

Investment Opportunity

I The Transaction

Management wishes to undertake a project of Reorganization, Refinancing and Recovery of ULD Logistics, Inc., and Related Entities. The company is seeking funding of \$5.5 million, for payoff of debt and construction of additional income-producing space and various other property improvements which will greatly enhance the value of the assets (collateral). The company is highly flexible about the circumstances of the funding and will consider debt, equity, or a hybrid instrument.

Introduction

Industrial Repair & Mfg. ("IRM" or the "Company") and related entities is a warehousing and logistical services provider, which also provides some light manufacturing services mainly to its warehousing customers most of which are in the transportation business

IRM has been in business for nearly four decades and has remained in the Toledo area, and has survived the decline in the tire manufacturing industry and the decline and resurgence of the automobile parts industry. The company's ties to Toledo are strong and through this initiative we hope of expand and extend that.

Toledo Manufacturing – Coming Back

The U.S. economy is expected to grow in 2020 at a rate around 3 percent and auto sales are expected to remain strong despite rising interest rates

HISTORY

In 1991, Industrial Repair & Mfg. Inc. began in a 12,000-sf building in Delta, OH. It took 1½ years to get our FAA 145 repair station certificate (Cert # IUOR675L).

Our first customer was Burlington Air Express out of TOL repairing pallets/nets/fiberglass AAA containers.

Our next customer was Kitty Hawk out of Ft Wayne, IN. We also repaired pallets, nets & containers for them. At this point companies started to hear about us like Northwest Airlines, Delta Airlines, Continental Airlines & US Airways. In 2002 we expanded to a 48,000-sf repair shop. We also opened a wood crating business up at MSP for Northwest Airlines along with non-motorized GSE equipment repair.

Over the next 10 years we started a 48-state authority trucking company and began to offer warehousing. At the current time, the company has grown to 214,000 sf of warehouse, manufacturing & repair space in multiple locations.

In 2003 we began repairing Airborne containers out of Wilmington, OH, Fresno, CA & Riverside, CA. We continued to work for DHL when they took over in 2005.



The Opportunity

ULD Logistics is a profitable company which became overleveraged a few years ago after several decades of remarkable success with Pharma Boxes which were refrigerated boxes especially designed for the transport of temperature sensitive pharmaceuticals.

The Company has recently received several new contracts with new customers for warehousing, manufacturing and maintenance of ground support rolling stock for the aviation and auto industry

There is currently a shortage of warehouse space in general and with more emphasis on locally grown food and home delivery, refrigerated storage will become increasingly important. There is a shortage of refrigerated warehouse space as well.

Stage - Mature
Trades on – Privately Held
Revenues – ~\$3 million
Location – Delta, OH
Opportunity Zone – No

Terms
The Company is seeking \$5.5 million in an initial tranche to retire debt and to build out assets to accommodate new business.

ULD Logistics, Inc.
BSL Transport Leasing, Inc.
Industrial Repair & Mfg.
IRM Express, LLC, and;
Waterville-Monclova Properties, Inc.
1140 East Main Street
Delta, OH 43515
www.irmworldwide.com



We were also awarded the DHL drop box contract. We took all 15,000 Airborne drop boxes off the streets, repainted them to DHL specifications and set them back out on the streets of the US along with 10,000 new drop boxes.

In 2008, we started working on a pharmaceutical container for UPS. They were having to land their aircraft to re-ice their containers which was very costly for UPS. After four years of R&D and manufacturing, we came up with a solution for their cold chain business.

In 2012, UPS started leasing their first PharmaPort 360 ("PP360") units. The PP360 has been a very good container for 5 degrees Celsius ("5C") pharma or anything else that needs to be kept at 5C. We also have two support locations for the PP360; one is in Amsterdam, Netherlands and the other is in Cologne, Germany.

We are a family owned and operated business. Our mission is to provide the best service to our customers and to support projects around the world such as clean water, building projects and to supply food to those who are in need.

The company now derives most of its revenue from warehousing and a smaller but faster growing sector is small-scale manufacturing and refurbishing of transportation related equipment especially for ground support in the commercial airline industry and general transportation industries

Despite the ups and downs of these industries, the Company has remained EBITDA positive, although it found itself with more debt than it could handle at the time when the demand for the Pharma boxes, which at that time was the primary source of revenue, began to wane.

Currently, the business is expanding and is doing as well as it has since the heyday of the Pharma boxes. Although IRM has reinvented itself as a warehousing and light manufacturing and repair company rather than a specialized transportation company,

The Company's business is set for another resurgence of business as several new, significant clients are preparing to engage the company for long term contracts and the entire Toledo-area is experiencing a strong economic recovery. The additional warehouse space from this funding will enable us to fulfill the current contracts and afford space for expansion both warehousing as well as the light manufacturing and trucking.

The Company stayed in Toledo during some of the toughest times and survived and now we are seeking to consolidate our remaining debt and raise some capital for expansion of the base business by improving and expanding the assets,

The Company requires \$5.5 million to do this. Approximately \$4.5 million to pay off all debt except trade payables which are up to date, and \$1 million for working capital and asset improvement and new building. We are seeking a \$5.5 million senior, secured note acceptable to the Lender.

TOLEDO OHIO BUSINESS OUTLOOK

The U.S. economy is expected to grow in 2020 at a rate around 3 percent and auto sales are expected to remain strong despite rising interest rates, according to an economic forecast by PNC Financial Services.

Job growth, small business confidence, and rising wages will more than compensate from drags on economic growth such as trade tariffs and the higher costs for borrowing, PNC senior economist Bill Adams said.

Speaking on the sidelines Wednesday of the PNC forecast luncheon in Maumee, Mr. Adams said vehicle sales in 2019 might dip slightly below the historically strong pace they are setting in 2018.

But low gasoline prices are leaving consumers with more disposable income and they continue to buy larger sport utility vehicles and light trucks because they can afford the gas, he said, with more disposable income, and they continue to buy larger sport utility vehicles and light trucks because they can afford the gas, he said.



That's a plus for Toledo, which is the home for Jeep Wrangler production and early next year a new midsize Jeep pickup truck.

Wrangler sales through October top 205,000, setting an annual record for the iconic SUV with two months left in 2018.

Low oil prices "are good news for auto sales, real GDP [gross domestic product], and consumer spending," Mr. Adams said.

Tax cuts also are fueling business investment in equipment to improve worker productivity, he said.

"part of the problem is that there are not enough warehouses."

-Kate Petersen Supply Chain Dive

One of the few dark clouds in the forecast is construction spending. It is expected to be slightly up in 2020 to about \$1.2 trillion, but the rate of growth is vastly slower than in the years following the recession, Mr. Adams said.

Wages are on the rise because of labor shortages, Mr. Adams said. Businesses are developing strategies to attract and retain workers, such as expanding in-house training or paying extra to coax employees from competitors, he said.

National unemployment is at 3.7 percent, the lowest level in decades. However, in Ohio and Toledo unemployment has not dropped as much as manufacturing slowly rebounds. As such, management does not expect the low unemployment rate to negatively impact wage prices.

So, Toledo is booming, and manufacturing is coming back, but region does have one problem. There is a shortage of warehouse space.

Kate Patrick opines in "[Supply Chain Dive](#)" that, "the industrial real estate boom is nowhere near its peak, despite supply catching up to demand. Rent prices are at all-time highs and may continue to climb even higher before the availability decline bottoms out."

"Part of the problem", she says "is not that there aren't enough warehouses"

THE BUSINESS

IRM's location is ideal being close to two major interstate highways and in proximity to airports in Toledo and Detroit and is adjacent to a functioning rail line.

THE SPECIFIC BENEFITS TO SERVICE INDUSTRY

The Company is also unique in that it has the equipment and machinery to be able to repair and maintain most types of pallets or containers used to load luggage, freight, and mail on certain commercial aircraft. This allows a large quantity of cargo to be bundled into a single unit. Since this leads to fewer units to load, it saves ground time. In the industry this equipment is referred to as Unit Load Devices or ULDs from when one of the companies derived its name. In addition to the services mentioned above, the Companies also provide transportation services with 48-state authority and can perform equipment hauling and up to 53 ft van loads. and IRM Express is our transportation company. We have 48-state authority and specialize in oversize loads. Equipment available includes vans, flatbeds, step decks, RGNs, double drops and Landoll equipment trailers. IRM Express can also handle our client's equipment moving needs.

In addition, we have our own 12,000 sf truck and trailer repair shop with an in-house mechanic. Our drivers are safe, courteous, and experienced for all our client's transportation needs.

These are some of our major long-term clients



TOYOTA



Toledo, OH Skyline



Here are short descriptions of several of the prospective large new clients.

UPS/Nordisk – Nordisk Aviation is a Norwegian company involved in the maintenance of air cargo container (Unit Load Device) for several airline and transportation companies. Have agreed to a 3-year service contract under which IRM assembly will assemble the ULDs. ([See Correspondence here](#)) **Estimated annual revenue - \$3 million per year**

Tesla - **Estimated Revenue \$50-100K per year**

Toyota - **Estimated Revenue \$50 -\$100K a year**

Gem / Rudolph Libbe Group. - **Estimated Revenue \$50-100K a year**

Metal X - **Estimated Revenue - \$150k a year**

Cooper Tires is the last and only remaining US company producing tires. The Cooper services have already started but is in a very early stage. Although this can be a very large contract, it is too early to estimate its potential contribution. **Estimated Revenue - \$150k per year**

Expansion capabilities

There is continuous strong interest in shipping, warehousing, and trucking and several other contracts are currently being discussed. Management has witnessed a significant increase in interest and the general transportation industry is becoming much busier so it is our expectation that we will acquire significant new business. IRM and ULD also has additional acreage capable of upwards 250,000 ft² for which local permits have already been procured, and it is the intent of management to expand its warehousing and servicing capabilities to meet increasing demand.

Industrial Repair and Manufacturing business ("IRM") and presently operates a 120,000 ft² FAA repair station. IRM repairs all the different types of Unit Load Devices for the air cargo industry, including pallets, net, and containers. IRM also services ground support equipment on all non-motorized air cargo equipment, including baggage carts cargo dollies, and tow bars.

Regarding the PharmaPort devices one was recently sold for (\$10,000) and there may be an opportunity to repurpose these to transport perishable fresh food. Additionally, IRM has a progressive warehousing and trucking division based out of their headquarters in Delta, OH. IRM's trucking division now has a stable 48-state authority, and the ability to transport a wide range of loads. IRM's fleet including vans, flats, and step decks.



Pharma Port containers keep contents at exactly 5°C and is approved by the FAA for air travel. They will maintain this internal temperature in severe ambient environments from -40°C to 60°C (-40°F to 140°F).

PROJECTED FINANCIAL PERFORMANCE

Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ULD Logistics and Related Companies										
Net Revenue	3,245,957	4,303,034	4,868,487	5,111,911	5,367,507	5,635,882	5,917,676	6,213,560	6,524,238	6,850,450
Expenses										
Total	2,790,581	3,598,639	4,015,583	4,205,803	4,394,269	4,592,160	4,799,944	5,018,118	5,247,201	5,487,737
OPERATING INCOME	455,376	704,396	852,904	906,109	973,237	1,043,723	1,117,732	1,195,442	1,277,037	1,362,713
<i>Dividend</i>	-	-	-	-	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-	-	-	-	-
PRETAX	455,376	704,396	852,904	906,109	973,237	1,043,723	1,117,732	1,195,442	1,277,037	1,362,713
Income Tax Expense										
Net Income	455,376	704,396	852,904	906,109	973,237	1,043,723	1,117,732	1,195,442	1,277,037	1,362,713
EBIT	455,376	704,396	852,904	906,109	973,237	1,043,723	1,117,732	1,195,442	1,277,037	1,362,713
Depreciation & Amortization	440,043	440,043	440,043	440,043	440,043	440,043	440,043	440,043	440,043	440,043
EBITDA	1,025,874	1,234,893	1,383,402	1,436,606	1,503,735	1,574,220	1,648,229	1,725,939	1,807,535	1,893,210
	32%	29%	28%	28%	28%	28%	28%	28%	28%	28%

Corporate tax rate 21%

Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ULD Logistics and Related Companies										
Assets										
Cash	2,031,021	2,257,719	2,500,814	2,299,892	3,145,605	4,054,155	5,029,647	6,076,242	7,198,180	8,399,802
Accounts Receivable	89,647	268,940	326,898	1,277,978	1,341,877	1,408,971	1,479,419	1,553,390	1,631,059	1,712,612
Inventory	-	-	-	-	-	-	-	-	-	-
Other Current Assets										
Total	950,619	1,900,305	2,835,046	3,585,205	4,494,816	5,470,460	6,516,401	7,636,967	8,836,574	10,119,749
Gross Property, Income Producing	180,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Renovations and Capital Repairs	120,000	160,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Accumulated Depreciation	(5,532,261)	(5,537,678)	(5,543,094)	(5,548,511)	(5,556,049)	(5,563,587)	(5,571,125)	(5,578,662)	(5,586,200)	(5,593,738)
Gross Other PP&E and IT	11,370,720	11,370,720	11,370,720	11,370,720	11,370,720	11,370,720	11,370,720	11,370,720	11,370,720	11,370,720
Net Property, Plant, Equipment & IT	5,838,459	5,833,042	6,150,542	5,969,633	5,879,179	5,788,724	5,698,270	5,607,815	5,517,361	5,426,906
Goodwill, Net										
Intangibles										
Other Long-Term Assets										
Total Assets	7,126,688	8,345,919	9,099,751	9,669,001	10,488,158	11,373,347	12,328,833	13,358,945	14,468,097	15,660,818
Liabilities & Stockholder's Equity										
Total Current Liabilities	1,144,145	1,144,145	1,144,145	1,144,145	1,144,145	1,144,145	1,144,145	1,144,145	1,144,145	1,144,145
Total Liabilities	6,886,747	6,937,443	6,983,107	6,960,551	6,943,464	6,930,972	6,922,336	6,916,931	6,914,229	6,913,784
Stockholder's Equity										
Total Shareholder's Equity	239,942	1,408,476	2,116,644	2,708,450	3,544,694	4,442,375	5,406,498	6,442,014	7,553,868	8,747,034
Total Liabilities & Equity	7,126,688	8,345,919	9,099,751	9,669,001	10,488,158	11,373,347	12,328,833	13,358,945	14,468,097	15,660,818

USE OF FUNDS

Management believes that it has a chance to capitalize on the demand for warehouse space and we intend to build out enough space for present new client demand with some residual space for additional customers. It also believes that the refrigerated space will be important because there is also a shortage of refrigerated warehouse space with increasing demand for fresh and frozen food delivery.

New Commercial Warehouse space.....	\$ 180,000
Refrigerated Capability Installation.....	\$ 120,000
Working Capital.....	\$ 600,000
Legal/Accounting/ Finance fees.....	\$ 200,000
Debt Consolidation:	
Resolute Bank (Maumee) pay-off.....	\$1,900,000
Bank of Nevada debt pay-off.....	\$ 2,500,000
Total.....	\$5,500,000

COLLATERAL

1140 East Main Street (warehouse property)	1,500,000
265 Rogers Street (warehouse property)	3,000,000
Waterville-Monclova (property)	400,000
Equipment (depreciated)	5,843,000
Amount owed on properties	(-20,000)
	<hr/>
	10,723,000

CONCLUSION

There is a pressing need for warehouse space as the recovery gains steam and manufacturing returns to the nation's midsection. IRM, and its related companies are ideally positioned to take advantage of the situation by fulfilling those needs. The dearth of warehouse space, both refrigerated and non-refrigerated is going to be exacerbated as Amazon ramps up in the area and other retailers find it necessary to locate warehouses and distribution centers closer to their consumers.

Manufacturing too, is continuing to grow in the Midwest and many of the Company's aviation customers are requesting more services and accelerating the upkeep of its ground support fleet.

As an early result of this situation, IRM has obtained 4 new contracts which exceed its current capacity and based only on the revenues anticipated from these four contracts the Company should be able to service this additional debt.

For Further Information [Click Here](#) or Call



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THE COLLATERAL PROPERTIES

