# Boccella Precast

*Investor Presentation*

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# Important Notices to Potential Investors

*Section I*

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# Disclosures

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- PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INVESTIGATIONS AND EVALUATIONS OF THE INFORMATION CONTAINED HEREIN. PRIOR TO THE CLOSING OF A PRIVATE OFFERING, INVESTORS WILL BE GIVEN THE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ADDITIONAL INFORMATION CONCERNING THE TERMS AND CONDITIONS OF SUCH OFFERING AND OTHER RELEVANT MATTERS. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISER AND TAX ADVISER AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE INFORMATION CONTAINED HEREIN AND SUCH OFFERING.

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# Investment Summary

*Section II*

# Ashland and Precast Concrete

- As you may know, in 2007, Ashland invested in a Precast Concrete Manufacturer in San Antonio, Texas, Napco Precast, LLC. Though this business is cyclical in nature due to: 1) the impact of the global economy on the construction industry and 2) the effect of changes in oil and gas prices on Texas construction activity, this business has performed very well. Main Street Capital Corporation (NYSE: MAIN) is the primary lender and our partner in the Napco investment. To date, Ashland has realized a 25.9% net IRR (after fees and carried interest) on this investment.

- Ashland and Main Street's acquisition of Napco Precast was predicated on a TEV/EBITDA multiple of 4.5x. Based on April 2017 trailing twelve month results, our acquisition of Boccella Precast contemplates a TEV EBITDA multiple of 3.97x,

- In the past several years, we have examined a number of other opportunities in the Precast Concrete space, and this is the best we have seen to date.

- Similar to Napco, we will partner with Main Street once again in the Boccella investment. We believe they are the ideal institutional partner for this transaction given our shared history in the space, and their proven ability to manage the temporary cyclical downturns that are inherent to the construction space.

# Company Summary

- Boccella Precast is a manufacturer of Structural Precast Concrete Products, servicing a client base primarily in the Northeast (NY, NJ, PA) with a focus in the NYC market.
  - The Company has been owned and operated by its Founder, Joseph Boccella Sr., since its founding in 1969
- The Company currently solely produces Hollow Core Plank, which is a pre-stressed concrete product used primarily in multi-family construction projects
  - Over the past 3 years, the vast majority of the Company's projects have been sold into "Affordable Housing" projects in the greater New York City area.
  - The Company's real estate and facility, which are being included in the Transaction, have significant capacity to allow the Company to diversify into other Precast Products, such as:
    - Stairs, Wall Panels (both Structural and Architectural), Beams and Columns, and others.

**Corporate Snapshot**

- **Headquarters:** Berlin, NJ
- **Pro Forma TTM April 2017 Financial Results**
  - Revenue: $31.4 million
  - EBITDA*: $7.6 million
- **Key End Markets**
  - New York City
  - Metro Philadelphia
- **FTEs:** 42

**Adjusted - Per Draft Q of E*

## Select Products and Services

**Hollow Core Plank**

**Hauling**

**Erection Services**

**Concrete Stairs**

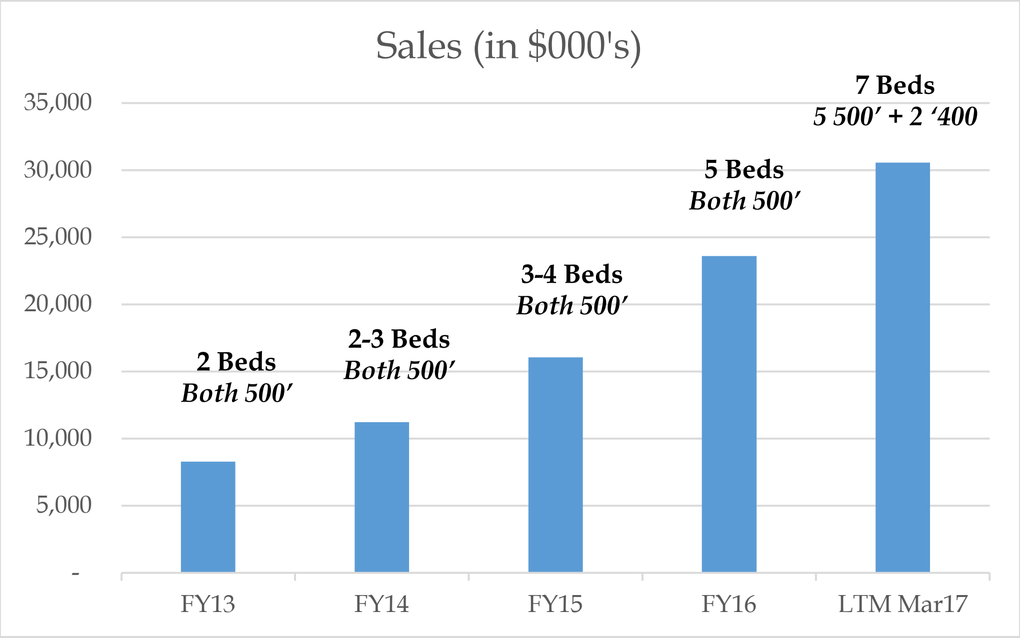
# Investment Highlights

| | |
|---|---|
| Regional Market Leader | ▪ One of 7 major suppliers of Hollow Core Plank in the Northeast<br>▪ Top 2 market position in the New York City market |
| Increasing Market Demand | ▪ In 2016, as a result of state and city emphasis on drastically increasing access to affordable housing in New York City, the second most affordable homes and apartments were secured in the history of the city.<br>▪ In April 2017, the New York State passed the Affordable New York Housing Program, which is forecast to maintain and increase current construction levels until at least 2022. |
| Leading Geographic Proximity to End Markets | ▪ Boccella is geographically the closest of its 7 major competitors to 3 of 5 NYC boroughs and 2nd closest to the remaining two (by 15 miles or less).<br>▪ Geographically the closest to: Philadelphia, Newark, Atlantic City, Camden, and Wilmington. Competitively located to Washington D.C. and Baltimore. |
| Excellent Financial Performance | ▪ Consistent performance at operating capacity, even through soft macroeconomic conditions<br>▪ Experiencing significant and accelerating growth – Adjusted EBITDA of \$2.3M, \$5.1M, and \$7.6M in 2015, 2016 and LTM Apr17, respectively<br>▪ Minimal maintenance capex requirements; average of only \$200,000 per year from 2014E - 2019E |
| Real Estate and Facilities | ▪ A Sep16 Appraisal indicated that the Real Estate and Facilities are worth \$7.6M<br>▪ Significant potential for expansion given existing buildings and available undeveloped real estate. 55 Acres of land; 5 buildings totally 153,000 sq. feet. |
| Attractive Growth Potential | ▪ The Company currently is operating with 5 500 foot beds and 2 400 foot beds, and will have 3 additional 400 foot beds installed and operational by Closing<br>▪ Opportunity to in-house the manufacturing of concrete stairs could add \$3 million of revenue and \$500k to \$750k of EBITDAR on existing projects alone.<br>▪ Intermediate to long term expansion into new precast and prestressed product lines |

# Boccella Investment Thesis

- Over the past 5 years, management has spent close to $5 million dollars creating what they believe to be the premier Hollow Core manufacturing facility in the Northeast. Ashland visited with the owner and operator of the largest precast concrete manufacturer in the Midwest, and he concurred with their assessment. Management estimates that to currently reproduce the current facility, it would cost approximately $10 million.

- Given the ever expanding market for residential construction that calls for pre-cast flooring, Management contends that the sustained growth of the business is entirely attributable to increasing manufacturing capacity through installing new 'beds' – the 400 or 500 foot forms that predicate the casting process.




- Boccella is currently in the process of constructing 3 additional 400' beds, the CapEx for which will be entirely spent prior to the transaction. **With 10 total beds in the same facility, management believes that Bocella can meet or exceed $40 million in revenue without expanding into either a) new markets or b) new products.**

# Summary of Proposed Transaction

## Sources & Uses

| Sources | Initial Balance | Multiple of EBITDA | Interest Rate | Maturity | Uses | Dollar Amount |
|---|---|---|---|---|---|---|
| Unitranche Facility | 20,000 | 2.6x | Libor + 10% (Cash) | 5 years | Cash Consideration | $ 27,188 |
| | | | | | Transaction Fees | 1,250 |
| Ashland Equity | 5,738 | 0.8x | | | | |
| Main Street Equity | 2,700 | 0.4x | | | | |
| Boccella Rolled Equity | 2,813 | 0.4x | | | Boccella Rolled Equity | 2,813 |
| **Total Sources** | **$ 31,250** | | | | **Total Uses** | **$ 31,250** |

**Transaction Structure:** Ashland has negotiated a transaction whereby Ashland, Main Street Capital and the two sons of the Founder (via rolled equity investment), will purchase the assets, business, real estate and buildings of Boccella via an asset purchase via a NewCo LLC. Ashland will own 51% of the equity of NewCo and its principals, Jim Lynch and John Lorentzen, will each serve on the Board of Directors. Ashland will control the Board.

**Purchase Price:** The $30.0 million dollar purchase price (before transaction expenses translates to a multiple of ~3.97x TTM April 2017 Diligence Adjusted EBITDA of approximately $7.6 million.

**Real Estate:** As previously discussed, we will also be purchasing the real estate and facilities associated with the Company. They are currently held be a separate affiliated entity, Boccella Properties Group, LLC. Boccella Properties Group will be conveying roughly 55 acres of land and 5 buildings in a combined transaction with Boccella Precast, LLC. We believe these assets have a combined net worth of $7.6 million, based on a Sep16 appraisal. The total transaction price, for both the business as well as the assets and real estate held be Boccella Properties Group, will be $30.0 million.

**Boccella Rolled Equity Investment:** The two adult sons of the Founder and majority owner of Boccella, Joseph Boccella Sr., will remain with the business and collectively own 25% of the equity post close. Anthony Boccella currently serves as the de-facto CEO, and Joseph Boccella Jr. currently services as the Head of Operations. Both will own 12.5% of Newco and will enter into long term employment, non-compete and equity repurchase agreements pursuant with the transaction. We believe these two brothers have been and will continue to be strong operators of the business.

# Summary of Proposed Transaction (cont.)

## Sources & Uses

| *Sources* | Initial Balance | Multiple of EBITDA | Interest Rate | Maturity | *Uses* | Dollar Amount |
|---|---|---|---|---|---|---|
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| **Total Sources** | **$ 31,250** | | | | **Total Uses** | **$ 31,250** |

**Main Street Capital Corp (NYSE: MAIN):** In addition to the funded Unitranche facility, Main Street is also providing an additional unfunded commitment of $2.5 million, which will act as a revolving credit facility. It is our intention to pay down Main Street's Unitranche debt with available free cash flow. Main Street will also invest cash equity equivalent to ~24% of the transaction.

Ashland is currently co-invested with Main Street Capital on NAPCO Precast, a San Antonio precast concrete manufacturer. Main Street also is the primary lender in that deal. As we have a pre-established relationship with them in an active deal in the same industry, we believe they are the optimal partner.

# Historical & Projected Income Statement (Base Case)

## Base Case

| | Historical Year Ending | | | TTM | Projected | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2014A | 2015A | 2016E | Apr17 | 2017E | 2018E | 2019E | 2020E | 2021E |
| Revenue | $ 11,022 | $ 16,065 | $ 23,605 | $ 31,411 | $ 34,227 | $ 37,650 | $ 39,532 | $ 41,509 | $ 43,585 |
| *Growth Rate %* | *0.0%* | *45.7%* | *46.9%* | *33.1%* | *45.0%* | *10.0%* | *5.0%* | *5.0%* | *5.0%* |
| COGS | 7,624 | 11,921 | 15,909 | 21,005 | 23,068 | 25,375 | 26,644 | 27,976 | 29,375 |
| Gross Profit | 3,398 | 4,144 | 7,696 | 10,406 | 11,159 | 12,275 | 12,889 | 13,533 | 14,210 |
| *Gross Margin %* | *30.8%* | *25.8%* | *32.6%* | *33.1%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* |
| SG&A | 1,161 | 1,861 | 3,007 | 3,193 | 3,423 | 3,765 | 3,953 | 4,151 | 4,358 |
| *% of Revenue* | *10.5%* | *11.6%* | *12.7%* | *10.2%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* |
| Depreciation | 42 | - | 339 | 339 | 1,047 | 1,097 | 1,184 | 1,259 | 1,309 |
| *% of Revenue* | *0.4%* | *0.0%* | *1.4%* | *1.1%* | *3.1%* | *2.9%* | *3.0%* | *3.0%* | *3.0%* |
| **Pro Forma EBITDA** | **$ 2,280** | **$ 2,283** | **$ 5,028** | **$ 7,552** | **$ 7,736** | **$ 8,510** | **$ 8,936** | **$ 9,382** | **$ 9,852** |
| ***EBITDA Margin %*** | ***20.7%*** | ***14.2%*** | ***21.3%*** | ***24.0%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** |
| **Capital Expenditures** | **2,082** | **987** | **$ 250** | **$ 350** | **$ 250** | **$ 750** | **$ 1,000** | **$ 500** | **$ 500** |
| *% of Revenue* | *18.9%* | *6.1%* | *1.1%* | *1.1%* | *0.7%* | *2.0%* | *2.5%* | *1.2%* | *1.1%* |

# Transaction Notes

## Overview

- Ashland Capital (X) LLC (d/b/a/ Ashland Capital Partners) ("Ashland"), the sponsor of the transaction, is soliciting investors ("Ashland Investors") who will be investing in a transaction to acquire substantially all of the business and assets of Boccella Precast, LLC ("BP") and the real property owned by Boccella Properties Group LLC ("BPG") where the precast concrete business is conducted by BP (the "Acquisition").

- Ashland Investors will be investing through a newly created entity created solely for the purpose of consummating the Acquisition: Boccella Acquisitions LLC, a Delaware limited liability company ("BA"). BA in turn has formed one new entity: Boccella Precast Products LLC, a Delaware limited liability company ("BPP").

- As a result of the investment made by the Ashland Investors in BA, the Ashland Investors will own 67% of the membership interests in BA. BA, in turn, will take a portion of such investments made by the Ashland Investors and make an equity contribution to BPP in the amount of $8.5 million, and in exchange for such equity contribution BA will be issued 76% of the membership interests in BPP. The remaining 24% of the membership interests in BPP will be issued to Main Street Capital Corporation ("Main Street") in exchange for its equity investment in BPP that we currently anticipate to be approximately $2.94 Million. Main Street has offered to invest up to a maximum of $3.5 Million.

- In addition to the equity investment provided above, Main Street Capital Corp. (Main Street) will be lending into BPP, as borrower. Main Street rates on the unitranche debt will be based on LIBOR plus the applicable margin of 10.0%. This margin may reflect a "leverage grid" that will fluctuate based on certain 'Funded Debt-to-EBITDA' ratio's, pending further diligence.

# Transaction Notes (continued)

## Boccella Acquisitions

- In addition, (i) BPP will be entering into a Management Services Agreement with both (A) Main Street and (B) Lorlyn Management Co. ("LM"), which is controlled 50/50 by John C. Lorentzen and James M. Lynch, pursuant to which they will collectively be paid a monthly management fee equal to 5% of the EBITDA of BPP, 76% of which will be paid tyo LM and 24% of which shall be paid to Main Street; (ii) BPP will be entering into a Contingent Closing Fee Agreement with Ashland, which is also controlled 50/50 by John C. Lorentzen and James M. Lynch, pursuant to which (A) BPP will pay Ashland from the equity raise, a closing fee equal to $500,000 plus all of the costs and expenses incurred in the consummation of the acquisitions described above. In addition, the non-employee directors of Holdings will be paid a monthly fee of $3,000, subject to annual adjustment based on increases in the CPI.

- Ashland may engage in refinancing's, add-on acquisitions or a sale of the investment and shall be paid a fee upon execution:
  - Refinancing: 1.0% of the total refinancing amount
  - Add-on Acquisition: 1.5% of total enterprise value or $150k, whichever is greater
  - Sale of 100% of investment: 1.5% of total enterprise value

# Transaction Notes (continued)

## Boccella Precast Products, LLC

- Ashland will receive a 20% profits interest in BA in distributions of available cash flow once capital contributions have been repaid. This means that the members as a whole will have an 80% profits percentage interest (The members will receive 100% of any losses) and Ashland will have a 20% profits percentage interest, so each member will calculate its profits percentage interest by multiplying its capital contributions percentage interest by 0.8. Main Street's equity investment, which is at the BPP level, is not subject to the carry.

- Ashland is a long term focused investor and intends to hold the investment indefinitely

# Transaction Notes (continued)

## Transfer or Assignment of Interests

- Members may not freely transfer or assign their equity interests without the consent of the board, except to certain specifically identified family type transfers (individuals, trusts, beneficiaries or members of existing family trusts or limited liability companies controlled by such member, etc.). Further, any transfers or assignments (i) to non-US citizens or entities not organized in the US or a state thereof, (ii) which would cause the number of members to exceed 100 or (iii) which would adversely affect Boccella Acquisition's classification as a partnership for tax purposes are prohibited

- Any proposed non-family transfer is subject to a right of first refusal on the same terms, first to BA and then to the non-selling members

- If the "Control Group" consisting of John C. Lorentzen and James Lynch, together with any their family transferees, unanimously decide to sell their units, they must notify the other members and give them an opportunity to participate in the sale, provided that this participation right terminates upon a sale of BA.

- If the Board approves a sale of BA, each member is required to vote in favor of such sale and to join in the sale by selling such member's equity interests in BA

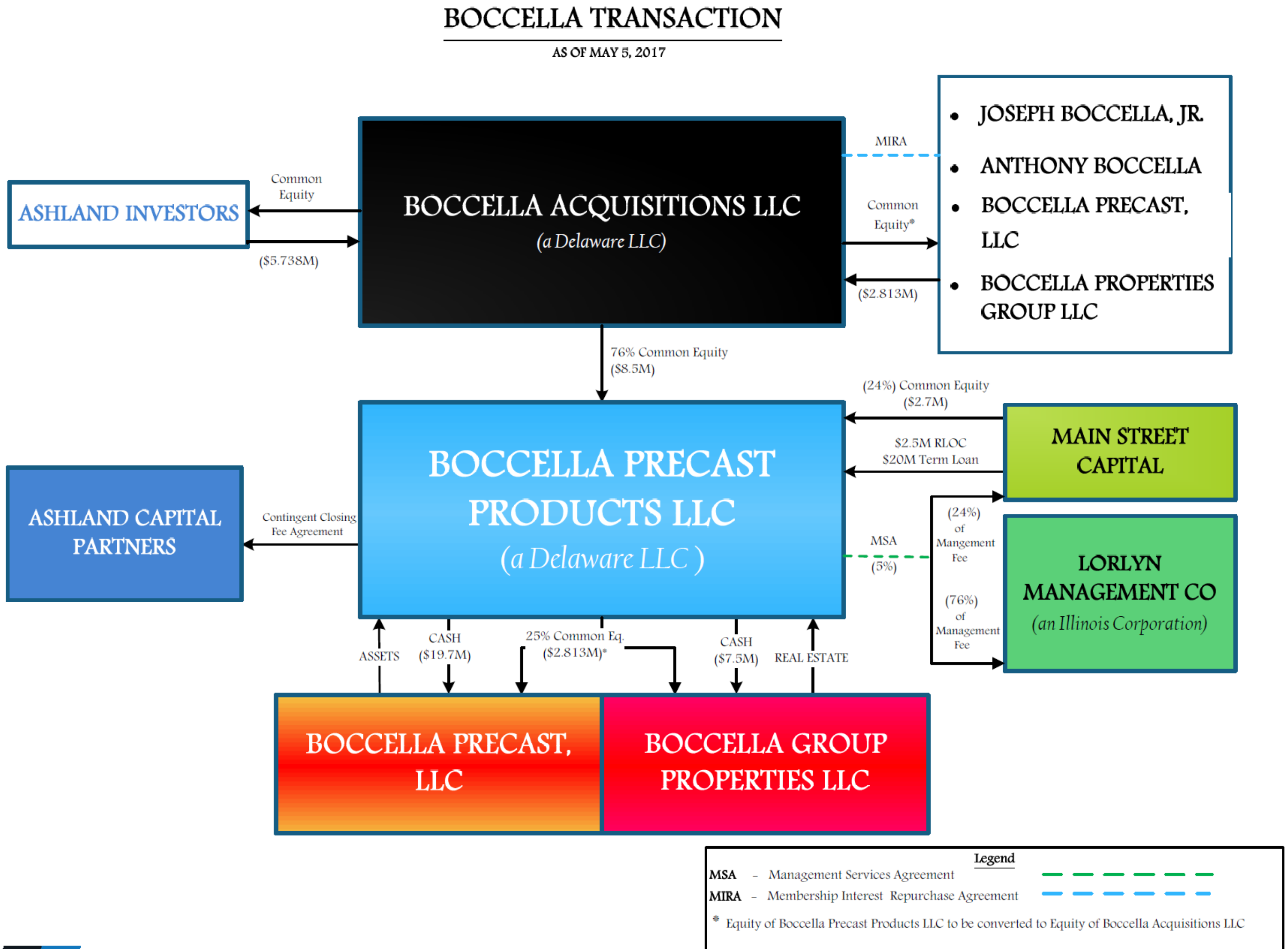
- Each member has preemptive rights to purchase, on a pro rata basis, any new issuances of units in BA

# Transaction Notes (continued)

## Transfer or Assignment of Interests (Continued)

- In order to provide liquidity, each Ashland Investor (other than John C. Lorentzen, James M. Lynch, A. Boccella and J. Boccella) has the right to put all but not less than all of its, his or her membership interests in BA to BA on certain put redemption dates as follows: 5 years, 7.5 years and 10 years after the closing of the Acquisition, and each five year anniversary thereafter. The redemption value of such membership interests put to the Company will be based on a formula equal to (i) 4.5 times the trailing 12 month EDITDA of BA as of the last day of the calendar year immediately preceding the date on which the put is exercised, plus (ii) the cash balance as of the put closing date, minus (iii) funded debt of BA as of the put closing date. Such redemption value (i) is to be paid in cash in immediately available funds or (ii) if the Board of BA determines that such payment is not prudent given the existing financial status of BA, such amount or any portion thereof may be paid by delivering a note for the deferred balance bearing interest at an annual rate of 6%, with all principal and interest due and owing thereunder payable dollar for dollar from the next distributions made by BA, in excess of normal tax distributions.

# Transaction Structure



# Market Overview

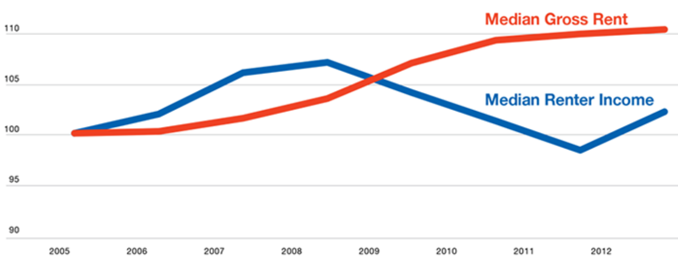
*Section III*

# The NYC Affordable Housing Dilemma - Explained

*"New York City's shortage of affordable housing has reached a crisis point"*
- Office of NYC Mayor Bill de Blasio

- Wages of NYC renters have stagnated over the past 20 years, increasing by less than an aggregate of 15% (inflation adjusted). During the same period, the average monthly rent for an apartment in New York city increased by an aggregate of almost 40% (inflation adjusted). Consequently, 48.7% of New Yorkers spend more than 30% of their income on rent. The current problem is compounded by the expected population growth in the city over the next 25 years.

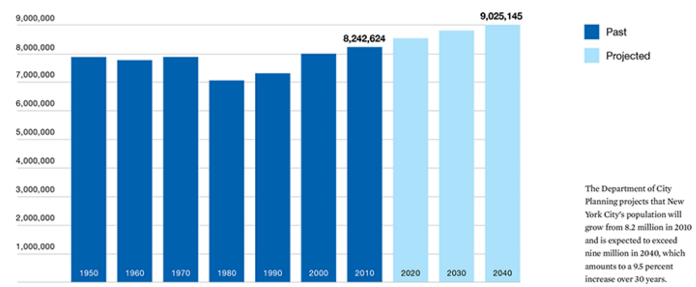
**Index of New York City Median Gross Rent and Renter Household Income, 2005 - 2012**




Data Source: 2005- 2012 American Community Survey (1-Year Estimates); Bureau of Labor Statistics CPI- NYC

Median rents have risen since 2005, but median incomes have remained essentially stagnant.

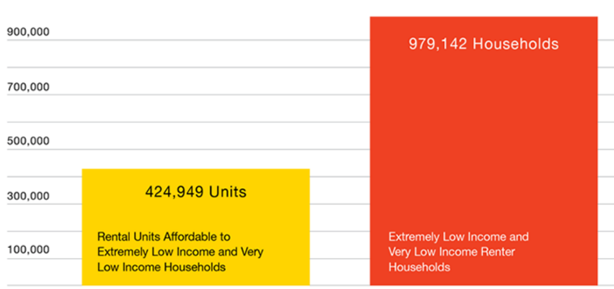
**New York City Population: Past, Present, and Future**




Data Source: New York City Department of City Planning, Population Division

- This problem is compounded by the current asymmetry in the supply and the demand for low income housing.

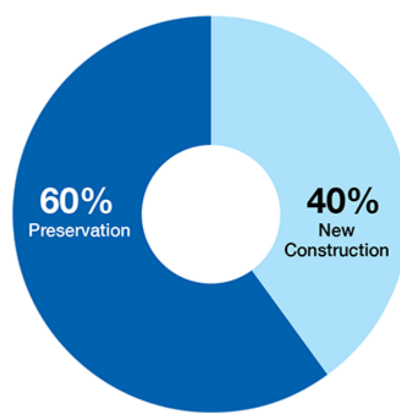
**Supply and Demand among Extremely Low Income and Very Low Income Renter Households**




Data Source: Housing and Vacancy Survey (U.S. Census), 2011.

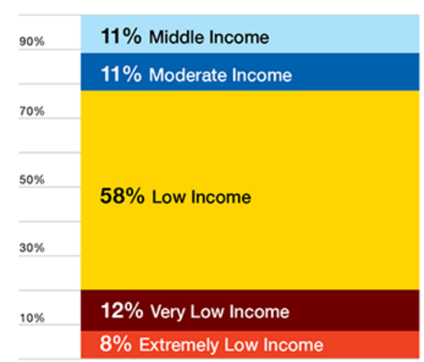
There are more than two Extremely Low Income and Very Low Income households for every one housing unit that is affordable to them.

**New Construction vs Preservation**




**Households Served**

Share of Housing Units Created or Preserved by Income Band



# Creating an Affordable New York

- In response to the growing population of low income individuals in New York city, as well as rapidly rising rental costs in New York, in May of 2014, Mayor Bill de Blasio outlined a 10-year plan to build or preserve 200,000 affordable apartments across all five boroughs—enough housing to serve more than a half-million New Yorkers. The plan, which allocates $41 billion dollars specifically to the development and construction of new affordable housing, is the most expansive and ambitious affordable housing agenda of its kind in the nation's history. In January 2017, de Blasio announced that 62,000 units had been financed to date under his plan. In February 2017, de Blasio announced that he had earmarked an additional $1.9 billion to add an additional 10,000 units on top of his original 2014 proposal.

- Under this plan, New York city added 22,000 new affordable housing units in 2016 – the most since 1989. This total includes 6,844 apartments in newly constructed buildings (both affordable housing and market rate)

- Over the past 3 years, the capital funding for the city's housing agency has doubled, rising to $798 million this year, up from $400 million in 2014
- https://www.nytimes.com/2017/01/11/nyregion/de-blasio-affordable-housing.html

- These levels are expected to persist in the coming years, and will increase as 421-a has been revived.

# 421-a Property Tax Abatement

- Established in 1971, when "New York City officials were concerned that residential construction was dropping as many residents moved to the suburbs", the 421-a tax exemption program was established. It incentivized development of large multi-unit complexes on vacant land by offering extended periods of property tax exemptions and abatements.

- In response to improving prosperity in many areas (Manhattan, Brooklyn, etc.) in 1981, many affluent areas were excluded as "Geographic Exclusion Areas" (GEA's). Construction projects in GEA's are eligible for the benefits of 421-a if they comply with certain minimums for affordable units (20-25% of total units, typically).

- The program lapsed in January 2016, but was recently renewed in April 2017 by the New York State Legislature

    - The new program, named the 'Affordable New York Housing Program', is expected to create an additional 2,500 units of housing affordable to poor, working-class and middle class New Yorkers.

    - Developers of multi-family complexes will be eligible for a full property tax exemption if they set aside at least 25-30%of the units for low and moderate income tenants.

    - The recently renewed program will remain in effect until the end of the 2022 fiscal year.

- Both Governor Cuomo and Mayor de Blasio have made affordable housing development cornerstones of their respective platforms. Both have committed to maintaining and accelerating the current pace of development.

# Low-Income Housing Tax Credit (LIHTC) & the NYSHFA

## LIHTC

- LIHTC's are dollar for dollar federal income tax credits offered to incentivize the development of affordable housing in the United States. It was created under the Tax Reform Act of 1986 to induce investment from private equity and other non-traditional developers in the creation of affordable housing projects.

- By law, the only investors that were originally eligible for LIHTC's were large C-Corporations. In response to the Great Recession, several provisions of the American Recovery and Reinvestment Act of 2009 were intended to expand the universe of investors that could materially benefit from LIHTC's, many of which persist today.

- Nationally, LIHTC's account for nearly 90% of the affordable rental housing units developed today.

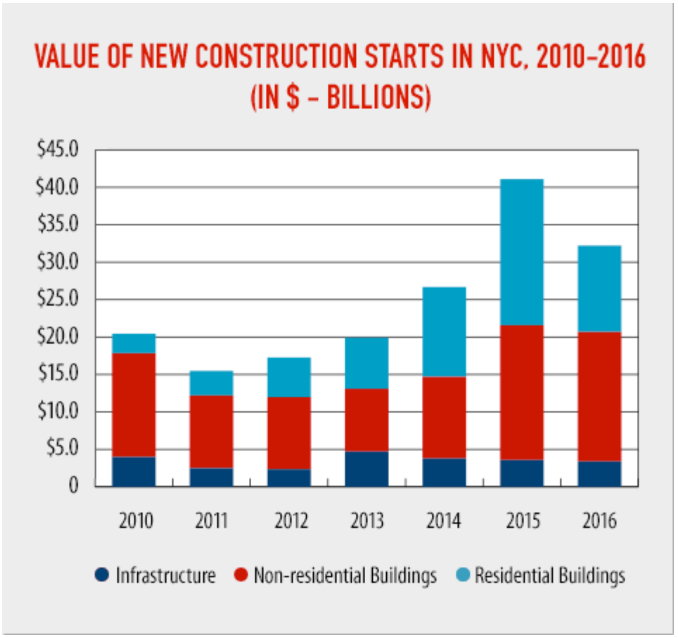
## New York State Housing Finance Agency (NYSHFA)

- The New York State Housing Finance Agency (HFA) offers financing to create and preserve affordable multifamily rental housing throughout the state. Developers can take advantage of several financing resources. These include agency-issued bonds-which can be tax-exempt, taxable or 501(c)(3) bonds-Low Income Housing Tax Credits; and subsidy loans.

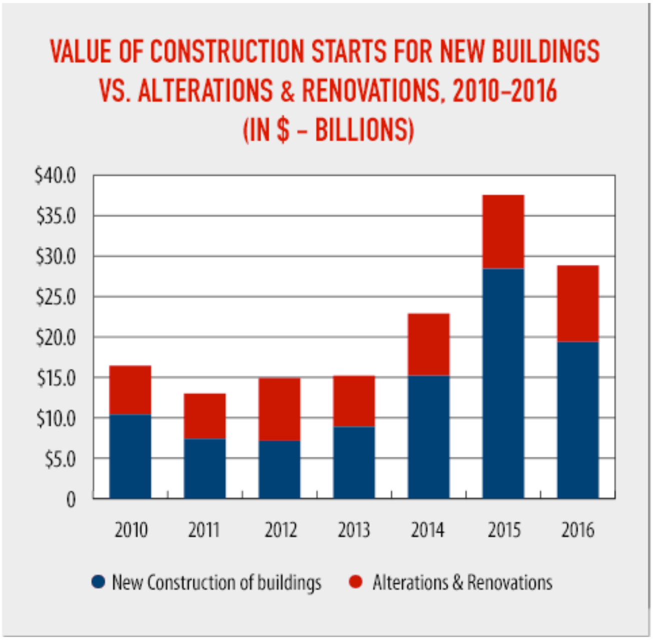
- These state financing vehicles typically work in conjunction with property tax abatement's such as 421-a

# Affordable Housing, Continued

In light of the increased focus on affordable housing, as well as the continued resources and incentive structures that are available to investors, management believes that the market for affordable housing will continue meet or exceed existing levels for the coming decade.




The noted decrease in residential construction starts is attributable to the repeal of 421a, which has been re-enacted in April 2017.

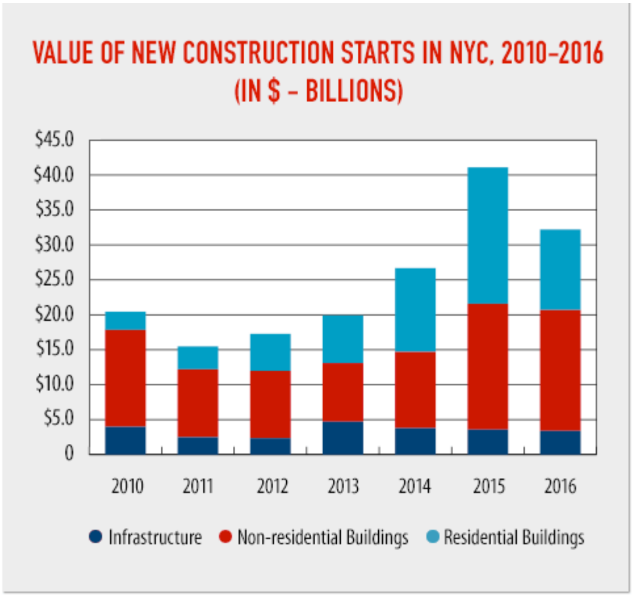



While new building construction remains at or near all time highs, there as also been a marked rise in Alterations and Renovations, from which Boccella also benefits.

# Other Markets

- While the NYC affordable housing market is sufficient to exhaust Boccella's current manufacturing capacity, Boccella's hollowcore plank is also applicable to other construction projects, such as market rate multi-family housing, office buildings, hospitals, hotels, and others. Boccella largely passes on these projects currently, but regularly receives attractive 'request for proposals'.

- Broadly, recent New York City Construction activity has greatly exceeded historical levels. Despite a 22% decrease from 2015 levels, 2016 still exceeded the 5 year average of inflation adjusted value of construction starts by 34%.

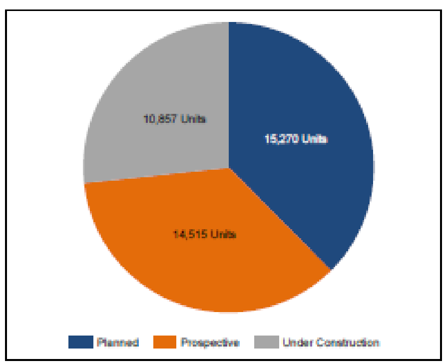



In its *New York City Construction Outlook,* The New York Building Congress forecasted that 2017 construction start value will revert to near 2015 levels. By analyzing active and anticipated building permits, in addition to A&R activity, 2017 is forecasted to be $42.1 billion, with 2018 forecasted to increase again slightly to $42.3 billion.

# Other Markets

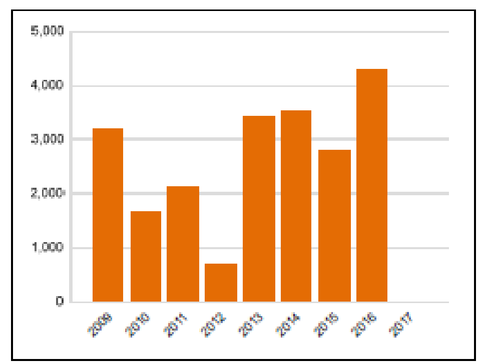
- As previously stated, over 95% of Boccella's hollowcore plank sales are related to affordable housing projects in the greater New York City area.
- As capacity has expanded, however, Boccella has recently started to accept projects in other contiguous areas, such as Philadelphia and southern New Jersey
- Very recently, Boccella was awarded the Lincoln Square project, a mixed-use market rate development, on Market Street in central Philadelphia. At $3.95 million, this project is the largest in the history of the company.
- As capacity increases to 10 casting beds, Boccella anticipates further diversifying its market exposure by opportunistically taking on projects in the greater Philadelphia area.
- The Philadelphia residential construction market reached a post-recession high in 2016, with 4,280 completed residential units. There are currently 11,000 additional units under construction and over 40,000 in the pipeline, per YardiMatrix's *Philadelphia Multifamily Spring 2017 Outlook.*

**Development Pipeline (as of February 2017)**




Source: YardiMatrix

**Philadelphia Completions (as of February 2017)**




Source: YardiMatrix

# Company Overview

*Section IV*

# Products Overview

- Boccella is manufacturer of Prestressed Hollow Core Plank
  - Produced using an extrusion process, Hollow Core Plank is traditionally used for floor, roof and mezzanine systems in large multi-family multi-story housing complexes
  - Boccella Hollow Core is produced at various lengths and thicknesses, but is always produced at a width of 4 feet.
  - It is 'pre-stressed' – cable net rebar is stretched along the bed, and is then released once concrete has been poured and extruded upon it.

- Manufacturing Facility
  - Boccella Hollow Core is produced in a 78,000 square feet building that currently employs 5 500 foot beds and 2 400 foot beds
    - Given the vast market for Hollow Core Plank in the Tri-State Area, Boccella production has historically only been limited by capacity. In 2016 they employed 5 beds. With 7 current beds, they are in the process of installing 3 400 foot additional beds to have 10 in total by Closing.
    - Pricing has fluctuated through economic cycles, dropping to a low of $4.50/sq. foot in 2009. Currently, projects are being quoted at $8.00 - $10.00 per square foot. However, in terms of volume, demand has always been sufficient to operate at capacity.

Left: Example of overhead crane and bed layout

# Products Overview (Continued)

- In the multi-story flooring space, Hollow Core Plank has two primary substitutes:

  1) 'Cast in Place' or 'In Situ' – forms built and poured on site. Solid concrete – no 'hollow core'
     - More expensive, longer erection times. Typically luxury or market rate
  2) 'Steel Joist' or 'Metal Deck' systems – layer of steel laid upon a configuration of beams and columns with a layer of redi-mix on top.
     - More expensive, longer erections times, and reduced space due to need for additional beams and columns. Typically market rate

- Hollow Core Plank is the preference for General Contractors and Construction Managers in affordable housing development projects, as it has a variety of advantages:
  - 50% lighter than 'Cast in Place', allowing for lower freight costs and use at higher floor levels
  - Retains near equivalent structural properties
  - Increases usable space by more than 20% versus Metal Deck systems
  - Ease and speed of achieving 4 hour fire rating, particularly with use of 2 inch concrete topping
  - Near equivalent sound and impact absorption
  - Rapid installation
  - Longer spans
  - Thinner decks (saves space in terms of wall heights). In many cases, an additional story is possible within building code maximum height limitations
  - All-weather construction and erection (except for extreme cold)
  - Tube core allows for use as conduit or foam insulation
- **In general, Hollow Core saves <u>Time, Money and Work</u>, all of which are critical in for economical affordable housing construction**

# Real Estate and Facilities

- The company is located approximately 25 miles Southeast of Philadelphia in Berlin, New Jersey.
- Included in the transaction is 55 acres of real estate on which the Company operates. There are 5 buildings, two of which currently house manufacturing operations.

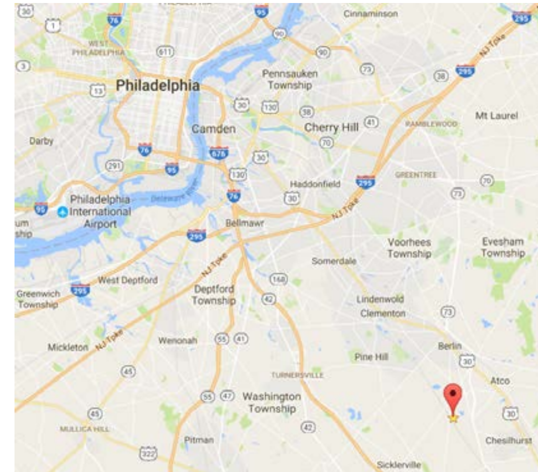
**Building 1:** 10,000 square feet of office space. Currently site of back office functions

**Building 2:** 78,000 square feet building with 2 ten 10 ton overhead cranes and one 15 ton acco crane. Batch plant with 81 cubic foot mixer, scaletron batch system, overhead aggregate hoppers, cement silo and five 500'-0" x 4'-0" and two 400'-0" x 4'-0" Prestressed Hollowcore concrete casting beds a (heated with hot water via gas).

**Building 3:** 30,000 square foot building with 2 ten ton wright overhead cranes currently being used for Misc. steel fabrication and storage. This building has potential for manufacturing architectural or Structural Wall Panels, Columns, Beams, Stairs, and Balcony Slabs.

**Building 4:** 7,000 square feet building currently being used for storage of equipment.

**Building 5:** 18,000 square feet building with 1 ten ton wright crane and 1 ten ton capco crane. Batch plant with 54 cubic foot mixer, overhead aggregate bins and cement silo. It has its own batch plant. Precast products could be manufactured in this plant.




# Experienced Management Team

| Executive | Experience | Tenure |
|---|---|---|
| **Anthony Boccella**<br>*Current - VP*<br>*Post-Close – CEO* | › Leader of Strategic Team and responsible for daily 'front office' operations<br>› Has served in his current role for the past 5+ years<br>› Maintains all customer relationships | 20 |
| **Joseph Boccella Jr**<br>*Current – Plant Manager*<br>*Post Close - President* | › Responsible for all aspects of manufacturing operations, including quality, manufacturing, purchasing and facility management | 20 |
| **Brian Ghegan**<br>*Current - Operations Manager*<br>*Post-Close - Same* | › Responsible for estimating, purchasing, productions scheduling, load sequencing, delivery coordination, and quality control submittals<br>› B.A. – Camden County College | 9+ |
| **Carol Shanin**<br>*Current - Controller and Office Manager*<br>*Post-Close - Same* | › Oversees accounting and reporting functions, administers payroll, HR, receivables, payables, and all insurance activites<br>› B.B.A. (Accounting) – Cumberland County College | 4+ |
| **Michael Bilocur**<br>*Current - Quality Control Manager*<br>*Post-Close - Same* | › Oversees PCI compliance<br>› ACI Field Technician and PCI Level III.<br>› B.A. – Camden County College | 4+ |

# Revenue by Customer

Top 15 Customers

| ($ in Thousands) | FY14 | | FY15 | | FY16 | |
|---|---|---|---|---|---|---|
| Customer | $ | % | $ | % | $ | % |
| Cheever Development | $ 246 | 2.2% | - | 0.0% | $ 3,765 | 16.0% |
| Nexus Properties | 2,194 | 19.9% | 18 | 0.1% | 3,177 | 13.5% |
| L. Riso | - | 0.0% | 360 | 2.3% | 2,138 | 9.1% |
| Mountco | - | 0.0% | 833 | 5.2% | 2,006 | 8.5% |
| Bruno Frustaci | 607 | 5.5% | 5,387 | 33.7% | 2,001 | 8.5% |
| Mega Cont. | 1,053 | 9.6% | 2,083 | 13.0% | 1,823 | 7.7% |
| J. Pilla | - | 0.0% | - | 0.0% | 1,333 | 5.7% |
| BRP | - | 0.0% | 125 | 0.8% | 1,125 | 4.8% |
| Sagemore Crescent | - | 0.0% | - | 0.0% | 982 | 4.2% |
| Procida Const. | - | 0.0% | - | 0.0% | 777 | 3.3% |
| Lasberg Const. | - | 0.0% | - | 0.0% | 745 | 3.2% |
| M. Melnick | - | 0.0% | - | 0.0% | 699 | 3.0% |
| TN Ward | 408 | 3.7% | 493 | 3.1% | 695 | 2.9% |
| Hollister Const. | - | 0.0% | 246 | 1.5% | 450 | 1.9% |
| KSK Const. | - | 0.0% | - | 0.0% | 439 | 1.9% |
| **Subtotal** | **$ 4,508** | *40.9%* | **$ 9,545** | *59.7%* | **$ 22,153** | *93.9%* |
| Others | 6,514 | 59.1% | 6,435 | 40.3% | 1,441 | 6.1% |
| **Total Sales** | **$ 11,022** | *100.0%* | **$ 15,980** | *100.0%* | **$ 23,594** | *100.0%* |

Notes: - Rank based on FY 2016 sales

# Backlog and Pipeline

| (in $000's) Customer | Customer Type | Type | Units | Location | Contract Amount | Billed to Date | Backlog (unbilled) |
|---|---|---|---|---|---|---|---|
| Cheever Development | GC/CM | Affordable | 92 | Bronx, NY | $ 830 | $ 675 | $ 155 |
| L. Riso & Sons | GC/CM | Affordable | 37 | Brooklyn, NY | 745 | 619 | 126 |
| Mega Contracting | GC/CM | Affordable | 112 | Bronx, NY | 1,390 | 584 | 806 |
| Galaxy General Contracting | GC/CM | Affordable | 51 | Brooklyn, NY | 390 | 8 | 382 |
| Monadnock Construction | GC/CM | Affordable | 205 | Manhattan, NY | 1,502 | 902 | 600 |
| C&S Construction | GC/CM | Affordable | 30 | Bronx, NY | 790 | 346 | 444 |
| MacQuesten Const. Mgmt. | GC/CM | Affordable | 114 | Bronx, NY | 1,815 | 671 | 1,144 |
| Cheever Development Corp. | GC/CM | Affordable | 197 | Bronx, NY | 1,785 | 1,222 | 562 |
| Kane Ventures | Developer | Condominiums | 21 | Manhattan, NY | 415 | 163 | 252 |
| Volmar Construction | GC/CM | Market Rate | 65 | Manhattan, NY | 925 | 281 | 644 |
| M. Melnick & Co., Inc. | GC/CM | Affordable | 123 | Brooklyn, NY | 918 | 221 | 697 |
| Lettire Construction | GC/CM | Mixed Income | 90 | Bronx, NY | 1,450 | 460 | 990 |
| Procida-Butz | GC/CM | Affordable | 155 | Bronx, NY | 443 | 2 | 441 |
| The J. Pilla Group, Ltd. | GC/CM | Affordable | 58 | Bronx, NY | 813 | 93 | 719 |
| Levine Builders | GC/CM | Senior Living Center | 108 | Staten Island, NY | 1,741 | 1,176 | 564 |
| L&M Builders Group, LLC | GC/CM | Market Rate | 110 | New York, NY | 1,084 | 90 | 994 |
| Sisca Northeast, Inc. | GC/CM | Affordable | 67 | St. Albans, NY | 763 | 393 | 369 |
| Chatsworth Group, LLC | GC/CM | Affordable | 157 | Bronx, NY | 1,762 | 28 | 1,735 |
| Chatsworth Group, LLC | GC/CM | Affordable | 155 | Bronx, NY | 1,355 | 183 | 1,172 |
| Mega Contracting | GC/CM | Market Rate | 58 | Bronx, NY | 1,274 | 20 | 1,254 |
| L&M Builders Group, LLC | GC/CM | Affordable | 126 | Bronx, NY | 1,164 | 1,013 | 151 |
| Mega Contracting | GC/CM | Affordable | 105 | Brooklyn, NY | 2,300 | 1,284 | 1,016 |
| **Total Backlog** | | | **2,236** | | **$ 25,652** | **$ 10,434** | **$ 15,219** |
| **Pipeline (Awarded work but not commenced): 16** | | | | | | | |
| **11 Customers** | **15 GC/CM's; 1 Precaster** | **10 affordable, 3 Market Rate 2 University, 1 Senior Living** | **1,811** | **11 NYC; 5 PA/NJ** | | | **$ 19,116** |
| **Total Backlog + Pipeline** | | | **4,047** | | | | **$ 34,334** |

- Notes – Backlog and Pipeline realizing is fluid due to construction delays, etc. Most should fall between 2017 and 2018

# Competitors

The cost of freight is a critical barrier to any competitive bid. As such, it is common that geographically non-proximate bids will not be awarded.

While Boccella primarily serves the 5 boroughs market currently, we have identified 8 additional markets outside fo New York that Boccella does not currently serve to any significant degree. For the purposes of this analysis, we included Boccella's 6 major competitors in that have both A) significant Hollow Core Plank manufacturing capabilities and B) can be competitive in our identified new product categories.

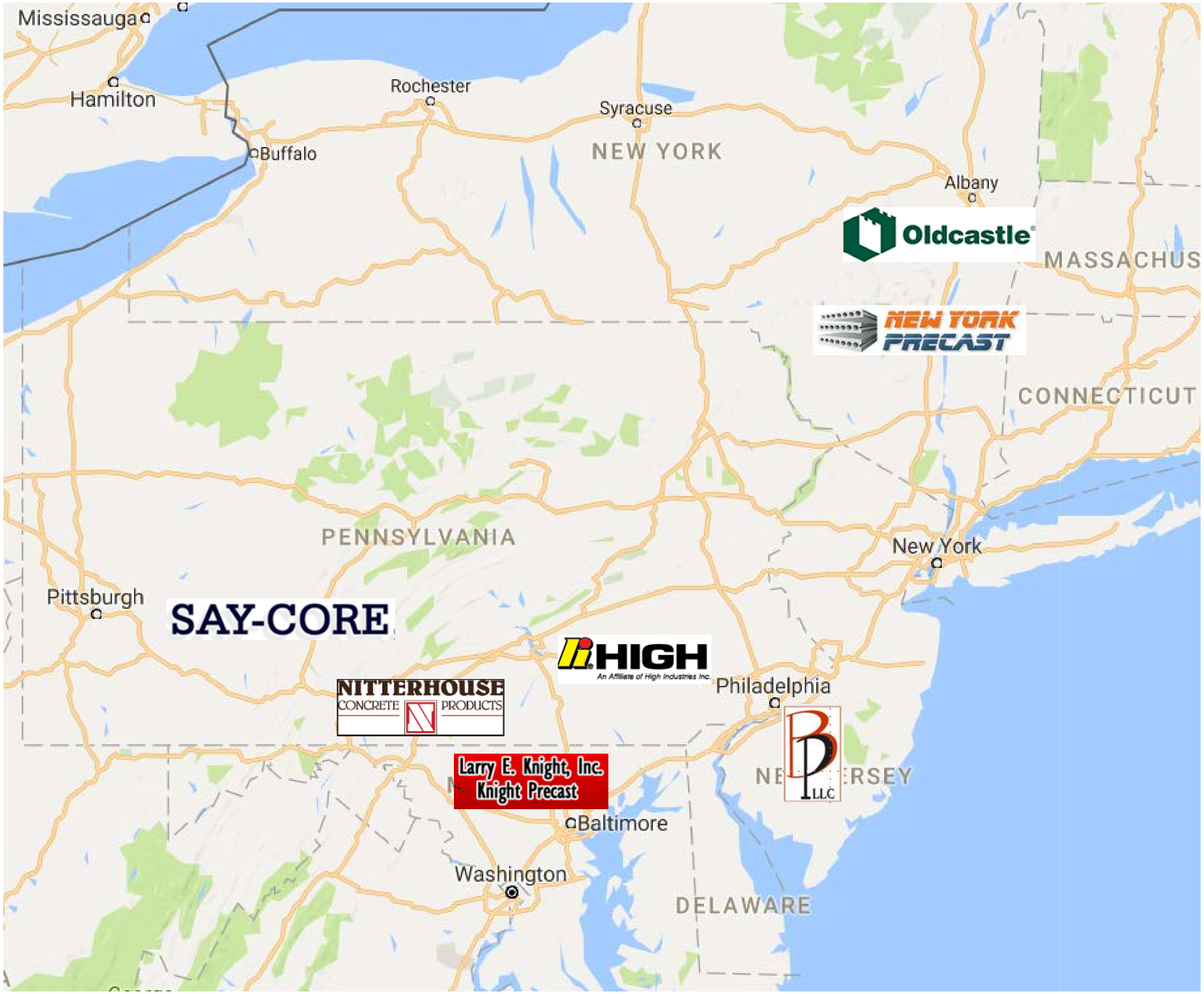
The analysis below ranks the 7 known market participants based on proximity to the center of each identified market area.

| (1=Closest, 7=Furthest) | Manhattan | Brooklyn | Bronx | Queens | Staten Island | Philadelphia | Camden | Newark | Baltimore | Washington DC | Atlantic City | Wilmington |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Boccella Precast (New Berlin, NJ)** | **2** | **1** | **2** | **1** | **1** | **1** | **1** | **1** | **4** | **4** | **1** | **1** |
| Oldcastle Precast (Selkirk, NY) | 3 | 4 | 3 | 3 | 4 | 6 | 6 | 4 | 7 | 7 | 6 | 7 |
| Larry E Knight, Inc. (Glyndon, MD) | 5 | 5 | 5 | 5 | 5 | 3 | 3 | 5 | 1 | 1 | 3 | 3 |
| High Concrete, Inc. (Denver, PA) | 4 | 3 | 4 | 4 | 3 | 2 | 2 | 3 | 3 | 3 | 2 | 2 |
| New York Precast (Kingston, NY) | 1 | 2 | 1 | 2 | 2 | 5 | 5 | 2 | 5 | 6 | 4 | 5 |
| Nitterhouse Concrete Products (Chambersburg, PA) | 6 | 6 | 6 | 6 | 6 | 4 | 4 | 6 | 2 | 2 | 5 | 4 |
| Saycore (Portage, PA) | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 5 | 5 | 7 | 6 |

# Competitors

| Competitor | Capabilities | # Hollowcore Beds | Management Commentary |
|---|---|---|---|
| **Boccella Precast (New Berlin, NJ)** | **Hollowcore** | **7 currently - 3 in development** | Ashland's Chicago-based industry expert verified that Boccella has industry leading quality, and produces with a cost structure that is diffucult to replicate |
| Oldcastle Precast (Selkirk, NY) | Hollowcore, Wall Panels, Colums, Beams | | Low quality hollow core plank. Highly beaurocratic corporate environment, customers find them difficult to work with |
| Larry E Knight, Inc. (Glyndon, MD) | Hollowcore | 4 | Limited capacity. Limited geographically in terms of number of loads they can economically ship to NYC per day. High quality. |
| High Concrete, Inc. (Denver, PA) | Wall Panels, Double Tee's. Comprehensive non-hollowcore precast facility | 0 | Dominates Parking Deck market in Tri-State area. Often times will take jobs that require hollowcore, in which case they subcontract with Boccella |
| New York Precast (Kingston, NY) | Hollowcore and in-house erection capabilities | 5-10. Unknown | Very poor repuation, both quality and character of management team. Only works with specific general contractors. Very 'relationship based'. Boccella does not want to work with the GC's that work with New York Precast. |
| Nitterhouse Concrete Products (Chambersburg, PA) | Hollowcore, Double Tee's, Wall Panels | 5 | Do not compete in NYC market. Mostly Western PA and Maryland. Average to above average quality. |
| Saycore (Portage, PA) | Hollowcore | 3 | Extremely poor quality product and on-time delivery. Boccella has taken over their jobs on several occasions |

# Competitors



# Growth Opportunities

*Section V*

# Short Term Growth Opportunities

## In the first 3 months following Closing, Boccella will begin offering in-house manufacturing for stairs and landings

- Boccella is contracted to source, transport and erect Stairs and Landings in 85-90% of current Boccella awarded bids. Boccella currently subcontracts the production of the stairs and landings at cost (pass through item).
- LTM Mar17 Stairs and Landings Revenue, which are currently sold at 0% gross margin, were approximately $2.4 million. Management believes these can be produced at a 25-30% gross margin. We estimate that in-housing Stairs and Landings would add approximately $500k in EBITDA annually based on current sales levels.
- CapEx for the Stairs and Landings forms and equipment is estimated to be $300k

## In the first 3 months following Closing, Boccella will add 1-2 additional sales personnel to ensure that the full 10 beds are utilized at capacity

- New sales staff would be dedicated to capturing market share from the currently undeveloped Philadelphia and Southern New Jersey markets

# Long Term Growth Opportunities

In 18 to 24 months following Closing, Boccella will consider exploring adding Wall Panel and Double Tee production capabilities

- Boccella believes that there is only one significant competitor of significance in the local market – High Concrete. Much of the remaining competition is highly fragmented with one off lower-end precast concrete manufacturers.

- Wall Panels and Double Tee's require the erection of a new buildings and will require extensive equipment capital expenditures. Current estimates are $2 million for wall panels and $3 million for Double Tee's

- Boccella would leverage the knowledge base of Napco Precast, an existing portfolio company, for development of its Double Tee Facility. We currently anticipate hiring an experienced outside managerial level individual for the development of the wall panel line.

- We will assess management's capabilities over the next 18-24 months before determining whether the existing team has the necessary bandwidth and capacity to implement these new product initiatives.

# Investor Returns

*Section VI*

# Pre-tax Returns to Investors (after fees and carry)

## NOTE: RETURNS ANALYSIS IS FOR ILLUSTRATIVE PURPOSES ONLY, ASHLAND INTENDS TO HOLD THE INVESTMENT INDEFINTLEY

### Base Case

| *$ in thousands* | | FYE 2021E |
|---|---|---|
| FY 2021E EBITDA | $ | 9,852 |
| x Exit Multiple | | 5.0x |
| Implied Enterprise Value | | 49,258 |
| | | |
| Implied Enterprise Value | | 49,258 |
| Less: Total Debt | | - |
| Less: Preferred Equity | | - |
| Plus: Cash | | - |
| **Implied Equity Value** | | **49,258** |
| | | |
| ***LP Returns*** | | |
| Initial Investment | | 5,738 |
| Carried Interest | | (5,813) |
| Aggregate Tax Distributions | | 9,684 |
| Equity Value at Exit | $ | 25,121 |
| | | |
| **Internal Rate of Return (IRR)** | | **46.3%** |
| **Cash-on-Cash Return** | | **5.1x** |

### Growth Case

| *$ in thousands* | | FYE 2021E |
|---|---|---|
| FY 2021E EBITDA | $ | 12,048 |
| x Exit Multiple | | 5.0x |
| Implied Enterprise Value | | 60,242 |
| | | |
| Implied Enterprise Value | | 60,242 |
| Less: Total Debt | | - |
| Less: Preferred Equity | | - |
| Plus: Cash | | - |
| **Implied Equity Value** | | **60,242** |
| | | |
| ***LP Returns*** | | |
| Initial Investment | | 5,738 |
| Carried Interest | | (7,406) |
| Aggregate Tax Distributions | | 12,042 |
| Equity Value at Exit | $ | 30,723 |
| | | |
| **Internal Rate of Return (IRR)** | | **54.3%** |
| **Cash-on-Cash Return** | | **6.2x** |

### No Growth Case

| *$ in thousands* | | FYE 2021E |
|---|---|---|
| FY 2021E EBITDA | $ | 8,843 |
| x Exit Multiple | | 5.0x |
| Implied Enterprise Value | | 44,214 |
| | | |
| Implied Enterprise Value | | 44,214 |
| Less: Total Debt | | - |
| Less: Preferred Equity | | - |
| Plus: Cash | | - |
| **Implied Equity Value** | | **44,214** |
| | | |
| ***LP Returns*** | | |
| Initial Investment | | 5,738 |
| Carried Interest | | (4,877) |
| Aggregate Tax Distributions | | 7,573 |
| Equity Value at Exit | $ | 22,549 |
| | | |
| **Internal Rate of Return (IRR)** | | **39.8%** |
| **Cash-on-Cash Return** | | **4.4x** |

# Historical & Projected Income Statement (Base Case)

## Base Case

| | Historical Year Ending | | | TTM | Projected | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2014A | 2015A | 2016E | Apr17 | 2017E | 2018E | 2019E | 2020E | 2021E |
| Revenue | $ 11,022 | $ 16,065 | $ 23,605 | $ 31,411 | $ 34,227 | $ 37,650 | $ 39,532 | $ 41,509 | $ 43,585 |
| *Growth Rate %* | *0.0%* | *45.7%* | *46.9%* | *33.1%* | *45.0%* | *10.0%* | *5.0%* | *5.0%* | *5.0%* |
| COGS | 7,624 | 11,921 | 15,909 | 21,005 | 23,068 | 25,375 | 26,644 | 27,976 | 29,375 |
| Gross Profit | 3,398 | 4,144 | 7,696 | 10,406 | 11,159 | 12,275 | 12,889 | 13,533 | 14,210 |
| *Gross Margin %* | *30.8%* | *25.8%* | *32.6%* | *33.1%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* |
| SG&A | 1,161 | 1,861 | 3,007 | 3,193 | 3,423 | 3,765 | 3,953 | 4,151 | 4,358 |
| *% of Revenue* | *10.5%* | *11.6%* | *12.7%* | *10.2%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* |
| Depreciation | 42 | - | 339 | 339 | 1,047 | 1,097 | 1,184 | 1,259 | 1,309 |
| *% of Revenue* | *0.4%* | *0.0%* | *1.4%* | *1.1%* | *3.1%* | *2.9%* | *3.0%* | *3.0%* | *3.0%* |
| **Pro Forma EBITDA** | **$ 2,280** | **$ 2,283** | **$ 5,028** | **$ 7,552** | **$ 7,736** | **$ 8,510** | **$ 8,936** | **$ 9,382** | **$ 9,852** |
| ***EBITDA Margin %*** | ***20.7%*** | ***14.2%*** | ***21.3%*** | ***24.0%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** |
| **Capital Expenditures** | **2,082** | **987** | **$ 250** | **$ 350** | **$ 250** | **$ 750** | **$ 1,000** | **$ 500** | **$ 500** |
| *% of Revenue* | *18.9%* | *6.1%* | *1.1%* | *1.1%* | *0.7%* | *2.0%* | *2.5%* | *1.2%* | *1.1%* |

# Historical & Projected Income Statement (Growth Case)

## Growth Case

| | Historical Year Ending | | | TTM | Projected | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2014A | 2015A | 2016E | Apr17 | 2017E | 2018E | 2019E | 2020E | 2021E |
| Revenue | $ 11,022 | $ 16,065 | $ 23,605 | $ 31,411 | $ 37,768 | $ 41,545 | $ 45,699 | $ 49,355 | $ 53,304 |
| *Growth Rate %* | *0.0%* | *45.7%* | *46.9%* | *33.1%* | *60.0%* | *10.0%* | *10.0%* | *8.0%* | *8.0%* |
| COGS | 7,624 | 11,921 | 15,909 | 21,005 | 25,454 | 28,000 | 30,800 | 33,264 | 35,925 |
| Gross Profit | 3,398 | 4,144 | 7,696 | 10,406 | 12,314 | 13,545 | 14,899 | 16,091 | 17,379 |
| *Gross Margin %* | *30.8%* | *25.8%* | *32.6%* | *33.1%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* |
| SG&A | 1,161 | 1,861 | 3,007 | 3,193 | 3,777 | 4,154 | 4,570 | 4,936 | 5,330 |
| *% of Revenue* | *10.5%* | *11.6%* | *12.7%* | *10.2%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* |
| Depreciation | 42 | - | 339 | 339 | 1,059 | 1,134 | 1,284 | 1,434 | 1,522 |
| *% of Revenue* | *0.4%* | *0.0%* | *1.4%* | *1.1%* | *2.8%* | *2.7%* | *2.8%* | *2.9%* | *2.9%* |
| **Pro Forma EBITDA** | **$ 2,280** | **$ 2,283** | **$ 5,028** | **$ 7,552** | **$ 8,537** | **$ 9,390** | **$ 10,330** | **$ 11,156** | **$ 12,048** |
| ***EBITDA Margin %*** | ***20.7%*** | ***14.2%*** | ***21.3%*** | ***24.0%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** | ***22.6%*** |
| **Capital Expenditures** | **2,082** | **987** | **$ 500** | **$ 350** | **$ 500** | **$ 1,000** | **$ 2,000** | **$ 1,000** | **$ 750** |
| *% of Revenue* | *18.9%* | *6.1%* | *2.1%* | *1.1%* | *1.3%* | *2.4%* | *4.4%* | *2.0%* | *1.4%* |

# Historical & Projected Income Statement (No Growth)

## No Growth Case

| | Historical Year Ending | | | TTM | Projected | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2014A | 2015A | 2016E | Apr17 | 2017E | 2018E | 2019E | 2020E | 2021E |
| Revenue | $ 11,022 | $ 16,065 | $ 23,605 | $ 31,411 | $ 30,687 | $ 31,607 | $ 32,555 | $ 33,532 | $ 34,538 |
| *Growth Rate %* | *0.0%* | *45.7%* | *46.9%* | *33.1%* | *30.0%* | *3.0%* | *3.0%* | *3.0%* | *3.0%* |
| COGS | 7,624 | 11,921 | 15,909 | 21,005 | 20,682 | 21,302 | 21,941 | 22,599 | 23,277 |
| Gross Profit | 3,398 | 4,144 | 7,696 | 10,406 | 10,005 | 10,305 | 10,614 | 10,933 | 11,260 |
| *Gross Margin %* | *30.8%* | *25.8%* | *32.6%* | *33.1%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* | *32.6%* |
| SG&A | 1,161 | 1,861 | 3,007 | 3,193 | 3,069 | 3,161 | 2,930 | 2,683 | 2,418 |
| *% of Revenue* | *10.5%* | *11.6%* | *12.7%* | *10.2%* | *10.0%* | *10.0%* | *9.0%* | *8.0%* | *7.0%* |
| Depreciation | 42 | - | 339 | 339 | 1,047 | 1,084 | 1,124 | 1,154 | 1,184 |
| *% of Revenue* | *0.4%* | *0.0%* | *1.4%* | *1.1%* | *3.4%* | *3.4%* | *3.5%* | *3.4%* | *3.4%* |
| **Pro Forma EBITDA** | **$ 2,280** | **$ 2,283** | **$ 5,028** | **$ 7,552** | **$ 6,936** | **$ 7,144** | **$ 7,684** | **$ 8,250** | **$ 8,843** |
| ***EBITDA Margin %*** | ***20.7%*** | ***14.2%*** | ***21.3%*** | ***24.0%*** | ***22.6%*** | ***22.6%*** | ***23.6%*** | ***24.6%*** | ***25.6%*** |
| **Capital Expenditures** | **2,082** | **987** | **$ 250** | **$ 350** | **$ 250** | **$ 500** | **$ 300** | **$ 300** | **$ 300** |
| *% of Revenue* | *18.9%* | *6.1%* | *1.1%* | *1.1%* | *0.8%* | *1.6%* | *0.9%* | *0.9%* | *0.9%* |