

A grayscale map of a residential area in Bangor, PA. The map shows a grid of streets including Front Ave, Dante St, Chestnut Ave, Garibaldi Ave, Cedar St, N 1st St, N Main St, and Ridge Rd. A school labeled 'Pius X High School' is visible. A road marker for '512' is also present. The map is partially obscured by text overlays.

# TKA HOLDING GROUP, INC

## PROJECT SUMMARY:

C&D Waste Recycling Facility and Landfill

BANGOR, PA 18013

TKA HOLDING GROUP, INC

# PROJECT OVERVIEW

## PROJECT DESCRIPTION: C&D WASTE RECYCLING FACILITY

**Airport Construction  
\$3.5-5 BN in Projects**  
Over Next Five Years  
(Not yet reflected in revenue).

### TKA HOLDING GROUP, INC

Location: Bangor, PA (78 miles to GW Bridge)

Project: Construction & Demolition Recycling and Landfill Facility

Revenue Sources: Landfill Revenue + Quarry Revenue + Resale of Recycled Waste Revenue

### FACILITY DEVELOPMENT COST: \$68 MM

Yr. 1 Will Bring in ~3.3 million tons per yr general fill material: Value \$24 MM

Yr. 1 Will Bring in ~250,000 tons per yr of C&D waste: Value \$20 MM

Yr. 1 Will Export ~1.6 million tons per yr of stone: Value \$17.6 MM

**Pre-Machinery Materials Contracts In Place As of May 1, 2020: \$21,072,000**

**TOTAL ASSET VALUATION: \$152 MM**

**TOTAL EBIT: \$2.2mm (Yr1), \$98mm(Yr2) \$105mm(Yr4...Yr20+)**

# PROJECT RATIONAL

## Marketplace:

- 1) Local and Metro area landfills are reaching capacity and being regulated out of business.
- 2) Demand for landfill need is Increasing while availability of landfill sites are Decreasing.
- 3) TKA will be the closest full-capacity site to NYC and the Amazon Hub in Allentown, PA.

## Business Model:

- 1) Contracts for delivery of construction debris are secured.
- 2) Contracts for purchase of recycled construction materials are also secured
- 3) Revenue is generated by BOTH taking in material as tipping fees and selling recycled materials.

## Local Support:

- 1) The local community has had landfill operations sited in the area in the past.
- 2) The local government is very interested in have a recycling operation vs landfill on the site.

## Economics:

- 1) 78+% profit margin on operations of the business with highly experienced team.
- 2) Huge growth with the development of NYC airport(s) and the metro area construction boom.

# PROJECT SITE

## SITE ACQUISITION:

Parcel 1a (11.07 Acres):

Parcel 1b (23.58 Acres):

Parcel 1c (32.40 Acres):

Parcel 2 (71.23 Acres):

**TOTAL LAND: 138.28 Acres**

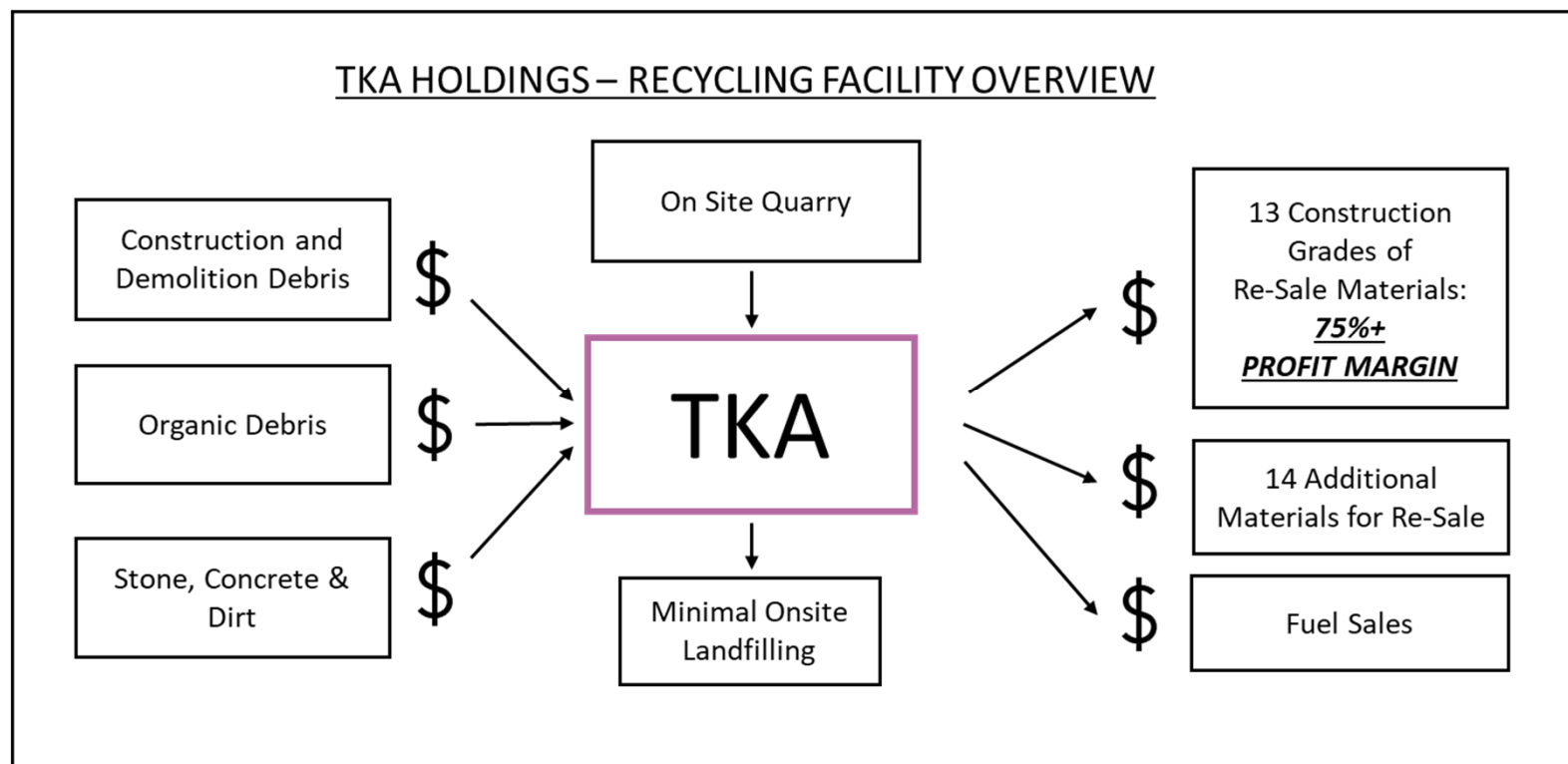
Residential, Comm./Industrial Zoning

**TOTAL LAND COST:**

**\$3.8mm**



# REVENUES OVERVIEW

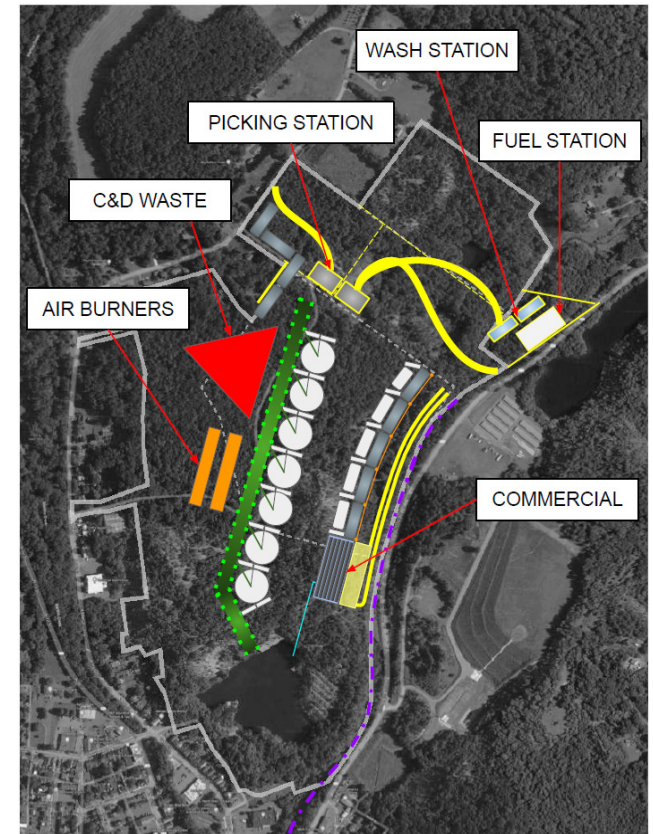
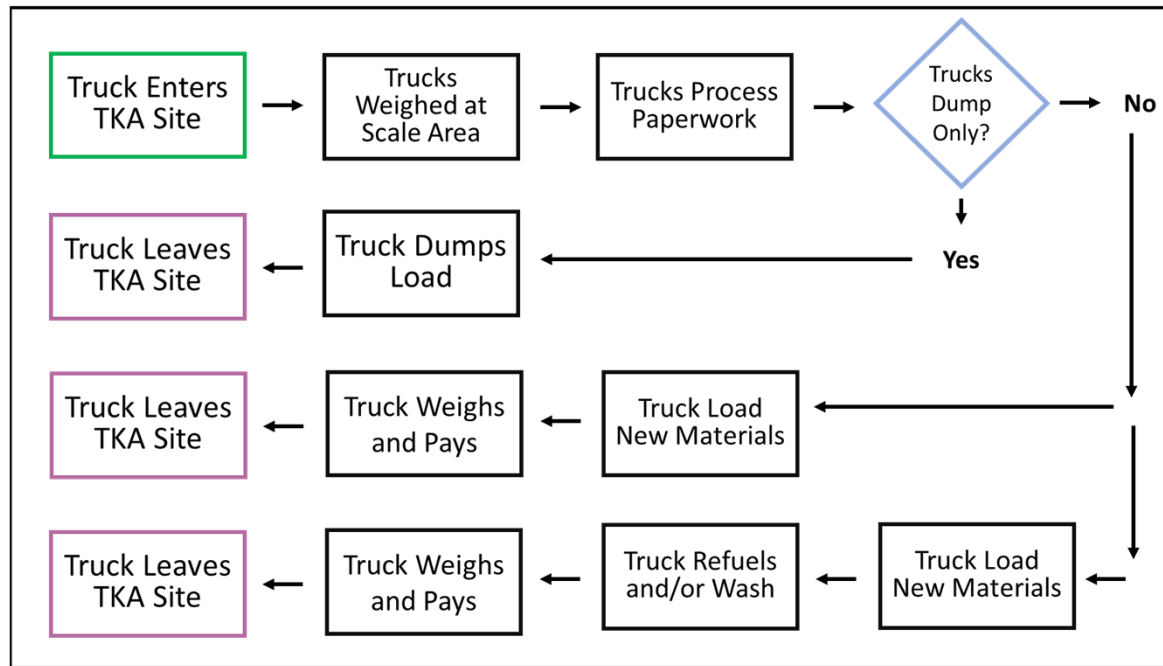


Note: Images are for representation purpose, actual site might be different

**TKA HOLDING GROUP, INC**

# PROJECT DEVELOPMENT

## Operational Flow



# PROCESS OVERVIEW

## 1. INBOUND MATERIAL



## 2. CRUSHING AND SCREENING



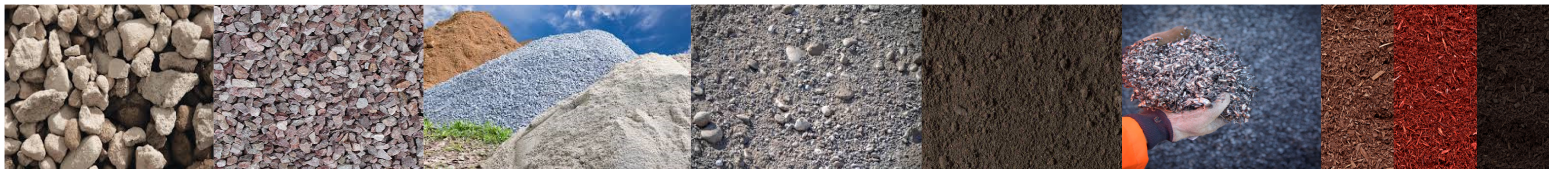
## 3. SEPERATION AND STORAGE



## 4. LOADING FOR RESALE



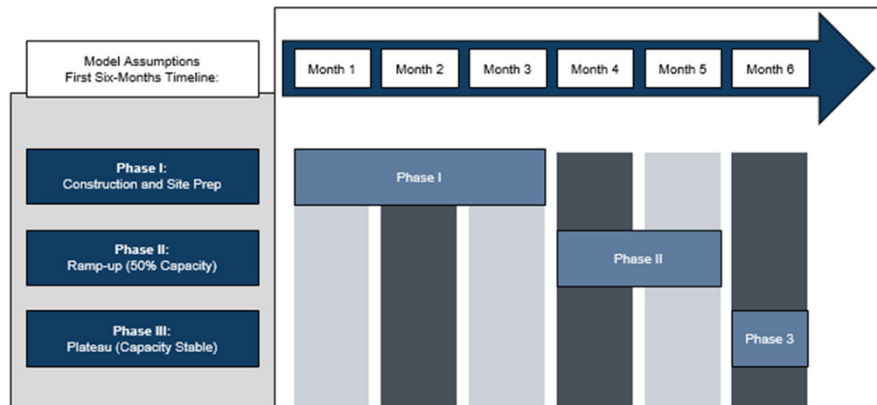
## 5. 31 TOTAL PRODUCTS AVAILABLE FOR RESALE @ 75+% PROFIT MARGIN!



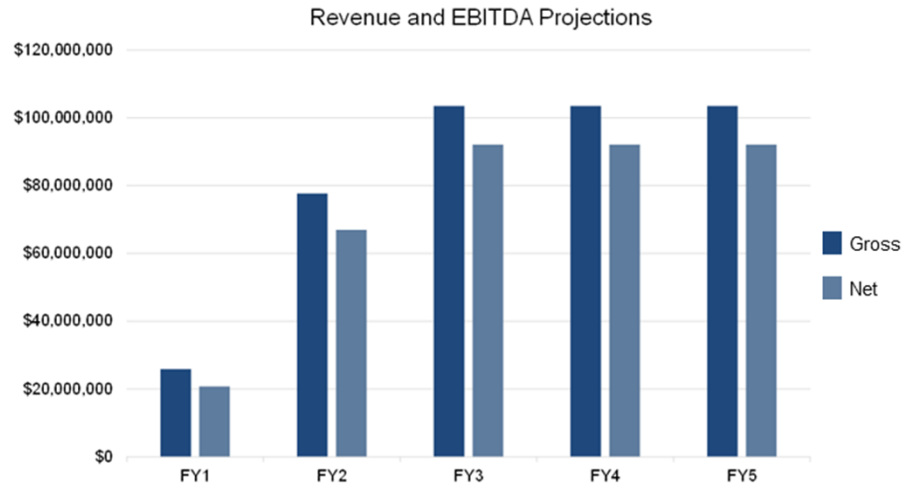


# PROJECT OVERVIEW

## PROJECT SCHEDULE



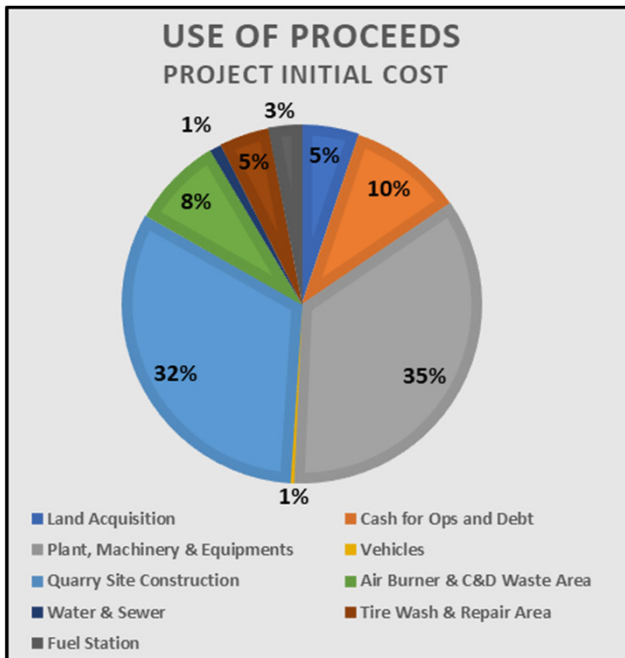
## P&L SCHEDULE





# SOURCE AND USE OF PROCEEDS











TKA is seeking **\$15mm in Preferred Stock** and \$50mm in equipment & debt financing. The pre-money valuation will not exceed \$100M based on sales projections. The return to equity investor(s) could be as high as 55+%IRR and a 19x Cash on Cash return for a projected 20 year hold.



ITEM DESCRIPTION	AMOUNT
Land Acquisition	\$ 3,500,000
Cash for Ops and Debt	\$ 7,000,000
Plant, Machinery & Equipments	\$ 24,058,229
Vehicles	\$ 250,000
Quarry Site Construction	\$ 21,932,991
Air Burner & C&D Waste Area	\$ 5,597,900
Water & Sewer	\$ 725,000
Tire Wash & Repair Area	\$ 3,075,330
Fuel Station	\$ 2,038,000
<b>Total Cost</b>	<b>\$ 68,177,450</b>
<b>Investment</b>	
Issuer	TKA Holding Group
Funding Round	
Amount	<b>\$68M</b>
Projected Market Cap	<b>\$285M</b>

# PERFORMANCE OVERVIEW

## 5 Year Performance Summary and 1<sup>st</sup> year Projections

Five-Year Performance Summary				
	5-Yr Average	Trend		
Revenue	\$125,478,909			
COGS	-\$27,875,599			
Expenses	-\$2,543,527			
Profit (NOP)	\$99,839,377			
Profit Margin (%)	79.6%			

Income Statement FY 2021				
	Actual	Plan	Variance	Var%
Revenue	\$58,988,720	\$142,101,456	(\$83,112,736)	▼ (58.5%)
COGS	(\$15,051,017)	(\$31,081,744)	\$16,030,727	▲ (51.6%)
Expenses	(\$4,117,110)	(\$980,564)	(\$3,136,547)	▼ 319.9%
Profit Margin	\$43,937,703	\$110,039,148	(\$66,101,445)	▼ (60.1%)
Profit Margin (%)	74.5%	77.4%	(3.0%)	▼ (3.8%)

Source: Company data  
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TKA HOLDING GROUP, INC

# PROJECT REVENUES

Operating Summary						
		Twelve Month Period Ending				
		12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Revenue		\$ 58,988,720	\$ 142,101,456	\$ 142,101,456	\$ 142,101,456	\$ 142,101,456
% growth		—	140.9%	0.0%	0.0%	0.0%
COGS		\$ 15,051,017	\$ 31,081,744	\$ 31,081,744	\$ 31,081,744	\$ 31,081,744
% of sales		25.5%	21.9%	21.9%	21.9%	21.9%
Operating Expenses		\$ 455,628	\$ 558,220	\$ 558,220	\$ 558,220	\$ 558,220
% of sales		0.8%	0.4%	0.4%	0.4%	0.4%
EBITDA		\$ 43,482,074	\$ 110,461,492	\$ 110,461,492	\$ 110,461,492	\$ 110,461,492
% of sales		74%	78%	78%	78%	78%
Depreciation & Amortization		\$ 41,304,728	\$ 11,837,892	\$ 3,515,587	\$ 1,165,123	\$ 501,282
% of sales		70.0%	8.3%	2.5%	0.8%	0.4%
EBIT		\$ 2,177,347	\$ 98,623,600	\$ 106,945,905	\$ 109,296,369	\$ 109,960,210
% of sales		3.7%	69.4%	75.3%	76.9%	77.4%
Financial Cost (Interest)		\$ 3,661,482	\$ 2,761,479	\$ 1,981,767	\$ 1,202,056	\$ 422,344
Earning before Income tax		\$ (1,484,135)	\$ 95,862,121	\$ 104,964,137	\$ 108,094,314	\$ 109,537,866
Provision for Income Taxes		\$ (519,447)	\$ 33,551,742	\$ 36,737,448	\$ 37,833,010	\$ 38,338,253
% tax rate		35.0%	35.0%	35.0%	35.0%	35.0%
Net Operating Profit After Tax ("NOPAT")		\$ (964,688)	\$ 62,310,378	\$ 68,226,689	\$ 70,261,304	\$ 71,199,613
Plus: Depreciation & Amortization		\$ 41,304,728	\$ 11,837,892	\$ 3,515,587	\$ 1,165,123	\$ 501,282
Less: Capital Expenditures	\$ 0	\$ 2,949,436	\$ 7,105,073	\$ 7,105,073	\$ 7,105,073	\$ 7,105,073
% of sales		5%	5%	5%	5%	5%
Free Cash Flow ("FCF")		\$ 37,390,604	\$ 67,043,198	\$ 64,637,204	\$ 64,321,354	\$ 64,595,822
Present value of free cash flow		\$ 30,320,393	\$ 45,295,909	\$ 36,384,693	\$ 30,166,383	\$ 25,240,874

# DCF VALUATION

Operating Summary									
		Twelve Month Period Ending							
		12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028
Revenue		\$ 58,988,720	\$ 142,101,456	\$ 142,101,456	\$ 142,101,456	\$ 142,101,456	\$ 142,101,456	\$ 142,101,456	\$ 142,101,456
% growth		—	140.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
COGS		\$ 15,051,017	\$ 31,081,744	\$ 31,081,744	\$ 31,081,744	\$ 31,081,744	\$ 31,081,744	\$ 31,081,744	\$ 31,081,744
% of sales		25.5%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%
Operating Expenses		\$ 455,628	\$ 558,220	\$ 558,220	\$ 558,220	\$ 558,220	\$ 558,220	\$ 558,220	\$ 558,220
% of sales		0.8%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
EBITDA		\$ 43,482,074	\$ 110,461,492	\$ 110,461,492	\$ 110,461,492	\$ 110,461,492	\$ 110,461,492	\$ 110,461,492	\$ 110,461,492
% of sales		74%	78%	78%	78%	78%	78%	78%	78%
Depreciation & Amortization		\$ 41,304,728	\$ 11,837,892	\$ 3,515,587	\$ 1,165,123	\$ 501,282	\$ 313,794	\$ 260,842	\$ 245,886
% of sales		70.0%	8.3%	2.5%	0.8%	0.4%	0.2%	0.2%	0.2%
EBIT		\$ 2,177,347	\$ 98,623,600	\$ 106,945,905	\$ 109,296,369	\$ 109,960,210	\$ 110,147,698	\$ 110,200,650	\$ 110,215,606
% of sales		3.7%	69.4%	75.3%	76.9%	77.4%	77.5%	77.6%	77.6%
Financial Cost (Interest)		\$ 3,661,482	\$ 2,761,479	\$ 1,981,767	\$ 1,202,056	\$ 422,344	\$ -	\$ -	\$ -
Earning before Income tax		\$ (1,484,135)	\$ 95,862,121	\$ 104,964,137	\$ 108,094,314	\$ 109,537,866	\$ 110,147,698	\$ 110,200,650	\$ 110,215,606
Provision for Income Taxes		\$ (519,447)	\$ 33,551,742	\$ 36,737,448	\$ 37,833,010	\$ 38,338,253	\$ 38,551,694	\$ 38,570,228	\$ 38,575,462
% tax rate		35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Net Operating Profit After Tax ("NOPAT")		\$ (964,688)	\$ 62,310,378	\$ 68,226,689	\$ 70,261,304	\$ 71,199,613	\$ 71,596,004	\$ 71,630,423	\$ 71,640,144
Plus: Depreciation & Amortization		\$ 41,304,728	\$ 11,837,892	\$ 3,515,587	\$ 1,165,123	\$ 501,282	\$ 313,794	\$ 260,842	\$ 245,886
Less: Capital Expenditures	\$ 0	\$ 2,949,436	\$ 7,105,073	\$ 7,105,073	\$ 7,105,073	\$ 7,105,073	\$ 7,105,073	\$ 7,105,073	\$ 7,105,073
% of sales		5%	5%	5%	5%	5%	5%	5%	5%
Free Cash Flow ("FCF")		\$ 37,390,604	\$ 67,043,198	\$ 64,637,204	\$ 64,321,354	\$ 64,595,822	\$ 64,804,725	\$ 64,786,191	\$ 64,780,957
Present value of free cash flow		\$ 30,320,393	\$ 45,295,909	\$ 36,384,693	\$ 30,166,383	\$ 25,240,874	\$ 21,097,867	\$ 17,573,013	\$ 14,640,066
Valuation									
Present value of cash flows	\$ 285,515,714								
Present value of terminal value	\$ -								
Enterprise value	\$ 285,515,714								
Minus: net debt	\$ 56,546,219								
Equity value	\$228,969,495								

# CASH FLOW SUMMARY

## TKA Holding Group – Valuation @ Different Growth Rates

### Discounted Cash Flow Summary

	<u>Perpetual Growth Rate = 1.00%</u>			<u>Perpetual Growth Rate = 2.00%</u>			<u>Perpetual Growth Rate = 3.00%</u>		
	18.02%	20.02%	22.02%	18.02%	20.02%	22.02%	18.02%	20.02%	22.02%
Discount Rate									
Company Value Calculation									
FCF over Projection Period	316,302,196	285,515,714	259,496,085	316,302,196	285,515,714	259,496,085	316,302,196	285,515,714	259,496,085
Terminus	0	0	0	0	0	0	0	0	0
Company Value	316,302,196	285,515,714	259,496,085	316,302,196	285,515,714	259,496,085	316,302,196	285,515,714	259,496,085
Company Value Attribution									
% Value in Projection Period	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% Value in Terminus	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Implied Valuation Multiples									
Company Value / 2021 Revenue	5.4x	4.8x	4.4x	5.4x	4.8x	4.4x	5.4x	4.8x	4.4x
Company Value / 2022 Revenue	2.2x	2.0x	1.8x	2.2x	2.0x	1.8x	2.2x	2.0x	1.8x
Company Value / 2021 EBITDA	7.3x	6.6x	6.0x	7.3x	6.6x	6.0x	7.3x	6.6x	6.0x
Company Value / 2022 EBITDA	2.9x	2.6x	2.3x	2.9x	2.6x	2.3x	2.9x	2.6x	2.3x
Implied Terminal EBITDA Multiple	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x

# Key Executives / Directors

## Management team / Board of Directors

### **GERALD B. GAY, CEO and Chairman**

20 years quarrying development and operations; 6 years of facility concept development for stone, dirt and C&D waste recycling. 38 years of excavation in residential, commercial and utility contracting; 37 years of commercial and residential real estate development and sales; Profitable sold prior contracting and infrastructure business.

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### **GRANTLEY LEE, President & Senior VP, Head of Facility Operations**

Original owner of Murrys ville Machinery with 25 years of selling, installing, calibrating and maintaining quarry equipment; 22 years designing quarry machinery systems; 21 years of designing, installing and maintaining crushing and screening equipment, conveyor systems and equipment. Profitably sold Murrys ville Machinery Inc.

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### **IAN RAMSEY, VP of Machinery Operations and Maintenance**

20 years with Murrys ville Machinery specializing in machinery systems setup, specification and maintenance, quarry systems design and assembly; 14 years of machinery facility inventory. IAN has worked with Grantley at Murrys ville. Key position to maintain site optimization of material flow and continuous uptime.

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### **MIKE CERCIELLO, VP of Inbound / Outbound Sales**

30 years of cement block manufacturing; 25 years of concrete plant batching; 25 years of crushing, screening and meeting state certifications for quarry stone products; 23 years of managing on-road salesmen for construction products sales; 15 years truck fleet logistics management.

# Advisory Board

## Management team / Board of Directors

### **RODERICK O. MCMAHON, Advisory Board Member**

Rod is the Principal and CEO of Murrys ville Machinery, bringing over 30 years of experience in investment banking and will be supplying the heavy machinery for TKA's site development. Rod holds a BS from Bucknell University.

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### **RICH GALLI, Advisory Board Member**

Rich brings over 35 years of professional engineering experience in industrial processes and has worked with TKA in design and layout of materials processing capacities for TKA's site development and operation. Rich holds an MS in Civil Engineering from Manhattan College.

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### **JEFFREY MERLE, Advisory Board Member**

Jeffrey is the VP of Machine Sales at Foley CAT and brings over 25 years of heavy machinery operation and maintenance knowledge to TKA's site development and operation planning. Jeffrey holds a professional degree and extensive CAT certifications in machinery maintenance.



# CONTACT

TKA Holding Group

## TKA Holding Group

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