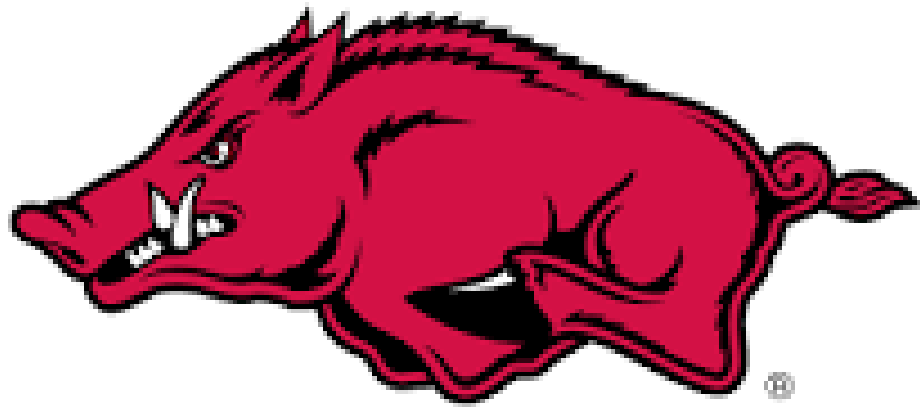
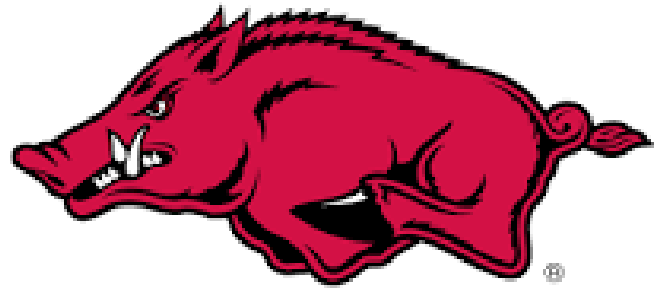

Project Razorback



Investment Presentation

**Conway Fabrication Plant
Conway, Arkansas**



“Intentionally Blank”



Project Razorback

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Project Razorback

The Company



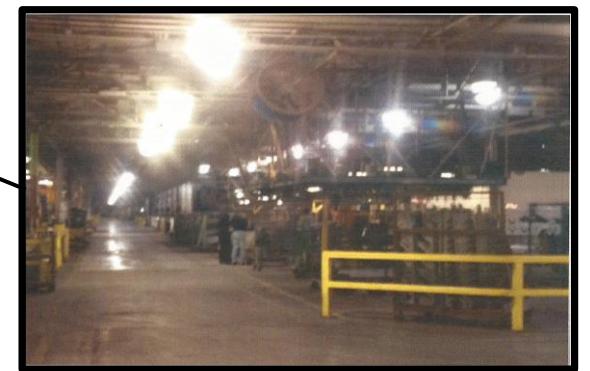
CNC Turret Punches



Flat Sheet Lasers



Break Presses



Pre-Treatment and Painting





1.0 EXECUTIVE SUMMARY

1.1 Introduction

The Conway Fabrication Plant (“Conway” or “the Plant”) is a wholly owned facility of Navistar International Corporation’s (“Navistar”) IC Bus LLC subsidiary (“IC Bus”, IC – International Chassis). IC Bus is an original equipment manufacturer of buses and one of the market leaders in the North American school bus market. Conway is currently 100% dedicated to fabricating metal sub-assemblies, finished metal components, and metal assemblies exclusively to IC Bus.

Project Razorback is the carve-out and acquisition of the Conway Fabrication plant and the establishment of “Razorback Fabrication & Metalforming,” a market leading supplier for Navistar IC Bus and other outside end-users.



Project Razorback History

Date	Milestone
1933	<ul style="list-style-type: none">Ward founded in Conway, Arkansas
1937	<ul style="list-style-type: none">Ward produces its first steel bus
1968	<ul style="list-style-type: none">Ward's market share grows to 14%
1973	<ul style="list-style-type: none">Ward's market share continues to climb, growing to 25%
1980	<ul style="list-style-type: none">Ward files for bankruptcy; reorganizing as AmTran
1981	<ul style="list-style-type: none">AmTran begins selling buses; retains the Ward brand name
1991	<ul style="list-style-type: none">Navistar acquires 33% of AmTran in a move to integrate chassis and body production
1995	<ul style="list-style-type: none">Navistar completes buyout of Amtran
1999	<ul style="list-style-type: none">Navistar announces plans to build a new bus production facility in Tulsa, Oklahoma and move production of Type C buses from Conway to Tulsa
2002	<ul style="list-style-type: none">Navistar's IC brand is established
2010	<ul style="list-style-type: none">Navistar consolidates all bus assembly operations in Tulsa. Conway becomes dedicated metal components and assemblies fabricator to IC Bus

Source: Navistar Memorandum



1.2 Company Overview

Conway has an 80 year history in the bus industry from its founding in 1933 as Ward School Bus Manufacturing, Incorporated and is located in Conway, Arkansas approximately 40 miles north of Little Rock. In 1999 Navistar announced plans to build a new bus plant in Tulsa, Oklahoma and eventually moved all bus production to Tulsa in between 2000 and 2010 leaving Conway as its key fabrication and metalforming facility. The plant uses high quality equipment including CNC Turret Punches, Flat Sheet Lasers, Break Presses, and Pre-Treatment and Painting Systems.

Conway builds over 2,500 unique components for IC Bus largely divided into the following major product families:

- Outer & Inner End Caps
- Battery & Luggage Boxes
- Step Walls
- Emergency & Exit Doors
- Body Skirts



Project Razorback Site Plan





1.2 Company Overview (continued)

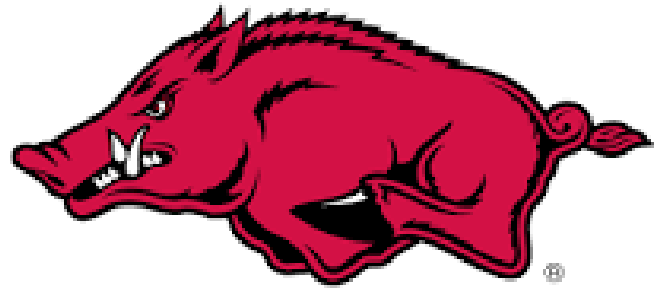
The Plant has the unique ability to supply a high number of components using Just-In-Time and Sequenced Delivery and do so with exceptional quality, delivery, and cost performance. This is a key differentiator fabrication industry.

Conway operates from two adjacent facilities which total 495,000 square feet of manufacturing floor space and 54,000 square feet of office space. Some of the excess property is currently listed for sale and the Project Razorback scope includes plans to sell off even more.

The primary production processes are:

- Fabrication – sheering, stamping, punching, laser cutting.
- Sub-assembly – spot welding, MIG welding, riveting.
- Finishing – product washing, phosphating, painting, curing.

Through lean manufacturing plus ISO 9001 and ISO 14001 certified quality and environmental operating systems the plant is progressing toward Best In Class total operating results.



“Intentionally Blank”



Project Razorback

1.3 Key Financial Results

Key financial results for Fiscal Year 2015 are listed below (fiscal year ends October 31, 2015, data based on 10 + 2 forecast). Note, the plant operates on a standard cost system and end products are transferred to IC Bus at standard costs set at the beginning of the fiscal year. The reason for poor “profitability” are unfavorable variances to standard due to various operating issues. The Project Razorback cost basis is actual cost including these operating variances.

Net Sales	\$40,840,000
Gross Profit	\$(2,054,000)
Net Income	\$(2,403,000)
EBITDA	\$(1,575,000)

1.4 Transaction Rationale

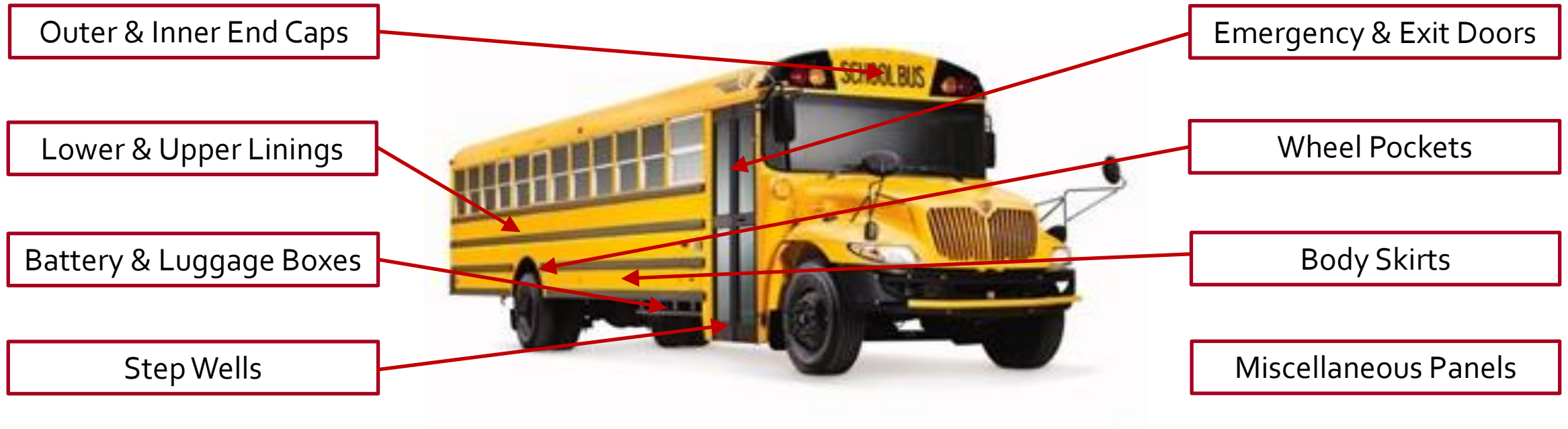
Navistar has determined that an investor with a dedication to the fabrication and metalforming industry can leverage the current business base with IC Bus, the exceptional management team and skilled workforce, and the pre-developed growth plans to secure new customer accounts and build a thriving business creating substantial value. It is strongly believed Conway can become the fabrication market leader and a Best In Class business entity.

The Conway team is excited about the opportunity to pursue such a strategy with a new investor, and Navistar is committed to ensuring the new entity is launched successfully and looks forward to a long customer relationship and building upon Conway’s 80 years in the bus industry.



Project Razorback

Core Bus Components



Source: Navistar Memorandum

Michael R. Wilson

- MW LLC Confidential -

MontellWilson LLC



2.0 THE COMPANY

2.1 IC Bus Base Business

The IC Bus business is made up of the major core components shown on the facing page. These major product families, along with a few others, combine to make the full portfolio of products currently produced. The pie chart that follows in several pages breaks down the production percentage for each part family.



Project Razorback

Manufacturing Capabilities

Manufacturing Capabilities Summary

Raw Material	Fabrication	Sub-Assembly	Finishing	Shipping
Receipt of (6 to 8) raw material shipments daily	Flexible operations result in the ability to manage high mix product portfolio with short lead times	Skilled workforce assembles fabricated components using a variety of techniques and processes	5-Stage paint booth allows Conway to provide fully finished products to the customer	Proximity to IC Bus combined with local courier service's frequent daily shipments streamline JIT shipping
Primary Inputs: Sheet Stock <ul style="list-style-type: none">• Galvanized• Pre-Primed• Untreated• Coiled Steel• Galvanized• Pre-Finished	Capabilities: <ul style="list-style-type: none">• Stamping• Sheering• Forming• Punching• Cutting• Bending	Capabilities: <ul style="list-style-type: none">• Gluing• Riveting• Hemming• MIG Welding• Spot Welding	Capabilities: <ul style="list-style-type: none">• Washing• Drying• Priming• Painting• Curing	Capabilities: <ul style="list-style-type: none">• Sequencing• Palletizing• JIT Delivery

Source: Navistar Memorandum

Michael R. Wilson

- MW LLC Confidential -

MontellWilson LLC



2.2 Manufacturing Capabilities

Conway's manufacturing process is divided between Raw Material Receiving, Fabrication, Sub-Assembly, Finishing, Warehousing & Shipping. The processes are flexible and produce over 2,500 end products for IC Bus with total shipments exceeding roughly 5,000,000 finished parts.

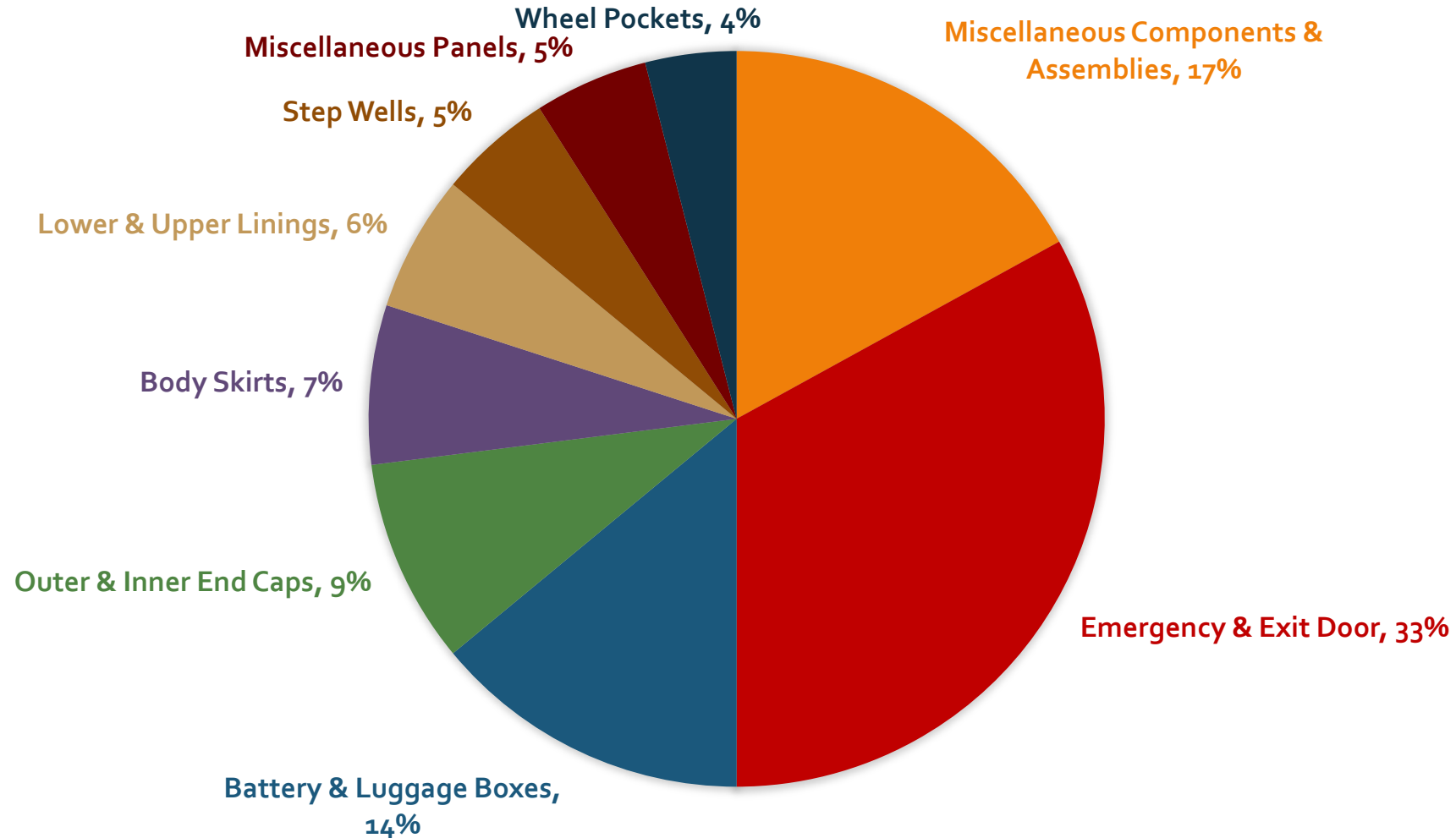
The plant's lean practices include 5S, Six Sigma, Kaizen, and Visual Factory leading to part defect levels less than 1000 PPM and delivery ratings exceeding 98%. A culture of continuous improvement has been nurtured and all metrics are carefully monitored and trended over time. Conway's safety incident frequency is less than 2.7 which is again far better than industry average. Furthermore, the plant has a lean manufacturing plan which will place it squarely in a market leadership position for productivity, quality, deliver, and profitability.

The chart that follows is a listing of the key equipment at Conway. This list is broken down between Power Presses, Flexible Equipment, Sub-Assembly Equipment and Special Application Equipment.

The plant is currently running at approximately 80% of two shift capacity with weekend overtime for certain operations during peak production periods at IC Bus. Sufficient capacity remains to support new business growth.



Project Razorback Revenue Split by Product



Source: Navistar Memorandum

Michael R. Wilson

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MontellWilson LLC



Project Razorback Major Equipment

Power Press

	Tonnage
Clearing Press	700
Niagara Model 620k	650
HPM Press	400
Komatsu Model E2G with un-coiler	300
Niagara Forming Press	200
Southerland Auto Coil Punch Press FCP – 1/0 with un-coiler	n/a
Ward Built Punch Press	n/a

Flexible Equipment

	Quantity
Brake Presses	15
CNC Turret Presses	5
Metal Sheers	3
Flat Lasers	3
Prime and Paint Line (5 Stage Pre-treatment, Paint Booth and Cure Oven)	1

Sub-Assembly Equipment

	Quantity
Spot Welders	9
MIG Welding Booths with Exhaust Systems	8
Sweco Tumbler	1

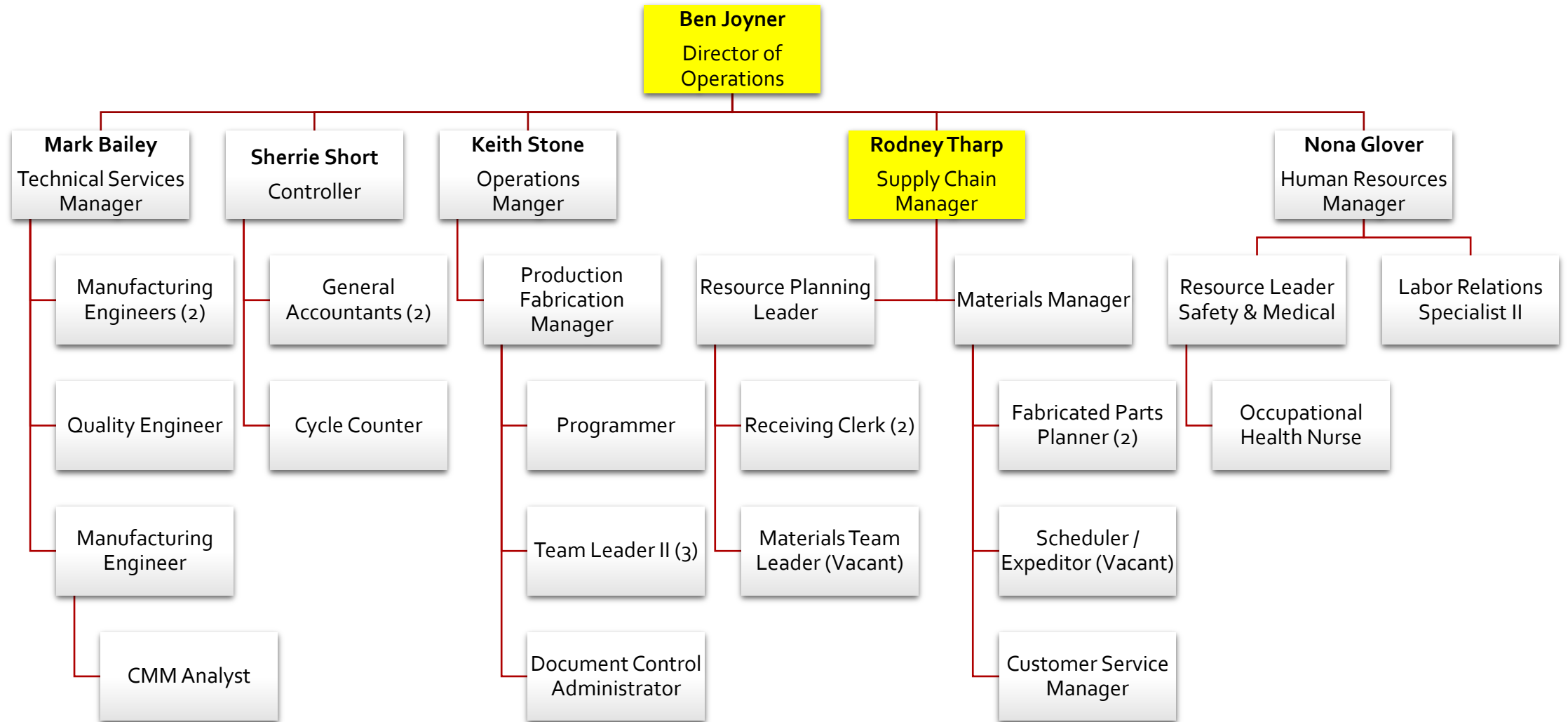
Special Application Equipment

	Quantity
Pines Tube Benders	3
Yasnac XRC Systems	2
Motoman UP20 Robots	2
Tisken Roll Former (10-MH-2)	1
Grady Williams Roll Former and un-coiler	1
Henrob Self-Piercing Rivet Machine PPC05 & Ozark Fluid Power	1
Dove Tail Press	1

Source: Navistar Memorandum



Project Razorback Management Team



Source: Navistar Memorandum



2.3 Management Structure

The plant's management team offers keen entrepreneurial skills as well as traditional plant management abilities. This team, under the direction of Ben Joyner, has more than doubled its sales over the past several years by insourcing IC Bus fabricated components. The plant did so on its own by working together with Navistar Purchasing. The team's strength is another key leverage point as the plant has functioned for years as a stand-alone, self-reliant business unit acting as a pseudo profit center, and with no resource support from the corporate offices.

The Leadership Team shown on the next page is comprised of individuals with exceptional knowledge of the fabricating and metalforming business and has average experience of nearly 20 years at the Conway facility. Ben Conway left Navistar earlier this year, but has confirmed his return to lead Project Razorback. Rodney Tharp is splitting time with IC Bus and will be offered the opportunity to return for Project Razorback as well.

2.4 Employee Summary

The chart that follows shows the Direct, Indirect, and Salary breakdown of the entire 155 person team at Conway. The average experience of the UAW hourly workforce is approximately 23 years highlighting a very skilled work force.

Management and the UAW negotiated a new contract in 2015 setting the stage for future flexibility and growth. There is a very good working relationship between the union and management and the group is focused on the needs of a profitable, growth-oriented business. Both are highly committed to the long term success of the facility.



Project Razorback Leadership Team

Name	Age	Title	Conway Experience
Ben Joyner	56	Director of Operations	8 years
Sherrie Short	42	Controller	21 years
Mark Bailey	45	Technical Services Manager	18 years
Nona Glover	51	Human Resources Manager	23 years
Rodney Tharp	44	Supply Chain Manager	13 years
Keith Stone	55	Operations Manager	22 years
TBD	TBD	Sales Manager	TBD

Source: Navistar Memorandum

Michael R. Wilson

- MW LLC Confidential -

MontellWilson LLC



Project Razorback Employee Summary

	Direct	Indirect	Salary	Total
Fabrication	48	-	4	52
Prime / Paint	16	-	-	16
Sub-Assembly	30	-	1	31
TOTAL PRODUCTION	94	-	5	99
Accounting	-	-	4	4
Human Resources	-	-	3	3
General Management	-	-	5	5
Material Operations	-	19	7	26
Maintenance	-	7	-	7
Quality	-	3	-	3
Technical Services	-	-	6	6
Tool & Die	-	2	-	2
TOTAL NON-PRODUCTION	-	31	25	56
GRAND TOTAL	94	31	30	155

Source: Navistar Memorandum



Project Razorback

Market Overview (1 of 2)

Summary

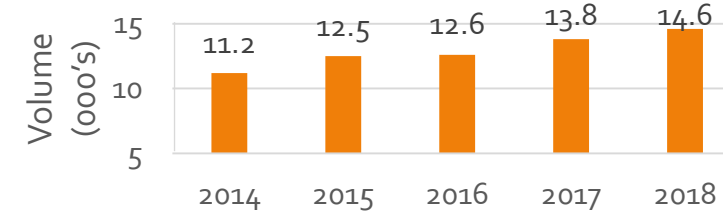
- Conway has 80 year history in bus industry.
- Dedicated 100% to fabrication for Navistar IC Bus.
- Navistar IC Bus consistently #1 in market share over past 10 years.
- The fabrication and metalforming industry is somewhat fragmented with no clear leader.
- The major end user is Automotive / Light Truck while others include Appliance, Heavy Truck, Aerospace and Agriculture.
- With Navistar providing its core business, Conway is perfectly situated to add these end users and establish itself as a market leader.

Business Trends

- Navistar has committed to a 3 year fixed price contract with a 10% margin.
- Navistar IC Bus continues to expand daily capacity and may increase from 72 to 90 jobs per day. Another leverage point for Project Razorback!
- Conway will require additional laser cutters, brake and power presses, and error proofing which will all be amortized across Navistar production.
- The additional capacity at Conway will further support the outside sales plans.
- End users are looking to source component fabrication closer to their points of use.
- Conway, Arkansas is conveniently located to > \$1.5B of fabrication and component growth potential.

Forecast

- Navistar IC Bus is projecting significant growth:



- Navistar has agreed to aggressively pursue additional sourcing to Conway following the close of Project Razorback.
- The Conway Team estimates it can secure and execute outside sales growth of up to 15% per year.

Industry Opportunities

- Continued market gains by Navistar IC Bus will be additionally fortified with the approval of a new model program.
- Warehousing: Navistar and other end users continue to look for offsite warehousing for inventory.
- Automation: Immediate opportunities exist for automated guided vehicles and paint robotics.
- "Take the Hill": This application of lean methodologies provides significant efficiencies and frees up real estate and buildings for sale or major capacity expansion.



3.0 MARKET OVERVIEW

3.1 Summary, Trends, & Opportunities

Conway has an 80 year history and enjoys the position of being the only fabrication facility 100% dedicated to Navistar IC Bus, consistently number one in market share. The fabrication and metalforming industry is fragmented with many small facilities producing less than \$20 million in revenue. The opportunity for Conway to emerge as the industry leader is distinct and will be supported by future customer accounts in Automotive, Heavy Truck, Aerospace, and Agriculture.

Navistar has committed to a 3 year fixed contract at a 10% margin in support of Project Razorback. They have also agreed to pursue additional sourcing of \$5 million per year in 2016, 2017, and 2018. There is the possibility of a capacity increase at IC Bus which will further increase Conway business and the Future Planning Volumes are robust.

Further opportunities include Navistar approval of a new model bus program leading to greater market share. Other opportunities include warehousing and automation. Conway's lean "Take The Hill" plan is the biggest near term opportunity and is included as a key element in Project Razorback.



Project Razorback

Market Overview (2 of 2)

Critical Issues

- Dependence on U.S. Manufacturing: Demand for fabrication and metalforming depends on the level of U.S. manufacturing activity. U.S. production declined 15% in the recession of the late 2000's.
- Navistar IC Bus: Conway depends greatly on the health of this single end-user. Collapse or sale of the parent company could negatively impact the future of IC Bus.
- Outside Sales Growth: While the team is extremely confident, we cannot downplay the significant effort required to win and execute the outside sales plan.

Competitive Landscape

- Demand depends on U.S. manufacturing activity.
- Profitability is tied to engineering and production expertise, and competition for resources is ever increasing.
- The U.S. fab and metalforming industry is fragmented with no major players dominating the market. There is great opportunity for a roll-up.
- The race to implement lean methodologies, advanced automation and enterprise systems, error proofing, and industry leading human resources practices will ultimately determine the winners and losers.
- Conway is already a very competitive operation as evidenced by its ability to win business away from outside suppliers and double their sales.

Business Challenges

- Market Leadership: There is no single dominant player in this fragmented market. Conway can leverage its Navistar IC Bus business to grow into the industry leader.
- Efficiencies: Improving the layout and operating practices will dramatically improve Conway's performance.
- People: Conway has operated for years as a stand-alone business with little to no support from parent Navistar. This has been made possible by the entrepreneurial spirit, dedication and perseverance of the Conway Team which remains as a distinct strength and competitive advantage.

Financial / Operating Benchmarks

	BIC	Large	Medium	Small
Size by Revenue	no data	>\$50M	\$20-49M	<\$20M
% by Revenue	no data	19%	39%	42%
# of Employees	no data	250-500>	100-199	<100
EBITDA	25%	Average = 9.3%		
Injuries/100 Employees	0	Average = 7.0		
Rejects PPM	0	Average = 3,100		
Cost of Non-Conformance	0.5%	Average = 2.5%		



3.2 Challenges, Landscape, & Benchmarks

The fabrication industry is highly dependent on U.S. manufacturing activity. The recent recession of the late 2000's, for example, caused a 15% decline in U.S. production. Conway is further challenged as it currently depends on one single end user in Navistar IC Bus and the health of its parent company Navistar International. Outside sales growth and diversification are key to addressing economic cycles but we also can't underestimate the significant effort required to achieve these goals.

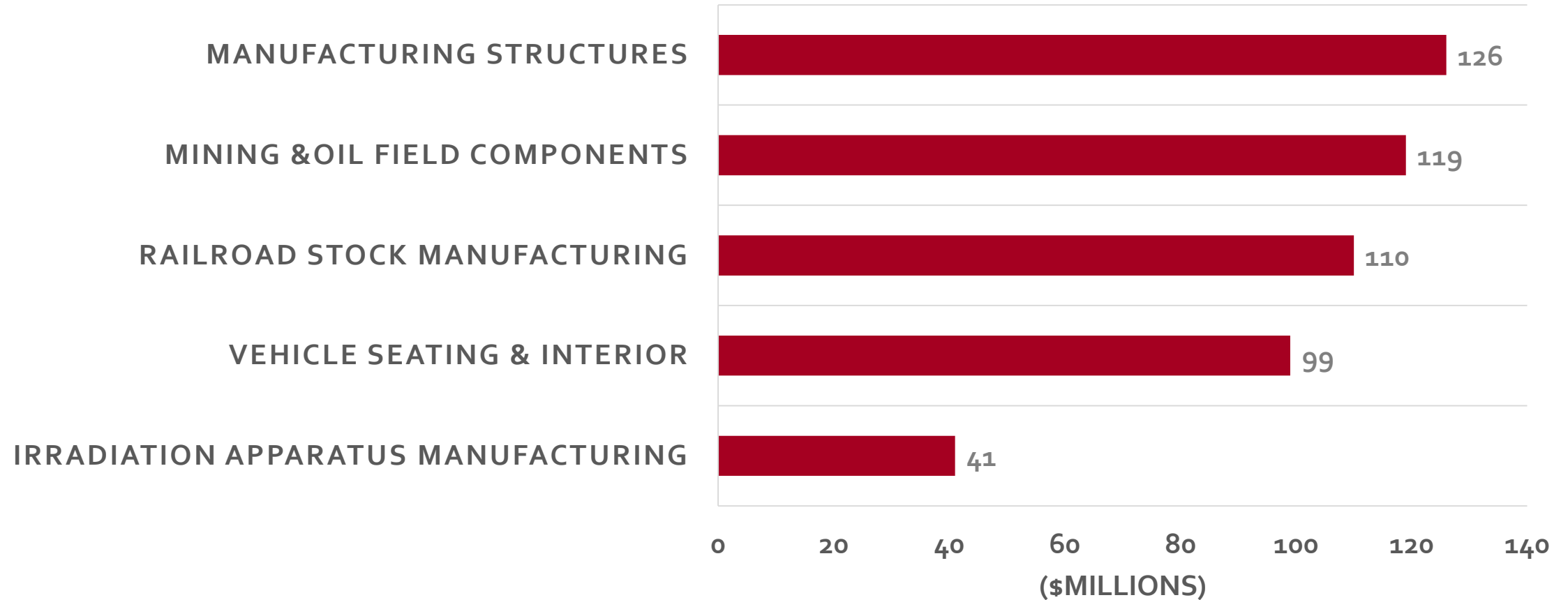
The fabrication and metalforming industry is fragmented with no dominant player. The race to implementing lean methods and associated technologies as well as BIC human resource practices will ultimately determine the winners and losers.

Project Razorback provides the capital and technology leverage which will unleash Conway's potential and allow it to firmly grasp a leadership position within the fabrication industry. Conway's people also remain a distinct strength and competitive advantage.

The Financial & Operating Benchmarks highlighted provide a clear roadmap for Project Razorback and the intent is to meet or beat Best In Class for each metric.



Project Razorback Outside Business Growth



Market Size within 500 Mile Radius

Source: Plante Moran / Precision Metal Forming Association

Michael R. Wilson

- MW LLC Confidential -

MontellWilson LLC

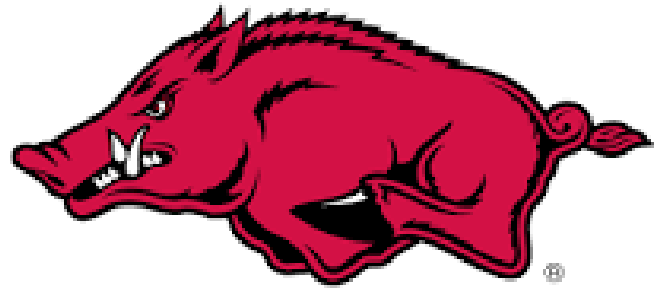


3.3 Business Growth

As part of Project Razorback, Navistar has agreed to a 3 year fixed price contract with a margin of 10%, and to aggressively pursue additional sourcing of \$5 M per year through 2018.

Conway enlisted the services of Plante Moran and the Precision Metalforming Association to study the business growth potential within a 500 mile radius of the plant's location. The study identified over \$1.5 B of business growth opportunity with the five most desirable segments shown on the facing graph.

These five business categories offer \$500 million of growth potential. Project Razorback only assumes a \$19 M gain, or 3.8% of these categories (only 1.3% of the \$1.5 B opportunity!). Conservatism is the guiding principle behind all the Project Razorback assumptions.



“Intentionally Blank”



4.0 THE INVESTMENT OPPORTUNITY

4.1 Investment Thesis

The goal of Project Razorback is to transform the Conway Fabrication Plant into the fabrication and metalforming market leader leveraging the current and future Navistar IC Bus business to enter new diverse markets. The result will be a profitable business portfolio more robust against economic downturns. The Plant will proudly continue its 80 year tradition in the bus industry and sturdily build this enterprise upon its core and greatly valued customer Navistar IC Bus.

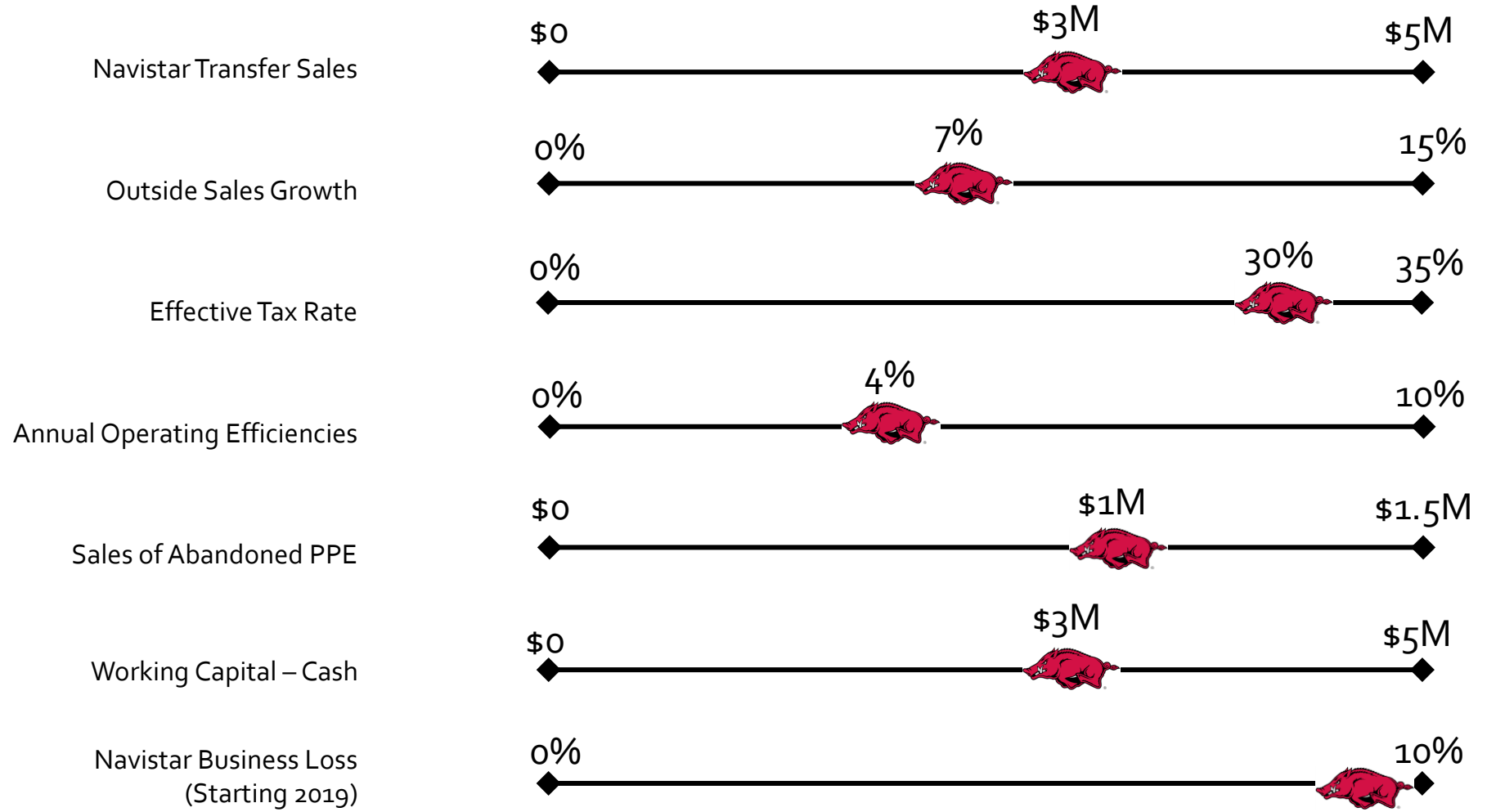
4.2 Project Razorback Terms

The following investment terms have been negotiated and agreed to by Navistar International:

Purchase Price	\$10.0 M including \$5.7 M of inventory.
Take the Hill	Buyer to invest additional \$5.9M
Payables/Receivables	Navistar portion transferred at close.
Supply Contract	3 Year fixed price with 10% margin.
Employees	All existing employees transfer with deal.
Business Loss	Max of 10% off prior year starting 2019.
Additional Sourcing	Navistar to pursue \$5 M per year 2016 – 2018.
Outsourcing	None between LOI and Close.



Project Razorback Conservative Assumptions





4.3 Project Razorback Assumptions

Key inputs to the investment model along with their range and final assumption used in the financial projections are shown on the facing chart. The important point is the analysis is designed to be conservative with significant upside potential.

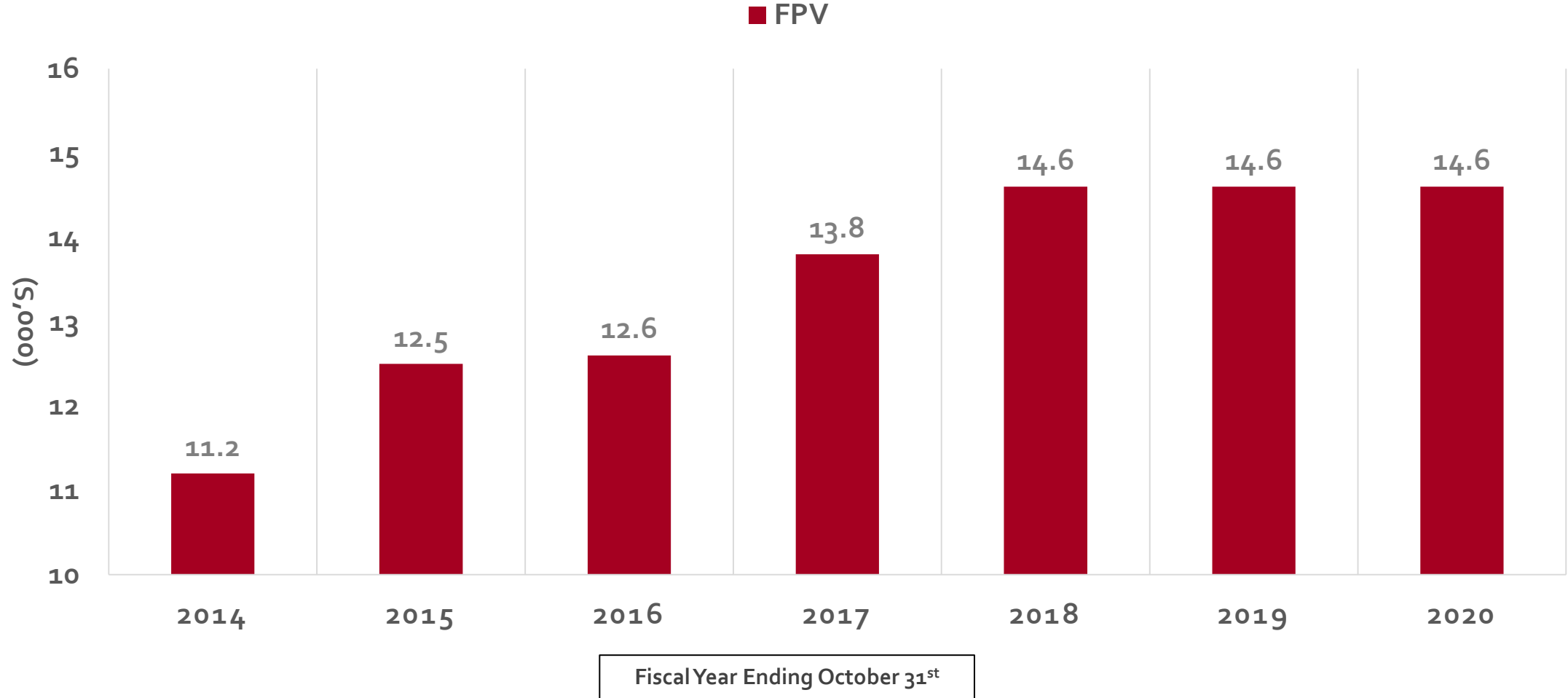
It is also important to note that absorption affects from increased production and the resulting decrease in line rates has not been accounted for in the financial models (since these costs are buried in the Navistar cost standards which have not been made available at this point). Another opportunity is Conway purchases approximately \$26 M in raw and pre-coated steel coil and sheets. The absorption, utilization, and profitability synergies at potential owner steel service centers has not been taken into account. Raw steel requirements will grow to \$48 M in 2017.

The complete list of Project Razorback assumptions are shown in the table that follows. Future Planning Volumes have been provided by Navistar International and are summarized on the graph on the next page.



Project Razorback

Future Planning Volumes





Project Razorback

Assumptions & Human Capital

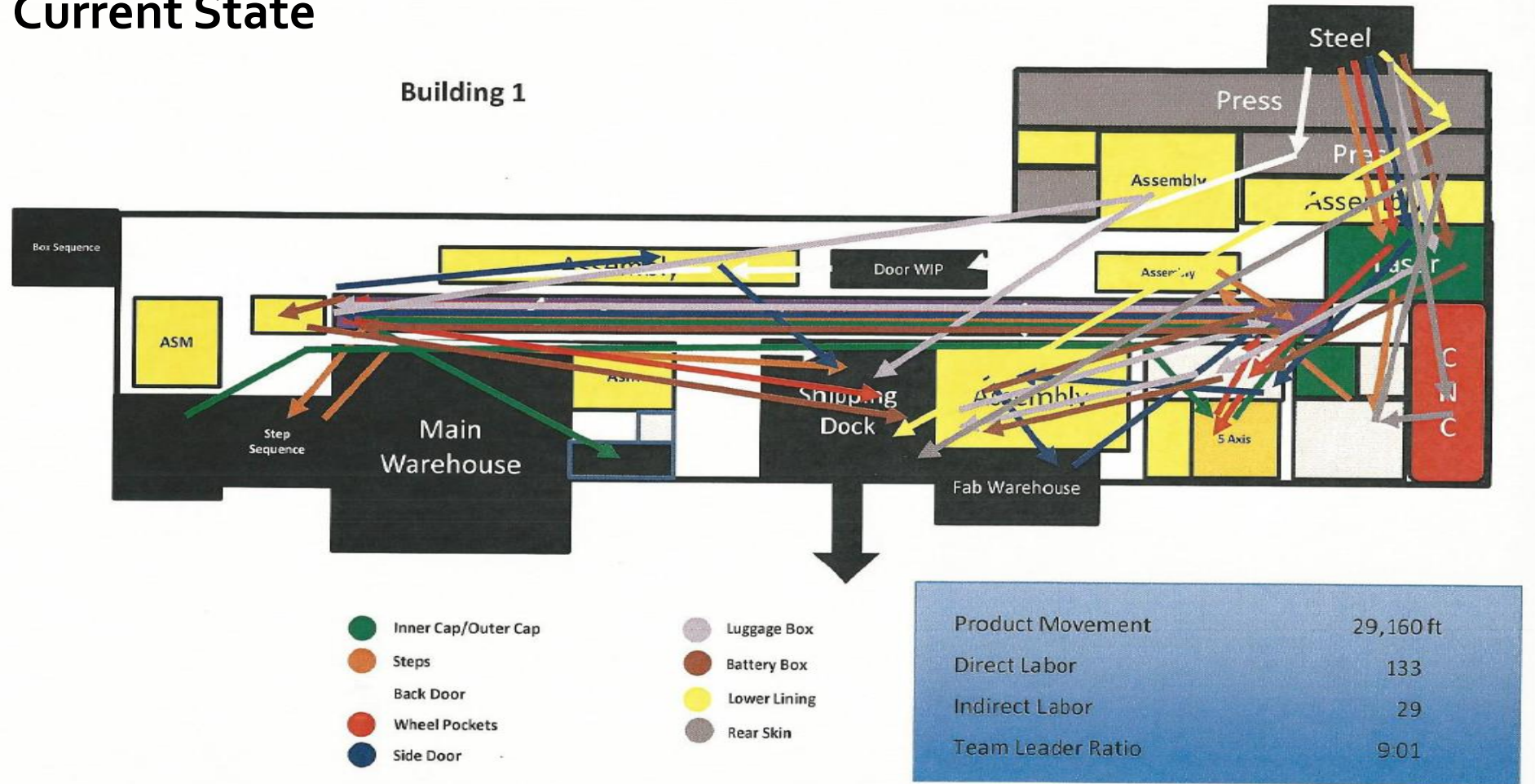
Assumptions:			Salary headcount Adds:		2016		2017		2018
Margin on Navistar Sales	10%		Sales Manager	1	\$ 125,000.00		\$ -		\$ -
Outside Sales Growth Starting 2017	7%		Sales Rep	1	75,000		-		-
Margin on Outside Sales	20%		Engineers (ME, QE)	2	65,000		-		65,000
Purchase Price		\$ 10,000,000.00	Team Leaders	3	60,000		60,000		60,000
Inventory		\$ 5,654,136.00	Material Planners	1	50,000		-		-
Deal Related / Closing Costs		\$ 1,000,000.00	Accounting/Receiving	1	-		50,000		-
Property, Plant, & Equipment		\$ 4,345,864.00							
Annual CapEx starting 2017		\$ 1,500,000.00	Total Operating	5	\$ 125,000.00		\$ 60,000.00		\$ 125,000.00
Amortization Period PP&E, years	20		Total SG&A	4	\$ 250,000.00		\$ -		\$ -
Amortization Period CapEx, years	10								
2015 Depreciation		\$ 827,245.00	Direct Labor Adds:						
Effective Tax Rate	30%		Total Direct	16	\$ 640,000.00		\$ 640,000.00		\$ 640,000.00
Loss of Navistar Sales 2019, 2020	10%								
Annual Operational Efficiencies	4%		Indirect Labor Adds:						
Take The Hill (TTH) Project		\$ 5,855,031.00	Maintenance	1	50,000.00		-		-
Annual TTH Savings starting 2017		\$ 1,908,275.00	Tool & Die	1	50,000.00		-		-
Navistar TTH Insourcing		\$ 3,000,000.00	Material Handling	5	80,000.00		80,000.00		40,000.00
Sale of Abandoned PPE		\$ 1,000,000.00							
Working Capital - Cash		\$ 3,000,000.00	Total Indirect	7	\$ 180,000.00		\$ 80,000.00		\$ 40,000.00
Cost of Capital	10%								
Headcount Adds:		2016			2017		2018		2019
Salary Operating Adds		\$ 125,000.00			\$ 60,000.00		\$ 125,000.00		\$ -
Salary SG&A Adds		\$ 250,000.00			\$ -		\$ -		\$ -
Direct Labor Adds		\$ 640,000.00			\$ 640,000.00		\$ -		\$ -
Indirect Labor Adds		\$ 180,000.00			\$ 80,000.00		\$ 40,000.00		\$ -
Total Headcount Adds		\$ 1,195,000.00			\$ 780,000.00		\$ 805,000.00		\$ -



Project Razorback

"Take the Hill"

Current State





4.4 “Take The Hill”

Conway’s management team has developed a lean process flow map and layout utilizing the new section of Building #1 and the newer Building #2 that will greatly improve productivity, quality, and capacity utilization at the facility. The project has been dubbed “Take the Hill” as Building #2 sits on a higher elevation. This plan enables the insourcing of an additional \$5 million in IC Bus business in each of the fiscal years 2016, 2017, 2018. It also enables the outside sales growth plan which is key to maximizing the value creation at Conway. The project cost is \$5.9 million with an annual savings of \$1.9 million. Take The Hill has been included in the investment models.

The Current and Proposed State layouts are shown on the facing and following pages along with key metric improvements. The major actions to be undertaken are as follows (a separate project detail is available):

- Systematically move production equipment from Building #1 to Building #1A (“remnant”) and Building #2.
- Repair the roof of the remnant section of Building #1.
- Install an all new pre-treatment and painting system In Building #2.
- Rebalance direct labor and indirect labor by 14% and 24% respectively.

4.5 Take The Hill Business Case

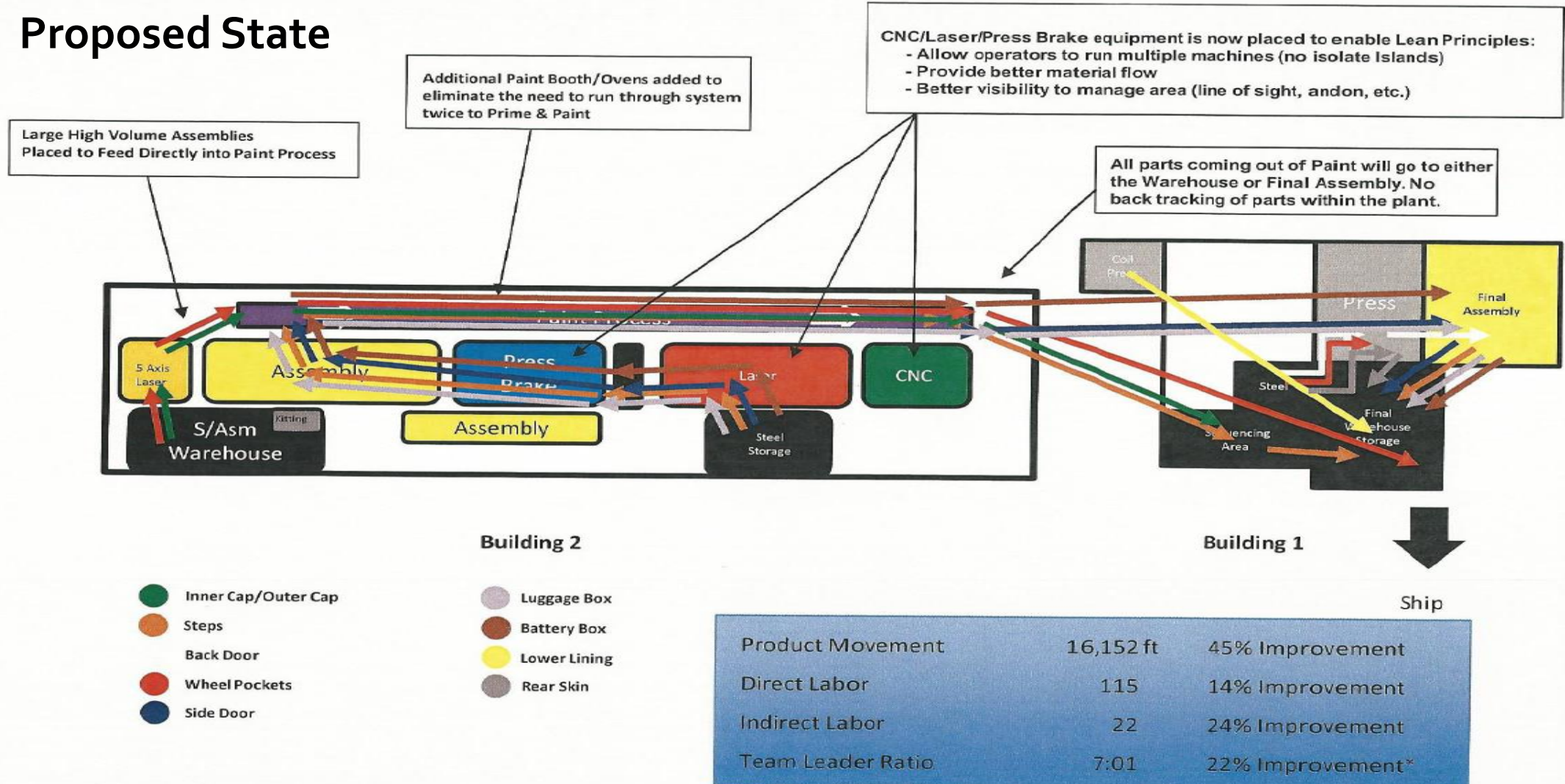
(The business case summary follows the Proposed State layout)



Project Razorback

"Take the Hill"

Proposed State





Project Razorback "Take the Hill"

Business Case

Cost of Proposal:

Building 1 & 2 Prep Work	\$ 2,005,579
Move Equipment (minus Paint)	\$ 1,049,452
New Paint System	\$ 2,800,000
Total	\$ 5,855,031

Cost Avoidance:

Roof Replacement	\$ 3,010,800
Electrical/IT Revisions	\$ 988,000
Safety Revisions	\$ 110,000
Lighting Revisions	\$ 300,000
Concrete Improvements	\$ 450,000
New Paint System	\$ 2,800,000
Total	\$ 7,658,800

Annual Cost Savings

Labor Savings	\$ 1,505,775
Utility Costs	\$ 18,000
Insurance Cost	\$ 12,000
Carry Cost of Inventory/Scrap	\$ 233,000
Reduction in Overtime (25%)	\$ 139,500
Total	\$ 1,908,275

Paint Area Plan	Move Existing	New Oven/Prime	Add New Wash	All New
Move Conveyor	\$ 229,441	\$ 229,441	\$ 229,441	
Move Booth	\$ 73,609	\$ 73,609	\$ 73,609	
Move Kitchen	\$ 36,189	\$ 36,189	\$ 36,189	
Move Wash	\$ 102,659	\$ 102,659		
Add New Prime Booth w/AMU		\$ 300,000	\$ 300,000	
Add Oven		\$ 375,000	\$ 375,000	
Add Tunnels		\$ 75,000	\$ 75,000	
Add New Spray Wash System			\$ 750,000	
Totals	\$ 441,898	\$ 1,191,898	\$ 1,839,239	\$ 2,800,000

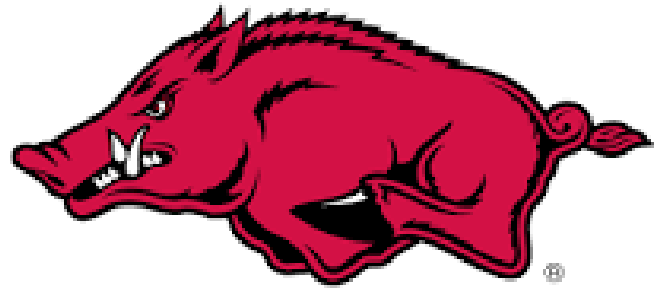
Labor Savings	No 2nd Shift Paint	# People	Need 2nd Shift Paint	# People
Direct Labor	\$ 1,016,514	18	\$ 451,784	8
Indirect Labor	\$ 395,311	7	\$ 338,838	6
Salary	\$ 93,950	1	-	0
Totals	\$ 1,505,775	26	\$ 790,622	14

Insource Savings Opportunities (Millions)

Year	Revenue	Savings	Investment
2016	\$ 4.0	\$ 1.8	\$ 1.3
2017	\$ 4.0	\$ 3.7	\$ 1.3
2018	\$ 4.0	\$ 5.5	\$ 1.3
Totals	\$ 12.0	\$ 11.0	\$ 3.8

Previous Insource Growth (Millions)

Year	Bus Kitting	SFI	Doors	Steps	Hub & Drum	Skin	Luggage Box	Defiance	Total
2011	\$ 2.061	\$ 0.177	\$ 0.570						\$ 2.808
2012	\$ 1.059	\$ 0.028	\$ 0.787	\$ 1.199	\$ 0.032				\$ 3.105
2013	\$ 1.502	\$ 0.363	\$ 0.774	\$ 1.182	\$ 0.067	\$ 0.057	\$ 0.003		\$ 3.948
2014	\$ 2.832	\$ 2.166	\$ 0.793	\$ 1.564	\$ 0.163	\$ 0.415	\$ 0.009	\$ 2.090	\$ 10.032
2015	\$ 2.763	\$ 2.503	\$ 0.961	\$ 1.856	\$ 0.181	\$ 0.387	\$ 0.009	\$ 4.964	\$ 13.624



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5.0 FINANCIALS

5.1 Profit and Value Creation

Project Razorback generates significant profit and end value as shown by the charts on the following two pages. The project is immediately profitable and EBITDA grows from \$3.5 M in 2016 to \$15.0 M in 2020. Again, based on conservative financial models and proven growth rates.

5.2 Selected Financial Data

Selected financial data are summarized in the last table along with important financial ratios. The total cash outlay including \$1.0 million in deal related expenses and \$3.0 million in working capital (cash) is \$19,855,031.

Sales Price	\$10,000,000
Deal Related Expenses	\$1,000,000
Take The Hill	\$5,855,031
Working Capital	\$3,000,000
Total Investment	\$19,855,031

The key investment metrics are a Payback Period of 2.9 years, Internal Rate of Return of 48%, and a Net Present Value of \$16.0 million.

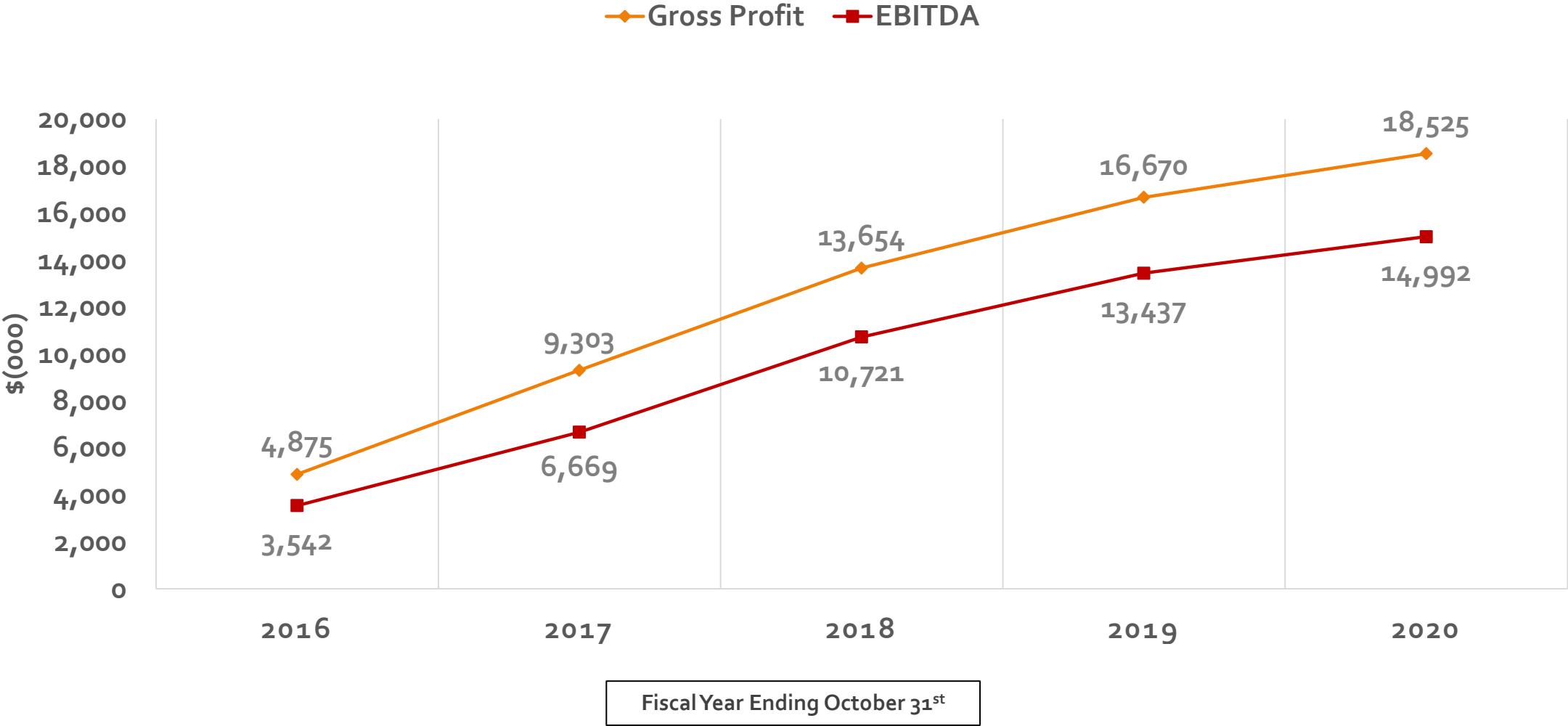
Recommendation – Approve immediate preparation of Letter Of Intent.

5.3 Financial Documents

The following several pages include the Project Razorback Statement of Operations, Statement of Cash Flow, Depreciation Schedule, and Workplan documents including Navistar International financials.

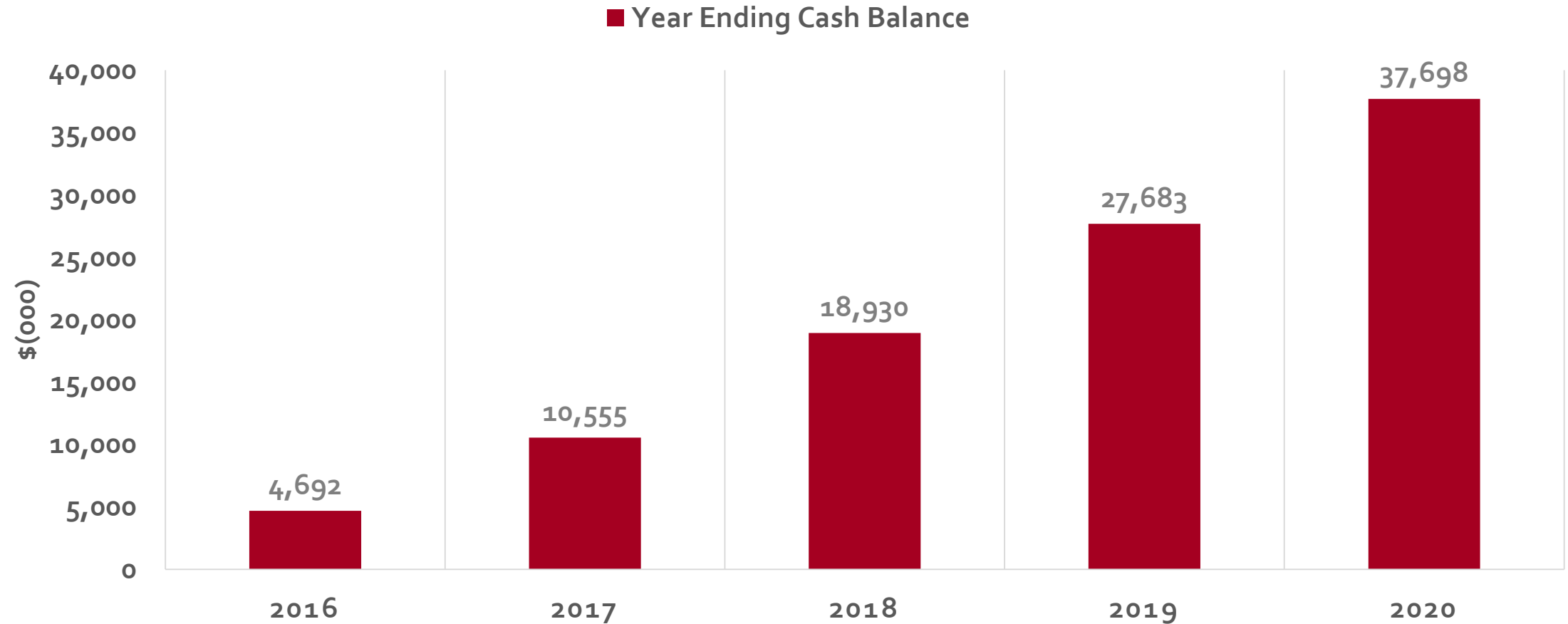


Project Razorback Profit Forecast

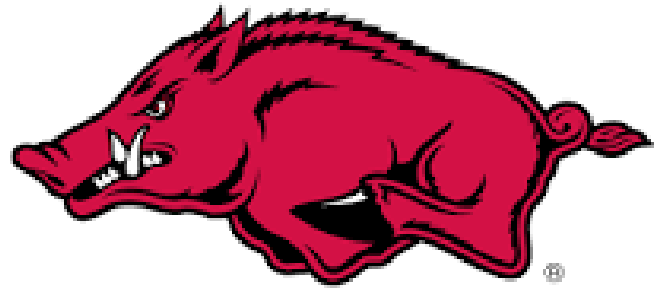




Project Razorback Value Creation



Fiscal Year Ending October 31st



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Project Razorback

Selected Financial Data

		Navistar	Selected Financial Data						
			Fiscal years ending October 31st						
Dollars		2015	2016	2017	2018	2019	2020		
Statement of Operations									
	Net Sales	\$ 40,839,792.55	\$50,560,237.72	\$61,914,715.09	\$69,093,615.37	\$63,420,179.86	\$ 57,164,676.70		
	Gross Profit	(2,053,639.74)	4,874,926.42	9,302,735.90	13,653,987.71	16,670,218.99	18,525,178.44		
	SG&A	918,132.44	1,313,181.31	1,313,181.31	1,313,181.31	1,313,181.31	1,313,181.31		
	Net Income After Tax	(2,402,680.39)	2,836,190.25	5,130,656.89	8,071,533.16	10,077,895.05	11,271,366.67		
	EBITDA	\$ (1,575,435.39)	\$ 3,541,655.61	\$ 6,669,465.10	\$10,720,716.90	\$13,436,948.18	\$ 14,991,907.64		
Balance Sheet Data									
	Cash	\$ -	\$ 4,691,998.92	\$10,554,690.90	\$18,930,164.12	\$27,682,635.30	\$ 37,697,992.72		
	Net Property, Plant & Equipment	-	9,690,850.25	10,530,805.50	11,220,760.75	11,760,716.00	12,150,671.25		
	Total Debt	\$(24,792,468.63)	\$ -	\$ -	\$ -	\$ -	\$ -		
Cash Flow Data									
	Depreciation	\$ 827,245.00	\$ 510,044.75	\$ 660,044.75	\$ 810,044.75	\$ 960,044.75	\$ 1,110,044.75		
	Net Cash From Operations	n/a	3,691,998.92	7,362,691.98	9,875,473.22	10,252,471.17	11,515,357.42		
	Capital Expenditures	\$ 750,000.00	\$15,855,031.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,500,000.00		
Financial Ratios as % of Net Sales									
	Gross Profit	-5.0%	9.6%	15.0%	19.8%	26.3%	32.4%		
	SG&A	2.2%	2.6%	2.1%	1.9%	2.1%	2.3%		
	Net Income After Tax	-5.9%	5.6%	8.3%	11.7%	15.9%	19.7%		
	EBITDA	-3.9%	7.0%	10.8%	15.5%	21.2%	26.2%		

IRR	48%
Payback Period	2.9
NPV	\$ 16,000,056