$ -	$ -	$ 11.3	$ 11.3
	12 Subtotal	**$ 77.7**	**$ 144.8**	**$ 20.0**	**$ 53.1**
2013 Impact					
	Pricing	$ 54.4	$ 92.0	$ -	$ -
	COGS	$ 3.2	$ 10.4	$ -	$ -
	SG&A	$ 20.8	$ 89.6	$ -	$ -
	Warranty	$ 2.0	$ 3.0	$ 1.5	$ 2.5
	Capex/Other	$ -	$ -	$ -	$ -
	13 Subtotal	**$ 80.4**	**$ 195.0**	**$ 1.5**	**$ 2.5**
Total Impact		**$ 158.1**	**$ 339.8**	**$ 21.5**	**$ 55.6**

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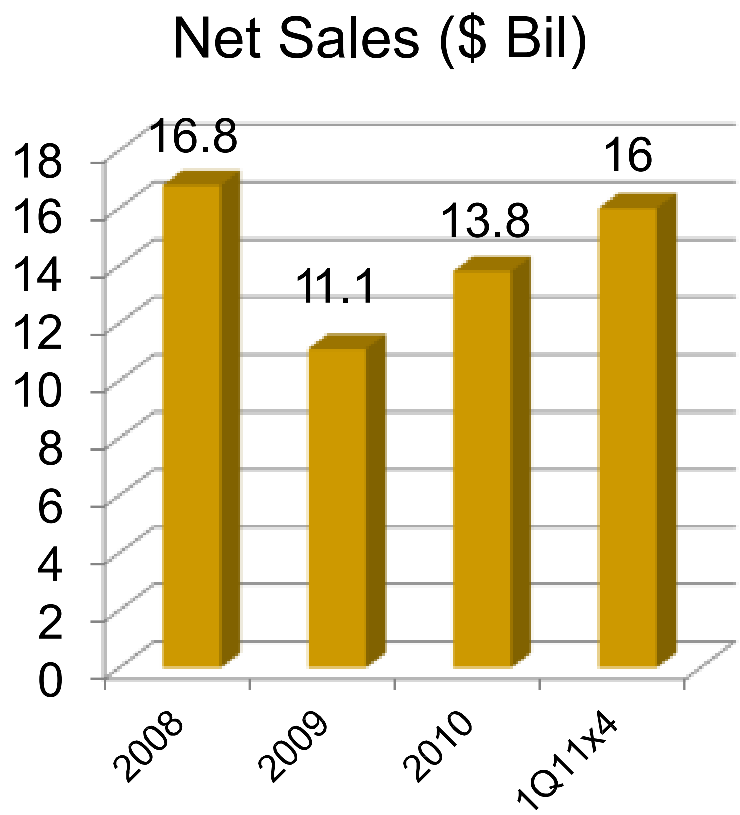
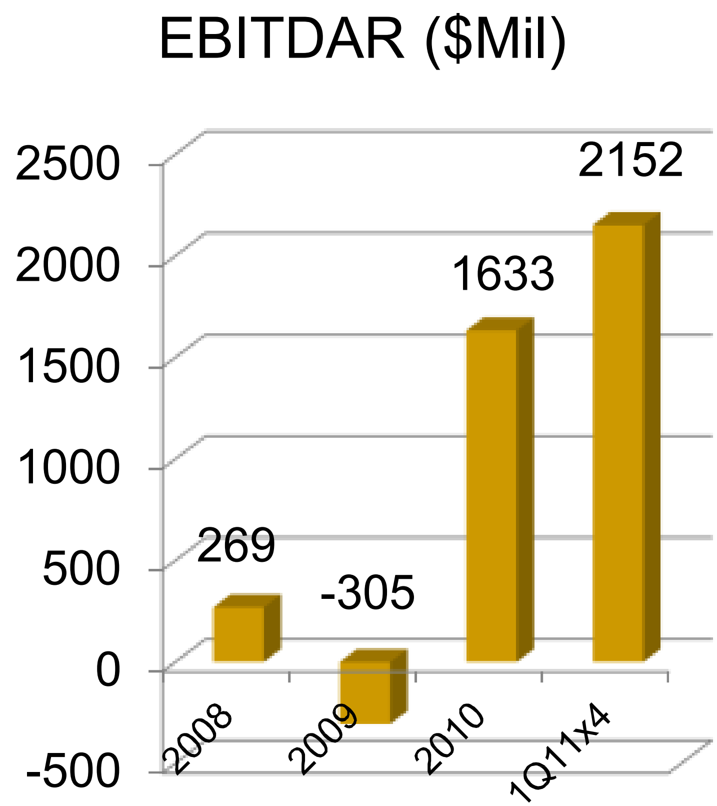
$16B Tier One Automotive Supplier

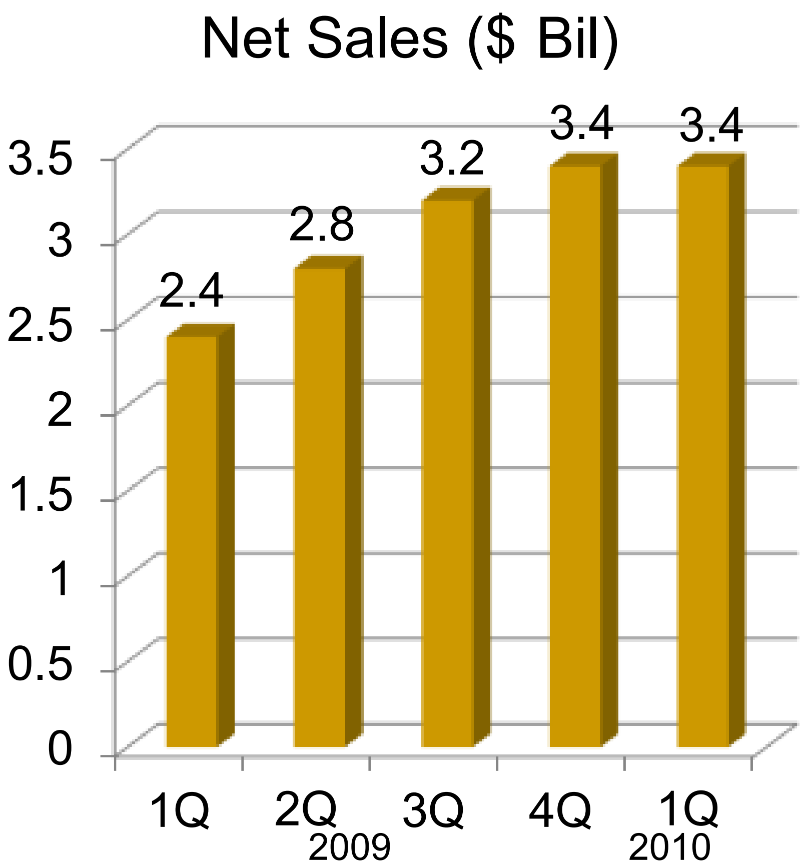
- Situation: Tier 1 Automotive Supplier in bankruptcy for 3 years, with -$300Mil. In EBITDA
- STORM/CCG Role: Transition Team Leaders (aka Chief Restructuring Officer role)
- Key Actions and Results:
  - $1.9 Billion EBITDAR Improvement in one year
    - All approvals of any significance required sign off/ chart of approvals
    - Development of new financial plans & goal setting/implementation
    - Management evaluation/ reorganization
    - Introduction of pricing/profit improvement management best practices
    - CAPEX projects Sourcing Initiatives
    - Business unit/segment rationalization initiatives
    - Cash management plan/ actions
    - New Incentive Plans
    - Restructuring projects

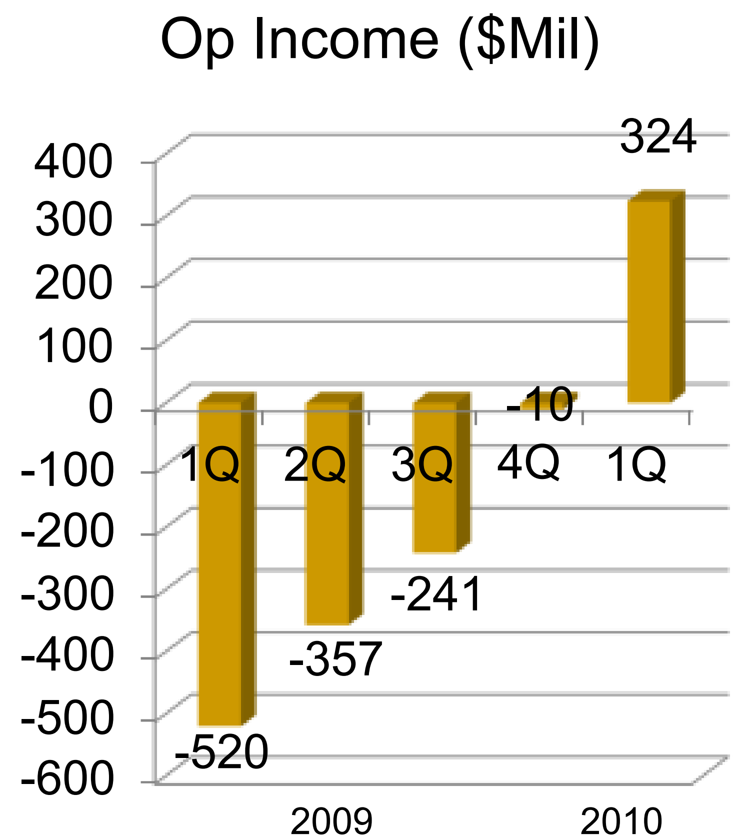
$16B Tier One Automotive Supplier





$16B Tier One Automotive Supplier

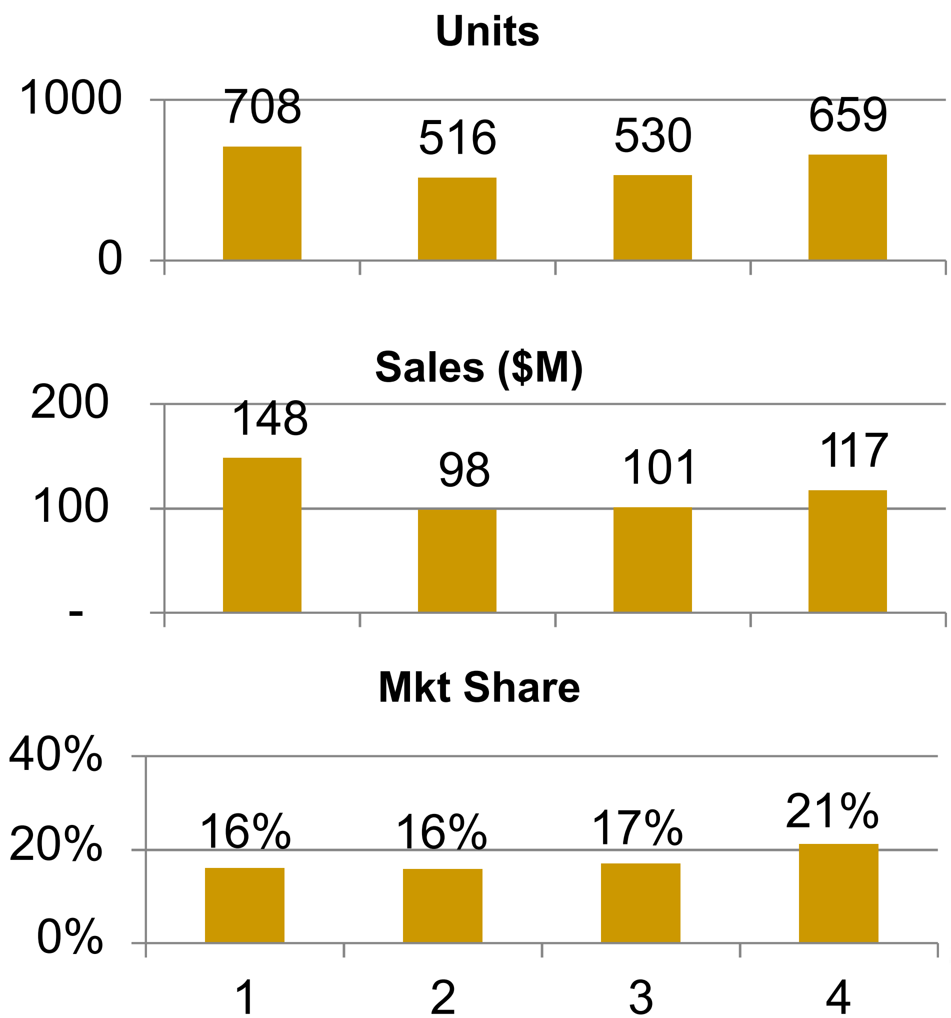




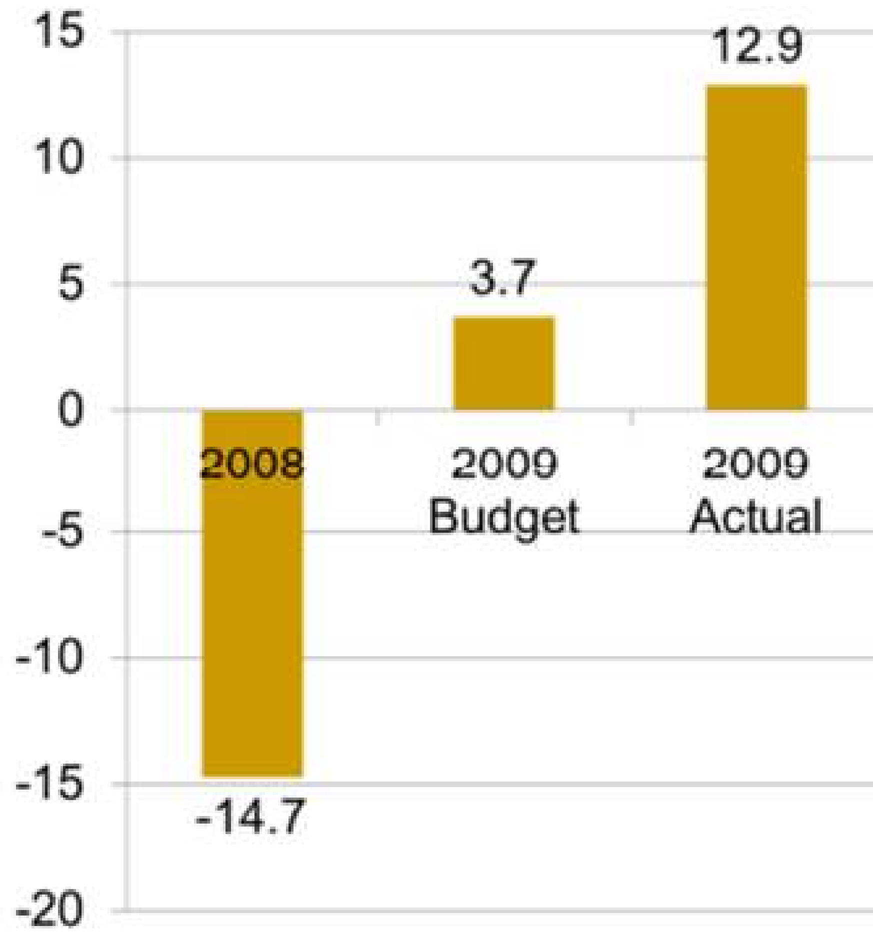
Mid Size Regional Home Builder

- Situation: Significant market decline, standing inventory and cash-flow issues
- STORM/CCG Role: Worked with Management to identify and execute upon profit enhancement and cash flow opportunities
- Key Actions & Results:
  - Negotiated with the top suppliers resulting in rebates, price reductions, and reduced service cost by over $10M
  - Increased AP days by 14%
  - Conducted 360° reviews with suppliers that better aligned specifications, processes and requirements resulting in a 1.1% savings in material costs and realigned specifications
  - Created a logical options ladder resulting in 2.5% greater margins on the sale of options
  - Conducted value engineering activities on floor trusses, windows and foundation excavation that generated savings and increased the value offered to the customers by 1.73% of the Bill of Material

Regional Homebuilder Improvement



Operating Cash Flow ($M)



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Media Solutions Company

- Situation: Underperforming company with significant historical revenue declines
- STORM/CCG Role: Working with management to identify and execute upon profit enhancement and revenue retention initiatives
- Key Actions & Results:
  - 24% YOY EBITDA Improvement
    - 8% Reduction in non-revenue producing positions/costs
    - 4 point margin improvement via pricing initiatives
    - Compensation plan changes
  - Revenue flat year over year vs. historical -12% annual customer losses
    - Increased sales force by 50%
    - Company wide account retention initiative implemented
    - Sales and service compensation plan changes
    - CSR empowerment
    - Performance standards
    - DSM account review calls

Media Solutions Company

EBITDA IMPROVEMENT ($MILLIONS)

	1Q10	1Q11	DELTA	NOTES
REVENUE	49.2	49	-0.40%	
GP	28.7	30.6	6.60%	PRICE INCREASES
GM%	58.30%	62.40%		
SGA	16	14.8	-7.50%	REDUCTION IN NON-REVENUE PRODUCING POSITIONS/ COSTS
	32.50%	30.20%		INCREASED SALES FORCE BY 50% (70 TO 110)
EBITDA	12.7	15.8	24.40%	ANNUALIZED RUN RATE IMPOSED FROM $51MM TO $63MM
	25.80%	34.50%		