



# NABHOLZ

CONSTRUCTION • INDUSTRIAL • CIVIL • ENVIRONMENTAL

## Annual Report | 2014



Growing our people, serving our clients,  
building our communities...it's the Nabholz way.



A large excavator is shown in a construction setting, with its arm and bucket visible. The excavator is positioned on a pile of dirt and rubble. The background shows a clear sky and some distant structures.

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*"Year after year, our team continues to deliver excellent customer service and increased value for clients, shareholders, and Nabholz employees."*

## From our CEO

Greg Williams

**W**ow, what a year 2014 has been for Nabholz! We've celebrated our 65th anniversary and experienced some amazing growth opportunities. I personally have enjoyed my first year as CEO, travelling to our offices, visiting our jobsites, and connecting with great clients. After my travels and meetings, I am reassured that our team is committed to our purpose of growing our people, serving our clients, and building our communities—all with the highest level of integrity.

I am excited to report that 2014 revenues increased to \$421.4 million, up from \$357 million in fiscal year 2013. 2014 was a record year for Nabholz in terms of work acquired, and our backlog is up 89% over the previous year. Most importantly, I am proud to say that Nabholz was profitable for the 65th year in a row. All of this adds up to a very strong start going into 2015 and gives me great confidence in our future success.

Our firm has a strong balance sheet, ZERO debt, and a bonding capacity in excess of \$750 million. What gets me really excited, though, is hearing how happy our team members have made our clients. Year after year, our team continues to deliver excellent customer service and increased value for clients, shareholders, and Nabholz employees.

I want to thank all of our clients, business partners, subcontractors, vendors, and especially our employees for making 2014 a successful year. I am so proud to be part of Team Nabholz. Without all of you, our company's success simply would not be possible, so I sincerely thank you all for everything you do for our company, our clients, and each other.

I hope you enjoy browsing through our 2014 annual report and seeing just a few of the highlights from the past year!



## NABHOLZ 2014

Total Revenues = \$421.4 Million

Company Debt = \$0

Projects Completed = Over 6,500

Number of States Covered = 27 States

Man Hours Worked = 1,277,690

EMR = 37% Better than Industry Average

Bonding Capacity = \$750 Million



# 2014 *National & Regional Industry Rankings*

**#158**  
**TOP 400 U.S.  
CONTRACTORS**

*by Engineering  
News-Record (ENR)*

**#16 IN U.S.  
DATA CENTER  
CONSTRUCTION**

*by ENR*

**#61**  
**CM-at-RISK  
FIRM IN THE U.S.**

*by ENR*

**#21 IN  
U.S. TELECOM  
CONSTRUCTION**

*by ENR*

**#28**  
**HEALTHCARE  
CONSTRUCTION  
FIRM IN THE U.S.**

*by Modern Healthcare*

**#1 LARGEST  
COMMERCIAL  
CONTRACTOR**

*by Northwest Arkansas  
Business Journal*

**#9 TOP  
AREA GENERAL  
CONTRACTOR**

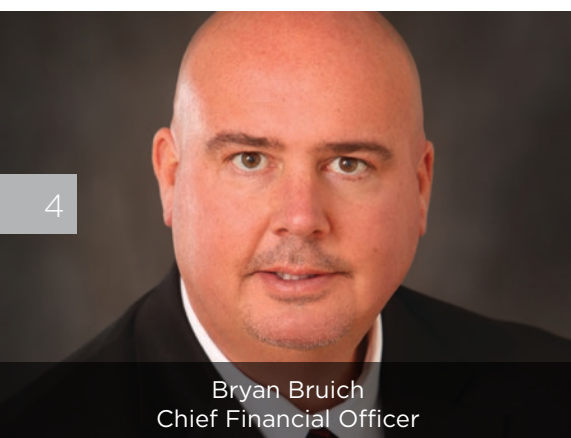
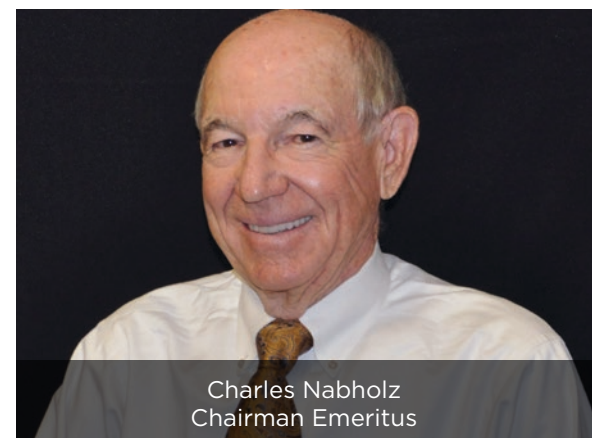
*by Kansas City  
Business Journal*

**#2 LARGEST  
COMMERCIAL  
CONTRACTOR**

*by Arkansas  
Business Journal*

# Have you heard?

**B**ig news in the form of leadership changes during the year: Greg Williams took the helm as CEO on January 1, 2014, with Bill Hannah moving into his new role as Chairman of the Board and Charles Nabholz becoming Chairman Emeritus. Bryan Bruich was named Chief Financial Officer, with Tim McKenna joining the team as Corporate Controller. Then in October, Shane Fernandez joined Team Nabholz as the new President of our Southwest Operations, covering our Tulsa and Oklahoma City offices. We are excited to have Shane lead the charge as we continue to grow in the great state of Oklahoma.





# Safety: Our #1 Value



It's about getting our people home safely to their families.



Our Rogers Construction team completed 30,000 man hours  
ACCIDENT FREE!

Safety Leadership Awards





# Proud to Share Our Achievements



STEP  
PLATINUM  
Award

*hereby presents the*

**Safety Training and Evaluation Process**

**STEP Award** to

***Nabholz Construction Services***

in recognition of the company's **Platinum Level** of achievement  
and its ongoing efforts in the development of a quality  
safety program for 2014

  
Dan Brodbeck  
ABC National Chairman

  
Michael Bellaman  
ABC National President and CEO





## EXCELLENCE IN CONSTRUCTION AWARDS

presented by Associated Builders and Contractors of Arkansas

Healthcare Over \$50 Million – New South Wing  
Arkansas Children's Hospital

Healthcare Under \$5 Million – New Ronald McDonald Family Room  
Mercy Hospital

Renovation \$1-\$5 Million – National Child Protection Training Center  
Northwest Arkansas Community College

Institutional \$20-\$25 Million – Bear Hall  
University of Central Arkansas

Institutional Over \$25 Million – Fayetteville High School Phase 1  
Fayetteville Public Schools

## SAFETY TRAINING & EVALUATION PROCESS AWARD (STEP)

presented by Associated Builders and Contractors

Platinum Level of Achievement

## BUILD OKLAHOMA AWARD

presented by Associated General Contractors of Oklahoma

Construction Management up to \$2 Million – Mathematics Learning Success  
Center, Edmon Low Library, Oklahoma State University

## CONSTRUCTION

General Contracting, Construction Management,  
Special Projects, Emergency Service, Custom Millwork



2014 was a good year for our Construction team, including our teams who deliver special projects, custom millwork, and emergency services. Overall, the construction services sector of our business was strong, with good growth during 2014 and a strong backlog moving into 2015.

We also saw tremendous growth in the Kansas City area in 2014. Since he began managing our Olathe office in 2012, Jon Pahl and his team have dramatically increased Nabholz' presence in the Kansas and Missouri markets. This team has

*"2014 proved to be a good year for our Construction Services and Fire-stop teams as they continue to grow across the state. Our Excavation teams have also gained traction as they have increased their presence within the region. These teams provide critical opportunities for our general construction efforts by being the tip of the spear in acquiring new work and building relationships. By continuing to build on opportunities to cross sell our abilities and leverage the impressive relationships our Construction team has already developed, the Southwest family plans to aggressively take advantage of the boundless potential in Oklahoma in 2015."*

*Shane Fernandez*

worked tirelessly over the past few years to grow our portfolio of work among education, healthcare, mission critical, railroad, and commercial office clients throughout the area, and we can't wait to see what they do next!

*"Our success has been—and will continue to be—the result of a great team of talented people working hard for our clients. I couldn't be any happier with the family we've developed, and I'm very excited to see what we can do together moving forward. We have big plans for the future of Nabholz in Kansas and Missouri."*

*Jon Pahl*



Our service and emergency specialty teams had another impressive year. In 2014 they managed over 5,500 projects in 27 different states. Their ability to provide superior service, maintenance, and small project expertise of all kinds continues to be a significant differentiating factor for Nabholz. Our outstanding service teams are the reason our clients know Nabholz isn't just there to do one big job and move on, but to be a long-term partner, serving their complete facility needs. Thanks to our service team members' hard work and dedication that vision is now reality.

2014 has been a transformative year for our millwork operation, which remains one of the region's largest and most technically advanced millwork shops. Starting with a complete LEAN evaluation of the shop, our team reconfigured both the layout and fabrication processes and invested in a new computer-aided CNC router, all to reduce waste and increase productivity and quality. The result? A 40% increase in productivity!

They also completed some truly impressive projects during the year, several of which are highlighted in the photos on the following pages. The biggest highlight for millwork in 2014, though, is another year with ZERO accidents, making 2014 their fourth consecutive accident-free year! Congratulations to these craftsmen for their outstanding dedication to safety and quality!



# Construction Highlights

**Northeastern State University  
Multi-purpose Event Center**  
Tahlequah, Oklahoma



**Mini of Little Rock**  
Little Rock, Arkansas





**Swenson Early Childhood  
Center - Osawatomie USD 637**  
Osawatomie, Kansas

**John Mabee Hall Renovation**  
**University of Tulsa**  
Tulsa, Oklahoma







## Johnson Regional Medical Center Expansion

Clarksville, Arkansas

## Ouachita Center at Rich Mountain Community College

Mena, Arkansas







**Jayhawk USD 346**  
Mound City, Kansas

**McKinley Elementary Safe Room**  
**Joplin Public Schools**  
Joplin, Missouri







**Tulsa Jewish Retirement & Health Center**

Tulsa, Oklahoma

**Fayetteville High School  
Phase II**

Fayetteville, Arkansas







**Wynne Public Schools**  
Custom Millwork  
Wynne, Arkansas



**Philander Smith College**  
Little Rock, Arkansas





**Harley Davidson World**  
Oklahoma City, Oklahoma

**Market Square  
The Village at Hendrix**  
Conway, Arkansas





## INDUSTRIAL

Millwright, rigging, equipment moving, heavy hauling



Valley View  
Agri

Our Industrial Services crews stayed busy setting and moving equipment on almost 1,200 projects throughout the United States in 2014, continuing to serve our clients in the agriculture, rail, and manufacturing industries. It was a banner year for our newest Industrial Services location in the Memphis, Tennessee area. We are proud of the work Toby Finch and his team are doing to grow our presence in this exciting market. Thanks to Toby and his team, many more industrial and manufacturing businesses in the Memphis area are learning how Team Nabholz can serve their unique needs.



Valley View Agri

16



*"Our guys finished out the year strong by putting in some long hours and crazy schedules to meet the customers' needs. Lanny Crafton's persistent sales approach has opened several new doors for us and we are seeing some exciting opportunities to start the new year. The most exciting part is seeing the new customer base repeatedly call us back for more projects after seeing what our guys can do."*

*Toby Finch*





### **Valley View Agri - Jonesboro, Arkansas**

Nabholz installed a 290-foot-long drag chain conveyor that was suspended 55 feet above the floor through the center of the client's existing facility. The team also replaced an existing conveyor outside the building and tied it into the new conveyor inside.



### **Superior Industries - Rogers, Arkansas**

After building an addition to the client's existing facility, the Nabholz team unloaded and placed shot blast equipment and installed an extensive amount of conveyance equipment in the new facility. This turnkey installation also included mechanical and electrical work.



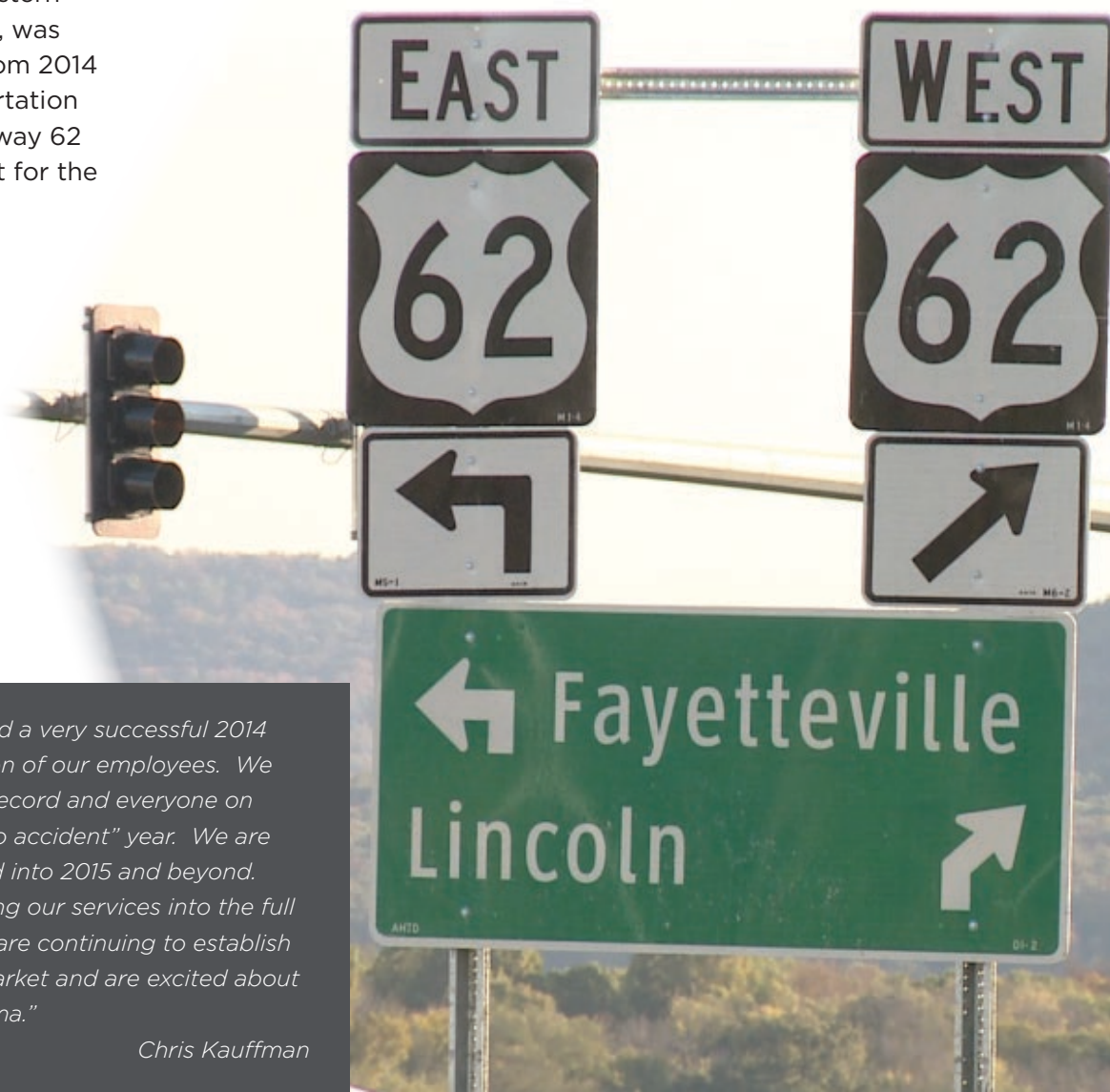
## CIVIL

Excavation, site preparation,  
utility, heavy highway

Our civil and excavation teams also had a fantastic year in 2014 under the continued leadership of Jim Spotts, completing several significant projects throughout Northwest Arkansas and Eastern Oklahoma. Their biggest achievement for the year, however, was finishing the year with **ZERO accidents!** Other highlights from 2014 include being selected by the Arkansas Highway & Transportation Department to complete the \$23 million expansion of Highway 62 and the start of work on the \$6 million Cherry Creek project for the City of Tulsa.

We are also proud to announce that Chris Kauffman, long-time project manager on our civil team, was promoted to Operations Manager for Excavation and graduated from Leadership Benton County.

With a good backlog of work and a great leadership team, we remain excited about the growth potential of our civil operations.



*"The Excavation specialty group had a very successful 2014 due to the hard work and dedication of our employees. We are especially proud of our safety record and everyone on the team deserves credit for a "zero accident" year. We are committed to extending this record into 2015 and beyond. We are also committed to expanding our services into the full Nabholz region of operations. We are continuing to establish and gain a presence in the Tulsa market and are excited about our future opportunities in Oklahoma."*

Chris Kauffman





## City of Tulsa, Oklahoma Cherry Creek Expansion & Upgrade

This project consisted of demolition and expansion of an existing flow equalization basin, including substantial earthwork, concrete structures, a new parking area, environmentally friendly lighting, and new pavement. The project also includes relocating a portion of the heavily traveled Riverside Bike Trail, along with the installation of three new underground valve vaults, new telemetry and process controls, upgrades to an existing Lift Station, installation of new manholes and various ductile iron yard piping, up to 36" inches in diameter. The work is scheduled to be complete in 2015.

## Highway 62 from Avoca to Garfield

Rogers, Arkansas

This project, scheduled for completion in Summer 2015, will widen a six-mile stretch of U.S. Highway 62 from three lanes to five lanes.





## ENVIRONMENTAL

Environmental assessments, consulting,  
asbestos abatement, mold remediation

Our Environmental Services team completed a successful year of operation, growing in terms of both revenue and client base.

In 2014 we expanded our Arkansas presence by relocating one of our Environmental Services managers, Tim Tennant, to Northwest Arkansas.

Our environmental team's tremendous amount of experience and proven ability to deliver excellent, professional service and great value will keep them growing as we move into 2015.



*"The great strides made during 2014 are evidence that our Environmental Services team is gaining traction. In the past year, we have expanded our client base, taken on a wide range of exciting projects, and positioned ourselves for even greater success in 2015."*

*"I believe much of the success from our expansion into Northwest Arkansas has come from the rich history of success and strong client relationships built by our Midwest Operations team. This foundation provides Environmental Services the opportunity to position itself as one of the most capable environmental service companies in the region. Looking ahead, our Northwest Arkansas team will continue to build on our existing relationships with customers, our strong company unity, and our ability to deliver quality services and solve environmental challenges."*

Tim Tennant



Prior to the demolition of this former dry cleaning facility, Nabholz abated two 1920s-era coal fire boilers.





# Building our *Communities*



Heartland Habitat for Humanity



CAN-struction food drive



Faulkner County tornado relief



Susan G. Komen Race for the Cure



Nabholz volunteers at Kansas City Zoo to build a shed



Nabholz volunteers help with Fallen Firefighters' Memorial



Bowling to support National Association of Women in Construction



United Way campaign



ALS "Ice Bucket Challenge"  
Fundraiser benefitting ALS (Lou Gehrig's Disease) research





Nabholz University Leadership Class

# Growing our People

Our people are the backbone of this company. They make us proud every day by demonstrating extraordinary leadership, serving our clients with exceptional care, and constantly striving to improve themselves, the company, and our industry. At Nabholz, we have a passion to improve and innovate, a passion that is contagious among our team members and serves to make us all better. The photos on this page are only a small sampling of the many ways our team members worked to grow in both their professional and personal lives in 2014.



Nabholz University Carpentry Apprenticeship Program Participants



Wellness Retreat



Joel Blansett  
Business Development Officer

Leadership Arkansas Graduate



Managers Conference



Hammer Award Recipient

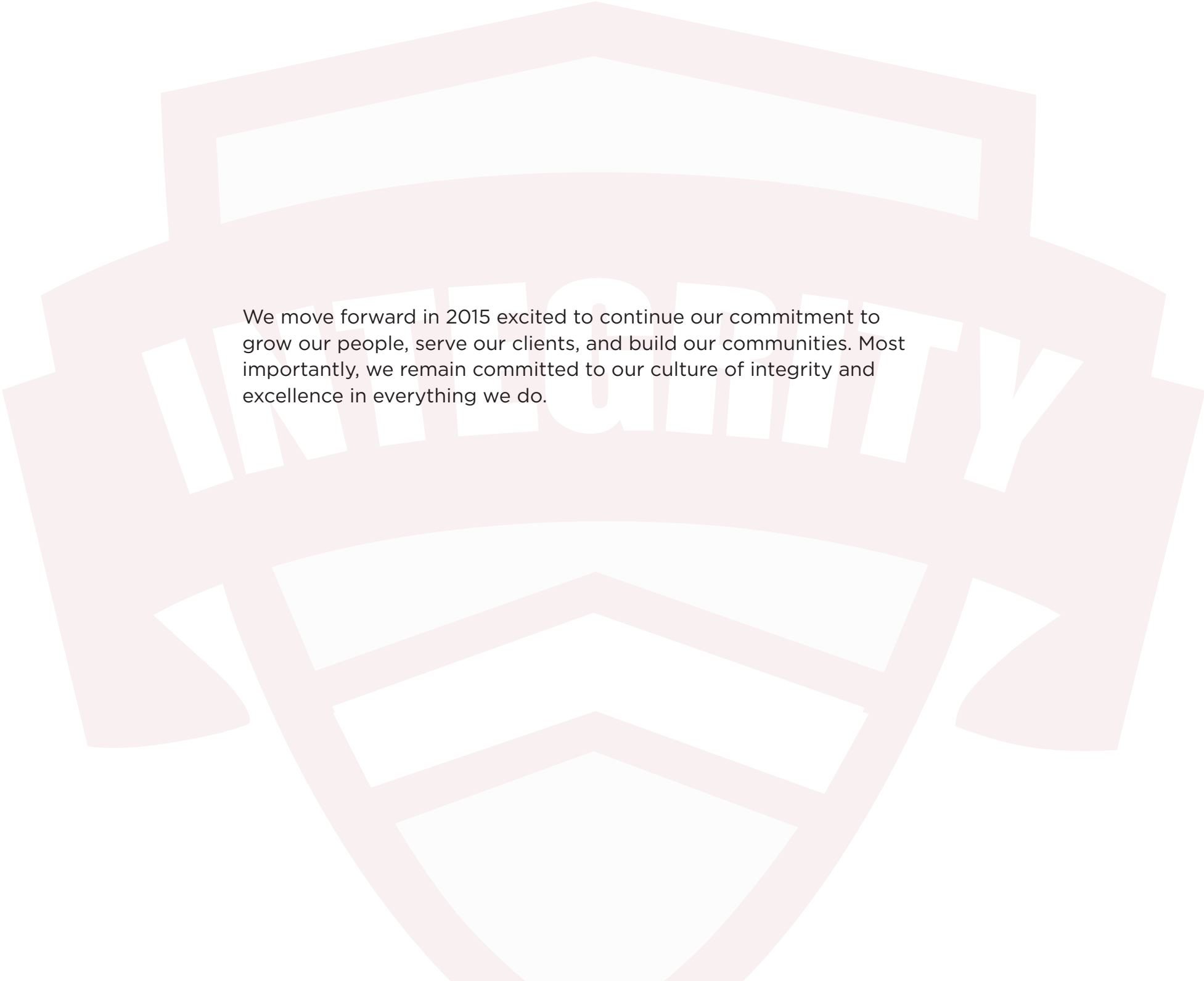
## Quality Award Recipients











We move forward in 2015 excited to continue our commitment to grow our people, serve our clients, and build our communities. Most importantly, we remain committed to our culture of integrity and excellence in everything we do.



[www.nabholz.com](http://www.nabholz.com)  
877.NABHOLZ

Conway, AR  
Fort Smith, AR  
Jonesboro, AR  
Little Rock, AR  
Rogers, AR  
Olathe, KS  
Springfield, MO  
Olive Branch, MS  
Oklahoma City, OK  
Tulsa, OK