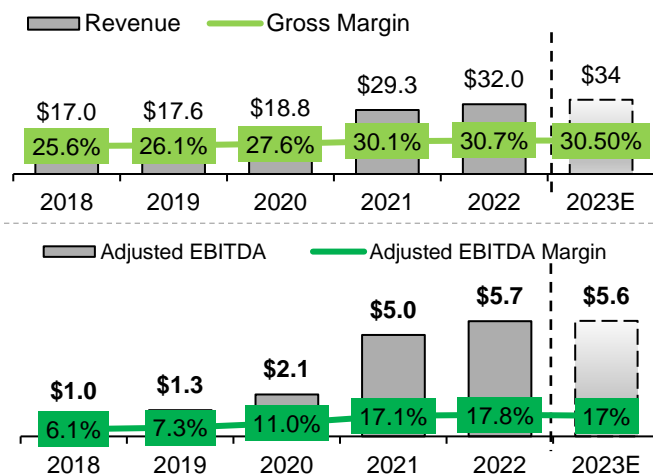


HIGHLIGHTS

RareWoods is a high-end distributor of exotic and rare lumber who has thrived by enhancing their customers' experience versus what's typical in the industry. The Company earns premium prices by;

- Carrying inventories in what are traditionally long lead-time "special order products," dramatically shortening delivery dates;
- Personalizing service by assigning dedicated customer service reps; and
- Conveniently offering Will-Call and Next-Day Onsite delivery.
- As a result, over the past two years their list of significant customers has increased by 80%. Historically, their retention rate is exceptional.
- They serve the needs of Southern California's top craftsmen and contractors who cater to residents of LA's most exclusive neighborhoods.

FINANCIALS (\$ IN MILLIONS)



COMPANY OVERVIEW

Founded in 2000 by two experienced lumber salesman, the Company is the dominant purveyor of rare and exotic lumber serving Southern California. It targets LA's finest craftsmen and contractors who work on the region's finest residences. The Company has never had a loss year. During the pandemic they placed big bets on inventory and had product when competitors did not. The number of medium and larger customers nearly doubled in 2021 and continued to grow in 2022 as most remained for the great selection of in-stock products, knowledgeable customer service and choice of will call or next day delivery to job sites. Sales were \$29.3 and \$32 million in 2021 and 2022, while recast EBITDA was \$5.0 and \$5.6 million respectively. Sales per customer is steady--sales growth is from attracting new customers.

MARKET CONDITIONS

- Most of the Company Sales are to LA's wealthiest who are interested in unique architectural features and relatively unaffected by interest rates.
- Most elite contractors stay busy in good markets and bad. Hence, RareWoods is also recession resistant.
- Lumber prices are volatile having gone up rapidly in 2021 and then ebbing in 2022. New customers are expected to offset lower lumber prices in 2023.

INVESTMENT OPPORTUNITY

RareWoods business model allowed it to take advantage of the surge in home remodeling, which shows little signs of abating--home improvements are better than moving and losing a 3% mortgage. The Company has spent 22 year perfecting its business model. Expansion into other wealthy areas using that model is a logical option.

TRANSACTION PROCESS OVERVIEW

- Janas / JCC Capital Markets (Janas) has been retained by the Company to identify potential acquirers and conclude a sale transaction to facilitate founder's transition to retirement.
- Parties interested in pursuing discussions with the Company are invited to contact Janas.
- A Confidential Information Memorandum is available upon signing a Confidentiality Agreement.

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