



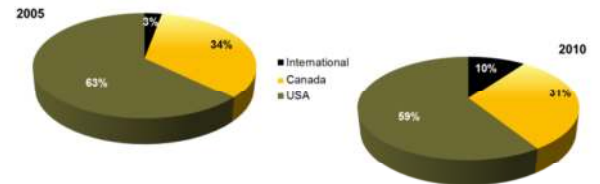
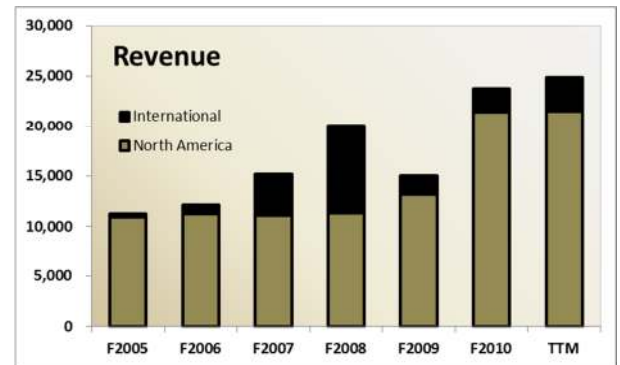
## NOVIK INC. - KEY STATISTICS

Ticker Symbol	NVK - TSXV
Share Price (Nov 7, 2011):	\$0.30
Market Cap:	14,541
Enterprise Value:	23,936
Price/Earnings:	20.0
EV/EBITDA:	7.5
F2010 Earnings Growth:	136%
Trailing 12-Mth Earnings Growth over F2010:	160%
EPS	\$0.015
EBITDA/Share	\$0.07
Book Value/Share	\$0.26

Novik is a leading Canadian company specializing in the design, manufacturing, and marketing of **innovative polymer exterior siding** and **roofing products** and a wide variety of exterior structural and decorative products for the residential and commercial construction and home improvement industry. Novik's products replicate traditional construction materials such as wood, brick, stone, slate, and clay. Novik's products offer many benefits, including significant cost savings over traditional materials, easy installation, low maintenance, and high weather resistance.

## Investment Highlights

- Rapidly growing Canadian manufacturing business
- \$18B addressable market within North America
- Grew North American revenues 16% & 62% in F2009 & F2010 while the overall housing industry contracted
- 58% revenue growth in F2010 and 7% in the first 9-months of F2011
- 136% earnings growth in F2010 and 94% in the first 9-months of F2011
- Significant operating leverage, Novik can double revenues on current level of capacity
- Healthy Balance Sheet with an 75% debt-to-equity ratio and \$0.26 book value per share
- Strong and experienced management team



## Products

NOVIK has a full range of over forty competitive products to meet consumer demands. NOVIK products are very natural in appearance, easy to install, low maintenance, highly weather resistant, and cost effective – in many cases at a fraction of the installed cost of the real material.

## Siding



## Roofing



## Market

Currently the exterior siding market in North America is approximately \$8 billion and estimated world-wide in the \$20 billion range. The North American roofing market alone adds another \$10 billion. Polymer exteriors and co-polymer roofing, over the next five years, are expected to be the fastest growing material segments in this industry.

Novik's products are not a replacement for brick & stone, but an upgrade from vinyl & others. Novik's market positioning: (i) targets the growing low to mid-priced market segment; (ii) offers a higher quality, more attractive product; (iii) significant price advantage over traditional brick, stone & wood.

### NORTH AMERICAN SIDING MARKET (2005)

	Market Size (US\$MM)	Price / Sq.Ft. (Installed)
<b>Indirect Novik Market</b>		
Brick	730	\$12.00 - \$14.00
Stone	656	\$15.00 - \$18.00
Wood Products	574	Min. \$8.00
	<b>1,960</b>	
<b>Direct Novik Market</b>		
Vinyl	3,240	\$2.25 - \$3.75
Fiber Cement	1,170	\$4.00 - \$6.00
Stucco	648	
Engineered Wood	572	\$5.35 - \$6.10
Polymer Shake/Shingle	200	\$5.00 - \$6.00
Cedar Shake	160	
Other	250	
	<b>6,240</b>	
Total Siding Market	<b>8,200</b>	
Novik	26	\$5.00 - \$6.00

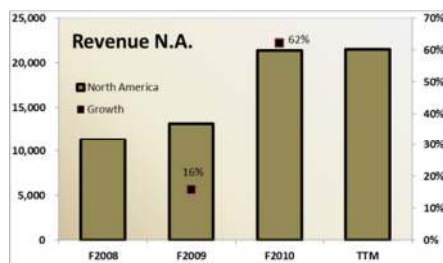
## Facility

Novik operates a 120,000 sq.ft. state of the art manufacturing facility in the Province of Quebec. Since 2007, Novik has invested over \$7.0 million in automation and robotization equipment, and to increase the capacity and efficiency of the plant. With minimal additional capital investment the facility is able to support approximately \$50 million in sales, and with each subsequent investment of \$2 million could support \$20 million in additional revenues.

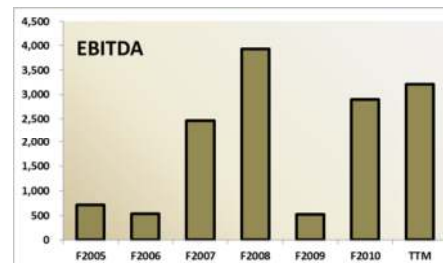


## Financial Highlights

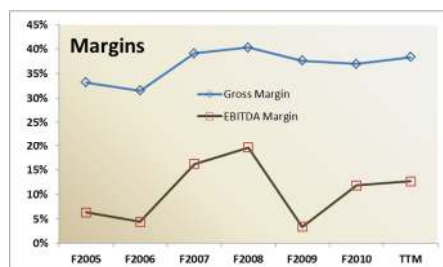
- Grew North American revenues 16% & 62% in F2009 & F2010 while the overall housing industry contracted



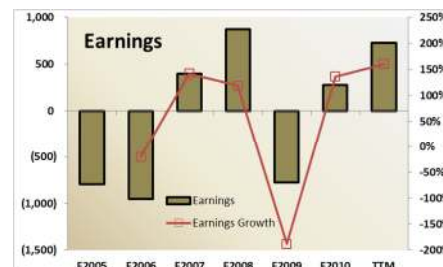
- Management is focusing on maximizing EBITDA and cash flow from operations



- Growing gross & EBITDA margins through automation of manufacturing, operating efficiencies and economies of scale as revenues grow



- Since F2007, excluding F2009, Novik has achieved earnings growth of over 100% each year



### BALANCE SHEET DATA & KEY RATIOS

CS'000, year ended Dec 31	F2008	F2009	F2010	30-Sep-11
Working Capital	3,175	1,457	2,186	3,526
Shareholders Equity	11,442	10,809	11,379	12,532
Net Debt	12,019	12,245	10,582	9,395
Debt/Equity	105%	113%	93%	75%
Debt/EBITDA	3.1	23.5	3.7	2.9
Interest Coverage	7.0	0.6	3.5	4.2
Book Value				0.26

### NOVIK SHAREHOLDERS

	Shares Held	%
Gaudreau Family Trust	19,100	39%
Quebec City VC Fund	6,000	12%
Institutional Investors	12,385	26%
Retail Investors	10,986	23%
<b>Total Shares Outstanding</b>	<b>48,471</b>	
<b>Public Float</b>	<b>23,371</b>	<b>49%</b>

## Experienced Management

### Michel Gaudreau, President & CEO (co-founder)

- Founded outdoor municipal lighting manufacturing company in 1975, sold in mid-1980s to Genlite
- Founded electronic ballast (lighting) development company in early 1990s, sold shortly after beginning manufacturing operations in 1995 to CMAC
- Co-founded plastic injection molding company in 1992 as a sideline business
- Created Novik in 1998 to fill need in siding market for premium product to vinyl siding

### Francois Giroux, Exec. VP

- Joined Novik in May 2011
- Over 30 years in in \$100+ million specialty manufacturing companies
- CEO/President of Haworth/Groupe Lacasse inc., a \$120 and + million office furniture manufacturer based in Michigan
- CEO/President of Allianz Madvac inc., a \$100 and + million outdoor street sweeping and cleaning equipment manufacturer based in Montreal
- Deep experience in lean manufacturing operations and N.A. & International sales

### Pascal Bouthot, CFO

- Joined Novik in January 2006
- Responsible for Novik's Finance department, as well as Human Resources and Procurement
- Instituted numerous operational cost improvement initiatives at Novik, including a reduction of \$2 million in operating costs in F2011
- 10 years of experience in senior financial roles with both Canadian and U.S. listed public companies

### Louis-Andre Gaudreau, VP Sales (co-founder)

- Co-founded Novik in 1998
- Direct involvement in all aspects of business since company's inception
- Most recently served as head of manufacturing operations
- Currently acting as head of Sales, focusing on existing clients and new opportunities in the North American market

Noviclay, Lady of Guadalupe Church, Buckingham, PA



Noviclay, Hotel Quality Inn and Suites, Val D'or, QC.



Novistone SK, St-Évariste, Québec



Novishake RS8, Stoneham, Québec

