



PROJECT MEDEQUIP

Specialized Medical Infrastructure & Consumables Manufacturer

Dominant Western U.S. Market Position | High-Margin "Razor & Blade" Revenue Model
Crisis-Resilient Demand

BUSINESS OVERVIEW

Project MedEquip ("Company") is a leading manufacturer and distributor of precision medical instruments, morgue technology, and hospital supplies. The Company is headquartered in Southern California and was established in 1992. The Company now offers over 2,500 products to a diverse North American and international customer base. The Company is well regarded for its high-quality products, responsiveness, and competitive pricing.

After three decades of successful operations, the owners have decided to retire and they have retained VALCOR Advisors, LLC ("VALCOR") to serve as exclusive financial advisor in connection with the sale of the Company. All inquiries related to the Company should be directed to VALCOR whose contact information appears at the end of this Memorandum.

INVESTMENT CONSIDERATIONS

1. Mission-Critical Recurring Revenue

50%+ of revenue is generated from high-volume consumables (Disaster Pouches & Morgue Sheets). Widely considered the gold standard for body bags with proprietary manufacturing. Vendor-of-record status and established purchasing codes with agencies including the U.S. Department of Defense and major metropolitan medical examiner offices support recurring demand.

2. Structural Market Consolidation

FY25 revenue increased 43% YoY driven by share gains as large competitor exited Western U.S. manufacturing. Capital equipment sales expanded materially (up 7x in 2025) and typically create pull-through demand for blades, filters, and replacement parts.

3. Turnkey Value Creation Levers

Near-term levers for a buyer include:

- Add a dedicated sales function (growth to-date is inbound) supported by CRM/ERP to systematize pipeline/quoting
- Commercialize autopsy saw (prototype complete)
- Accelerate equipment placements and formalize service agreements to convert installs into recurring, high-margin aftermarket revenue.

4. High-Efficiency Financial Profile

Capex-light model with 60%+ gross margin. Scalable cost structure converted 43% revenue growth into a 38.3% Adj. EBITDA margin.

5. Proven "Surge" Economics

The platform can scale during mass-fatality response events without materially increasing fixed costs (e.g., management reports \$7.3M revenue and \$2.2M EBITDA in 2020)

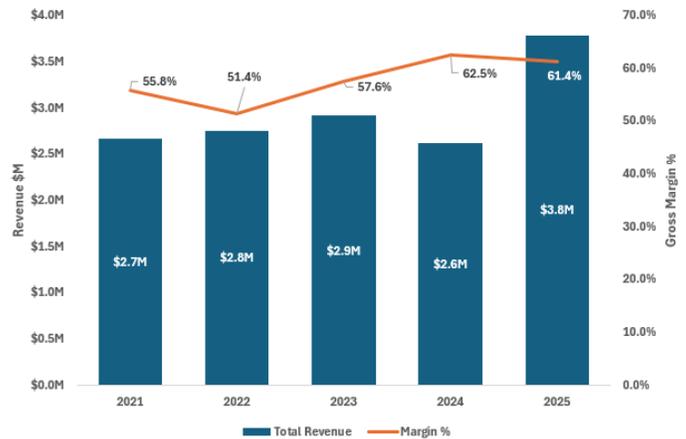
FINANCIAL SNAPSHOT

\$ in millions	FY23	FY24	FY25
Total Net Revenue	\$2.93	\$2.63	\$3.79
Gross Profit	\$1.69	\$1.64	\$2.33
Gross Margin	57.6%	62.5%	61.4%
Adj. EBITDA	\$0.9	\$0.8	\$1.45
Adj. EBITDA Margin	31.6%	30.8%	38.3%

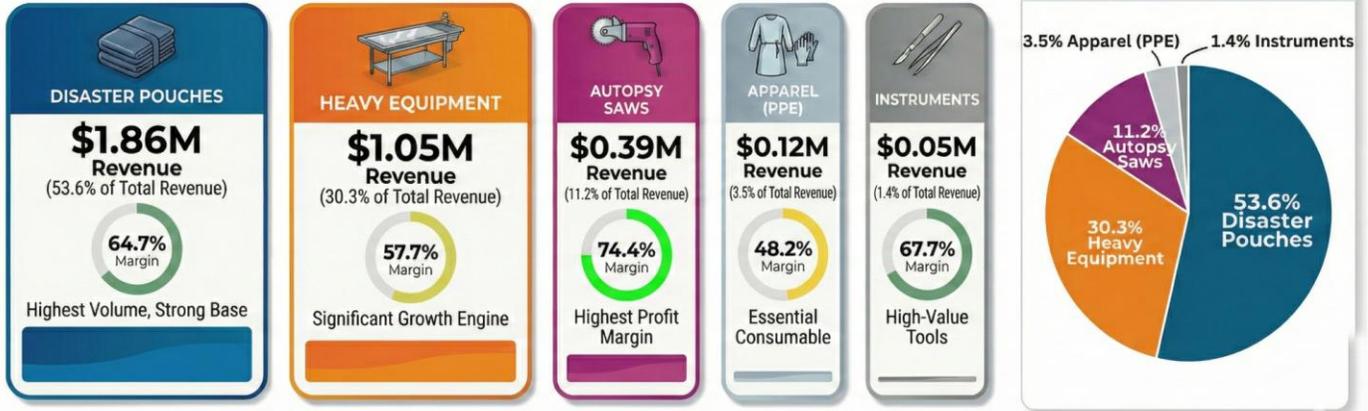
*Adj. EBITDA reflects add-backs for discretionary owner expenses and a deduction for a market-rate supply chain manager.

Financial Commentary

- **Predictable, Recurring Demand:** Validated by 82.3% revenue contribution from retained customers who grew spend +25.7% YoY. This recurring momentum underpinned a strong January 2026 and a \$0.8M backlog.
- **Key Driver Economics:** Disaster Pouches ~65% gross margin; Autopsy Saws 74% gross margin.
- **Tariff / Supply Chain:** China +1 strategy with key manufacturing in Thailand; management believes this reduces tariff escalation risk and improves continuity.



2025 PRODUCT PERFORMANCE MATRIX:
Revenue Volume vs. Gross Margin Profitability



Horizontal Bar Width = Relative Revenue Share Circular Gauge = Gross Margin %

End Markets

Segment	Representative Customers	Relationship Dynamic
Federal Government	Select federal agencies (incl. U.S. Department of Defense, emergency management, VA)	Contract Vehicle: Vendor-of-Record status allows for automated purchasing and “surge” stockpiling orders.
State & Local Agencies	Major city and county medical examiner / coroner offices	Sticky Procurement: Registered vendor status creates high barriers to entry for competitors; reliable municipal budget funding.
Private Healthcare	Hospital systems and university medical schools	Capital-Led Lock-in: Equipment installations (sinks/tables) drive 10+ year recurring revenue for consumables.
Funeral Services	Funeral home chains and independent mortuaries	High-Margin Spot Market: Consistent, price-insensitive demand for immediate-need supplies.

Transaction Overview

Owners are seeking retirement and exploring a sale. Seller is willing to provide reasonable transition support to ensure continuity.

<p>For more information, please contact:</p> <p>Ray Clark, CFA VALCOR Advisors rclark@valcoronline.com (949) 697-9223 (cell)</p>	<p>Brian Allen VALCOR Advisors ballen@valcoronline.com (310) 562-2114 (cell)</p>
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