

SELF-REGULATING HEAT TRACE STRIPPING TOOL

Andrew Cloy



ABOUT ME

Electric process heating and heat trace background

Industrial and commercial design, estimating, sales

USAF electrician

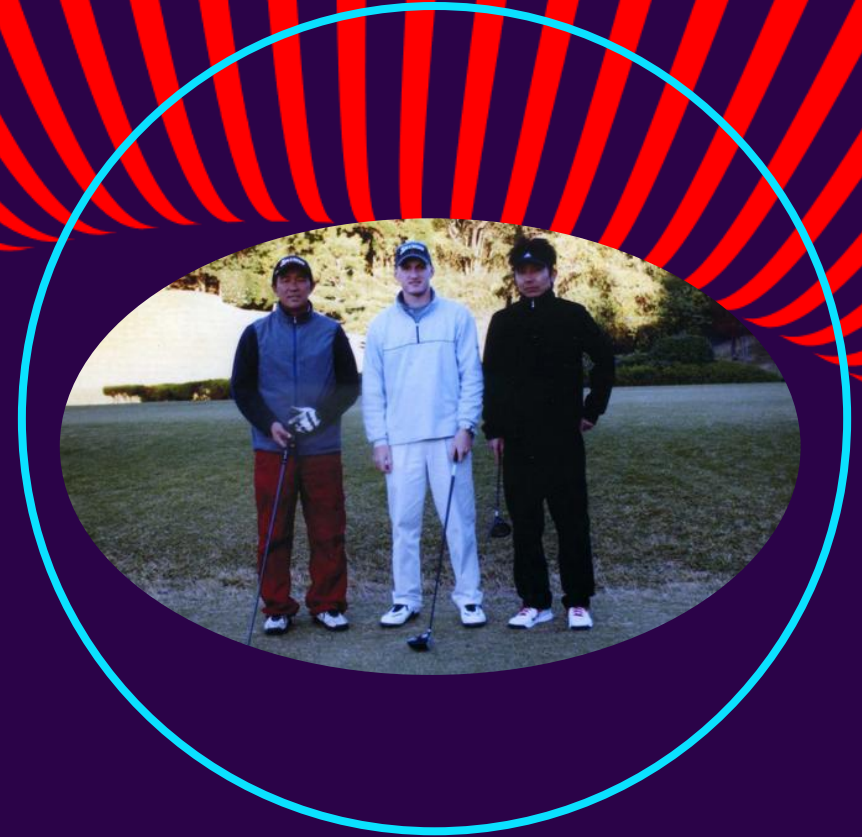
Lived in Japan for 5.5 years

Worked for Thermon in my 20's, I love Thermon

Married w/ 3 kids

Magnolia, TX

- Prototyping
- Small scale plastic manufacturing
- Sales



PROBLEM

Self-regulating cable

With utility knives or shears, stripping self-regulating cable is dangerous and tendinous work.

Costs

1. loss of productivity – 2.5%
2. Safety impact
3. Termination quality
4. Overall system integrity

Market gap

No products on the market to really solve the problem

Problems

No great designs exist
Developing such a tool is costly
R&D takes time
Unsure if good investment

SOLUTION



PRODUCT OVERVIEW



Unique

A completely new design and stripping method



Tested

Designed around BSX
Fits others



First to market

Technology that's highly functional and made in USA



Authentic

Inventor has stripped over 500 SR cables the hard way



COMPETITION

THERMON

- No current tool (to my knowledge)

NVENT AND CHROMALOX

- Stripping tools are expensive and don't function well.
- Existing specialty tools strip slower than a utility knife.
- The tools are safe but not widely liked by pros.

MARKET OPPORTUNITY

\$417K

New revenue stream

Revenue over 12 months

Ex: 10 tools per business day @ \$160 per tool
*261 business days= \$417,600

\$27K

Lower labor costs

Ex: 25K hours installing SR cable systems,
1,250 Hours stripping, 50% faster stripping,
625 hours saved per year at \$44 per hour
cost = \$27,500.

\$274K

Sell to other manufacturers

Ex: 15 tools per business day @ \$70
per tool * 261 business days= \$274,000

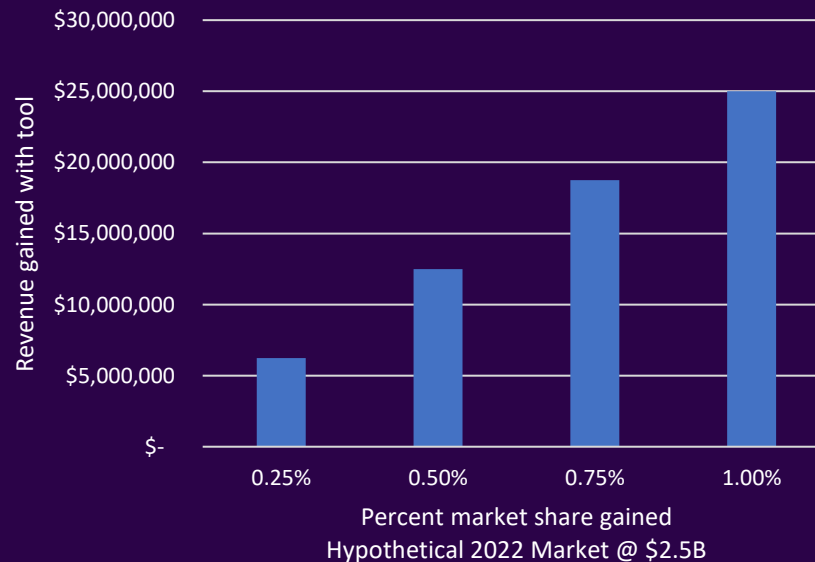
\$6.25M

MARKET OPPORTUNITY

This tool solves three major pain points, all at the top of the list for installers.

Better systems attract more customers.

Gain measurable market share by improving what you already have.





PRODUCT BENEFITS

Safety

- Covered, recessed and internal cutting surfaces
- Maximum Cutting depth is $<1/16^{\text{th}}$ inch on cuts
- Reduce high risk time spent in pipe racks, man-lifts, etc..
- Light weight if dropped

PRODUCT BENEFITS

Production

- Faster jacket removals with perfect cuts
- Total core removal in under 30 seconds
- Leaves bus wires cleanly exposed (tested on BSX*)
- Remaining core around the wires peels off by hand

PRODUCT BENEFITS

Termination Quality

- No loose ground braid strands
- No nicked bus wires
- **Reduce start-up and commissioning cost**
- **Improve system reliability**
- **Reduce warranty callouts**

PRODUCT BENEFITS

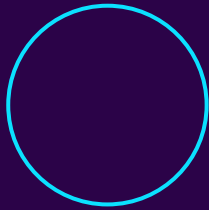
Tool Quality

- 100% Made in USA
- Lifetime carbide blades
- Damaged blades are replaceable if damaged

BUSINESS MODEL

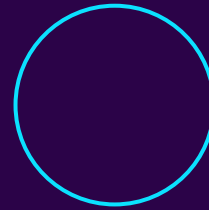


STRUCTURE



Andrew

30% of stripper revenue via 1099
6 year agreement to manufacture
10 year non-competition



Thermon

\$6-20M annual impact on sales
70% of stripper revenue

SUMMARY

- Thermon is the safety, technology and quality leader
- This technology belongs at Thermon
- Realistic \$6-25M impact on sales
- New \$1M product line by 2025
- No investment or burden, self supporting

RESPECTFULLY

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