

# Tranzonic Companies

26301 Curtiss Wright Parkway, Cleveland, OH 44143

Tim Londo, Chief Operating Officer

**Date:** June 29, 2023

## Application Facts:

Industry	<b>Manufacturing</b>
NAICS	<b>322299</b>
Type of App	<b>Expansion</b>
Location	<b>Clark County</b>
RDA	LVGEA, Perry Ursem

## Company Profile

Tranzonic Companies (Tranzonic) will be expanding its existing Northern Nevada operations to North Las Vegas. The expansion will comprise a 394,740 sq. ft. manufacturing and distribution facility. The company's existing Nevada facility focuses on production of paper products. Founded nearly a century ago, the Tranzonic Companies provides an unsurpassed portfolio of cleaning, maintenance, absorbents and personal protection products. Headquartered in Cleveland, Ohio, the company manufactures and distributes products across multiple industries, including commercial, industrial, institutional and business consumer sectors from food service to automotive to medical. Tranzonic plans to execute several outreach programs in its new Nevada locations which will include Product donations to local non profits, shelters, disaster areas, food drives and in conjunction with employee pay for local volunteer events. The company also considered Arizona and California as potential locations for expansion. *Source:*

<b>Tax Abatement Requirements:</b>	<b>Statutory</b>	<b>Company Application</b>	<b>Meeting Requirements</b>
Job Creation	25	<b>18</b>	<b>No</b>
Average Wage	\$28.14	<b>\$28.28</b>	<b>Yes</b>
Equipment Capex (SU & MBT)			
Equipment Capex (PP)	\$30,435	<b>\$2,736,835</b>	<b>Yes</b>
<b>Additional Requirements:</b>			
Health Insurance	65%	<b>69%</b>	<b>Yes</b>
Revenues generated outside NV	51%	<b>90%</b>	<b>Yes</b>
Business License	<input checked="" type="checkbox"/> Current	<input type="checkbox"/> Pending	<input type="checkbox"/> Will comply

<b>Total Tax Liability</b> (without tax abatements)	<b>Direct (company)</b>	<b>Total</b>
	<b>\$477,612</b>	<b>\$8,339,819</b>

<b>Tax Abatements</b>	<b>Contract Terms</b>	<b>Estimated Tax Abatement</b>
Sales Tax Abmt.	4.6% for 2 years	\$103,316
Modified Business Tax Abmt.	50% for 4 years	\$23,369
Personal Property Tax Abmt.	50% for 10 years	\$100,832
<b>Total Estimated Tax Abatement over 10 yrs.</b>		<b>\$227,517</b>

<b>Net New Tax Revenues</b>	<b>Direct</b>	<b>Indirect</b>	<b>Taxes after Abatements</b>
<b>Local Taxes</b>			
Property	\$4,169,818	\$1,639,704	\$5,809,522
Sales	\$249,976	\$841,068	\$1,091,044
Lodging	\$0	\$52,232	\$52,232
<b>State Taxes</b>			
Property	\$228,064	\$95,407	\$323,471
Sales	\$110,837	\$280,706	\$391,543
Modified Business	\$181,136	\$246,573	\$427,709
Lodging	\$0	\$16,781	\$16,781
<b>Total Estimated New Tax Revenue over 10 yrs.</b>	<b>\$4,939,831</b>	<b>\$3,172,471</b>	<b>\$8,112,302</b>

<b>Economic Impact over 10 yrs.</b>	<b>Total</b>	<b>Construction</b>	<b>Total</b>
Total Jobs Supported	93	42	135
Total Payroll Supported	\$45,275,264	\$2,784,264	\$48,059,528
Total Economic Value	\$234,959,753	\$8,023,381	\$242,983,134

## IMPORTANT TERMS & INFORMATION

**Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.**

**Total Estimated Tax Abatement** is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

**Estimated New Tax Revenue** is amount of tax revenues local and state government will collect after the abatement was given to applying company.

**Economic Impact** is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.



April 20, 2023

Mr. Tom Burns  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Avenue, Suite 5400  
Las Vegas, Nevada 89101

Dear Mr. Burns,

Tranzonic Companies is applying to the State of Nevada for the Sales and Use Tax, Modified Business Tax, and Personal Property Tax Abatements. We request their application be placed on the agenda for the June 2023 GOED Board Meeting.

Tranzonic is exploring their options to expand operations in Southern Nevada from a current staff of 13 by hiring 17 additional employees over the next 24 months. These new hires will make an average hourly wage of \$28.28 and be provided with a comprehensive benefits package. Tranzonic will make an investment of \$2.7 million dollars in capital equipment.

Our team has reviewed Tranzonic's application and found it to comply with Nevada's statutory requirements for tax abatements. This application has the full support and endorsement of the Las Vegas Global Economic Alliance. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Perry Ursem', with a long horizontal flourish extending to the right.

Perry Ursem  
Senior Vice President, Business Development

Enclosure



26301 Curtiss-Wright Parkway, Suite # 200, CLEVELAND, OHIO 44143  
2530 Westcott Blvd, Knoxville, TN 37931

April 19, 2023

Executive Director Tom Burns  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington, Suite 5400  
Las Vegas, NV 89101

Dear Director Burns,

By way of this letter and the attached application, Tranzonic Companies is requesting tax incentives to assist with our expansion efforts. Recent strategic planning has the company focused on creating a greater presence in Nevada. A significant part of this consideration is the economic incentives offered by the state. We are projecting to add 18 full-time employees with an average wage of \$28.28 over the next two years of operations, and a total of 40 full-time employees with an average hourly wage of \$28.50 over the next five years of operations.

A brief history of our company along with an overview of our products is included with this submission. Founded nearly a century ago, Tranzonic Companies provides an unsurpassed portfolio of cleaning, maintenance, absorbents and personal protection products. Headquartered in Cleveland, Ohio, the company manufactures and distributes products across multiple industries, including commercial, industrial, institutional and business consumer sectors from food service to automotive to medical. The Knoxville location in Tennessee is the largest manufacturing and distribution facility for The Tranzonic Companies.

The economic development incentives offered by the State of Nevada have been an integral factor in our expansion strategy. The projected cost savings from the support of these incentives will allow Tranzonic Group to hire a greater number of full time employees, supporting the Governor's initiative for providing more Nevadan's with long term work and career opportunities. Additionally, Nevada's pro-business climate provides Tranzonic Companies with a sustainable location for ongoing strategic growth. We will be expanding from 136,207 sq ft to 394,740 sq.ft. within the next few months. Capital equipment projections forecast approximately \$2,736,835 in investment into the company.

Our experience with representatives from the Las Vegas Global Economic Alliance has been positive and we look forward to your approval in supporting our expansion efforts. We appreciate your time and consideration.

Sincerely,

Tim Londo  
COO  
Tranzonic Companies  
Enclosures

**ECONOMIC DEVELOPMENT**

**Incentive Application**

Company is an / a: (check one)

New location in Nevada

Expansion of a Nevada company

Company Name: Tranzonic Companies

Date of Application: April 19, 2023

**Section 1 - Type of Incentives**

Please check all that the company is applying for on this application:

Sales & Use Tax Abatement

Recycling Real Property Tax Abatement

Modified Business Tax Abatement

Other: \_\_\_\_\_

Personal Property Tax Abatement

**Section 2 - Corporate Information**

COMPANY NAME (Legal name under which business will be transacted in Nevada) <u>Tranzonic Companies</u>		FEDERAL TAX ID # <u>34-0664235</u>	
CORPORATE ADDRESS <u>26301 Curtiss Wright Parkway</u>	CITY / TOWN <u>Cleveland</u>	STATE / PROVINCE <u>OH</u>	ZIP <u>44143</u>
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER <u>216-535-4300</u>	WEBSITE <a href="http://www.tranzonic.com">www.tranzonic.com</a>		
COMPANY CONTACT NAME <u>Tim Londo</u>	COMPANY CONTACT TITLE <u>COO</u>		
E-MAIL ADDRESS <a href="mailto:tlondo@tranzonic.com">tlondo@tranzonic.com</a>	PREFERRED PHONE NUMBER <u>216-535-4300 ext. 2363</u>		

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?  Yes  No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

**Section 3 - Program Requirements**

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In both urban and rural areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage.

Note: Criteria is different depending on whether the business is in a county where the population is 100,000 or more or a city where the population is 60,000 or "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the population is less than 60,000 (i.e., "rural" area).

**Section 4 - Nevada Facility**

Type of Facility:

Headquarters

Service Provider

Technology

Distribution / Fulfillment

Back Office Operations

Manufacturing

Research & Development / Intellectual Property

Other: \_\_\_\_\_

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA <u>80%</u>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>11/1/2023 (CO) 3/1/2024 (live operations)</u>		
NAICS CODE / SIC <u>322299</u>	INDUSTRY TYPE <u>All other Converted paper product manufacturing</u>		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS <u>This operation will primarily be distribution and fulfillment for customers in the western half of the US. There will be picking, packing, shipping, receiving</u>			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS <u>5850 East North Belt Road</u>	CITY / TOWN <u>North Las Vegas</u>	COUNTY <u>Clark County</u>	ZIP <u>81995</u>
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? <u>Goodyear, AZ; Buckeye, AZ; Fontana, California; Reno, NV</u>			

**Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)**

Check the applicable box when form has been completed.

- 5 (A)  Equipment List
- 5 (B)  Employment Schedule
- 5 (C)  Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.
- 5 (D)  Company Information Form

**Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up - Plans Over the Next <u>Ten</u> Years	Expansions - Plans Over the Next <u>10</u> Years
<p>Part 1. Are you currently/planning on leasing space in Nevada? _____</p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 2. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? _____</p> <p><b>If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p>	<p>Part 1. Are you currently leasing space in Nevada? <u>Yes</u></p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="padding-left: 40px;">What year(s)? <u>4 years (4/2018)</u></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>136,207</u></p> <p style="padding-left: 40px;">Annual lease cost at current space: <u>\$715,500</u></p> <p>Due to expansion, will you lease additional space? <u>Yes</u></p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="padding-left: 40px;">Expanding at the current facility or a new facility? <u>New</u></p> <p style="padding-left: 40px;">What year(s)? <u>2024</u></p> <p style="padding-left: 40px;">How much expanded space (sq. ft.)? <u>258,533</u></p> <p style="padding-left: 40px;">Annual lease cost of expanded space: <u>\$3,978,972</u></p> <p>Do you plan on making building tenant improvements? <u>Yes</u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? <u>Nov-2023</u></p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? <u>No</u></p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? <u>No</u></p> <p><b>If Yes *, continue below:</b></p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p>
<p><b>* Please complete Section 7 - Capital Investment for New Operations / Startup.</b></p>	<p><b>* Please complete Section 7 - Capital Investment for Expansions below.</b></p>

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

**Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): _____	Building Purchase (if buying): _____
Building Costs (if building / making improvements): _____	Building Costs (if building / making improvements): <u>\$5,100,000</u>
Land: _____	Land: _____
Equipment Cost: _____	Equipment Cost: <u>\$2,736,835</u>
<b>Total:</b> _____	<b>Total:</b> <u>\$7,836,835</u>
	Is the equipment purchase for replacement of existing equipment? <u>Yes</u>
	Current assessed value of personal property in NV: <u>\$152,174</u>
	(Must <b>attach</b> the most recent assessment from the County Assessor's Office.)

**Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: _____	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: <u>18</u>
Average hourly wage of these <u>new</u> employees: _____	Average hourly wage of these <u>new</u> employees: <u>\$28.28</u>
	How many FTE employees prior to expansion?: <u>13</u>
	Average hourly wage of these <u>existing</u> employees: <u>\$20.08</u>
	Total number of employees after expansion: <u>31</u>

\* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- Overtime                       Merit increases                       Tuition assistance                       Bonus  
 PTO / Sick / Vacation                       COLA adjustments                       Retirement Plan / Profit Sharing / 401(k)                       Other: \_\_\_\_\_

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

**Section 9 - Employee Health Insurance Benefit Program**

Is health insurance for employees and is an option for dependents offered?:  Yes (**attach health plan and quote or invoice**)     No

Package includes (check all that apply):

- Medical                       Vision                       Dental                       Other: Life insurance, short term disability

Qualified after (check one):

- Upon employment                       Three months after hire date                       Six months after hire date                       Other: 1st of next month after 30 days

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):	
Plan Type: <u>PPO</u>		
Employer Contribution (annual premium per employee):	<u>\$5,027.00</u>	Company: <u>68.6%</u>
Employee Contribution (annual premium per employee)	<u>\$2,304.00</u>	Employee: <u>31.4%</u>
<b>Total Annual Premium:</b>	<b><u>\$7,331.00</u></b>	

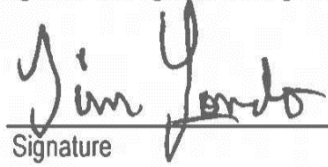
[SIGNATURE PAGE FOLLOWS]

**Section 10 - Certification**

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Tim Londo  
Name of person authorized for signature

  
Signature

C.O.O.  
Title

April 19, 2023  
Date

**Nevada Governor's Office of Economic Development**  
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • [www.goed.nv.gov](http://www.goed.nv.gov)

# Site Selection Factors

Company Name: Tranzonic Companies

County: Clark

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## Section I - Site Selection Ratings

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Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

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Availability of qualified workforce:	<u>5</u>	Transportation infrastructure:	<u>4</u>
Labor costs:	<u>3</u>	Transportation costs:	<u>4</u>
Real estate availability:	<u>5</u>	State and local tax structure:	<u>3</u>
Real estate costs:	<u>4</u>	State and local incentives:	<u>4</u>
Utility infrastructure:	<u>2</u>	Business permitting & regulatory structure:	<u>3</u>
Utility costs:	<u>3</u>	Access to higher education resources:	<u>1</u>

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Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

Tranzonic is looking to consolidate their west coast operations. The site selection process studied the impact of consolidating five (5) existing sites into one (1) site. The cost structure (including drayage, rent, labor, transportation) have been evaluated to compare a short-list of alternative sites for consolidation versus the baseline of current operations.

The cities evaluated included the following

Buckeye Arizona, Fontana CA, Las Vegas NV, Lebec - Trejon Ranch, CA and Reno, NV.

The abatement program plays a material role in the final analysis for Tranzonic as it helps reduce the overall cost structure to justify the consolidation and relocation to Las Vegas.





## 5(B) Employment Schedule

Company Name: Tranzonic Companies

County: Clark

### Section I - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2023, the date would fall in Q2, 2025. The end of the first eighth quarter would be the last day of Q2, 2025 (i.e., June 30, 2025). Attach this form to the Incentives Application. A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a "primary job" as set forth in NAC 360.474.

Please use the Bureau of Labor Statistics Standard Occupational Classification System (SOC) link to populate section (b):

[https://www.bls.gov/soc/2018/major\\_groups.htm#11-0000](https://www.bls.gov/soc/2018/major_groups.htm#11-0000)

(a) New Hire Position Title/Description	(b) Position SOC Code	(c) Number of Positions	(d) Average Hourly Wage	(e) US Bureau of Labor Statistics Average Hourly Wage -- Clark County	(f) Average Weekly Hours	(g) Annual Wage per Position	(h) Total Annual Wages
General and Operations Managers	11-1021	1	\$72.00	\$48.61	40	\$149,760.00	\$149,760.00
First-Line Supervisors of Production and Operating Workers	51-1011	1	\$36.00	\$28.19	40	\$74,880.00	\$74,880.00
First-line Supervisors of Transportation and Material Moving Occupations	53-1047	2	\$36.00	\$25.20	40	\$74,880.00	\$149,760.00
Laborers and Freight, Stock, and Material Movers, Hand	53-7062	11	\$22.00	\$16.57	40	\$45,760.00	\$503,360.00
Human Resources Managers	11-3121	1	\$41.00	\$42.78	40	\$85,280.00	\$85,280.00
Office Clerks, General	43-9061	2	\$23.00	\$18.91	40	\$47,840.00	\$95,680.00
<b>TOTAL</b>		<b>18</b>	<b>\$28.28</b>	<b>\$21.67</b>			<b>\$1,058,720.00</b>

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete columns (b) and (c). These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment. **Please enter the estimated new full time employees on a year by year basis (not cumulative)**

(a) Year	(b) Number of New FTE(s)	(c) Average Hourly Wage	(d) Payroll
3-Year	8	\$28.30	\$470,912.00
4-Year	10	\$28.50	\$592,800.00
5-Year	12	\$28.50	\$711,360.00

\* Column (e) determines if wage is commensurate to current wage ranges in the region the company plans to locate/is located. For these purposes the mean average hourly wage for the location has been used.

U = Unknown / data set for region is not currently available.

Source: [US Bureau of Labor Statistics](#)

## 5(C) Evaluation of Health Plans Offered by Companies

Company Name: Tranzonic Companies County: Clark

Total Number of Full-Time Employees: 18

Average Hourly Wage per Employee \$28.28  
 Average Annual Wage per Employee (implied) \$58,817.78

### COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$7,331.00  
 Percentage of Premium Covered by:  
     Company 69%  
     Employee 31%

### HEALTH INSURANCE PLANS:

#### Base Health Insurance Plan\*:

Deductible - per employee \$ 5,000  
 Coinsurance 80% / 20%  
 Out-of-Pocket Maximum per employee \$ 8,700

#### Additional Health Insurance Plan\*:

Deductible - per employee \$ 3,000  
 Coinsurance 80% / 20%  
 Out-of-Pocket Maximum per employee \$ 7,050

#### Additional Health Insurance Plan\*:

Deductible - per employee \$ 2,000  
 Coinsurance 80% / 20%  
 Out-of-Pocket Maximum per employee \$ 6,750

\*Note: **Please list only "In Network" for deductible and out of the pocket amounts .**

### Generalized Criteria for Essential Health Benefits (EHB)

*[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]*

Covered employee's premium not to exceed 9.5% of annual wage 5.7% MMQ

Annual Out-of-Pocket Maximum not to exceed \$9,100 (2023) \$8,700 MMQ

Minimum essential health benefits covered (Company offers PPO):

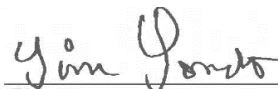
- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Tim Londo  
 Name of person authorized for signature

C.O.O.  
 Title

  
 Signature

19-Apr-23  
 Date

## 5(D) Company Information

Company Name: Tranzonic Companies

County: Clark

### Section 1 - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. *The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.*

(a) Name	(b) Title
Tom Freidl	CEO
Pat Fitzmaurice	CFO
John Wittenburg	CDO
Brian Rhoades	EVP Operations
Tim Londo	COO
Chris Adams	VP of Supply Chain

### Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No  Yes

**If Yes, continue below:**

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship

Please include any additional details below:

# SECRETARY OF STATE



## NEVADA STATE BUSINESS LICENSE THE TRANZONIC COMPANIES

**Nevada Business Identification # NV20071671400**  
**Expiration Date: 04/30/2024**

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

**License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which, by law, cannot be waived.**



Certificate Number: B202304183583262  
You may verify this certificate  
online at <http://www.nvsos.gov>

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 04/18/2023.

FRANCISCO V. AGUILAR  
Secretary of State



# Platform Highlights



# Tranzonic | Leading Omnichannel Provider Of Branded & Consumable Cleaning, Hygiene & Sanitary Products



Tranzonic is the leading virtual manufacturer and distributor of consumable and non-discretionary cleaning, hygiene and sanitary products

**Diverse, Essential, & Highly Recurring Product Portfolio**

**~95%** of net sales from single-use products

**~17,000** unique SKUs

**High cost of failure** for customers relative to low product cost

## Premier Platform Attributes

**#1**  
Market Position  
Across Multiple  
Categories

**>300**  
Domestic &  
International  
Suppliers

**>85%**  
Of Net Sales From  
Customers Utilizing  
Value-Added Services<sup>(1)</sup>

**Unique Omnichannel Reach With Recognized Commercial Brands**

**2** distinct brand families focused on separate channels:



Distributor (~65% of net sales)



End User (~35% of net sales)

**85%** of net sales from Company owned commercial brands (~70%) and private label products (~15%)

**>3,500**  
Distributor  
Customers

**>26,000**  
End User  
("Direct")  
Customers

**97%**  
Annual Customer  
Net Sales  
Retention<sup>(2)</sup>

**Proven Acquisition Platform**

**8** acquisitions completed since 2017, adding high-value and high-growth categories and expanding TAM, with an additional acquisition under LOI

**>180** identified and actionable acquisition targets

**>\$5B** total net sales opportunity from identified acquisition targets

## Exceptional Financial Profile<sup>(3)</sup>

**\$354MM**  
2022E  
Normalized  
Net Sales

**34%**  
2022E  
Normalized  
Gross Margin

**\$45MM**  
2022E  
Normalized  
EBITDA

**9%**  
2015-2022E  
Organic Normalized  
EBITDA CAGR<sup>(4)</sup>

**13%**  
2022E  
Normalized  
EBITDA Margin

**96%**  
2022E  
Normalized  
FCF Conversion<sup>(4,5)</sup>

**Exceptional & Resilient Financial Profile**

**Consistent organic growth** and profitability

**Strong and stable** margin profile

**Recession-resistant** demand drivers for mission-critical products

1) Reflects 2021 net sales from customers that purchased value added services (2015-2021); excludes ERC, BTT and ISO  
 2) 5-year average; reflects net sales impact of year-over-year lost customers; excludes ERC, BTT and ISO  
 3) 2022E financials include acquisition under LOI  
 4) Excludes acquisition under LOI  
 5) Free Cash Flow ("FCF") defined as EBITDA less maintenance capital expenditures; FCF Conversion = FCF / EBITDA

# Unmatched, Multi-Dimensional Diversity

Multi-dimensional product, customer and end market diversity creates long-term platform stability through a highly recurring, resilient sales base

## Essential, Single-Use Products

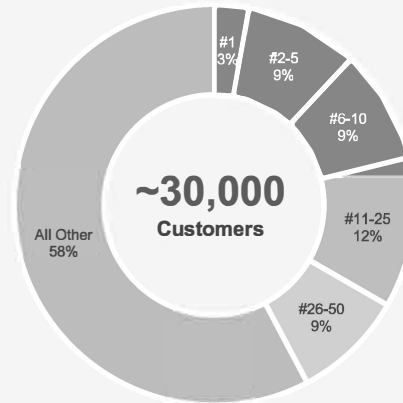
(Net Sales By Product Category)



**Diverse offering of non-discretionary cleaning, hygiene and sanitary products**

## Diverse Customer Base

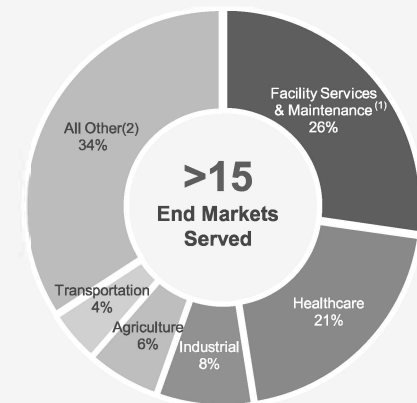
(Net Sales By Customer)



**Top 10 customers represent <25% of total net sales**

## Attractive End Market Mix

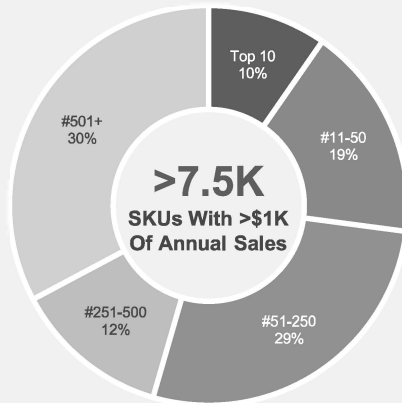
(Net Sales By End Market)



**Widespread applications across diverse and growing end markets**

## Diverse SKU Offering

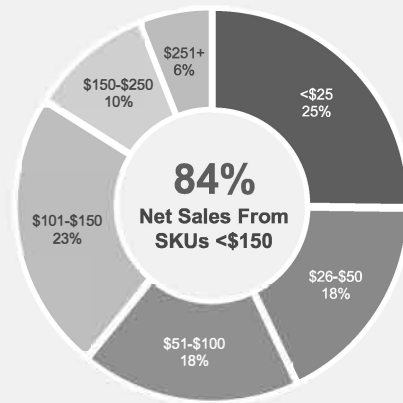
(Net Sales By SKU)



**Breadth of SKU coverage with a track record of new product innovation**

## Small-Ticket, Recurring Product Demand

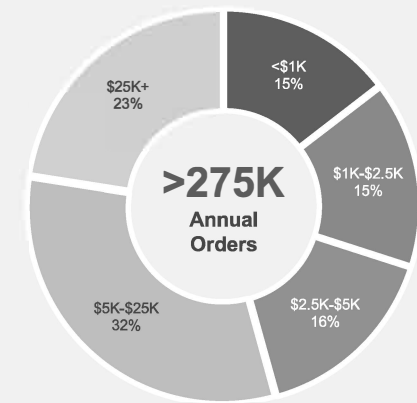
(Net Sales By SKU Price Point)



**Highly consumable and mission-critical product offering**

## Small, Frequent Orders

(Net Sales By Invoice Size)



**~45% of net sales from orders <\$5k**

Note: "Net Sales by Product Category" reflects normalized 2022E; all other charts per 2021 Company customer and invoice-level data

1) Includes jan-san distributors selling into a diverse set of end markets; some end markets may overlap with the other markets explicitly referenced in this chart  
2) Includes Government, Construction, Automotive Aftermarket, Education, Energy, Foodservice, Hospitality, Pet, Tattoo, Wholesale, Retail and others



# Demonstrated Track Record Of Growth & Resilience Across Market Cycles

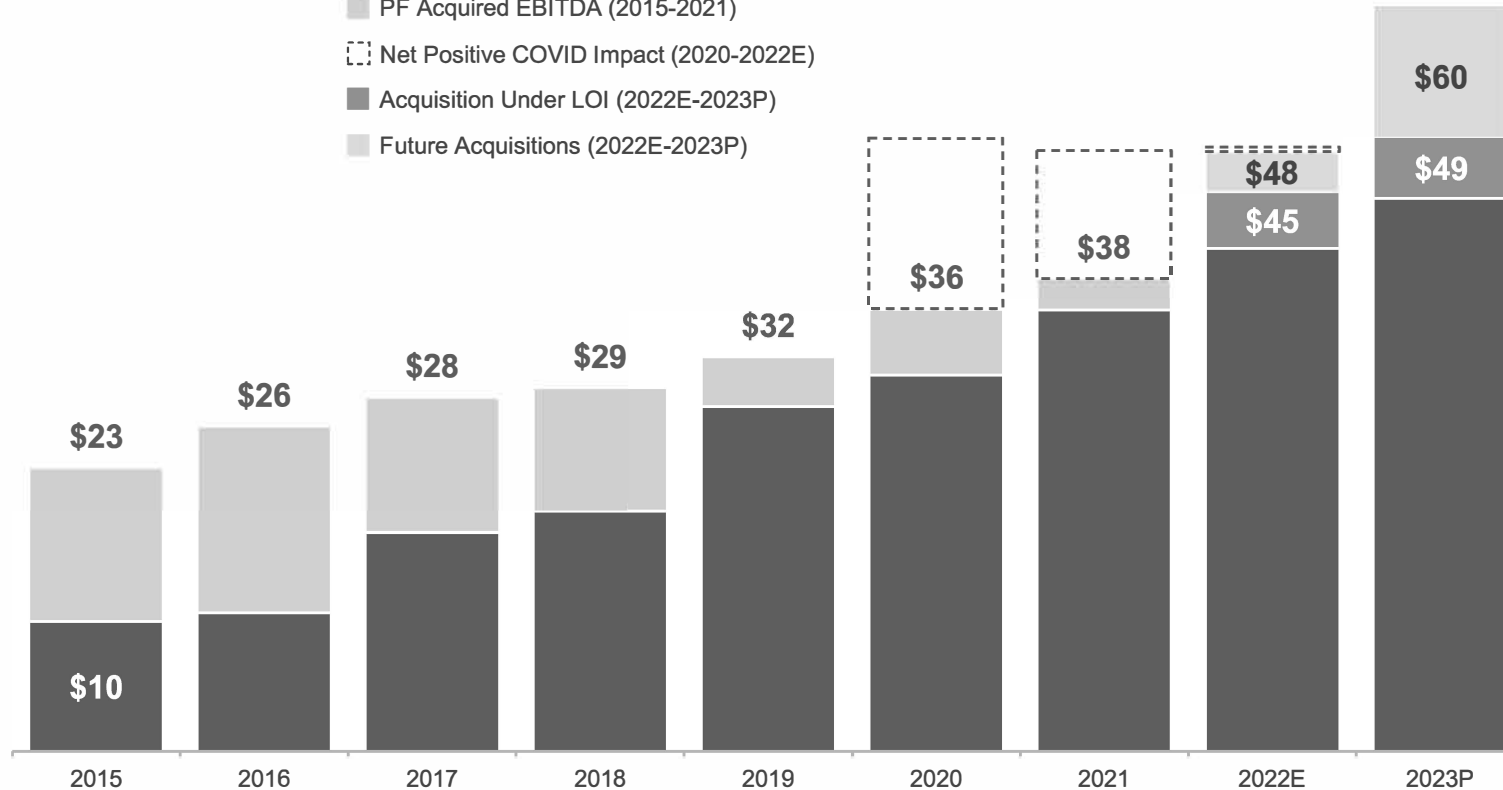


Clear path to continued growth through defined organic initiatives and actionable M&A targets

## Demonstrated Track Record Of Robust Growth & Long-Term Resilience Across Economic Environments

(EBITDA; \$USD In Millions)<sup>(1)</sup>

- Adjusted EBITDA (2015-2023P)
- PF Acquired EBITDA (2015-2021)
- ▭ Net Positive COVID Impact (2020-2022E)
- Acquisition Under LOI (2022E-2023P)
- Future Acquisitions (2022E-2023P)



**8**  
Acquisitions Completed Since 2017 & One Under LOI

**~\$20MM**  
EBITDA Acquired Since 2017<sup>(2)</sup>

**9%**  
2015-2022E Organic Normalized EBITDA CAGR<sup>(2)</sup>

**23%**  
2015-2022E Normalized EBITDA CAGR<sup>(3)</sup>

**\$100MM+**  
EBITDA Opportunity In Medium-Term

**Strong Market & Business Model Fundamentals Underpin Growth & Resilience**

**\$10B Addressable North American TAM & Compelling Industry Tailwinds**

**Demonstrated New Customer Acquisition**

**Substantial Embedded Cross-Selling Opportunity**

**Continued Product Innovation**

**Adjacent Market Opportunities**

**Proven M&A Platform With >180 Actionable Targets**

1) Adjusted EBITDA (2015-2023P) includes financial performance for historical acquisitions post-close; PF Pre-Close Acquired EBITDA (2015-2021) reflects financial performance for historical acquisitions prior to close, including stub periods; Net Positive COVID Impact (2020-2022E) reflects incremental EBITDA above COVID-normalized levels

2) Excludes acquisition under LOI

3) 2015-2022E Adjusted EBITDA CAGR, including financial performance for historical acquisitions post-close; includes acquisition under LOI in 2022E