

# GSE Holding Inc has filed for bankruptcy protection... Let's see what the reporting history shows!

## GSE Holding Inc

SUITE 3175, 10 SOUTH WACKER DR.  
CHICAGO, IL 60606 United States

Phone: (281) 443-8564

Ticker: [GSEH](#)

**Filed for Bankruptcy on 5/4/2014**  
Case #14-11127, filed in the U.S. Bankruptcy Court for the District of Delaware (Consolidated into Case #14-11126)

### Latest Financial Statements as of 12/31/2013

#### Business Summary

GSE Holding, Inc. (GSE) is a provider of engineered geosynthetic containment solutions. GSE's products are used in a range of infrastructure end markets, such as mining, waste management, liquid containment (including water infrastructure, agriculture and aquaculture), coal ash containment and shale oil and gas. The Company operates in two segments: North America, which represents the United States, Canada and Mexico, and International, which represents the rest of its global operations. The Company is a provider of products required to deliver customized solutions for projects on a global basis, including geomembranes, drainage products, geosynthetic clay liners, or GCLs, nonwoven geotextiles, and specialty products. In March 2012, the Company announced the purchase, by one of its subsidiaries, of certain manufacturing equipment from Poly-America, L.P. and Poly-Flex, Inc. In February 2013, the Company acquired SynTec, LLC.

Employees: 643 (as of 12/31/2013)

Federal Tax Id: 770619069

#### Credit Scores

<b>FRISK® Score</b>	<b>4</b>	5/4/2014
<b>Probability of bankruptcy range: 1.74% - 3.15%</b>		
<b>z" Score</b>	<b>-4.64 (Fiscal danger)</b>	12/31/2013

#### Auditor Information

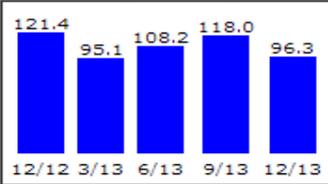
Last Audit: 12/31/2013  
Auditors: BDO USA, LLP  
Opinion: **Unqualified**

#### DBT Index

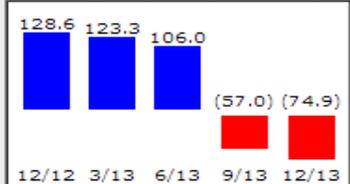
1/2014	2/2014	3/2014
8	9	9

(Includes DBT Indexes from Subsidiaries)

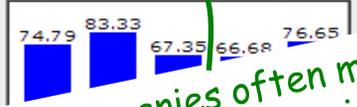
#### Net Sales (millions)



#### Working Capital (millions)



#### Days Sales Outstanding



Public companies often make consistent payments, right up to a bankruptcy... here, GSE Holding Inc was paying 0-10 days past due

#### Fourth Quarter and Year-to-Date Results

Sales for the 3 months ended 12/31/2013 decreased 20.62% to \$96.34 million from \$121.36 million for the same period last year. Sales for the 12 months ended 12/31/2013 decreased 20.62% to \$96.34 million from \$476.64 million for the same period last year.

Gross profit margin decreased 56.89% for the period to \$8.78 million (9.1 million (16.78% of revenues) for the same period last year. Gross profit for the year-to-date period to \$48.94 million (11.72% of revenues) from \$80.01 million for the same period last year.

Selling, general and administrative expenses for the period decreased 14.43% to \$14.64 million compared with \$14.64 million for the same period last year. Selling, general and administrative expenses for the 12 months ended 12/31/2013 increased 10.37% to \$54.44 million from \$49.33 million for the same period last year.

Operating income for the period decreased 217.53% to (\$6.38) million compared with operating income of \$5.43 million for the same period last year. Operating income for the year-to-date period decreased 422.82% to (\$59.05) million compared with operating income of \$18.29 million for the equivalent 12 months last year.

Net income for the period decreased 356.83% to (\$12.36) million compared with net income of \$4.81 million for the same period last year. Net income for the year-to-date period decreased 7,897.60% to (\$84.53) million compared with net income of \$1.08 million for the equivalent 12 months last year.

Net cash from operating activities was (\$3.57) million for the 12 month period, compared to net cash from operating activities of (\$1.67) million for last year's comparable period.

Working capital at 12/31/2013 of (\$74.92) million decreased 158.26% from the prior year end's balance of \$128.60 million.

Inventories increased by \$10.94 million for the year-to-date period, compared to a \$6.29 million increase in the prior year's comparable period.

Accounts payable decreased by \$9.16 million for the year-to-date period, compared to a \$1.78 million increase in the prior year's comparable period.



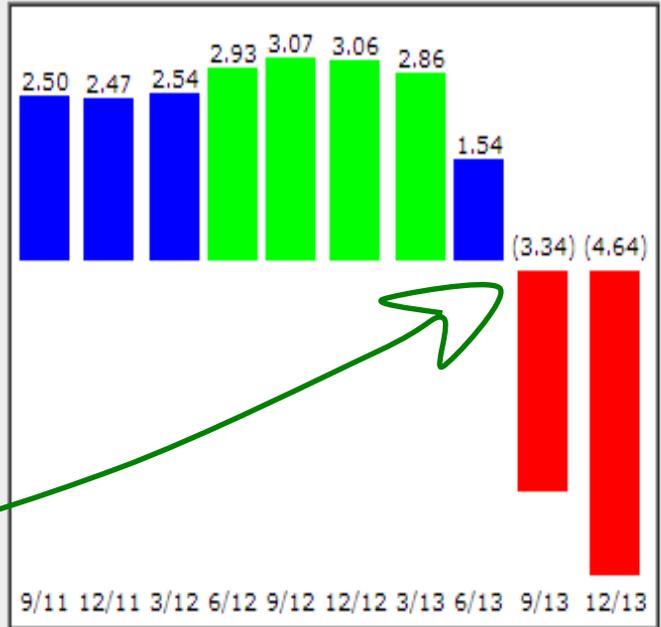
## Z" Score

### LEGEND:

Financially sound: 2.60 or higher

Neutral: 1.10 to 2.60

Fiscal danger: less than 1.10



The Altman Z" started signaling trouble in late 2013...

## Stock Performance

### Detailed Quote

Last: **0.17**

Change: **-0.08 (-32.00%)**

Volume: **281,706**

Open: **0.18**  
 Close: **0.25**  
 High: **0.22**  
 Low: **0.15**  
 Bid: **N/**  
 Ask: **N/**  
 Yield: **0.00**  
 P/E Ratio: **N/**  
 EPS: **-4.20**  
 Dividend: **0.00**  
 Shares Out: **20.4 M**  
 Market Cap: **3.5 M**  
 52wk High: **8.24**  
 52wk Low: **0.19**

GSE HLDG INC  
as of 5/5/2014



...plus looking at our News Alerts you would have seen...

News Summary ( ● CRMZ selected ○ Moody's ○ Fitch ○ All )				Next Page
#	Date	Source	Headline	
1	5/5/2014	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Bankruptcy or Receivership, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet A</b>	i
2	5/5/2014	PR Newswire	<b>GSE Environmental Reaches Consensual Agreement With Lenders to Restructure Balance Sheet and Strengthen Financial Position</b>	i
3	4/17/2014	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</b>	i
4	4/2/2014	CRMZ News Service	<b>GSE Holding Inc -- updated financials available</b>	i
5	3/31/2014	CRMZ News Service	<b>GSE Holding Inc Receives Going Concern Opinion</b>	i
6	3/31/2014	CRMZ News Service	<b>GSE Holding, Inc.: a Form 10-K has been Filed with the SEC</b>	i
7	3/14/2014	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</b>	i
8	3/14/2014	PR Newswire	<b>GSE Announces Timeline Changes For Company Sale</b>	i
9	3/5/2014	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing, Financial Statements and Exhibits</b>	i
10	3/4/2014	PR Newswire	<b>GSE Announces Delisting From New York Stock Exchange; Expects To Begin Trading On The OTCQB Marketplace Under New Ticker Symbol "GSEH"</b>	i
11	2/18/2014	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Change in Directors or Principal Officers</b>	i
12	1/10/2014	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Other Events, Financial Statements and Exhibits</b>	i
13	1/8/2014	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing</b>	i
14	12/10/2013	CRMZ News Service	<b>GSE Holding, Inc.: a Form 10-K/A has been Filed with the SEC</b>	i
15	11/16/2013	CRMZ News Service	<b>GSE Holding Inc -- updated financials available</b>	i
16	11/15/2013	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</b>	i
17	11/14/2013	CRMZ News Service	<b>GSE Holding, Inc.: a Form 10-Q has been Filed with the SEC</b>	i
18	11/5/2013	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
19	8/21/2013	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K/A) Disclosing Submission of Matters to a Vote of Security Holders</b>	i
20	8/16/2013	CRMZ News Service	<b>GSE Holding Inc -- updated financials available</b>	i
21	8/9/2013	CRMZ News Service	<b>GSE Holding, Inc.: a Form 10-Q has been Filed with the SEC</b>	i
22	8/9/2013	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Results of Operations and Financial Condition, Amendment or Waiver to Code of Ethics, Financial Statements and Exhi</b>	i
23	8/2/2013	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant,</b>	i
24	7/8/2013	CRMZ News Service	<b>GSE HOLDING, INC. FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i

Entrance into consensual agreement with lenders to restructure balance sheet pursuant to a prearranged Chapter 11 plan of reorganization

Independent auditors issue going concern opinion

Amendments to credit facilities eliminating the Priming Facility's requirement of an interest reserve, resulting in an additional \$1MM of liquidity for the Company, and extending the timeline for the sale of the Company

Incentive plan designed to preserve and enhance the Company's financial condition, and aid in the sale of the Company

Q3 net loss of \$36MM

Waiver and amendment to senior secured credit facility, waiving any default arising as a result of non-compliance of the maximum total leverage ratio, and formation of an agreement whereby the Company will use its best efforts to raise at least \$30MM of additional unsecured mezzanine indebtedness on or before October 31, 2013, to pay down the \$173MM o/s under the U.S. Credit Facility

Amendments to credit facilities, whereby lenders under the First Lien Credit Facility allow additional indebtedness under the Priming Facility, increasing lending from \$15MM to \$18MM

Annual net loss of \$85MM

Delisting of the Company's common stock from the New York Stock Exchange and commencement of trading on the OTCQB Marketplace

Waiver and amendment to First Lien Senior Secured Credit Facility, waiving any default arising as a result of the potential non-compliance of the maximum total leverage ratio, and formation of an agreement to pursue a sale of the Company, using the proceeds to repay its indebtedness

Q2 net loss of \$34MM

Entrance into new \$8MM First Lien Revolving Credit Facility

Resignation of Officers

...need more depth? Look at the Performance Ratios

Posting consecutive losses...

Performance Ratios - Sequential Quarters					
(Thousands of U.S. Dollars)					
Period Ended	3 mos 12/31/2013	3 mos 9/30/2013	3 mos 6/30/2013	3 mos 3/31/2013	3 mos 12/31/2012
<b>Net Sales \$</b>	\$96,341	\$117,976	\$108,201	\$95,134	\$121,360
% change	-18.34%	9.03%	13.74%	-21.61%	0.13%
<b>Gross Margin \$</b>	\$8,779	\$13,695	\$13,209	\$13,257	\$20,362
% change	-35.90%	3.68%	-0.36%	-34.89%	-3.27%
% of sales	9.11%	11.61%	12.21%	13.94%	16.78%
change as % of incremental sales	n/m	4.97%	-0.37%	n/m	-430.00%
<b>SG&amp;A \$</b>	\$14,432	\$12,547	\$13,422	\$14,039	\$14,642
% change	15.02%	-6.52%	-4.39%	-4.12%	12.58%
% of sales	14.98%	10.64%	12.40%	14.76%	12.06%
change as % of incremental sales	n/m	-8.95%	-4.72%	n/m	1,685.63%
<b>Operating margin \$</b>	(\$6,382)	(\$24,497)	(\$27,031)	(\$1,141)	\$5,430
% change	73.95%	9.37%	-2,269.06%	-121.01%	-33.37%
% of sales	-6.62%	-20.76%	-24.98%	-1.20%	4.47%
change as % of incremental sales	n/m	25.92%	-198.13%	n/m	-2,112.50%
<b>EBITDA \$</b>	n/a	(\$19,389)	(\$23,231)	\$2,823	n/a
% change	n/a	16.54%	-922.92%	n/a	n/a
% of sales	n/a	-16.43%	-21.47%	2.97%	n/a
change as % of incremental sales	n/a	39.30%	-199.39%	n/a	n/a
<b>Pre-tax income \$</b>	(\$12,171)	(\$29,812)	(\$31,360)	(\$5,243)	\$1,738
% change	59.17%	4.94%	-498.13%	-401.67%	-71.81%
% of sales	-12.63%	-25.27%	-28.98%	-5.51%	1.43%
change as % of incremental sales	n/m	15.84%	-199.87%	n/m	-2,767.50%
<b>Net income (loss) \$</b>	(\$12,364)	(\$35,822)	(\$33,893)	(\$2,447)	\$4,814
% change	65.48%	-5.69%	-1,285.08%	-150.83%	-8.13%
% of sales	-12.83%	-30.36%	-31.32%	-2.57%	3.97%
change as % of incremental sales	n/m	-19.73%	-240.65%	n/m	-266.25%
<b>Tax expense \$</b>	\$193	\$6,010	\$2,533	(\$2,796)	(\$3,127)
Effective tax rate	-1.59%	-20.16%	-8.08%	53.33%	-179.92%
<b>Depreciation expense \$</b>	n/a	\$5,347	\$4,443	\$4,303	n/a
% of sales	n/a	4.53%	4.11%	4.52%	n/a
% of capital expenses	n/a	112.71%	91.84%	71.56%	n/a
% of PP&E, net (annualized)	n/a	28.43%	24.12%	24.09%	n/a
<b>Capital expenditures \$</b>	\$4,076	\$4,744	\$4,838	\$6,013	\$4,162
% change	-14.08%	-1.94%	-19.54%	44.47%	-52.54%
% of PP&E, net (annualized)	21.44%	25.22%	26.27%	33.66%	23.84%
% of working capital (annualized)	-24.73%	77.36%	16.88%	19.10%	12.52%
<b>Interest coverage ratio</b>	n/a	(3.82)	(6.30)	0.75	n/a
% change	n/a	39.39%	-940.11%	n/a	n/a
<b>Free cash flow \$</b>	(\$7,376)	(\$9,965)	(\$7,070)	\$1,175	\$19,094
% change	25.98%	-40.95%	-701.70%	-93.85%	1,428.74%
Source:	10-K 3/31/2014	10-Q 11/14/2013	10-Q 8/9/2013	10-Q 5/10/2013	10-K 3/31/2014

Negative free cash flow  
(Only \$14MM in cash)...

...need more depth? Look at the Leverage Ratios

Steady decrease in stockholders' equity and tangible net worth...

### Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2013	9/30/2013	6/30/2013	3/31/2013	12/31/2012
<b>Total debt \$</b>	\$201,586	\$198,497	\$181,183	\$188,320	\$171,414
% change	1.56%	9.56%	-3.79%	9.86%	-6.80%
<b>Stockholders' equity \$</b>	\$19,896	\$31,118	\$65,313	\$99,075	\$102,718
% change	-36.06%	-52.36%	-34.08%	-3.55%	6.03%
<b>Total debt to equity ratio</b>	10.13	6.38	2.77	1.90	1.67
% change	58.84%	129.94%	45.94%	13.90%	-12.10%
<b>Tangible net worth \$</b>	\$5,456	\$15,953	\$30,425	\$37,258	\$43,823
% change	-65.80%	-47.57%	-18.34%	-14.98%	21.19%
<b>Total debt to tangible net worth</b>	36.95	12.44	5.96	5.05	3.91
% change	196.94%	108.94%	17.82%	29.22%	-23.10%
<b>Total assets \$</b>	\$266,152	\$296,539	\$307,086	\$352,500	\$336,098
% change	-10.25%	-3.43%	-12.88%	4.88%	-1.89%
<b>Total debt to assets ratio</b>	0.76	0.67	0.59	0.53	0.51
% change	13.15%	13.46%	10.45%	4.75%	-5.01%
<b>Net tangible assets \$</b>	\$251,712	\$281,374	\$272,198	\$290,683	\$277,203
% change	-10.54%	3.37%	-6.36%	4.86%	-1.65%
<b>Short-term debt \$</b>	\$200,798	\$190,824	\$15,456	\$10,446	\$4,132
% change	5.23%	1,134.63%	47.96%	152.81%	12.74%
<b>Short-term debt % of total debt</b>	99.61%	96.13%	8.53%	5.55%	2.41%
% change	3.61%	1,026.94%	53.79%	130.11%	20.97%
<b>Short-term debt % of working capital</b>	-268.01%	-335.06%	14.58%	8.47%	3.21%
% change	20.01%	-2,398.17%	72.09%	163.66%	20.39%
<b>Total liabilities \$</b>	\$246,256	\$265,421	\$241,773	\$253,425	\$233,380
% change	-7.22%	9.78%	-4.60%	8.59%	-5.01%
<b>Total liabilities to equity ratio</b>	12.38	8.53	3.70	2.56	2.27
% change	45.11%	130.41%	44.72%	12.58%	-10.41%
<b>Total liabilities to tangible net worth ratio</b>	45.13	16.64	7.95	6.80	5.33
% change	171.28%	109.37%	16.83%	27.72%	-21.62%
Source:	10-K 3/31/2014	10-Q 11/14/2013	10-Q 8/9/2013	10-Q 5/10/2013	10-Q 5/10/2013

Due to the Company's expected non-compliance with certain financial covenants within its First Lien Credit Facility, it has reclassified its U.S. Revolver and term loan balances from long-term to current...

...need more depth? Look at the Liquidity Ratios and Rates of Return

Sharp decline in working capital due to reclassification of debt...

### Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2013	9/30/2013	6/30/2013	3/31/2013	12/31/2012
<b>Current assets \$</b>	\$169,163	\$198,333	\$180,865	\$196,578	\$192,409
% change	-14.71%	9.66%	-7.99%	2.17%	-4.08%
% of short-term debt	84.25%	103.94%	1,170.19%	1,881.85%	4,656.56%
<b>Current liabilities \$</b>	\$244,084	\$255,286	\$74,851	\$73,275	\$63,809
% change	-4.39%	4.206%	2.15%	14.83%	0.88%
<b>Working capital \$</b>	<b>(\$74,921)</b>	<b>(\$56,953)</b>	<b>\$106,014</b>	<b>\$123,303</b>	<b>\$128,600</b>
% change	-31.55%	-153.72%	-14.02%	-4.12%	-6.36%
% of sales (annualized)	-19.44%	-12.07%	24.49%	32.40%	26.49%
<b>Cash \$</b>	\$14,167	\$18,699	\$12,940	\$26,781	\$18,068
% change	-24.24%	44.51%	-51.68%	48.22%	53.05%
% of short-term debt	7.06%	9.80%	83.72%	256.38%	437.27%
<b>Cash ratio</b>	<b>0.06</b>	<b>0.07</b>	<b>0.17</b>	<b>0.37</b>	<b>0.28</b>
% change	-20.77%	-57.66%	-52.69%	29.06%	51.77%
<b>Quick assets \$</b>	\$86,558	\$108,165	\$95,892	\$103,544	\$115,055
% change	-19.98%	12.80%	-7.39%	-10.00%	1.13%
% of short-term debt	43.11%	56.68%	620.42%	991.23%	2,784.49%
<b>Quick ratio</b>	<b>0.35</b>	<b>0.42</b>	<b>1.28</b>	<b>1.41</b>	<b>1.80</b>
% change	-16.31%	-66.93%	-9.34%	-21.63%	0.25%
<b>Current ratio</b>	<b>0.69</b>	<b>0.78</b>	<b>2.42</b>	<b>2.68</b>	<b>3.02</b>
% change	-10.79%	-67.85%	-9.93%	-11.03%	-4.91%
Source:	10-K 3/31/2014	10-Q 11/14/2013	10-Q 8/9/2013	10-Q 5/10/2013	10-Q 5/10/2013

Very poor cash ratio...

### Rates of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2013	3 mos 9/30/2013	3 mos 6/30/2013	3 mos 3/31/2013	3 mos 12/31/2012
<b>Return on equity</b>	-39.73%	-54.85%	-34.21%	-2.38%	4.97%
% change	27.56%	-60.33%	-1,335.98%	-147.94%	-14.70%
<b>Return on net tangible equity</b>	-77.50%	-117.74%	-90.97%	-5.58%	13.31%
% change	34.17%	-29.43%	-1,529.15%	-141.94%	-26.47%
<b>Return on total assets</b>	-4.39%	-11.87%	-10.28%	-0.71%	1.42%
% change	62.97%	-15.49%	-1,346.05%	-150.10%	-8.08%
<b>Return on net tangible assets</b>	-4.64%	-12.94%	-12.04%	-0.86%	1.72%
% change	64.16%	-7.47%	-1,297.39%	-150.04%	-8.42%
Source:	10-K 3/31/2014	10-Q 11/14/2013	10-Q 8/9/2013	10-Q 5/10/2013	10-K 3/31/2014

Negative rates of return...

**CreditRiskMonitor**

(845) 230-3000  
info@crmz.com

# ...need more depth? Look at the Peer Analysis

Peer Analysis						
Calendar Year/Quarter: 2013.4						
Peer Group: Sector: Basic Materials, Industry: Fabricated Plastic & Rubber						
Refresh						
[Sector: Basic Materials] [Industry: Fabricated Plastic & Rubber] [Calendar Year/Quarter: 2013.4]						
Businesses in Peer Group: 666	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
<b>Credit Ratings:</b>						
ZScore -- Current Quarter	131	<b>137</b>	(4.64)	(3,207.37)	4.40	27.40
<b>Performance ratios:</b>						
Net Sales (Thousands of U.S. Dollars)	5	<b>11</b>	96,341.00	0.00	92,638.00	1,021,400.00
Gross Margin % of Sales -- Current Quarter	126	<b>151</b>	9.11	(9.40)	20.53	72.47
Gross margin % of Sales -- TTM	122	<b>152</b>	11.72	(0.13)	21.45	87.93
SG&A % of Sales -- Current Quarter	89	<b>145</b>	14.98	2.05	11.19	57.67
SG&A % of Sales -- TTM	86	<b>147</b>	13.03	1.42	11.45	51.28
Operating Margin % of Sales -- Current Quarter	138	<b>151</b>	(6.62)	(610.85)	5.62	105.89
Operating Margin % of Sales -- TTM	149	<b>152</b>	(14.14)	(111.19)	5.14	36.47
EBITDA Margin % of Sales -- Current Quarter	N/A	<b>130</b>	N/A	(610.85)	7.46	106.93
EBITDA Margin % of Sales -- TTM	149	<b>152</b>	(10.31)	(111.21)	8.79	51.06
Net Profit Margin % of Sales -- Current Quarter	142	<b>151</b>	(12.83)	(648.73)	4.31	101.78
Net Profit Margin % of Sales -- TTM	149	<b>152</b>	(20.24)	(149.43)	3.39	34.02
Pre-tax Income % of Sales -- Current Quarter	142	<b>151</b>	(12.63)	(648.73)	5.39	101.78
Effective Tax Rate	16	<b>152</b>	(1.59)	(517.91)	22.25	1,020.60
Depreciation % Of Prop/Plant/Equipment	N/A	<b>141</b>	N/A	0.54	11.12	49.13
CapitalExpense % Of Prop/Plant/Equipment	62	<b>91</b>	21.44	0.15	15.85	180.03
Interest Coverage -- Current Quarter	N/A	<b>123</b>	N/A	(1,307.43)	6.90	41,735.00
Interest Coverage -- TTM	145	<b>150</b>	(2.23)	(28.02)	8.22	37,170.80
<b>Liquidity ratios:</b>						
Cash Ratio	121	<b>139</b>	0.06	0.00	0.36	18.05
Quick Ratio	130	<b>139</b>	0.35	0.01	1.14	20.56
Current Ratio	131	<b>139</b>	0.69	0.01	1.83	20.72
<b>Efficiency ratios:</b>						
Accounts Receivable Turnover	84	<b>152</b>	4.76	0.00	5.06	315.36
Days Sales Outstanding	85	<b>151</b>	76.65	0.00	71.19	339.21
% Inventory Financed by Vendors -- Current Quarter	106	<b>137</b>	36.46	2.51	66.58	1,649.24
% Inventory Financed by Vendors -- TTM	101	<b>151</b>	49.77	2.01	68.36	1,875.09
Inventory Turnover (annualized) -- Current Quarter	92	<b>152</b>	4.54	0.00	5.60	215.97
Inventory Turnover -- TTM	89	<b>153</b>	4.99	0.00	5.39	95.11
Days Sales in Inventory	92	<b>150</b>	80.48	1.69	64.67	1,575.63
Inventory to Working Capital	129	<b>138</b>	(1.01)	(3.70)	0.53	39.88
Accounts Payable Turnover (annualized) -- Current Quarter	62	<b>152</b>	9.11	0.00	7.53	183.27
Accounts Payable Turnover -- TTM	58	<b>153</b>	9.16	0.00	7.81	182.08
<b>Leverage &amp; debt coverage:</b>						
Total Debt to Equity Ratio	129	<b>130</b>	10.13	0.00	0.36	29.70
Debt to Tangible Equity Ratio	127	<b>127</b>	36.95	0.00	0.37	36.95
Total Debt to Assets Ratio	133	<b>133</b>	0.76	0.00	0.21	0.76
Short-Term Debt % of Total Debt	91	<b>125</b>	99.61	0.00	73.37	100.00
Short-Term Debt % of Working Capital	118	<b>127</b>	(268.01)	(1,105.70)	27.20	8,803.02
Liabilities to Net Worth Ratio	133	<b>133</b>	45.13	0.06	0.76	45.13
Total Liabilities to Equity Ratio	135	<b>136</b>	12.38	0.06	0.76	101.71
TTM = trailing 12 months N/A = Not Available		<b>Green - Ranked in Upper Quartile of Peer Group</b> <b>White - Ranked in the Middle Two Quartiles of Peer Group</b> <b>Red - Ranked in Lower Quartile of Peer Group</b> <b>Grey - Data is Not Available</b>				

Bottom quartile in majority of Performance and Leverage & debt coverage ratios, and all of Liquidity ratios vs. Fabricated Plastic & Rubber Peers

In the MD&A issued in November the Company tells us, although they are currently in compliance with the covenants in the First Lien Credit Facility, it is "highly unlikely" that they will meet these covenants for the quarter ending December 31, 2013. Failure to comply with the financial covenants can result in a default under the First Lien Credit Facility, allowing lenders to accelerate the maturity of the Company's debt. If this occurs, the Company warns they may not have enough cash on hand or borrowing capacity to satisfy these obligations, resulting in the potential sale of assets, or a reorganization of the Company outside the normal course of business.

## CreditRiskMonitor (CRMZ)

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## GSE Holding Inc

SUITE 3175, 10 SOUTH WACKER DR.  
CHICAGO, IL 60606 United States

Phone: (281) 443-8564

Ticker: [GSEH](#)

Filed for Bankruptcy on 5/4/2014  
Case #14-11127, filed in the U.S. Bankruptcy Court for the District of Delaware (Consolidated into Case #14-11126)

### Management Discussion and Analysis

For the period ended 9/30/2013

We are currently working to raise additional unsecured mezzanine indebtedness or other subordinated capital as well as a complete refinancing of the First Lien Credit Facility. While we are in compliance with the covenants in the First Lien Credit Facility as of September 30, 2013, based on current projections, we believe it is highly unlikely that we will meet the covenants contained in the First Lien Credit Facility for the quarter ending December 31, 2013. Failure to comply with the financial covenants, or any other non-financial or restrictive covenant, could create a default under our First Lien Credit Facility, assuming we are unable to secure a waiver from our lenders. We cannot predict what actions, if any, our lenders would take following a default with respect to our indebtedness. Management believes that cash on hand, together with borrowings under our foreign debt facilities and cash generated from operations, will be sufficient to meet working capital requirements, anticipated capital expenditures and scheduled interest payments on indebtedness for at least the next 12 months; however, if the lenders accelerate the maturity of our debt, we may not have sufficient cash on hand or borrowing capacity to satisfy these obligations, and may not be able to pay our debt or borrow sufficient funds to refinance it on terms that are acceptable to the Company or at all. In such event, the we may be required to sell assets, incur additional indebtedness, raise equity, or reorganize the Company outside the normal course of business. In addition, a contraction in the availability of trade credit would increase cash requirements, and could impact our ability to obtain raw materials in a timely manner, which could have a material adverse effect on our business and financial condition.

Finally, in the MD&A issued in March we learn that pursuant to the terms of the First Lien Credit Facility and Priming Facility, an agreement has been made to pursue a sale of the Company, and use the proceeds to repay their indebtedness. The Company warns that if completed, a sale may not award creditors payment in full, and that there is a "high likelihood" that any sale that takes place will occur through a court-supervised bankruptcy process. ...and in May, they file for bankruptcy...

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Filed for Bankruptcy on 5/4/2014  
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### Management Discussion and Analysis

For the period ended 12/31/2013

On January 10, 2014, we entered into a \$15.0 million secured revolving super priority Priming Facility with General Electric Capital Corporation and certain other financial institutions party thereto.

Pursuant to the terms of the First Lien Credit Facility and Priming Facility, both as amended from time to time, we agreed to pursue a sale process to sell our company and use the proceeds to repay our indebtedness. The First Lien Credit Facility and Priming Facility set forth a series of milestones, requiring us to, among other things, distribute a final confidential information memorandum to prospective buyers no later than January 17, 2014, which was distributed shortly after such date. Under the terms of the First Lien Credit Facility and the Priming Facility, an acceptable sale must be completed no later than April 21, 2014 and April 30, 2014. The failure to meet any one of these deadlines would be an event of default under the First Lien Credit Facility and the Priming Facility. For a discussion of the sale process, see "Sale of the Company" in Note 12 to the consolidated financial statements.

While we believe the Priming Facility will provide liquidity to support operations in the ordinary course of business while we pursue a sale of our company, there can be no assurances that the \$15.0 million will be sufficient. We engaged Moelis to assist in a sale process. There can be no assurance that we can conclude an acceptable sale and that if a sale is completed, that our creditors will receive payment in full or that our stockholders will receive any recovery in connection with the sale process. There is a high likelihood that any sale that takes place will be accomplished through a court-supervised bankruptcy process.