

# Stark Industries, Inc

NOTE ON COLOR, SHADING, AND BORDERS THROUGHOUT WORKBOOK  
 BLUE - INPUT UNLOCKED CELLS-USER INPUT OF METRICS, RESULTS, & ASSUMPTIONS.

YELLOW HIGHLIGHTS	26.50%	OR < 20% FROM INDUSTRY METRIC
RED-EXPENSE/LIABILITY/LOSS	34.00%	OR > 20% FROM DESIRED METRIC
GREEN - INCOME / ASSET	25.00%	OR MEETS/EXCEEDS METRIC

## INPUT TAB - INDUSTRY BENCHMARKS

				Reports Menu	Valuation Tools Menu	Key Stats - Change Graphs Range
NAICS:	INPUT	321456	INDUSTRY AVERAGES			
Industry Average # of FTEs	INPUT	50				Industry Comps EBITDA Margin 10.00%
Industry Average Revenue Growth	INPUT	= > 5.0%				Industry Adj EBITDA Multiple 5.0
Industry Revenue Per Labor FTE	INPUT	= > \$200,000	LABOR PAYROLL			Industry Adj Revenue Multiple 49%
Industry Average Labor Wage:	INPUT	= < \$60,000	30.00%			
Materials	INPUT	= < 14.0%	COGS:			Cash/Total Assets > 15%
Supplies	INPUT	= < 8.0%	52.00%			Cash - % Revenue > 15%
Gross Profit Margin			48.00%			(Cash + A/R) / Current Liabs: > 50%
Industry Revenue Per Office FTE	INPUT	= > \$400,000	OFFICE PAYROLL			A/R Days Out : < 45
Industry Average Office Wage	INPUT	= < \$86,000	22.00%			Inventory Days Out : < 90
Industry Owner's Comp - % of Revenue	INPUT	= < 3.0%	OTHER OPER EXPENSES			A/P Days Out : < 45
Industry Non-payroll Expenses - % of Revenue	INPUT	= < 13.0%	16.00%			Net Working Capital % < 15.0%
Industry Pre-Tax Margin	INPUT	= > 6.0%	OPERATING PROFIT			Current Ratio: > 1.50
Industry Return on Assets %:	INPUT	= > 10.0%	MARGIN			A/R Loan Advance Rate: 80%
Industry Return on Equity %:	INPUT	= > 20.0%	10.00%			Inventory Loan Advance Rate: 60%

Primary Margins Graph	Industry Gross Margin Analysis	Industry Operating Margin Analysis	P&L Common Size Analysis	Cash Flow Statements	Net Working Capital Analysis
Debt Analysis	Risk Ratings	Collateral Analysis		Breakeven Analysis	Balance Sheet Charts

Liquid Assets/Total Liabilities	>	20%	Ownership	
Debt/Net Worth	<	2.00	Bill James	35%
Fixed Asset Turnover	>	4.00	Steve James	35%
Total Asset Turnouwer	>	1.50	Tim Lane	10%
EBITDA/Debt Service	>	1.50	Jim Jones	10%
Fixed Charge Coverage:	>	1.15	Tom Brady	10%
(Cash + A/R)/Monthly Expenses:	>	3.00	Total Shares	100%
Total Liabilities/Total Assets:	<	70.00%	Legal Structure	S-Corp
Total Liabilities/EBITDA:	<	4.50	Fiscal Year End	31-Dec
Cash Benchmark: # of Avg Month's Expenses	=	2.00	Statement Type	Reviewed
Max Leverage Benchmark: Total Debt/EBITDA:	<	3.00		
Net Worth Benchmark: Total Liabs/Net Worth:	<	2.00		
Maximum Distributions - % of Earnings:	<	50%		



Market Approach Value Business Value Summary

Enter Company Financials	2020	2021	2022	2023	2024
# of F-T-E Production Employees	81	87	92	93	96
# of F-T-E Office Employees	47	49	50	50	53
	128				
Equipment Sales	10,712,648	11,593,379	12,190,115	12,393,045	12,772,686
Service	3,974,407	4,188,890	4,773,608	5,255,181	5,464,217
Other	-	-	-	-	-
<b>Total Revenue</b>	<b>14,687,055</b>	<b>15,782,269</b>	<b>16,963,723</b>	<b>17,648,226</b>	<b>18,236,903</b>
	-	-	-	-	-
Materials	2,082,179	2,337,135	2,540,183	2,502,859	2,600,316
<b>Production Wages</b>	<b>4,214,352</b>	<b>4,725,366</b>	<b>5,631,941</b>	<b>5,442,962</b>	<b>5,689,813</b>
Supplies	1,157,899	1,192,635	1,028,415	1,214,404	1,532,789
<b>Total COGS</b>	<b>7,454,430</b>	<b>8,255,136</b>	<b>9,200,539</b>	<b>9,160,225</b>	<b>9,822,918</b>
	-	-	-	-	-
Office Wages	3,159,521	3,397,932	3,932,600	3,782,500	3,969,649
Payroll Taxes	229,065	246,350	294,945	274,231	287,799
	-	-	-	-	-
Futa	-	-	-	-	-
<b>Wages &amp; Payroll Taxes</b>	<b>3,388,586</b>	<b>3,644,282</b>	<b>4,227,545</b>	<b>4,056,731</b>	<b>4,257,448</b>
	-	-	-	-	-
401k	-	-	-	-	-
Employee Health Insurance	486,400	571,200	653,200	686,400	745,000
Medical	-	-	-	-	-
<b>Employee Benefits</b>	<b>486,400</b>	<b>571,200</b>	<b>653,200</b>	<b>686,400</b>	<b>745,000</b>
	-	-	-	-	-
Owner's Comp	385,850	398,143	405,745	411,234	426,057
Bonuses	-	-	-	-	-
Custom Name	-	-	-	-	-
<b>Compensation of Officers</b>	<b>385,850</b>	<b>398,143</b>	<b>405,745</b>	<b>411,234</b>	<b>426,057</b>
	-	-	-	-	-
<b>Owner's Health Insurance</b>	<b>67,890</b>	<b>88,760</b>	<b>92,345</b>	<b>88,765</b>	<b>93,450</b>
<b>Owner's Other Benefits</b>	<b>70,000</b>	<b>72,500</b>	<b>74,000</b>	<b>75,000</b>	<b>77,000</b>
	-	-	-	-	-
Rent	204,000	207,500	212,500	215,600	218,500
<b>Rent</b>	<b>204,000</b>	<b>207,500</b>	<b>212,500</b>	<b>215,600</b>	<b>218,500</b>
	-	-	-	-	-
Custom Name	-	-	-	-	-
Office Utilities & Phones	53,457	57,896	61,234	63,438	64,562
	-	-	-	-	-
<b>Utilities</b>	<b>53,457</b>	<b>57,896</b>	<b>61,234</b>	<b>63,438</b>	<b>64,562</b>
	-	-	-	-	-
Other	-	-	-	-	-
Workers Comp Ins.	-	-	-	-	-
Auto	-	-	-	-	-
GL	330,459	370,883	483,466	529,447	565,344
Property Liability Insurance	-	-	-	-	-
Custom Name	-	-	-	-	-
<b>Insurance</b>	<b>330,459</b>	<b>370,883</b>	<b>483,466</b>	<b>529,447</b>	<b>565,344</b>
	-	-	-	-	-
Office Expense	91,766	123,770	124,946	121,345	133,567
Printing	-	-	-	-	-
Contributions	-	-	-	-	-
Postage and Delivery	-	-	-	-	-
Office Supplies	-	-	-	-	-
Bank Charges	-	-	-	-	-
Office Expenses	-	-	-	-	-
Merchant Fees	-	-	-	-	-
51150 - Lease Expense -Copy/Wide Format	-	-	-	-	-
Payroll	-	-	-	-	-
Printing and Reproduction	-	-	-	-	-
<b>Office Expenses</b>	<b>91,766</b>	<b>123,770</b>	<b>124,946</b>	<b>121,345</b>	<b>133,567</b>

	-	-	-	-	-
Accounting	-	-	-	-	-
Legal	-	-	-	-	-
Professional Fees	100,965	105,031	127,924	121,539	124,325
IT	-	-	-	-	-
Outside Services	-	-	-	-	-
	-	-	-	-	-
<b>Professional Fees</b>	<b>100,965</b>	<b>105,031</b>	<b>127,924</b>	<b>121,539</b>	<b>124,325</b>
Fuel	99,355	104,725	108,003	115,562	139,765
DMV-Registration	-	-	-	-	-
Auto Repairs / Mileage / Other	-	-	-	-	-
<b>Equipment Expenses</b>	<b>99,355</b>	<b>104,725</b>	<b>108,003</b>	<b>115,562</b>	<b>139,765</b>
Building Repairs & Mainten	54,102	54,939	55,378	56,704	60,315
50300 · Building Fee's (HOA Fees for Building Ma	-	-	-	-	-
	-	-	-	-	-
<b>Repairs &amp; Maintenance</b>	<b>54,102</b>	<b>54,939</b>	<b>55,378</b>	<b>56,704</b>	<b>60,315</b>
Supplies	-	-	-	-	-
Dues	-	-	-	-	-
Advertising	-	-	-	-	-
Small Tools	-	-	-	-	-
Parking & Tolls	-	-	-	-	-
Compliance	-	-	-	-	-
Lease	-	-	-	-	-
Shipping & Handling	-	-	-	-	-
Tolls	-	-	-	-	-
Stipend	-	-	-	-	-
Other Operating Expenses	220,306	268,299	305,347	335,316	364,738
Misc	-	-	-	-	-
Property Taxes	-	-	-	-	-
Travel & Entertainment	-	-	-	-	-
Total 50050 · GPS/Radio	-	-	-	-	-
Licenses	-	-	-	-	-
Taxes & Licenses	-	-	-	-	-
Loan Fees	-	-	-	-	-
Bad Debt	-	-	-	-	-
<b>Charitable Donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Operating Expenses</b>	<b>220,306</b>	<b>268,299</b>	<b>305,347</b>	<b>335,316</b>	<b>364,738</b>
<b>Gain (Loss) Sale of Assets</b>	<b>9,850</b>	<b>(13,451)</b>	<b>-</b>	<b>17,810</b>	<b>(35,896)</b>
Loan Fees	-	-	-	-	-
Bad Debt	-	-	-	-	-
66900 · Reconciliation Discrepancies (Discrepan	-	-	-	-	-
<b>Extraordinary Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	-	-
	9,449	18,330	44,242	39,990	47,678
	-	-	-	-	-
<b>Non Operating Income</b>	<b>9,449</b>	<b>18,330</b>	<b>44,242</b>	<b>39,990</b>	<b>47,678</b>
Depreciation	349,447	338,518	317,101	290,282	277,648
Amortization of Goodwill	14,000	14,000	14,000	14,000	14,000
Finance Charge	-	-	-	-	-
Merchant Finance Charge	-	-	-	-	-
Loan Interest	431,022	418,879	382,645	411,713	402,572
Bank Fees/Interest Expense	-	-	-	-	-
<b>Interest Expense</b>	<b>431,022</b>	<b>418,879</b>	<b>382,645</b>	<b>411,713</b>	<b>402,572</b>
<b>Local Taxes</b>	<b>214,567</b>	<b>189,765</b>	<b>45,678</b>	<b>187,908</b>	<b>98,769</b>
<b>Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>Total Taxes</b>	<b>214,567</b>	<b>189,765</b>	<b>45,678</b>	<b>187,908</b>	<b>148,769</b>
<b>Net Income</b>	<b>689,752</b>	<b>502,922</b>	<b>116,369</b>	<b>764,817</b>	<b>312,707</b>
<b>Actual Net Income</b>	<b>689,752</b>	<b>502,922</b>	<b>116,369</b>	<b>764,817</b>	<b>312,707</b>
<b>Net Income Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Balance Sheet	2,020	2,021	2,022	2,023	2,024
	-	-	-	-	-
	4,268,339	3,481,819	2,949,841	2,511,657	1,646,345
	-	-	-	-	-
Cash	4,268,339	3,481,819	2,949,841	2,511,657	1,646,345
Line of Credit - Commitment	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
	-	-	-	-	-
	2,232,126	2,645,062	2,449,794	2,681,963	3,005,059
	-	-	-	-	-
Accounts Receivable	2,232,126	2,645,062	2,449,794	2,681,963	3,005,059
WIP	-	-	-	-	-
Chemical Inventory	673,921	799,283	575,025	707,643	795,760
Packaging	-	-	-	-	-
Inventory	673,921	799,283	575,025	707,643	795,760
	-	-	-	-	-
	-	-	-	-	-
	115,659	85,773	85,684	65,084	150,000
	-	-	-	-	-
	-	-	-	-	-
Total Other Current Assets	115,659	85,773	85,684	65,084	150,000
Total Current Assets	7,290,045	7,011,937	6,060,344	5,966,347	5,597,164
Land	-	-	-	-	-
Leasehold	-	-	-	-	-
Equipment	3,829,650	3,756,789	3,814,007	3,835,219	3,850,987
FFE	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Property & Equipment	3,829,650	3,756,789	3,814,007	3,835,219	3,850,987
Goodwill	191,650	177,650	163,650	149,650	135,650
	-	-	-	-	-
Cash Surrender	122,447	136,241	156,003	157,916	211,856
Marketable	-	-	-	-	-
Other L-T Assets	122,447	136,241	156,003	157,916	211,856
Total Assets	11,433,792	11,082,617	10,194,004	10,109,132	9,795,657
Actual Total Assets	11,433,792	11,082,617	10,194,004	10,109,132	9,795,657
Total Assets Balance	-	-	-	-	-
	-	-	-	-	-
Accounts Payable	525,433	431,743	451,799	420,578	428,578
Line of Credit	1,125,732	1,225,769	987,094	1,309,876	1,450,875
Accruals	202,766	147,823	398,860	210,242	252,317
	-	-	-	-	-
	-	-	-	-	-
Other Current Liabilities	439,341	452,490	316,727	254,864	300,220
	-	-	-	-	-
Other Current Liabilities	439,341	452,490	316,727	254,864	300,220
Total Current Liabilities	2,293,272	2,257,825	2,154,480	2,195,560	2,431,990
	-	-	-	-	-
	3,689,399	3,389,399	3,089,399	2,789,399	2,489,399
	-	-	-	-	-
Bank Loan	3,689,399	3,389,399	3,089,399	2,789,399	2,489,399
Equipment Loans	1,956,543	1,756,543	1,556,543	1,356,543	1,156,543
Vehicle Loans	745,345	680,345	615,345	550,345	485,345
Shareholder Loan	-	100,000	100,000	100,000	100,000
Seller Note	-	-	-	-	-
Capital	515,235	515,235	515,235	515,235	515,235
Issue / (Retire) Capital Stock	-	-	-	-	-
(Distributions) Paid in Surplus	(300,000)	(353,650)	(336,637)	(325,769)	(297,612)
Retained Earnings	2,233,998	2,383,270	2,163,002	2,602,050	2,617,145
Total Net Worth	2,749,233	2,898,505	2,678,237	3,117,285	3,132,380
Total Liabilities & NW	11,433,792	11,082,617	10,194,004	10,109,132	9,795,657
	-	-	-	-	-



Target Business Description	Sale Date	Net Sales	Sales Price	ADJ EBITDA	SDE
Industrial Equip Manuf.	11/05/2024	\$19,787,000	\$10,684,980	\$1,978,700	\$3,089,738
Industrial Equip Manuf.	03/20/2022	\$18,986,216	\$9,303,246	\$1,841,663	\$2,342,130
Industrial Equip Manuf.	02/26/2019	\$15,401,294	\$7,192,404	\$1,694,142	\$1,966,271
Industrial Equip Manuf.	06/28/2022	\$17,560,936	\$9,008,760	\$2,107,312	\$2,602,190
Industrial Equip Manuf.	07/31/2020	\$16,397,616	\$7,641,289	\$1,639,762	\$2,269,922
Industrial Equip Manuf.	09/28/2021	\$12,941,711	\$6,910,874	\$1,391,234	\$1,946,045
Industrial Equip Manuf.	03/03/2022	\$15,671,034	\$7,318,373	\$1,841,346	\$1,890,710
Industrial Equip Manuf.	10/31/2023	\$12,582,887	\$6,838,799	\$1,384,118	\$1,788,592
Industrial Equip Manuf.	05/26/2018	\$17,860,376	\$8,969,481	\$1,786,038	\$2,210,466
Industrial Equip Manuf.	09/26/2024	\$19,860,376	\$9,469,481	\$1,589,038	\$2,098,765
Industrial Equip Manuf.	02/21/2021	\$20,860,376	\$10,969,481	\$2,386,038	\$2,810,466
Industrial Equip Manuf.	08/04/2023	\$12,860,376	\$4,969,481	\$786,038	\$1,210,466
	01/27/2022	\$16,730,850	\$8,273,054	\$1,702,119	\$2,185,480

# Stark Industries, Inc



## Management Report & Estimate of Value

Date of Report: 12/31/2025

Strictly Confidential

PREPARED BY : "COFIA" <sup>TM</sup>  
CHIEF OFFICER, FINANCIAL INSIGHTS & ANALYSIS

Assumptions in Blue	Actual % Δ	Project % Δ	Revenue & Profit Measures				# of FTE's	Last Yr	Input ▼	Projected	
	3 Yr Actual	3 Yr Project	2020	2021	2022	2023	2024	2025	2026	2027	
Equipment Sales			10,712,648	11,593,379	12,190,115	12,393,045	12,772,686	14,049,955	15,454,950	17,000,445	
Annual Growth %	6.0%	10.0%		8.2%	5.1%	1.7%	3.1%	10.0%	10.0%	10.0%	
Service			3,974,407	4,188,890	4,773,608	5,255,181	5,464,217	6,010,639	6,611,703	7,272,873	
Annual Growth %	9.3%	10.0%		5.4%	14.0%	10.1%	4.0%	10.0%	10.0%	10.0%	
Total Revenue			\$14,687,055	\$15,782,269	\$16,963,723	\$17,648,226	\$18,236,903	\$20,060,593	\$22,066,653	\$24,273,318	
Annual Growth %	4.9%	10.0%		7.5%	7.5%	4.0%	3.3%	10.0%	10.0%	10.0%	
Labor FTEs	96	114	81	87	92	93	96	102	107	114	
Revenue/Labor FTE	1.5%	4.0%	\$181,322	\$181,405	\$184,388	\$189,766	\$189,968	\$197,566	\$205,469	\$213,688	
Labor Wage % Incr	3.0%	3.0%	\$52,029	\$54,315	\$61,217	\$58,526	\$59,269	\$61,047	\$62,878	\$64,765	
Total Labor Wages			4,214,352	4,725,366	5,631,941	5,442,962	5,689,813	6,226,789	6,727,985	7,383,177	
% of Revenue	31.3%	30.9%	30.78%	28.7%	29.9%	33.2%	30.8%	31.2%	31.0%	30.5%	
Materials			2,082,179	2,337,135	2,540,183	2,502,859	2,600,316	2,908,786	3,199,665	3,519,631	
% of Revenue	14.5%	14.5%	14.2%	14.8%	15.0%	14.2%	14.3%	14.5%	14.5%	14.5%	
Supplies			1,157,899	1,192,635	1,028,415	1,214,404	1,532,789	1,484,484	1,632,932	1,796,226	
% of Revenue	7.4%	7.4%	7.9%	7.6%	6.1%	6.9%	8.4%	7.4%	7.4%	7.4%	
Gross Profit			\$7,232,625	\$7,527,133	\$7,763,184	\$8,488,001	\$8,413,985	\$9,440,534	\$10,506,071	\$11,574,284	
Gross Margin	46.7%	47.5%	49.2%	47.7%	45.8%	48.1%	46.1%	47.1%	47.6%	47.7%	
Office FTEs	53	61	47	49	50	50	53	56	58	61	
Revenue/Office FTE	2.2%	5.0%	\$312,491	\$322,087	\$339,274	\$352,965	\$344,093	\$361,297	\$379,362	\$398,330	
Office Wage % Incr	2.6%	5.0%	\$72,098	\$74,373	\$84,551	\$81,135	\$80,329	\$84,346	\$88,563	\$92,991	
Wages & Payroll Tax	5.3%	10.0%	3,388,586	3,644,282	4,227,545	4,056,731	4,257,448	4,723,357	5,136,651	5,672,457	
Employee Benefits	9.3%	9.3%	486,400	571,200	653,200	686,400	745,000	814,285	890,014	972,785	
Owner's Comp	2.3%	2.3%	385,850	398,143	405,745	411,234	426,057	435,856	445,881	456,136	
Owner's Health	1.7%	1.7%	67,890	88,760	92,345	88,765	93,450	95,039	96,654	98,297	
Owner's Other Benefit	2.0%	2.0%	70,000	72,500	74,000	75,000	77,000	78,540	80,111	81,713	
Rent	1.7%	1.7%	204,000	207,500	212,500	215,600	218,500	222,215	225,992	229,834	
Utilities	3.7%	3.7%	53,457	57,896	61,234	63,438	64,562	66,951	69,428	71,997	
Insurance	15.1%	8.0%	330,459	370,883	483,466	529,447	565,344	610,572	659,417	712,171	
Office Expenses	2.6%	2.6%	91,766	123,770	124,946	121,345	133,567	137,040	140,603	144,258	
Professional Fees	5.8%	5.8%	100,965	105,031	127,924	121,539	124,325	131,536	139,165	147,236	
Equipment Expenses	10.1%	8.0%	99,355	104,725	108,003	115,562	139,765	150,946	163,022	176,064	
Repairs & Maintenance	3.2%	3.2%	54,102	54,939	55,378	56,704	60,315	62,245	64,237	66,293	
Other Operating Expenses	10.8%	5.0%	220,306	268,299	305,347	335,316	364,738	382,975	402,124	422,230	
Total Operating Expenses			5,553,136	6,067,928	6,931,633	6,877,081	7,270,071	7,911,556	8,513,298	9,251,471	
% Incr (Decr)	6.4%	8.4%	N/A	9.3%	14.2%	-0.8%	5.7%	8.8%	7.6%	8.7%	
Operating Profit			1,679,489	1,459,205	831,551	1,610,920	\$1,143,914	\$1,528,978	\$1,992,773	\$2,322,813	
Operating Margin	8.2%	8.7%	11.4%	9.2%	4.9%	9.1%	6.3%	7.6%	9.0%	9.6%	
Total Company FTEs	149	175	128	136	142	143	149	158	165	175	
Revenue /All FTEs	1.6%	4.3%	\$114,743	\$116,046	\$119,463	\$123,414	\$122,395	\$126,966	\$133,737	\$138,705	
Avg FTE Compensation	3.0%	3.8%	\$59,398	\$61,542	\$69,433	\$66,431	\$66,760	\$69,305	\$71,907	\$74,604	
All Compensation/Revenue	54.3%	54.0%	51.8%	53.0%	58.1%	53.8%	54.5%	54.6%	53.8%	53.8%	
Gain (Loss) Asset Sale	(4,337)	(4,337)	9,850	(13,451)	-	17,810	(35,896)	(4,337)	(4,337)	(4,337)	
Extraordinary Expenses			-	-	-	-	-	-	-	-	
Non-Operating Income	31,938	31,938	9,449	18,330	44,242	39,990	47,678	31,938	31,938	31,938	
Total Other Income/(Expense)	27,600	27,600	19,299	4,879	44,242	57,800	\$11,782	27,600	27,600	27,600	
EBITDA			1,698,788	1,464,084	875,793	1,668,720	\$1,155,696	1,556,579	2,020,373	\$2,350,414	
Depreciation			349,447	338,518	317,101	290,282	277,648	315,781	318,212	323,276	
Depreciation %	8.2%	8.2%	9.1%	9.0%	8.3%	7.6%	7.2%	8.2%	8.2%	8.2%	
Amortization			14,000	14,000	14,000	14,000	14,000	11,802	10,775	9,837	
Amortization %	8.7%	8.7%	7.3%	7.9%	8.6%	9.4%	10.3%	8.7%	8.7%	8.7%	
Interest Expense			431,022	418,879	382,645	411,713	402,572	314,698	272,138	229,578	
Effective Interest Rate	6.4%	6.4%	5.7%	5.9%	6.1%	6.9%	7.2%	6.4%	6.4%	6.4%	
Pre-Tax Profit			904,319	692,687	162,047	952,725	\$461,476	914,298	1,419,248	\$1,787,722	
Taxes			214,567	189,765	45,678	187,908	148,769	244,118	378,939	477,322	
Tax Rate	26.7%	26.7%	23.7%	27.4%	28.2%	19.7%	32.2%	26.7%	26.7%	26.7%	
Net Income			689,752	502,922	116,369	764,817	\$312,707	670,180	1,040,309	1,310,400	

Stark Industries, Inc			Balance Sheet Changes & Assumptions								
Balance Sheet											
	5 Year Avg	Project Avg	2020	2021	2022	2023	2024	2025	2026	2027	
Cash			4,268,339	3,481,819	2,949,841	2,511,657	1,646,345	961,814	524,270	361,796	
Cash Incr (Decr)	(491,555)	(428,183)	164,219	(786,520)	(531,978)	(438,184)	(865,312)	(684,531)	(437,544)	(162,474)	
Accounts Receivable			2,232,126	2,645,062	2,449,794	2,681,963	3,005,059	3,132,409	3,325,112	3,524,619	
A/R Days <input type="text" value="57"/>	57	55	55	61	53	55	60	57	55	53	
Inventory			673,921	799,283	575,025	707,643	795,760	902,727	1,125,399	1,310,759	
Inventory # of Days <input type="text" value="71"/>	71	83	76	83	59	69	70	75	85	90	
Other Current Assets			115,659	85,773	85,684	65,084	150,000	156,868	163,736	170,605	
Input Incr (Decr) <input type="text" value="6,868"/>	6,868	6,868	-	(29,886)	(89)	(20,600)	84,916	6,868	6,868	6,868	
Total Current Assets			7,290,045	7,011,937	6,060,344	5,966,347	5,597,164	5,153,818	5,138,518	5,367,778	
PP&E	% of Revenue		3,829,650	3,756,789	3,814,007	3,835,219	3,850,987	3,880,634	3,942,393	4,037,085	
Capex -% Revenue <input type="text" value="1.7%"/>	1.7%	1.7%	(189,789)	(265,657)	(374,319)	(311,494)	(293,416)	(345,428)	(379,971)	(417,968)	
Goodwill			191,650	177,650	163,650	149,650	135,650	123,848	113,074	103,236	
Incr (Decr)	(11,200)	(10,805)	-	(14,000)	(14,000)	(14,000)	(14,000)	(11,802)	(10,775)	(9,837)	
Other L-T Assets			122,447	136,241	156,003	157,916	211,856	220,738	229,620	238,501	
Input Incr (Decr) <input type="text" value="8,882"/>	8,882	8,882	(45,000)	13,794	19,762	1,913	53,940	8,882	8,882	8,882	
Total Assets			11,433,792	11,082,617	10,194,004	10,109,132	9,795,657	9,379,038	9,423,604	9,746,600	
Accounts Payable			525,433	431,743	451,799	420,578	428,578	405,448	473,375	549,641	
A/P Days <input type="text" value="51"/>	51	54	59	49	51	47	48	51	54	57	
Line of Credit			1,125,732	1,225,769	987,094	1,309,876	1,450,875	1,450,875	1,450,875	1,450,875	
Input Incr (Decr) <input type="text" value="65,029"/>	65,029	0	-	100,037	(238,675)	322,782	140,999	-	-	-	
Accruals			202,766	147,823	398,860	210,242	252,317	222,227	192,137	162,048	
Input Incr (Decr) <input type="text" value="30,090"/>	(30,090)	(30,090)	(200,000)	(54,943)	251,037	(188,618)	42,075	(30,090)	(30,090)	(30,090)	
Other Current Liabilities			439,341	452,490	316,727	254,864	300,220	274,374	248,528	222,681	
Input Incr (Decr) <input type="text" value="25,846"/>	(25,846)	(25,846)	9,890	13,149	(135,763)	(61,863)	45,356	(25,846)	(25,846)	(25,846)	
Total Current Liabilities			2,293,272	2,257,825	2,154,480	2,195,560	2,431,990	2,352,924	2,364,915	2,385,245	
Bank Loan			3,689,399	3,389,399	3,089,399	2,789,399	2,489,399	2,089,399	1,689,399	1,289,399	
Issuance		Input <input type="text" value=""/>	-	-	-	-	-	-	-	-	
(Repay) <input type="text" value="300,000"/>	(300,000)	(400,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)	
Equipment Loans			1,956,543	1,756,543	1,556,543	1,356,543	1,156,543	956,543	756,543	556,543	
Issuance		Input <input type="text" value=""/>	-	-	-	-	-	-	-	-	
(Repay) <input type="text" value="200,000"/>	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	
Vehicle Loans			745,345	680,345	615,345	550,345	485,345	420,345	355,345	290,345	
Issuance		Input <input type="text" value=""/>	-	-	-	-	-	-	-	-	
(Repay) <input type="text" value="65,000"/>	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	
Shareholder Loan			-	100,000	100,000	100,000	100,000	80,000	60,000	40,000	
Issuance		Input <input type="text" value=""/>	-	100,000	-	-	-	-	-	-	
(Repay) <input type="text" value="20,000"/>	0	(20,000)	-	-	-	-	-	(20,000)	(20,000)	(20,000)	
Seller Note			-	-	-	-	-	-	-	-	
Issuance		Input <input type="text" value=""/>	-	-	-	-	-	-	-	-	
(Repay) <input type="text" value="0"/>	0	0	-	-	-	-	-	-	-	-	
Total Liabilities			8,684,559	8,184,112	7,515,767	6,991,847	6,663,277	5,899,211	5,226,202	4,561,532	
Equity Capital			515,235	515,235	515,235	515,235	515,235	515,235	515,235	515,235	
Capital	Input New/(Retired) <input type="text" value=""/>		-	-	-	-	-	-	-	-	
Retained Earnings	5 Year Avg	Avg Distrbs <input type="text" value="322,734"/>	2,233,998	2,383,270	2,163,002	2,602,050	2,617,145	2,964,592	3,682,167	4,669,833	
Distributions	(322,734)	(322,734)	(300,000)	(353,650)	(336,637)	(325,769)	(297,612)	(322,734)	(322,734)	(322,734)	
Book Equity			2,749,233	2,898,505	2,678,237	3,117,285	3,132,380	3,479,827	4,197,402	5,185,068	
Total Liabilities & NW			11,433,792	11,082,617	10,194,004	10,109,132	9,795,657	9,379,038	9,423,604	9,746,600	
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Stark Industries, Inc

Income Statements

Fiscal Year	CAGR	Reviewed 2020	Reviewed 2021	Reviewed 2022	Reviewed 2023	Reviewed 2024	Project 2025	Project 2026	Project 2027
Equipment Sales		10,712,648	11,593,379	12,190,115	12,393,045	12,772,686	14,049,955	15,454,950	17,000,445
Service		3,974,407	4,188,890	4,773,608	5,255,181	5,464,217	6,010,639	6,611,703	7,272,873
Total Revenue	5.56%	14,687,055	15,782,269	16,963,723	17,648,226	18,236,903	20,060,593	22,066,653	24,273,318
Production Wages		4,214,352	4,725,366	5,631,941	5,442,962	5,689,813	6,226,789	6,727,985	7,383,177
Materials		2,082,179	2,337,135	2,540,183	2,502,859	2,600,316	2,908,786	3,199,665	3,519,631
Supplies		1,157,899	1,192,635	1,028,415	1,214,404	1,532,789	1,484,484	1,632,932	1,796,226
Cost of Goods Sold	7.14%	7,454,430	8,255,136	9,200,539	9,160,225	9,822,918	10,620,059	11,560,582	12,699,034
Gross Profit	3.85%	7,232,625	7,527,133	7,763,184	8,488,001	8,413,985	9,440,534	10,506,071	11,574,284
Operating Expenses									
Wages & Payroll Taxes		3,388,586	3,644,282	4,227,545	4,056,731	4,257,448	4,723,357	5,136,651	5,672,457
Employee Benefits		486,400	571,200	653,200	686,400	745,000	814,285	890,014	972,785
Owner's Comp		385,850	398,143	405,745	411,234	426,057	435,856	445,881	456,136
Owner's Health Insurance		67,890	88,760	92,345	88,765	93,450	95,039	96,654	98,297
Owner's Other Benefits		70,000	72,500	74,000	75,000	77,000	78,540	80,111	81,713
Rent		204,000	207,500	212,500	215,600	218,500	222,215	225,992	229,834
Utilities		53,457	57,896	61,234	63,438	64,562	66,951	69,428	71,997
Insurance		330,459	370,883	483,466	529,447	565,344	610,572	659,417	712,171
Office Expenses		91,766	123,770	124,946	121,345	133,567	137,040	140,603	144,258
Professional Fees		100,965	105,031	127,924	121,539	124,325	131,536	139,165	147,236
Equipment Expenses		99,355	104,725	108,003	115,562	139,765	150,946	163,022	176,064
Repairs & Maintenance		54,102	54,939	55,378	56,704	60,315	62,245	64,237	66,293
Other Operating Expenses		220,306	268,299	305,347	335,316	364,738	382,975	402,124	422,230
Total Operating Expenses	6.97%	5,553,136	6,067,928	6,931,633	6,877,081	7,270,071	7,911,556	8,513,298	9,251,471
Operating Profit	-7.79%	1,679,489	1,459,205	831,551	1,610,920	1,143,914	1,528,978	1,992,773	2,322,813
Gain (Loss) Asset Sale		9,850	(13,451)	-	17,810	(35,896)	(4,337)	(4,337)	(4,337)
Non-Operating Inc/(Expns)		9,449	18,330	44,242	39,990	47,678	31,938	31,938	31,938
EBITDA	-9.18%	1,698,788	1,464,084	875,793	1,668,720	1,155,696	1,556,579	2,020,373	2,350,414
Depreciation		349,447	338,518	317,101	290,282	277,648	315,781	318,212	323,276
Amortization		14,000	14,000	14,000	14,000	14,000	11,802	10,775	9,837
Interest Expense		431,022	418,879	382,645	411,713	402,572	314,698	272,138	229,578
Pre-Tax Profit		904,319	692,687	162,047	952,725	461,476	914,298	1,419,248	1,787,722
Taxes		214,567	189,765	45,678	187,908	148,769	244,118	378,939	477,322
Net Income		689,752	502,922	116,369	764,817	312,707	670,180	1,040,309	1,310,400

# Stark Industries, Inc

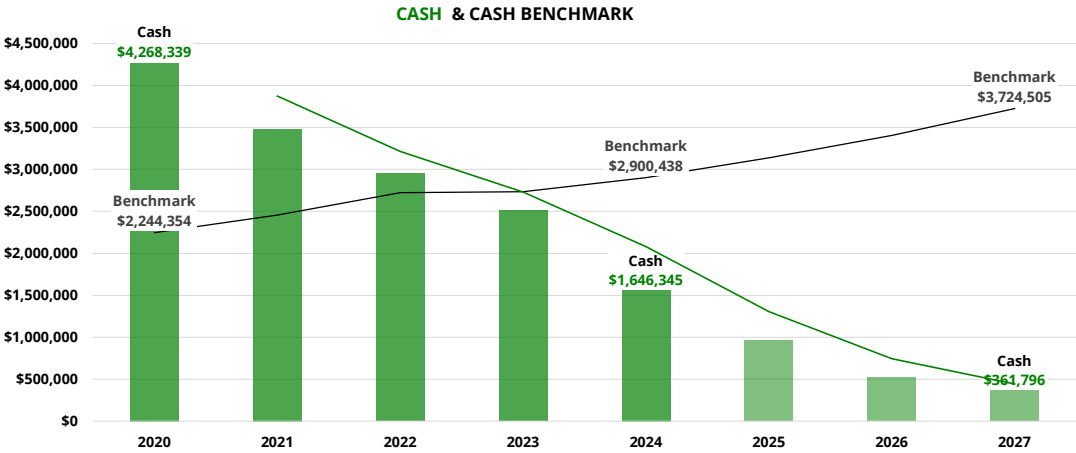
# Balance Sheets

Fiscal Year	Reviewed 2020	Reviewed 2021	Reviewed 2022	Reviewed 2023	Reviewed 2024	Project 2025	Project 2026	Project 2027
<b>Assets</b>								
Cash	4,268,339	3,481,819	2,949,841	2,511,657	1,646,345	961,814	524,270	361,796
Accounts Receivable	2,232,126	2,645,062	2,449,794	2,681,963	3,005,059	3,132,409	3,325,112	3,524,619
Inventory	673,921	799,283	575,025	707,643	795,760	902,727	1,125,399	1,310,759
Other Current Assets	115,659	85,773	85,684	65,084	150,000	156,868	163,736	170,605
<b>Total Current Assets</b>	<b>7,290,045</b>	<b>7,011,937</b>	<b>6,060,344</b>	<b>5,966,347</b>	<b>5,597,164</b>	<b>5,153,818</b>	<b>5,138,518</b>	<b>5,367,778</b>
PP&E	3,829,650	3,756,789	3,814,007	3,835,219	3,850,987	3,880,634	3,942,393	4,037,085
Other L-T Assets	122,447	136,241	156,003	157,916	211,856	220,738	229,620	238,501
Goodwill	191,650	177,650	163,650	149,650	135,650	123,848	113,074	103,236
<b>Long Term Assets</b>	<b>4,143,747</b>	<b>4,070,680</b>	<b>4,133,660</b>	<b>4,142,785</b>	<b>4,198,493</b>	<b>4,225,220</b>	<b>4,285,086</b>	<b>4,378,822</b>
<b>Total Assets</b>	<b>11,433,792</b>	<b>11,082,617</b>	<b>10,194,004</b>	<b>10,109,132</b>	<b>9,795,657</b>	<b>9,379,038</b>	<b>9,423,604</b>	<b>9,746,600</b>
<b>Liabilities &amp; Equity</b>								
Accounts Payable	525,433	431,743	451,799	420,578	428,578	405,448	473,375	549,641
Line of Credit	1,125,732	1,225,769	987,094	1,309,876	1,450,875	1,450,875	1,450,875	1,450,875
Accruals	202,766	147,823	398,860	210,242	252,317	222,227	192,137	162,048
Other Current Liabilities	439,341	452,490	316,727	254,864	300,220	274,374	248,528	222,681
<b>Total Current Liabilities</b>	<b>2,293,272</b>	<b>2,257,825</b>	<b>2,154,480</b>	<b>2,195,560</b>	<b>2,431,990</b>	<b>2,352,924</b>	<b>2,364,915</b>	<b>2,385,245</b>
Bank Loan	3,689,399	3,389,399	3,089,399	2,789,399	2,489,399	2,089,399	1,689,399	1,289,399
Equipment Loans	1,956,543	1,756,543	1,556,543	1,356,543	1,156,543	956,543	756,543	556,543
Vehicle Loans	745,345	680,345	615,345	550,345	485,345	420,345	355,345	290,345
Shareholder Loan	-	100,000	100,000	100,000	100,000	80,000	60,000	40,000
Seller Note	-	-	-	-	-	-	-	-
<b>Long Term Liabilities</b>	<b>6,391,287</b>	<b>5,926,287</b>	<b>5,361,287</b>	<b>4,796,287</b>	<b>4,231,287</b>	<b>3,546,287</b>	<b>2,861,287</b>	<b>2,176,287</b>
<b>Total Liabilities</b>	<b>8,684,559</b>	<b>8,184,112</b>	<b>7,515,767</b>	<b>6,991,847</b>	<b>6,663,277</b>	<b>5,899,211</b>	<b>5,226,202</b>	<b>4,561,532</b>
<b>Equity</b>								
Equity Capital	515,235	515,235	515,235	515,235	515,235	515,235	515,235	515,235
Retained Earnings	2,233,998	2,383,270	2,163,002	2,602,050	2,617,145	2,964,592	3,682,167	4,669,833
<b>Total Equity</b>	<b>2,749,233</b>	<b>2,898,505</b>	<b>2,678,237</b>	<b>3,117,285</b>	<b>3,132,380</b>	<b>3,479,827</b>	<b>4,197,402</b>	<b>5,185,068</b>
<b>Total Liabilities &amp; Equity</b>	<b>11,433,792</b>	<b>11,082,617</b>	<b>10,194,004</b>	<b>10,109,132</b>	<b>9,795,657</b>	<b>9,379,038</b>	<b>9,423,604</b>	<b>9,746,600</b>

# Stark Industries, Inc

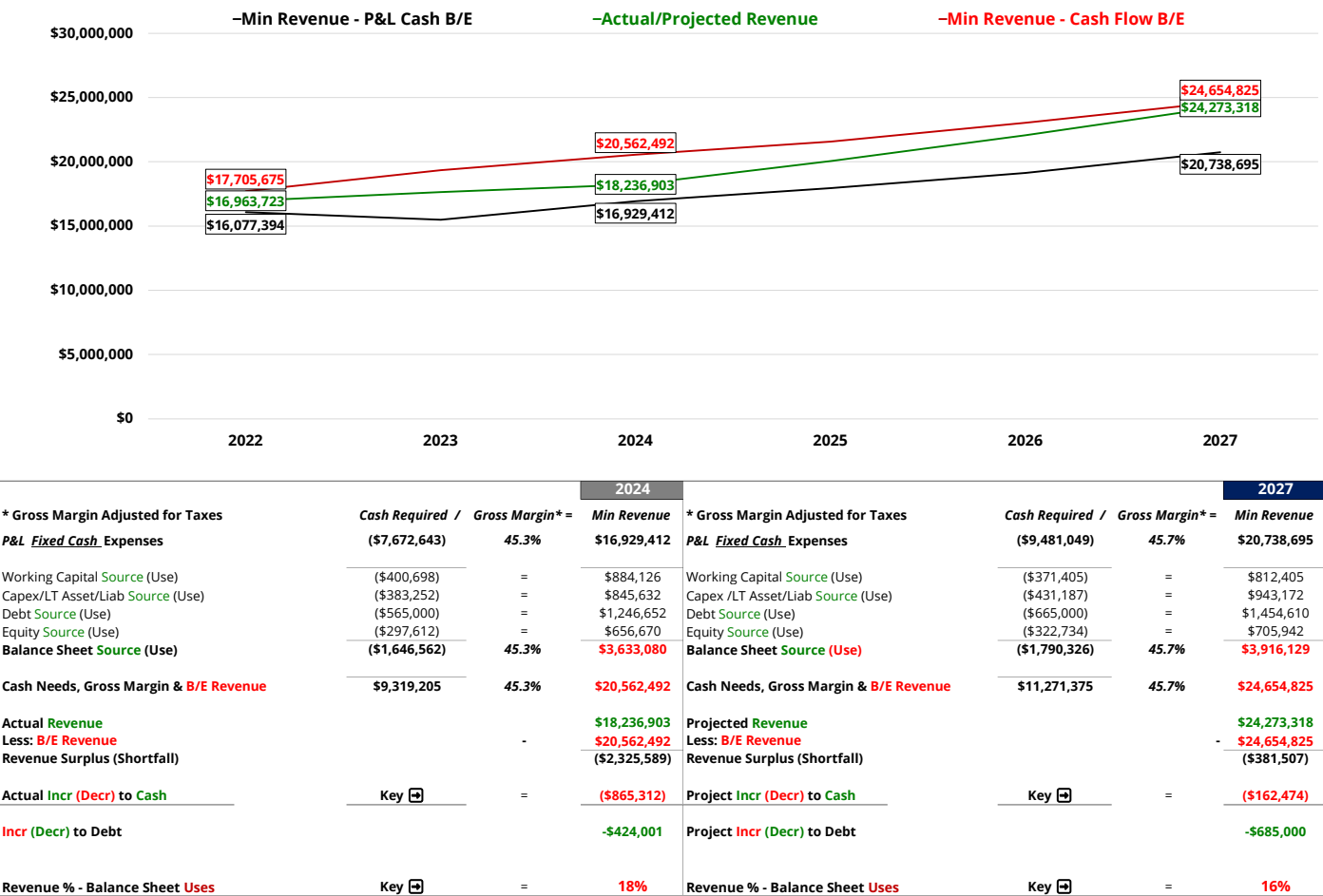
# Cash Flow Statements

Fiscal Year	Reviewed 2020	Reviewed 2021	Reviewed 2022	Reviewed 2023	Reviewed 2024	Project 2025	Project 2026	Project 2027
<b>Operating Cash Flow</b>								
Net Income	689,752	502,922	116,369	764,817	312,707	670,180	1,040,309	1,310,400
Depreciation	349,447	338,518	317,101	290,282	277,648	315,781	318,212	323,276
Amortization	14,000	14,000	14,000	14,000	14,000	11,802	10,775	9,837
Net Change Working Capital	120,809	(643,896)	554,945	(625,889)	(400,698)	(320,250)	(410,253)	(371,405)
<b>Net Operating Cash Flow</b>	<b>1,174,008</b>	<b>211,544</b>	<b>1,002,415</b>	<b>443,210</b>	<b>203,657</b>	<b>677,513</b>	<b>959,042</b>	<b>1,272,109</b>
<b>Investing Cash Flow</b>								
Net Capital Expenditures	(189,789)	(265,657)	(374,319)	(311,494)	(293,416)	(345,428)	(379,971)	(417,968)
Goodwill	-	-	-	-	-	-	-	-
Other L-T Assets	45,000	(13,794)	(19,762)	(1,913)	(53,940)	(8,882)	(8,882)	(8,882)
<b>Net Investing Cash Flow</b>	<b>(144,789)</b>	<b>(279,451)</b>	<b>(394,081)</b>	<b>(313,407)</b>	<b>(347,356)</b>	<b>(354,310)</b>	<b>(388,853)</b>	<b>(426,850)</b>
<b>Financing Cash Flow</b>								
Line of Credit	-	100,037	(238,675)	322,782	140,999	-	-	-
Bank Loan	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)
Equipment Loans	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Vehicle Loans	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Shareholder Loan	-	100,000	-	-	-	(20,000)	(20,000)	(20,000)
Seller Note	-	-	-	-	-	-	-	-
Net Equity Invest (Distribute)	(300,000)	(353,650)	(336,637)	(325,769)	(297,612)	(322,734)	(322,734)	(322,734)
<b>Net Financing Cash Flow</b>	<b>(865,000)</b>	<b>(718,613)</b>	<b>(1,140,312)</b>	<b>(567,987)</b>	<b>(721,613)</b>	<b>(1,007,734)</b>	<b>(1,007,734)</b>	<b>(1,007,734)</b>
<b>Net Cash Flow</b>	<b>164,219</b>	<b>(786,520)</b>	<b>(531,978)</b>	<b>(438,184)</b>	<b>(865,312)</b>	<b>(684,531)</b>	<b>(437,544)</b>	<b>(162,474)</b>
Beginning Cash	4,104,120	4,268,339	3,481,819	2,949,841	2,511,657	1,646,345	961,814	524,270
<b>Net Cash Flow</b>	<b>164,219</b>	<b>(786,520)</b>	<b>(531,978)</b>	<b>(438,184)</b>	<b>(865,312)</b>	<b>(684,531)</b>	<b>(437,544)</b>	<b>(162,474)</b>
<b>Ending Cash</b>	<b>4,268,339</b>	<b>3,481,819</b>	<b>2,949,841</b>	<b>2,511,657</b>	<b>1,646,345</b>	<b>961,814</b>	<b>524,270</b>	<b>361,796</b>
Benchmark Cash = # Day's Expenses	2,244,354	2,454,527	2,722,273	2,734,837	2,900,438	3,138,153	3,406,842	3,724,505
Cash Burn: # Days of Expenses	113	84	64	54	34	18	9	6

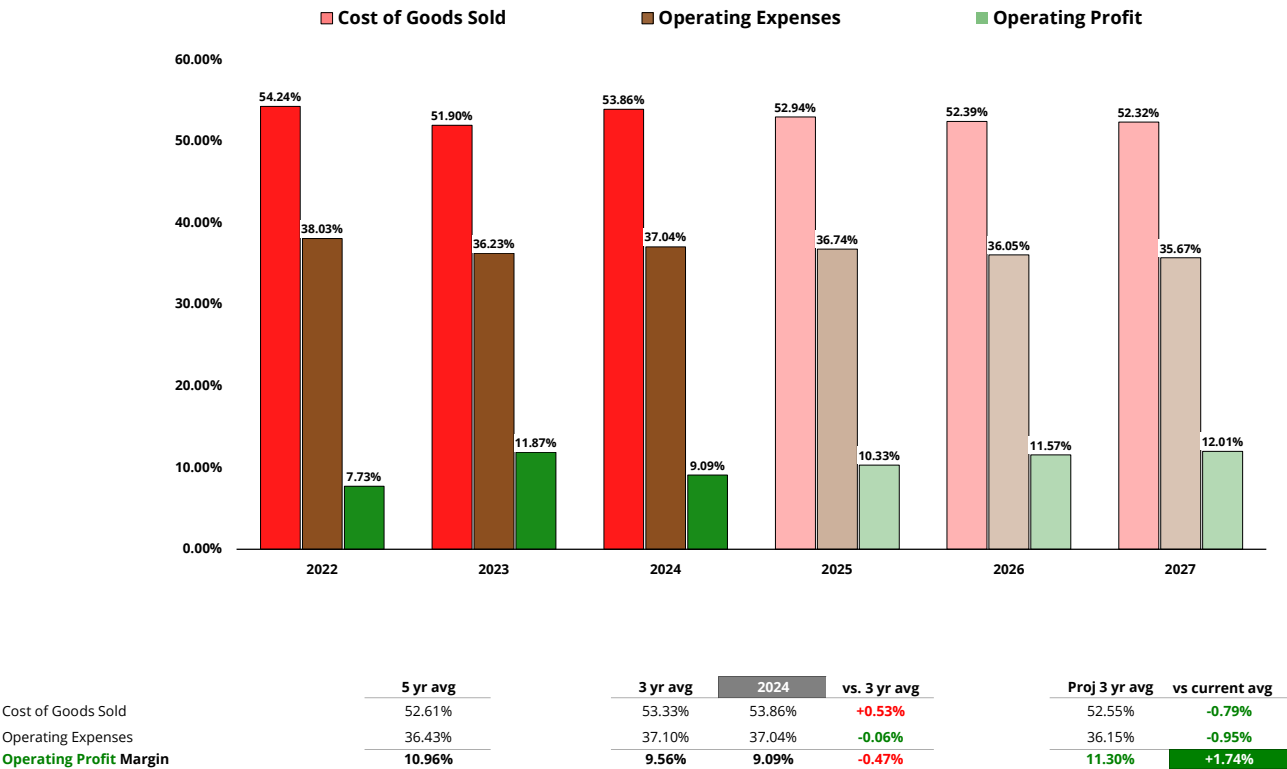


Stark Industries, Inc

Minimum Revenue - Cash Flow Breakeven







Operating Profit = Profit *before* non-operating income, non-operating expenses, interest, depreciation, amortization and taxes

Peer Benchmarking

Stark Industries, Inc

		Industry	2020	2021	2022	2023	2024	2025	2026	2027
Revenue Growth	= >	5.0%	N/A	7.5%	7.5%	4.0%	3.3%	10.0%	10.0%	10.0%
Labor Payroll										
Company Revenue / Labor FTE	2024	\$189,968	\$181,322	\$181,405	\$184,388	\$189,766	\$189,968	\$197,566	\$205,469	\$213,688
Industry Revenue/Labor FTE +3%	= >	\$200,000	\$176,000	\$182,000	\$188,000	\$194,000	\$200,000	\$206,000	\$212,180	\$218,545
Company Productivity vs Industry		-5.0%	3.0%	-0.3%	-1.9%	-2.2%	-5.0%	-4.1%	-3.2%	-2.2%
Company Labor FTE	2024	96	81	87	92	93	96	102	107	114
Industry Labor FTE	< =	91	83	87	90	91	91	97	104	111
Labor FTEs vs Industry		+5	-2	+0	+2	+2	+5	+5	+3	+3
Company Labor Avg Wage	2024	\$59,269	\$52,029	\$54,315	\$61,217	\$58,526	\$59,269	\$61,047	\$62,878	\$64,765
Industry Avg Wage - +4% anum	= >	\$60,000	\$50,400	\$52,800	\$55,200	\$57,600	\$60,000	\$62,400	\$64,896	\$67,492
Labor Avg Wage vs Industry		-1.2%	3.2%	2.9%	10.9%	1.6%	-1.2%	-2.2%	-3.1%	-4.0%
Labor Payroll	< =	30.0%	28.7%	29.9%	33.2%	30.8%	31.2%	31.0%	30.5%	30.4%
Materials	< =	14.0%	14.2%	14.8%	15.0%	14.2%	14.3%	14.5%	14.5%	14.5%
Supplies	< =	8.0%	7.9%	7.6%	6.1%	6.9%	8.4%	7.4%	7.4%	7.4%
Total Cost of Goods Sold	< =	52.0%	50.8%	52.3%	54.2%	51.9%	53.9%	52.9%	52.4%	52.3%
Gross Profit Margin	= >	48.0%	49.2%	47.7%	45.8%	48.1%	46.1%	47.1%	47.6%	47.7%

# Stark Industries, Inc

# Peer Benchmarking

Officer/Admin Payroll		Industry	2020	2021	2022	2023	2024	2025	2026	2027
Company Revenue / Office FTE	2024	\$344,093	\$312,491	\$322,087	\$339,274	\$352,965	\$344,093	\$361,297	\$379,362	\$398,330
Industry Revenue/Office FTE +5%	= >	\$400,000	\$320,000	\$340,000	\$360,000	\$380,000	\$400,000	\$420,000	\$441,000	\$463,050
Office Productivity to Industry		-14.0%	-2.3%	-5.3%	-5.8%	-7.1%	-14.0%	-14.0%	-14.0%	-14.0%
Company Office # FTE's	2024	53	47	49	50	50	53	56	58	61
Industry Office FTEs	< =	46	46	46	47	46	46	48	50	52
Office FTEs vs Industry		+7	+1	+3	+3	+4	+7	+8	+8	+9
Company Avg Officer Salary	2024	\$80,329	\$72,098	\$74,373	\$84,551	\$81,135	\$80,329	\$84,346	\$88,563	\$92,991
Industry Avg Office Salary +4%	= >	\$86,000	\$72,240	\$75,680	\$79,120	\$82,560	\$86,000	\$89,440	\$93,018	\$96,738
Office Salary to Industry		-6.6%	-0.2%	-1.7%	6.9%	-1.7%	-6.6%	-5.7%	-4.8%	-3.9%
Officer/Admin Payroll	< =	22.0%	23.1%	23.1%	24.9%	23.0%	23.3%	23.5%	23.3%	23.4%
Non-Payroll Operating Expenses	< =	13.0%	11.2%	11.8%	12.6%	12.7%	13.2%	12.9%	12.5%	12.1%
Owner's Compensation & Benefits	< =	3.0%	3.6%	3.5%	3.4%	3.3%	3.3%	3.0%	2.8%	2.6%
Oper. Expenses % of Revenue	< =	38.0%	37.8%	38.4%	40.9%	39.0%	39.9%	39.4%	38.6%	38.1%
Adj Oper. Expenses % Revenue			35.2%	35.7%	38.0%	36.2%	37.0%	36.7%	36.0%	35.7%
Adj Operating Profit Margin	= >	10.0%	14.1%	12.0%	7.7%	11.9%	9.1%	10.3%	11.6%	12.0%
Adjusted EBITDA Margin	= >	10.0%	14.1%	12.0%	7.7%	11.9%	9.1%	10.3%	11.6%	12.0%
Profitability & Efficiency			2020	2021	2022	2023	2024	2025	2026	2027
Total Company FTE's	2024	149	128	136	142	143	149	158	165	175
Industry FTE's	< =	137	129	133	137	137	137	145	154	163
Company FTEs vs Industry		+12	-1	+3	+5	+6	+12	+13	+11	+12
Sales / NW	= >	Input ▼ 3.00x	5.34x	5.44x	6.33x	5.66x	5.82x	5.76x	5.26x	4.68x
Current Liabilities / TNW	< =	1.00x	0.90x	0.83x	0.86x	0.74x	0.81x	0.70x	0.58x	0.47x
Fixed Assets / TNW	< =	1.25x	1.50x	1.38x	1.52x	1.29x	1.29x	1.16x	0.97x	0.79x
Fixed Asset Turnover	= >	4.00	3.84x	4.16x	4.48x	4.61x	4.75x	5.19x	5.64x	6.08x
Total Asset Turnover	= >	1.50	1.28x	1.40x	1.59x	1.74x	1.83x	2.09x	2.35x	2.53x
Pretax Profit Margin	= >	6.0%	8.7%	7.1%	3.5%	7.8%	5.3%	7.1%	8.8%	9.7%
Return on Assets	= >	10.0%	13.0%	12.2%	9.2%	15.8%	12.4%	16.0%	19.6%	21.6%
Return on Book Equity	= >	20.0%	38.5%	33.1%	19.8%	41.1%	26.1%	35.8%	41.0%	40.0%
Return on Market Equity	= >	15.0%	14.6%	14.5%	10.3%	20.3%	15.6%	20.6%	21.6%	19.9%
Market Net Equity Value / Book NW	= >	1.50x	2.64x	2.22x	2.00x	1.88x	1.67x	1.66x	1.74x	1.81x

Stark Industries, Inc

Common Size Income Statements

Enter Accepted Variance ▼	5 year Avg	2020	2021	2022	2023	2024	2025	2026	2027
Equipment Sales	71.7%	72.9%	73.5%	71.9%	70.2%	70.0%	70.0%	70.0%	70.0%
Service	28.3%	27.1%	26.5%	28.1%	29.8%	30.0%	30.0%	30.0%	30.0%
Dollar Value - 1.00% of Revenue		\$146,871	\$157,823	\$169,637	\$176,482	\$182,369	\$200,606	\$220,667	\$242,733
Total Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%
Production Wages		30.8%	28.7%	29.9%	33.2%	30.8%	31.2%	31.0%	30.5%
Materials	5%	14.5%	14.2%	14.8%	15.0%	14.3%	14.5%	14.5%	14.5%
Supplies		7.4%	7.9%	7.6%	6.1%	6.9%	8.4%	7.4%	7.4%
Cost of Goods Sold		52.6%	50.8%	52.3%	54.2%	51.9%	53.9%	52.9%	52.4%
Gross Margin	5%	47.4%	49.2%	47.7%	45.8%	48.1%	46.1%	47.1%	47.7%
		Incr (Decr)	N/A	-1.6%	-1.9%	+2.3%	-2.0%	+0.9%	+0.6%
Wages & Payroll Tax	5%	23.48%	23.07%	23.09%	24.92%	22.99%	23.35%	23.55%	23.37%
Employee Benefits		3.75%	3.31%	3.62%	3.85%	3.89%	4.09%	4.06%	4.03%
Owner's Comp & Benefits		3.40%	3.57%	3.54%	3.37%	3.26%	3.27%	3.04%	2.82%
Rent		1.28%	1.39%	1.31%	1.25%	1.22%	1.11%	1.11%	1.02%
Utilities		0.36%	0.36%	0.37%	0.36%	0.36%	0.35%	0.33%	0.31%
Insurance	15%	2.71%	2.25%	2.35%	2.85%	3.00%	3.10%	3.04%	2.99%
Office Expenses		0.71%	0.62%	0.78%	0.74%	0.69%	0.73%	0.68%	0.64%
Professional Fees		0.70%	0.69%	0.67%	0.75%	0.69%	0.68%	0.66%	0.63%
Equipment Expenses		0.68%	0.68%	0.66%	0.64%	0.65%	0.77%	0.75%	0.74%
Repairs & Maintenance		0.34%	0.37%	0.35%	0.33%	0.32%	0.33%	0.31%	0.29%
Other Operating Expenses		1.78%	1.50%	1.70%	1.80%	1.90%	2.00%	1.91%	1.82%
Operating Expenses	5%	39.19%	37.81%	38.45%	40.86%	38.97%	39.86%	39.44%	38.58%
		Incr (Decr)	N/A	+0.6%	+2.4%	-1.9%	+0.9%	-0.4%	-0.9%
Operating Margin	20%	8.20%	11.44%	9.25%	4.90%	9.13%	6.27%	7.62%	9.03%
		Incr (Decr)	N/A	-2.2%	-4.3%	+4.2%	-2.9%	+1.3%	+1.4%
(Gain) Loss Sale of Assets		-0.02%	0.07%	-0.09%	0.00%	0.10%	-0.20%	-0.02%	-0.02%
Non-Operating Inc/(Expense)		0.19%	0.06%	0.12%	0.26%	0.23%	0.26%	0.16%	0.14%
Net Adjustments to EBITDA		2.60%	2.52%	2.73%	2.57%	2.41%	2.76%	2.57%	2.41%
Adjusted EBITDA	20%	10.96%	14.08%	12.01%	7.73%	11.87%	9.09%	10.33%	11.57%
		Incr (Decr)	N/A	-2.1%	-4.3%	+4.1%	-2.8%	+1.2%	+1.2%
Depreciation & Amortization		2.00%	2.47%	2.23%	1.95%	1.72%	1.60%	1.63%	1.49%
Interest Expense		2.48%	2.93%	2.65%	2.26%	2.33%	2.21%	1.57%	1.23%
Adjusted Pre-Tax Profit	20%	6.5%	8.7%	7.1%	3.5%	7.8%	5.3%	7.1%	8.8%
		Incr (Decr)	N/A	-1.6%	-3.6%	+4.3%	-2.5%	+1.8%	+1.7%
Taxes		0.96%	1.5%	1.2%	0.3%	1.1%	0.8%	1.2%	1.7%
Adjusted Net Income	20%	5.5%	7.2%	5.9%	3.3%	6.7%	4.5%	5.9%	7.1%

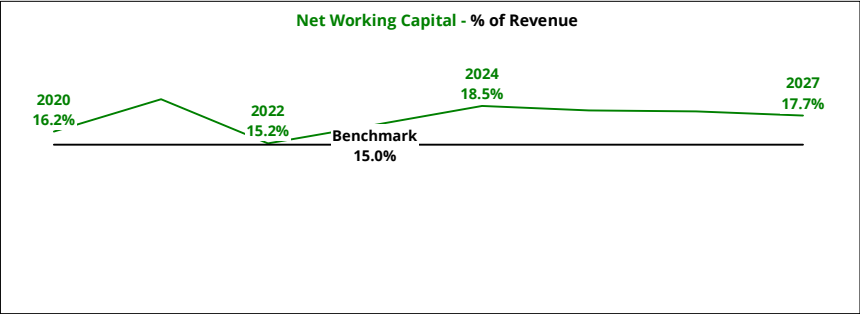
Stark Industries, Inc

Net Working Capital

	% Included		2020	2021	2022	2023	2024	2025	2026	2027
Cash	Excluded		\$4,268,339	\$3,481,819	\$2,949,841	\$2,511,657	\$1,646,345	\$961,814	\$524,270	\$361,796
Line of Credit	Excluded		\$1,125,732	\$1,225,769	\$987,094	\$1,309,876	\$1,450,875	\$1,450,875	\$1,450,875	\$1,450,875
A/R		NWC - Trading	\$2,232,126	\$2,645,062	\$2,449,794	\$2,681,963	\$3,005,059	\$3,132,409	\$3,325,112	\$3,524,619
Inventory		NWC - Trading	\$673,921	\$799,283	\$575,025	\$707,643	\$795,760	\$902,727	\$1,125,399	\$1,310,759
Other Current Assets	100%		\$115,659	\$85,773	\$85,684	\$65,084	\$150,000	\$156,868	\$163,736	\$170,605
Working Capital Assets			\$3,021,706	\$3,530,118	\$3,110,503	\$3,454,690	\$3,950,819	\$4,192,004	\$4,614,248	\$5,005,983
Accounts Payable		NWC - Trading	\$525,433	\$431,743	\$451,799	\$420,578	\$428,578	\$405,448	\$473,375	\$549,641
Accruals	100%		\$202,766	\$147,823	\$398,860	\$210,242	\$252,317	\$222,227	\$192,137	\$162,048
Other Current Liabilities	100%		\$439,341	\$452,490	\$316,727	\$254,864	\$300,220	\$274,374	\$248,528	\$222,681
Working Capital Liabilities			\$1,167,540	\$1,032,056	\$1,167,386	\$885,684	\$981,115	\$902,049	\$914,040	\$934,370
Net Working Capital		Key	\$1,854,166	\$2,498,062	\$1,943,117	\$2,569,006	\$2,969,704	\$3,289,954	\$3,700,208	\$4,071,613

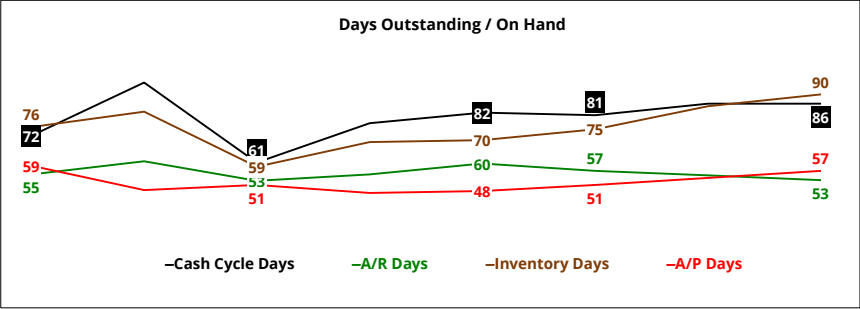
			2020	2021	2022	2023	2024	2025	2026	2027
Net Working Capital Trading Accounts	NWC - Trading		\$2,380,614	\$3,012,602	\$2,573,020	\$2,969,028	\$3,372,241	\$3,629,687	\$3,977,136	\$4,285,737
Benchmark NWC Trading Accts	Industry Avg	15.0%	\$2,210,194	\$2,380,936	\$2,531,382	\$2,634,101	\$2,757,946	\$3,014,860	\$3,316,346	\$3,647,980
Excess (Deficit) to Benchmark NWC	Key		\$170,420	\$631,666	\$41,638	\$334,927	\$614,295	\$614,827	\$660,790	\$637,756

Cash Collect Cycle		Benchmark Days
A/R	Input	45
Inventory	Input	90
A/P	Input	45
Benchmark Cash Collection	Goal	90
Benchmark % of Revenue		15.0%

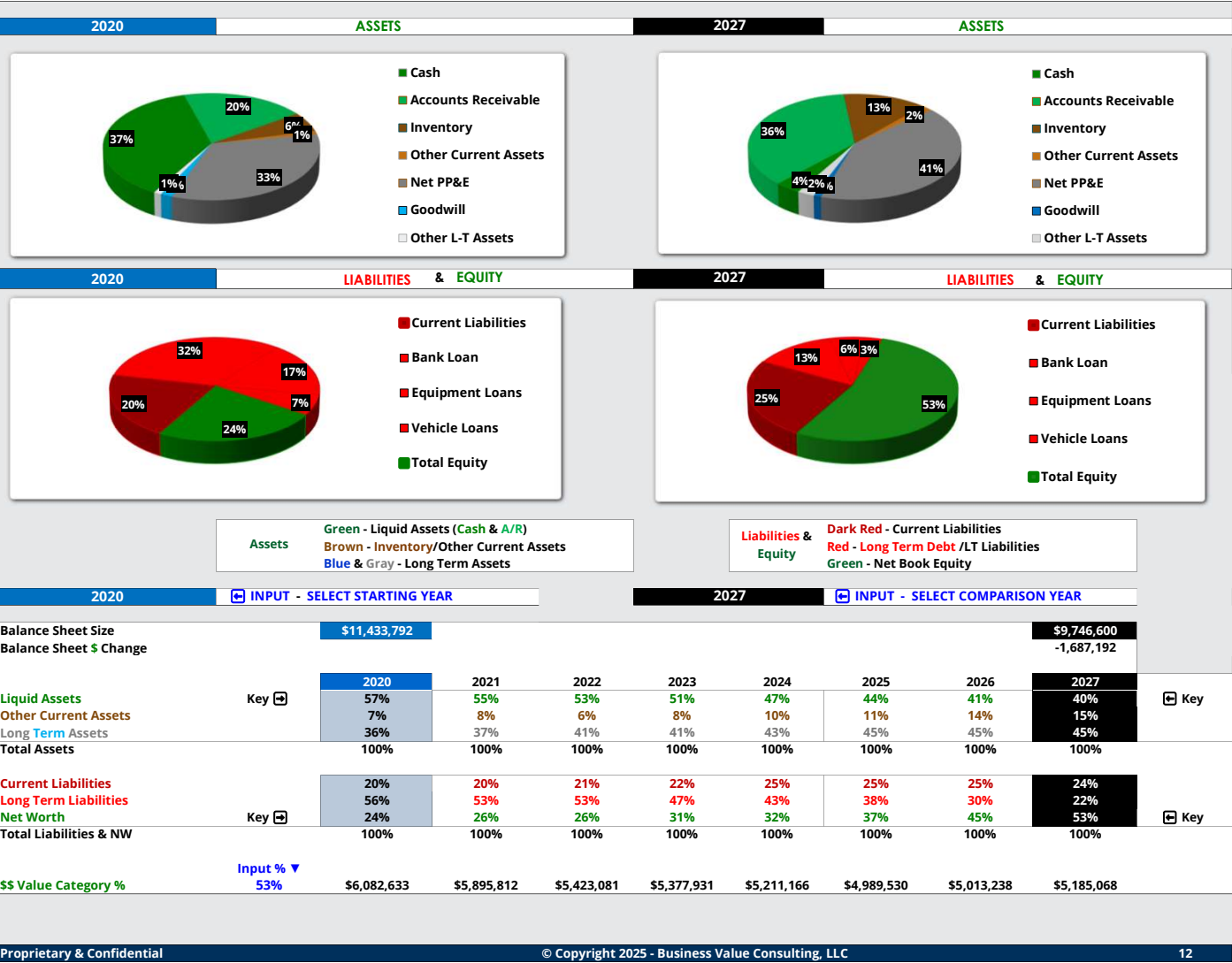


Benchmark Cash Collection	# of Net Days	90
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	8 Yr Avg Dollar Value - 1 Day	
A/R	\$ Per Day	\$51,274
Inventory	\$ Per Day	\$11,209
A/P	\$ Per Day	\$11,209



			2020	2021	2022	2023	2024	2025	2026	2027
A/R	Industry	<	45	61	53	55	60	57	55	53
Inventory	Industry	<	90	83	59	69	70	75	85	90
A/P	Industry	<	45	49	51	47	48	51	54	57
Benchmark Cash Collection	Industry	<	90	95	61	78	82	81	86	86

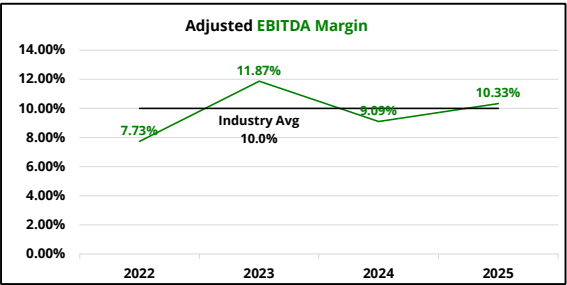
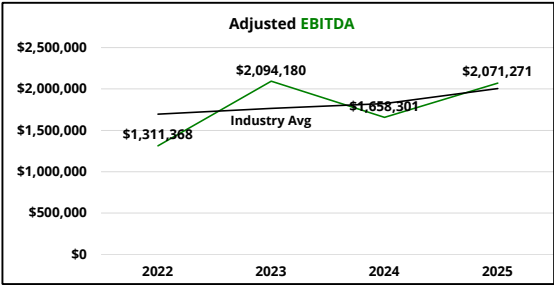


Stark Industries, Inc

Fiscal Year

Adjusted EBITDA

	2020	2021	2022	2023	2024	2025
Total Revenue	14,687,055	15,782,269	16,963,723	17,648,226	18,236,903	20,060,593
Net Income	689,752	502,922	116,369	764,817	312,707	670,180
Interest Expense	431,022	418,879	382,645	411,713	402,572	314,698
Taxes	214,567	189,765	45,678	187,908	148,769	244,118
Depreciation	349,447	338,518	317,101	290,282	277,648	315,781
Amortization	14,000	14,000	14,000	14,000	14,000	11,802
EBITDA	1,698,788	1,464,084	875,793	1,668,720	1,155,696	1,556,579
EBITDA Margin	11.57%	9.28%	5.16%	9.46%	6.34%	7.76%
Adjustments	Input Budget ▼					
Owner's Comp-Adj +/-	250,000	135,850	148,143	155,745	161,234	176,057
Owner's Health-Adj +/-	40,000	27,890	48,760	52,345	48,765	53,450
Owner's Other Benefits-Adj +/-	20,000	50,000	52,500	54,000	55,000	57,000
Market Rent-Adj +/-	200,000	4,000	7,500	12,500	15,600	18,500
Professional Fees-Adj +/-	50,000	50,965	55,031	77,924	71,539	74,325
Travel	39,140	40,314	41,524	42,769	44,052	45,374
Phones	12,875	13,261	13,659	14,069	14,491	14,926
Owner's Retirement Benefits	46,350	47,741	49,173	50,648	52,167	53,732
Charitable Donations	21,630	22,279	22,947	23,636	24,345	25,075
Gain (Loss) Sale of Assets	(9,850)	13,451	-	(17,810)	35,896	4,337
Non-Operating Inc/(Expns)	(9,449)	(18,330)	(44,242)	(39,990)	(47,678)	(31,938)
Total Adjustments	369,401	430,650	435,575	425,460	502,605	514,692
Adjusted EBITDA	2,068,189	1,894,734	1,311,368	2,094,180	1,658,301	2,071,271
Adjusted EBITDA Margin	14.08%	12.01%	7.73%	11.87%	9.09%	10.33%



Adj EBITDA & Margin	3 year average	\$1,687,950	9.56%
Adj EBITDA & Margin	5 year average	\$1,805,354	10.96%

# Stark Industries, Inc

# Market Comparables

Target Business Description	Sale Date	Net Revenue	Sales Price	Price/Rev	EBITDA	Price/EBITDA	EBITDA Margin	SDE	Price/SDE	Comp Weighting
Industrial Equip Manuf.	11/5/2024	\$19,787,000	\$10,684,980	54.00%	\$1,978,700	5.4	10.0%	\$3,089,738	3.5	8.3%
Industrial Equip Manuf.	3/20/2022	\$18,986,216	\$9,303,246	49.00%	\$1,841,663	5.1	9.7%	\$2,342,130	4.0	8.3%
Industrial Equip Manuf.	2/26/2019	\$15,401,294	\$7,192,404	46.70%	\$1,694,142	4.2	11.0%	\$1,966,271	3.7	8.3%
Industrial Equip Manuf.	6/28/2022	\$17,560,936	\$9,008,760	51.30%	\$2,107,312	4.3	12.0%	\$2,602,190	3.5	8.3%
Industrial Equip Manuf.	7/31/2020	\$16,397,616	\$7,641,289	46.60%	\$1,639,762	4.7	10.0%	\$2,269,922	3.4	8.3%
Industrial Equip Manuf.	9/28/2021	\$12,941,711	\$6,910,874	53.40%	\$1,391,234	5.0	10.8%	\$1,946,045	3.6	8.3%
Industrial Equip Manuf.	3/3/2022	\$15,671,034	\$7,318,373	46.70%	\$1,841,346	4.0	11.8%	\$1,890,710	3.9	8.3%
Industrial Equip Manuf.	10/31/2023	\$12,582,887	\$6,838,799	54.35%	\$1,384,118	4.9	11.0%	\$1,788,592	3.8	8.3%
Industrial Equip Manuf.	5/26/2018	\$17,860,376	\$8,969,481	50.22%	\$1,786,038	5.0	10.0%	\$2,210,466	4.1	8.3%
Industrial Equip Manuf.	9/26/2024	\$19,860,376	\$9,469,481	47.68%	\$1,589,038	6.0	8.0%	\$2,098,765	4.5	8.3%
Industrial Equip Manuf.	2/21/2021	\$20,860,376	\$10,969,481	52.59%	\$2,386,038	4.6	11.4%	\$2,810,466	3.9	8.3%
Industrial Equip Manuf.	8/4/2023	\$12,860,376	\$4,969,481	38.64%	\$786,038	6.3	6.1%	\$1,210,466	4.1	8.7%
Average	1/27/2022	\$16,730,850	\$8,273,054	49.3%	\$1,702,119	4.95	10.1%	\$2,185,480	3.81	100.0%
Weighted Average		\$16,715,368	\$8,259,840	49.2%	\$1,698,455	4.96	10.1%	\$2,181,580	3.81	

## Stark Industries, Inc

2024

Net Sales  
Revenue Multiple  
Business Value

Revenue Value

\$18,236,903  
x 49.2%  
\$8,976,620

2024

Adj EBITDA  
EBITDA Multiple  
Business Value

EBITDA Value  
\$1,658,301  
x 4.96  
\$8,219,845

EBITDA  
Margin  
9.1%

Weighted

Net Sales  
Revenue Multiple  
Business Value

Revenue Value

\$17,261,345  
x 49.2%  
\$8,496,429

Weighted

Weighted EBITDA  
EBITDA Multiple  
Business Value

EBITDA Value  
\$1,763,999  
x 4.96  
\$8,743,766

EBITDA  
Margin  
10.2%



	Comparables	Stark Industries, Inc
EBITDA Margin	10.13%	10.22%
Weighted EBITDA Multiple:	4.96x	x 4.96x
Weighted Revenue Multiple:	= 49.22%	= 50.66%

Market Business Value
\$8,639,027

Weighted Adj Revenue Multiple Business Value

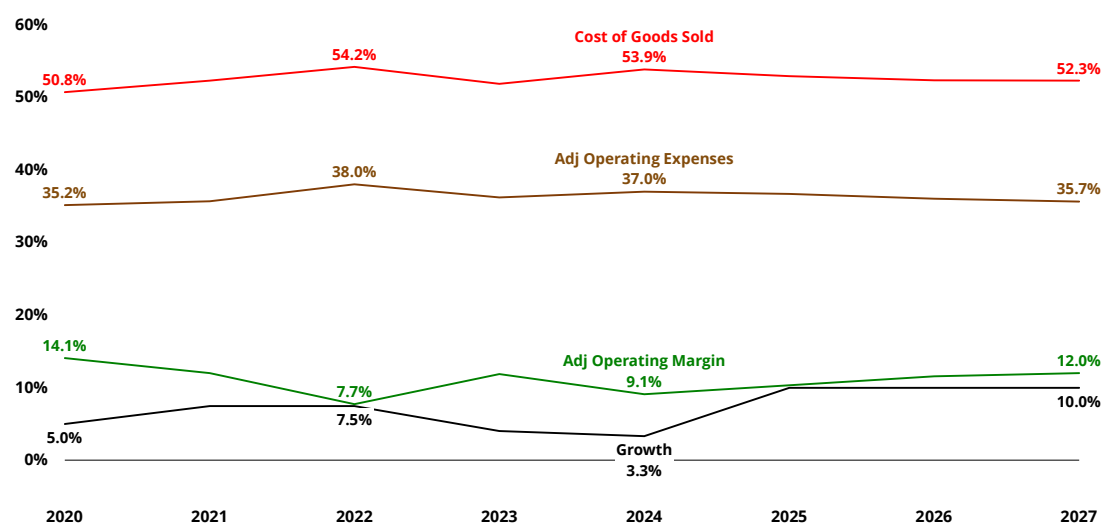
Year	Revenue	Multiple	Business Value	Input Weighting	Weighted
2024	\$18,236,903	49.0%	\$8,936,082	5	\$44,680,412
2023	\$17,648,226	49.0%	\$8,647,631	4	\$34,590,523
2022	\$16,963,723	49.0%	\$8,312,224	3	\$24,936,673
2021	\$15,782,269	49.0%	\$7,733,312	2	\$15,466,624
2020	\$14,687,055	49.0%	\$7,196,657	1	\$7,196,657
Weighted Avg	\$17,261,345	49.0%			\$8,458,059

Weighted Adj EBITDA Multiple Business Value

Year	Adj EBITDA	Multiple	Business Value	Weighting	Weighted
2024	\$1,658,301	5.0x	\$8,291,507	5	\$41,457,536
2023	\$2,094,180	5.0x	\$10,470,899	4	\$41,883,596
2022	\$1,311,368	5.0x	\$6,556,838	3	\$19,670,515
2021	\$1,894,734	5.0x	\$9,473,669	2	\$18,947,339
2020	\$2,068,189	5.0x	\$10,340,945	1	\$10,340,945
EBITDA Weighted Avg	\$1,763,999	5.0x			\$8,819,995

Summary

Valuation Metric	Weighted Avg	Valuation Multiple	Business Value	Input Weighting	Weighted Value	Final Multiples	Market Business Value
Revenue	\$17,261,345	49.0%	\$8,458,059	50%	\$4,229,030	50.0%	\$8,639,027
EBITDA	\$1,763,999	5.0x	\$8,819,995	50%	\$4,409,998	4.9x	
Primary Multiples Business Value			Weighted		\$8,639,027		Plus/Less: Working Cap Adj +614,295
Revenue	\$17,261,345	49.0%	\$8,458,059	25%	\$2,114,515	50.1%	Plus: Cash +1,646,345
EBITDA	\$1,763,999	5.0x	\$8,819,995	25%	\$2,204,999	4.9x	Less: Debt & L-T Liabs -5,682,162
Gross Profit	\$8,106,558	1.0x	\$8,444,331	25%	\$2,111,083	1.1x	Net Equity \$5,217,505
SDE	\$2,337,374	3.8x	\$8,882,021	25%	\$2,220,505	3.7x	
All Multiples Business Value			Weighted		\$8,651,102		



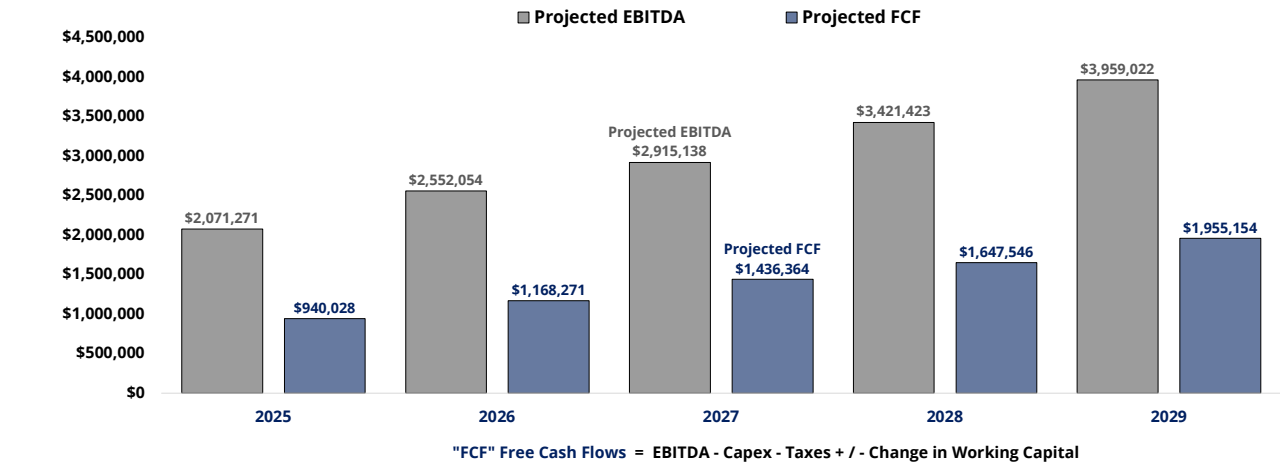
	Historic Average	Reviewed 2024	Project 2025	Project 2026	Project 2027
Total Revenue	\$16,663,635	\$18,236,903	\$20,060,593	\$22,066,653	\$24,273,318
Sales Growth Rate	5.6%	3.3%	10.0%	10.0%	10.0%
Adj Operating Profit	\$1,805,354	\$1,658,301	\$2,071,271	\$2,552,054	\$2,915,138
Adj Operating Profit Margin	11.0%	9.1%	10.3%	11.6%	12.0%
Adj Oper Profit Margin Incr (Decr)		-1.9%	+1.2%	+1.2%	+0.4%

Key ↗

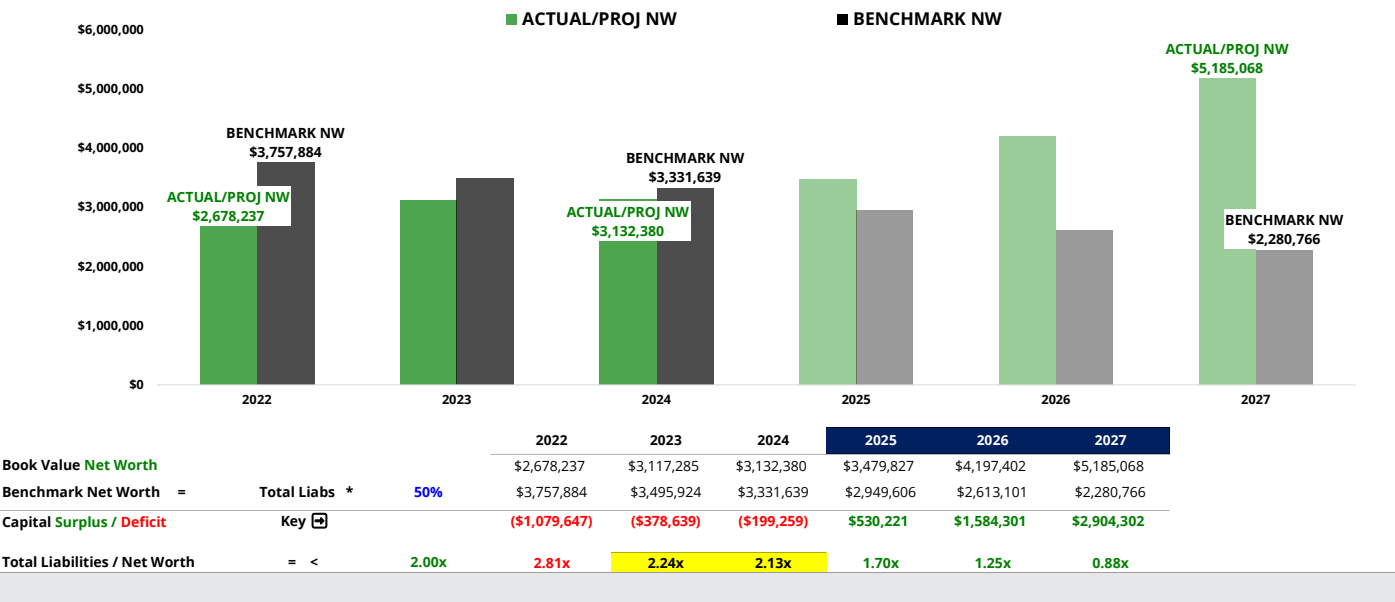
Market Approach	DCF Value	NPV
\$8,639,027	\$8,273,108	-\$365,919

Discount Rate Build Up			
Risk Free Rate	Input	4.50%	
Equity Premium		6.90%	
Company Size Premium		7.00%	
Company Specific Premium		2.50%	
Discount Rate		20.90%	
Actual EBIT CAGR		-10.31%	
5 Yr Projected EBIT CAGR		21.44%	
Adj Projected EBIT CAGR			
L-T EBIT Growth		3.00%	
Internal Rate of Return	Key	19.61%	

Summary of Discounted Cash Flow Analysis			
5 Yr Free Cash Flow Total		=	\$7,147,363
Exit Cash - Terminal Value	2029	+	\$11,250,328
Total Free Cash & Exit Cash		=	\$18,397,691
Discount Rate/Avg Factor	20.90%	x	44.97%
NPV - Cash Inflows	2024	=	\$8,273,108
Market Approach Price		Deduct	(\$8,639,027)
NPV - All Cash Flows		Key	-\$365,919



EBITDA & Free Cash Flows			2025	2026	2027	2028	2029	5 yr avg	Avg \$ Chg	5 yr Total
EBITDA			2,071,271	2,552,054	2,915,138	3,421,423	3,959,022	2,983,781	+471,938	14,918,907
Less: Capex	Tax Rate	% Adj ▼	(345,428)	(379,971)	(417,968)	(459,765)	(505,741)	(421,775)	(40,078)	(2,108,873)
Less: Taxes	27%	100.00%	(465,565)	(593,559)	(689,400)	(822,734)	(963,892)	(707,030)	(124,582)	(3,535,150)
Change in Working Cap		100.00%	(320,250)	(410,253)	(371,405)	(491,378)	(534,235)	(425,504)	(425,504)	(2,127,522)
Operating Free Cash Flow			940,028	1,168,271	1,436,364	1,647,546	1,955,154	1,429,473	+253,782	7,147,363
Operating Free Cash Flows			940,028	1,168,271	1,436,364	1,647,546	1,955,154			7,147,363
Discount Factor			82.71%	68.41%	56.59%	46.81%	38.71%	Average Discount Factor	x	54.81%
Net Present Value-Operating Free Cash Flows			777,525	799,265	812,804	771,138	756,919	NPV Operating Cash	=	3,917,652
	Actual Avg	Project Avg			Actual Avg	Projected		Exit - Terminal Value		11,250,328
Revenue Growth	4.52%	7.47%	Avg EBITDA \$ Change		(\$102,472)	\$471,938		Exit Discount Factor	x	38.71%
Gross Profit Margin	47.39%	47.77%	Avg Free Cash \$ Change		(\$242,306)	\$253,782		NPV Exit / Terminal	=	4,355,457
			EBIT Growth		-10.31%	21.44%		NPV - Cash Inflows	=	8,273,108



Market Approach : Net Equity Value

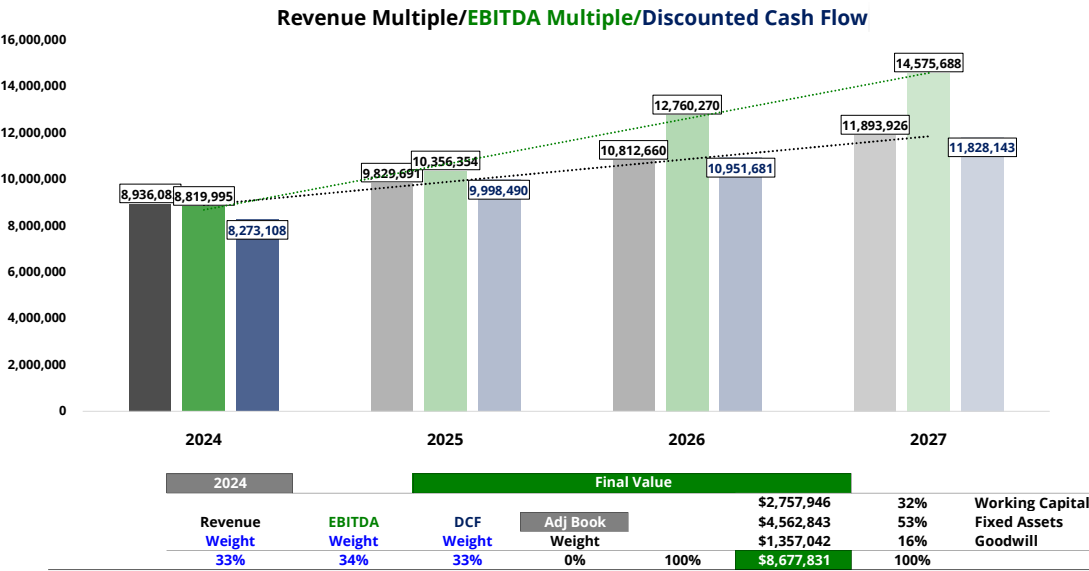
		2022	2023	2024	
Key	Market Approach Business Value	\$8,714,510	\$9,130,983	\$8,639,027	Key
	Plus: Cash Holdings	\$2,949,841	\$2,511,657	\$1,646,345	
	Plus / (Less) : Normalized Working Capital	\$41,638	\$334,927	\$614,295	
	(Less) : Interest-Bearing Debt & L-T Liabs	(\$6,348,381)	(\$6,106,163)	(\$5,682,162)	
	Asset/Liability Adjustment	(\$3,356,902)	(\$3,259,579)	(\$3,421,522)	
Key	Market Approach Net Equity Value	\$5,357,608	\$5,871,403	\$5,217,505	Key

Stark Industries, Inc

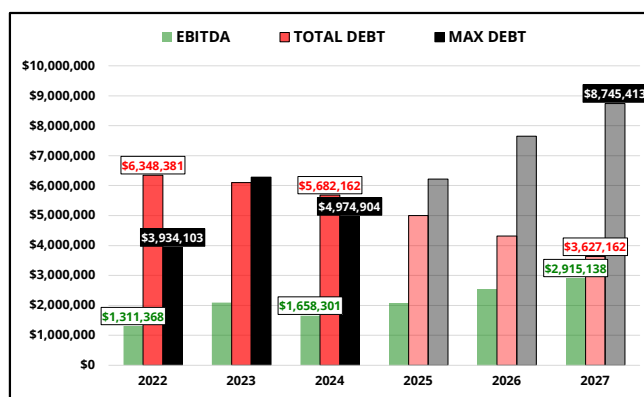
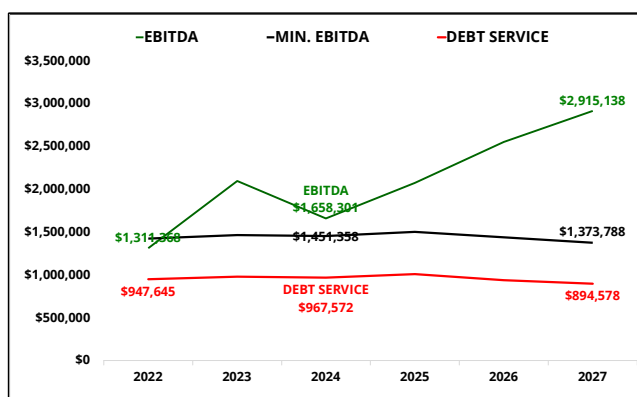
Business Value - FMV Asset Approach

			FM Value 2020	FM Value 2021	FM Value 2022	FM Value 2023	Reviewed 2024	Adjustment	FM Value 2024
ASSETS									
Adjusted Cash			4,268,339	3,481,819	2,949,841	2,511,657	1,646,345		1,646,345
Adjusted Accounts Receivable			2,165,162	2,565,710	2,376,300	2,601,504	3,005,059	-90,152	2,914,907
Adjusted Inventory			673,921	799,283	575,025	707,643	795,760		795,760
Adjusted Other Current Assets			115,659	85,773	85,684	65,084	150,000		150,000
Adjusted PP&E			4,329,650	4,256,789	4,314,007	4,335,219	3,850,987	+500,000	4,350,987
Adjusted Other Assets			122,447	136,241	156,003	157,916	211,856		211,856
Intangibles - In place Staff / Process			644,872	644,872	644,872	644,872	-	+644,872	644,872
Existing Goodwill			-	-	-	-	135,650	-135,650	-
Non-Operating Assets			2,661,442	1,742,812	1,121,324	652,700	-		-
Total Operating Assets	Book Value	FMV	11,675,178	11,325,615	10,456,860	10,379,023	9,795,657	+919,071	10,714,728
Total Assets	Book Value	FMV	17,642,934	15,456,112	13,344,380	12,329,296	9,795,657	+919,071	10,714,728
LIABILITIES & EQUITY								Adjustment	
Accounts Payable			525,433	431,743	451,799	420,578	428,578		428,578
Line of Credit			1,125,732	1,225,769	987,094	1,309,876	1,450,875		1,450,875
Accruals			202,766	147,823	398,860	210,242	252,317		252,317
Other Current Liabilities			439,341	452,490	316,727	254,864	300,220		300,220
Bank Loan			3,689,399	3,389,399	3,089,399	2,789,399	2,489,399		2,489,399
Equipment Loans			1,956,543	1,756,543	1,556,543	1,356,543	1,156,543		1,156,543
Vehicle Loans			745,345	680,345	615,345	550,345	485,345		485,345
Shareholder Loan			-	100,000	100,000	100,000	100,000		100,000
Total Liabilities	Book Value	FMV	8,684,559	8,184,112	7,515,767	6,991,847	6,663,277		6,663,277
Equity									
Equity Capital			515,235	515,235	515,235	515,235	515,235		515,235
Retained Earnings			458,815	1,528,328	1,949,407	2,864,113	2,617,145	+919,071	3,536,216
Operating Net Worth	Book Value	FMV	974,050	2,043,563	2,464,642	3,379,348	3,132,380	+919,071	4,051,451
Total Operating Liabs & Equity	Book Value	FMV	9,658,609	10,227,675	9,980,409	10,371,195	9,795,657	+919,071	10,714,728
Excess Cash			+2,661,442	+1,742,812	+1,121,324	+652,700	-		-
Non Operating Current Assets			-	-	-	-	-		-
Non Operating LT Assets			-	-	-	-	-		-
Total Non Operating Assets			2,661,442	1,742,812	1,121,324	652,700	-		-
Total Net Worth	Book Value	FMV	2,749,233	2,898,505	2,678,237	3,117,285	3,132,380		
			3,635,492	3,786,376	3,585,966	4,032,049		+919,071	4,051,451
Total Liabilities & Equity	Book Value		11,433,792	11,082,617	10,194,004	10,109,132	9,795,657		
		FMV	12,320,051	11,970,488	11,101,733	11,023,896		+919,071	10,714,728

Fiscal Year End					2024						
					Revenue Value	EBITDA Value	DCF Value	Adj Book Value	Avg Value	Asking Price	
Revenue / EBITDA / Net Cash Flows / Adj Book					\$18,236,903	\$1,763,999	\$18,397,691	\$4,051,451			
Industry multiple / Weighted Discount Factor					*	49.0%	5.0x	45.0%	2.00x		
Final Values by Approach					=	\$8,936,082	\$8,819,995	\$8,273,108	\$8,102,901	\$8,533,022	\$10,000,000
Revenue Multiples					49.0%	48.4%	45.4%	44.4%	46.8%	54.8%	
EBITDA Multiples					5.1x	5.0x	4.7x	4.6x	4.8x	6.0x	
Value as % of DCF Value					108.0%	106.6%	100.0%	97.9%	103.1%	120.9%	
Multiple of Adj Book Value					2.2x	2.2x	2.0x	2.00x	2.1x	2.5x	
Working Capital Value					\$2,757,946	\$2,757,946	\$2,757,946	\$2,757,946	\$2,757,946	\$2,757,946	
Earnings/LT Assets & Goodwill Value					\$6,178,136	\$6,062,049	\$5,515,162	\$5,344,955	\$5,775,076	\$7,242,054	
Working Capital Multiple Portion					15.1%	1.6x	33.3%	0.68x	1.6x	1.7x	
Earnings/LT Assets & Goodwill Multiple Portion					33.9%	3.4x	66.7%	1.32x	3.3x	4.4x	



Liquidity		Input > ▼	2020	2021	2022	2023	2024	2025	2026	2027
Cash / Total Liabilities		0.20x	0.49x	0.43x	0.39x	0.36x	0.25x	0.16x	0.10x	0.08x
Cash / Current Liabilities		0.25x	1.86x	1.54x	1.37x	1.14x	0.68x	0.41x	0.22x	0.15x
Cash + A/R / Current Liabilities		1.25x	2.83x	2.71x	2.51x	2.37x	1.91x	1.74x	1.63x	1.63x
Current Assets / Current Liabilities		1.50x	3.18x	3.11x	2.81x	2.72x	2.30x	2.19x	2.17x	2.25x
Cash Flow		Input > ▼								
Oper Cash Flow / Current Liabs		0.25x	0.51x	0.09x	0.47x	0.20x	0.08x	0.29x	0.41x	0.53x
Oper Cash Flow / Invest + Finance		0.75x	1.16x	0.21x	0.65x	0.50x	0.19x	0.50x	0.69x	0.89x
Altman Z Score										
Low Risk	= or >	2.60								
Industry	= or >	2.75	2.10	2.27	2.34	2.79	2.82	3.36	3.89	4.36
High Risk	= or <	1.10								
Leverage										
Total Debt / EBITDA		3.00x	3.63x	3.77x	4.84x	2.92x	3.43x	2.41x	1.69x	1.24x
Total Liabilities / EBITDA		4.50x	4.20x	4.32x	5.73x	3.34x	4.02x	2.85x	2.05x	1.56x
Debt Service		Input > ▼								
EBITDA Debt Service		1.50x	2.08x	1.93x	1.38x	2.14x	1.71x	2.06x	2.72x	3.26x
Fixed Charge Coverage		1.15x	1.41x	1.46x	1.44x	1.51x	1.46x	1.59x	1.81x	2.00x

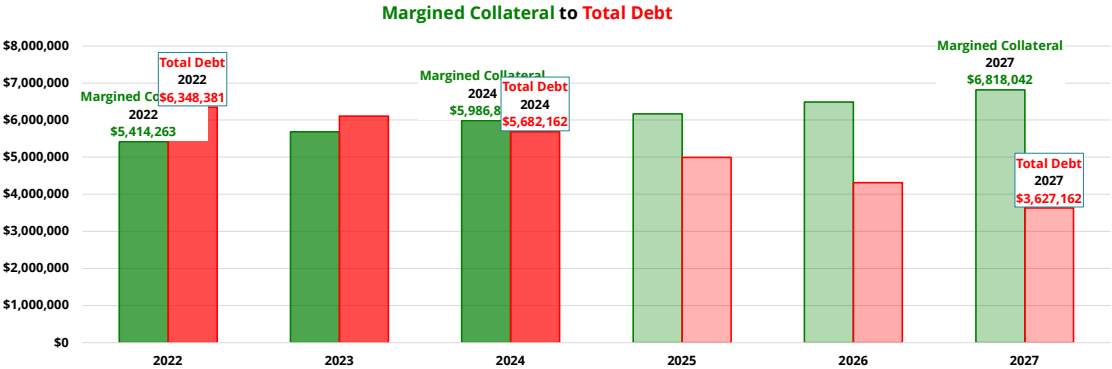


Stark Industries, Inc

Working Capital Collateral	
Accounts Receivable	
Ineligibles	
Eligible Accounts Receivable	
Advance Rate	
Margined A/R	
Inventory	
Exclude Ineligibles (slow, obsolete)	
Eligible Inventory	
Advance Rate	
Margined Inventory	
Margined A/R & Inventory	
Credit Line Commitment	
Line of Credit - Balance	
LOC Availability (Collateral Shortfall)	
Fixed Assets Collateral	
Fixed Assets	
Advance Rate	
Total Long Term Debt - Balance	
Fixed Assets Collateral Surplus (Shortfall)	

		Collateral Analysis							
Input ▼		2020	2021	2022	2023	2024	2025	2026	2027
		\$2,232,126	\$2,645,062	\$2,449,794	\$2,681,963	\$3,005,059	\$3,132,409	\$3,325,112	\$3,524,619
5%		(\$111,606)	(\$132,253)	(\$122,490)	(\$134,098)	(\$150,253)	(\$156,620)	(\$166,256)	(\$176,231)
		\$2,120,520	\$2,512,809	\$2,327,304	\$2,547,865	\$2,854,806	\$2,975,788	\$3,158,856	\$3,348,388
80%		80%	80%	80%	80%	80%	80%	80%	80%
		\$1,696,416	\$2,010,247	\$1,861,843	\$2,038,292	\$2,283,845	\$2,380,631	\$2,527,085	\$2,678,710
		\$673,921	\$799,283	\$575,025	\$707,643	\$795,760	\$902,727	\$1,125,399	\$1,310,759
10%		(\$67,392)	(\$79,928)	(\$57,503)	(\$70,764)	(\$79,576)	(\$90,273)	(\$112,540)	(\$131,076)
		\$606,529	\$719,355	\$517,523	\$636,879	\$716,184	\$812,454	\$1,012,859	\$1,179,683
60%		60%	60%	60%	60%	60%	60%	60%	60%
		\$363,917	\$431,613	\$310,514	\$382,127	\$429,710	\$487,472	\$607,716	\$707,810
Green if Max		\$2,060,333	\$2,441,860	\$2,172,357	\$2,420,419	\$2,713,555	\$2,868,103	\$3,134,801	\$3,386,520
Green if Max		\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
		(\$1,125,732)	(\$1,225,769)	(\$987,094)	(\$1,309,876)	(\$1,450,875)	(\$1,450,875)	(\$1,450,875)	(\$1,450,875)
		\$934,601	\$1,216,091	\$1,185,263	\$1,110,543	\$1,262,680	\$1,417,228	\$1,683,926	\$1,935,645
		\$3,829,650	\$3,756,789	\$3,814,007	\$3,835,219	\$3,850,987	\$3,880,634	\$3,942,393	\$4,037,085
85%		\$3,255,203	\$3,193,271	\$3,241,906	\$3,259,936	\$3,273,339	\$3,298,539	\$3,351,034	\$3,431,522
		(\$6,391,287)	(\$5,926,287)	(\$5,361,287)	(\$4,796,287)	(\$4,231,287)	(\$3,546,287)	(\$2,861,287)	(\$2,176,287)
		-\$3,136,085	-\$2,733,016	-\$2,119,381	-\$1,536,351	-\$957,948	-\$247,748	\$489,747	\$1,255,235

		Summary							
		2020	2021	2022	2023	2024	2025	2026	2027
Total Margined Assets		\$5,315,536	\$5,635,131	\$5,414,263	\$5,680,355	\$5,986,894	\$6,166,642	\$6,485,835	\$6,818,042
Less - Total Debt + Overdrafts		-\$7,517,019	-\$7,152,056	-\$6,348,381	-\$6,106,163	-\$5,682,162	-\$4,997,162	-\$4,312,162	-\$3,627,162
Total Collateral	Surplus (Shortfall)	-\$2,201,483	-\$1,516,925	-\$934,118	-\$425,808	\$304,732	\$1,169,480	\$2,173,673	\$3,190,880





# Stark Industries, Inc

# Debt Risk Ratings

5-Year Avg Rating		GUIDE	RATING	3-Year Projected Avg	
2020	2024			2025	2027
		LOW RISK	8-10	9.42	
		MODERATE RISK	6-8		
		HIGH RISK	4-6		
4.59		IMPAIRED	1-4		

Weighting	Input ▼	Max Score	2020	2021	2022	2023	2024	2025	2026	2027
Cash Flow Rating	33%	3.30	1.93	1.93	0.96	2.34	2.20	2.75	3.30	3.30
Collateral Rating	34%	3.40	0.00	0.21	0.43	1.06	1.91	2.76	3.19	3.40
Covenant Rating	33%	3.30	1.82	1.82	1.65	2.48	2.23	2.97	3.30	3.30
<b>FINAL SCORE</b>	100%	10.00	3.74	3.95	3.04	5.88	6.34	8.48	9.79	10.00

Cash Flow	2.00	1.17	1.17	0.58	1.42	1.33	1.67	2.00	2.00
Collateral	2.00	0.00	0.13	0.25	0.63	1.13	1.63	1.88	2.00

Covenants / Weights	Input ▼	Max Score	2020	2021	2022	2023	2024	2025	2026	2027
Fixed Charge Coverage	20%	2.00	2.00	1.75	1.25	2.00	1.50	1.75	2.00	2.00
Debt / EBITDA	20%	2.00	0.00	0.00	0.00	1.25	0.50	1.50	2.00	2.00
Total Liabs/NW	20%	2.00	0.00	0.00	0.00	0.50	0.75	1.75	2.00	2.00
Current Ratio	20%	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Altman Z Score	20%	2.00	1.50	1.75	1.75	1.75	2.00	2.00	2.00	2.00
<b>Covenants Total</b>	100%	10.00	1.10	1.10	1.00	1.50	1.35	1.80	2.00	2.00

Business Risk	Highest Score	2024	2027
Business Risk	10.00	5.83	9.16
Earnings Variance	3.33	2.50	3.33
Revenue Variance	3.33	3.33	3.33
Operating Leverage	3.33	0.00	2.50

Financial Risk	Highest Score	2024	2027
Financial Risk	10.00	7.00	8.75
LTD/NW	2.50	1.75	2.25
Total Debt/Total Assets	2.50	1.25	1.75
Interest Coverage	2.50	2.50	2.50
Oper Cash/Current Liabs	2.50	1.50	2.25

<a href="#">Income Statement Assumptions</a>	<a href="#">Balance Sheet Assumptions</a>	<a href="#">Link to Covenants Report</a>	<a href="#">Link to Collateral Report</a>
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		LOAN ADVANCES & REPAYMENTS							
		2020	2021	2022	2023	2024	2025	2026	2027
<b>TOTAL DEBT OPENING</b>		<b>8,082,019</b>	<b>7,517,019</b>	<b>7,152,056</b>	<b>6,348,381</b>	<b>6,106,163</b>	<b>5,682,162</b>	<b>4,997,162</b>	<b>4,312,162</b>
Bank Loan	ISSUANCE	-	-	-	-	-	-	-	-
Bank Loan	REPAY	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)
Equipment Loans	ISSUANCE	-	-	-	-	-	-	-	-
Equipment Loans	REPAY	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Vehicle Loans	ISSUANCE	-	-	-	-	-	-	-	-
Vehicle Loans	REPAY	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Shareholder Loan	ISSUANCE	-	100,000	-	-	-	-	-	-
Shareholder Loan	REPAY	-	-	-	-	-	(20,000)	(20,000)	(20,000)
LINE OF CREDIT	ISSUANCE/REPAY	-	100,037	(238,675)	322,782	140,999	-	-	-
Seller Note	ISSUANCE	-	-	-	-	-	-	-	-
Seller Note	REPAY	-	-	-	-	-	-	-	-
<b>TOTAL DEBT CLOSING</b>		<b>7,517,019</b>	<b>7,152,056</b>	<b>6,348,381</b>	<b>6,106,163</b>	<b>5,682,162</b>	<b>4,997,162</b>	<b>4,312,162</b>	<b>3,627,162</b>

		DEBT BY LOAN							
Bank Loan	BALANCE	3,689,399	3,389,399	3,089,399	2,789,399	2,489,399	2,089,399	1,689,399	1,289,399
Equipment Loans	BALANCE	1,956,543	1,756,543	1,556,543	1,356,543	1,156,543	956,543	756,543	556,543
Vehicle Loans	BALANCE	745,345	680,345	615,345	550,345	485,345	420,345	355,345	290,345
Shareholder Loan	BALANCE	-	100,000	100,000	100,000	100,000	80,000	60,000	40,000
LINE OF CREDIT	BALANCE	1,125,732	1,225,769	987,094	1,309,876	1,450,875	1,450,875	1,450,875	1,450,875
Seller Note	BALANCE	-	-	-	-	-	-	-	-
<b>TOTAL DEBT</b>		<b>7,517,019</b>	<b>7,152,056</b>	<b>6,348,381</b>	<b>6,106,163</b>	<b>5,682,162</b>	<b>4,997,162</b>	<b>4,312,162</b>	<b>3,627,162</b>

		INTEREST BY LOAN							
Bank Loan	6.40%	211,548	210,234	198,378	201,491	190,347	146,522	120,922	95,322
Equipment Loans	6.40%	112,187	110,275	101,445	99,844	90,619	67,619	54,819	42,019
Vehicle Loans	6.40%	42,738	42,342	39,673	39,953	37,346	28,982	24,822	20,662
Shareholder Loan	6.40%	-	2,970	5,940	5,940	5,940	5,346	4,158	2,970
LINE OF CREDIT	6.40%	64,549	69,837	67,757	78,727	99,549	92,856	92,856	92,856
Seller Note	6.40%	-	-	-	-	-	-	-	-
<b>ACTUAL/PROJECTED INTEREST EXPENSE</b>		<b>431,022</b>	<b>418,879</b>	<b>382,645</b>	<b>411,713</b>	<b>402,572</b>	<b>341,324</b>	<b>272,138</b>	<b>229,578</b>
<i>Projected</i>		<i>431,022</i>	<i>418,879</i>	<i>382,645</i>	<i>411,713</i>	<i>402,572</i>	<i>341,324</i>		
<b>TOTAL DEBT SERVICE</b>		<b>996,022</b>	<b>983,879</b>	<b>947,645</b>	<b>976,713</b>	<b>967,572</b>	<b>1,006,324</b>	<b>937,138</b>	<b>894,578</b>