

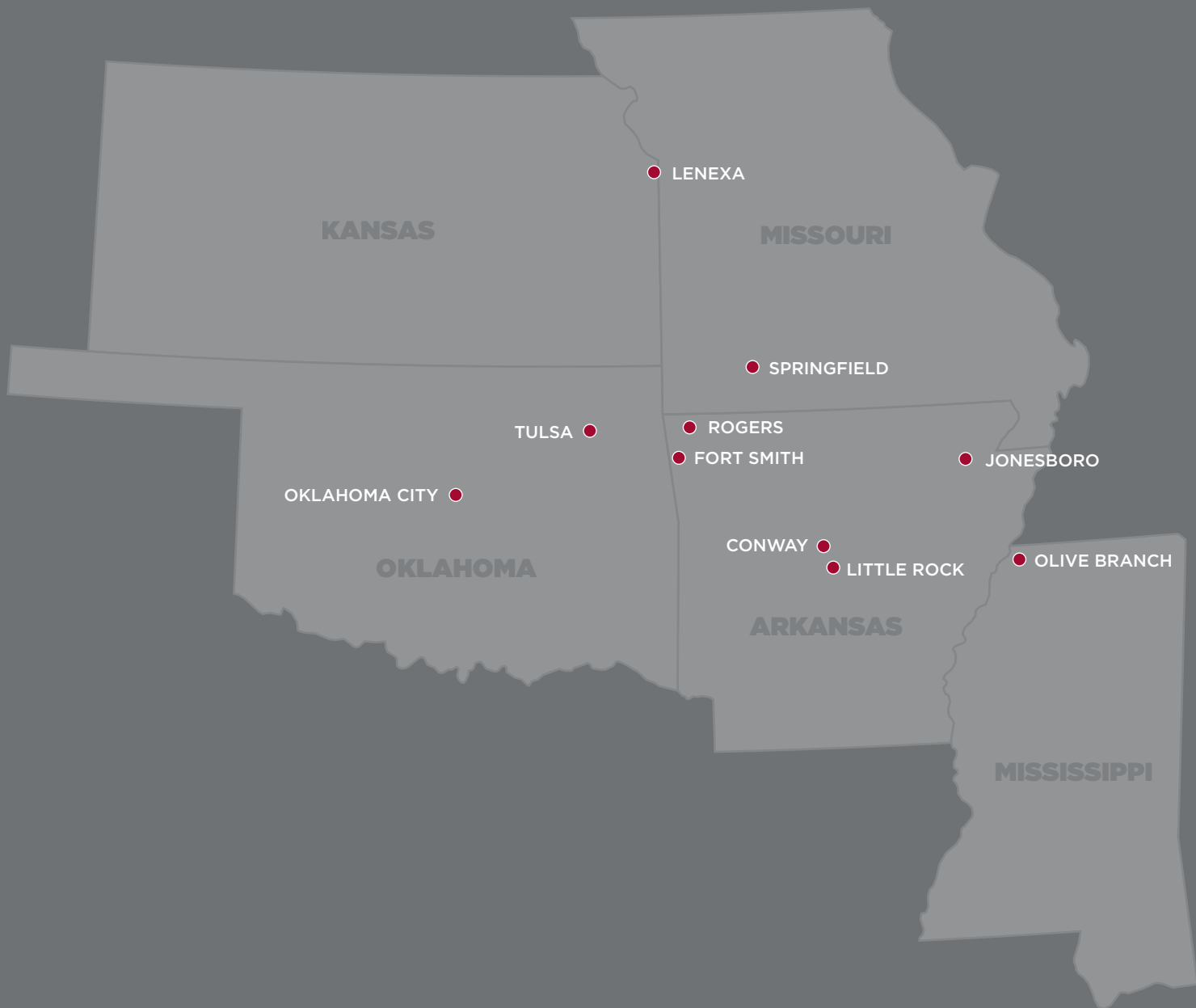
2018

ANNUAL REPORT



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

OUR
PURPOSE



KANSAS

MISSOURI

OKLAHOMA

ARKANSAS

MISSISSIPPI

LENEXA

SPRINGFIELD

JONESBORO

TULSA

OKLAHOMA CITY

ROGERS

FORT SMITH


CONWAY

LITTLE ROCK

OLIVE BRANCH



CEO LETTER



It's easy to say nothing of consequence in this letter for 2018. It's our third consecutive record year in a row. I could leave it at that. Don't fix what isn't broken, right? But if that were our business philosophy, we wouldn't look much like the company that we are today.

That's why we've reinvested capital from these record revenue years to further diversify our business. We learned a lot back in 2008, one of the toughest lessons being that there is no such thing as recession-proofing a company. However, we also learned that the best way to prepare for bad times is to diversify during good times.

In fact, in 2014 we were still waiting for the large commercial construction market to recover. People weren't spending the kind of money needed to build a new hospital or museum yet, and we couldn't blame them. However, they were willing to take on smaller renovation projects and invest money to maintain their current facilities instead of constructing new, larger buildings. So while our construction operation limped along that year, our service crews, which specialize in just that type of maintenance and renovation work, contributed 60% of our profit that fiscal year.

The lesson we learned was this: yes, record years take a lot of work, but lean years take even more work. And if you're going to survive those leaner years, record years like we are having now require a lot of planning and discipline. As a former accountant, I can say this with confidence—the economy doesn't just go up. In that spirit, we've made key investments this year to help bolster Nabholz for years to come.

Our industrial crew acquired a competing business in Tulsa: American Transfer & Storage Co. In the acquisition, Nabholz gained a new campus; the company's fleet of cranes, rigging lifts, and transportation trucks and trailers; and, most importantly, the highly skilled craftsmen working at American Transfer.

Energy-performance savings contracting company Entegrity continues to thrive. We are investing resources to help it grow geographically. With the unique opportunities created by legislation, we are confident this part of our business will stay strong through a cyclical economy.

We're not just planning for our company's future, though. Our board is devoting resources to bolster the Nabholz Charitable Foundation for those leaner years. While we remain in operation, it is our responsibility to build our communities, so we must prepare this part of Nabholz' business as well. It's what our founder would want and what our employees expect.

Yes, 2018 was a record year, and we pause to express gratitude to our clients, fellow team members, and families for contributing to a spectacular year. However, as CEO, I'm not pausing for long. I'm planning for the year when this letter might be more difficult to write.



Greg Williams, CEO

Sharing our blessings by giving our time, talent, and treasure; improving the cities and towns we live in, and the lives of our neighbors.

CON

**BUILDING
OUR
COMMUNITIES**

\$1.5 million in current pledges

**BENEFITING EDUCATION FOR PEDIATRIC NURSES, FOOD PANTRIES, CANCER
TREATMENT, WOMEN'S SHELTERS, SCHOLARSHIPS AND EDUCATIONAL
INITIATIVES, PLUS MANY MORE COMMUNITY-BUILDING ORGANIZATIONS**



\$725

DONATED PER EMPLOYEE IN FY18



CHARITABLE FOUNDATION

This year, Nabholz' foundation has donated bikes to kids, helped train pediatric nurses, planted trees, and a lot more. How? That story started back when the company did in 1949. It was always important to our founder, Bob Nabholz, to make sure he was doing more with his life than just making money. He would help families going through hard times, churches, shelters, and other community hubs. To ensure charitable giving was always a part of his company's culture, Bob established the Nabholz Charitable Foundation in 1987, and through this avenue, the company has contributed several million dollars to countless charity and community organizations, hospitals, schools, and universities throughout our region.

This year, the Nabholz Charitable Foundation reinvested just over \$725 per each of our 1,100+ employees into the communities where we work and live. However, the dollars tell only half the story. Those employees also spent thousands of hours volunteering. This year, our employees assembled playground equipment, performed maintenance at women's shelters, paved sidewalks, educated kids, worked at concession stands, ran charity 5ks, and served on numerous boards, councils, and committees—all in an effort to strengthen their local communities. In short, our founder inspired us, but our employees lead us.

COMMUNITY INVOLVEMENT



Our team in Rogers participated in the Samaritan Community Center's first annual Hunger Action Month by donating canned and paper goods and delivering them to their Rogers facility. The Center, with locations in Rogers and Springdale, is a nonprofit organization whose mission is "to be a grace-driven organization that serves the hurting and hungry of NWA through a compassionate community of staff and volunteers." Last year the center delivered over 220,800 snack packs to 122 schools and Head Start Centers in NWA, and supplied food to over 28,000 individuals.

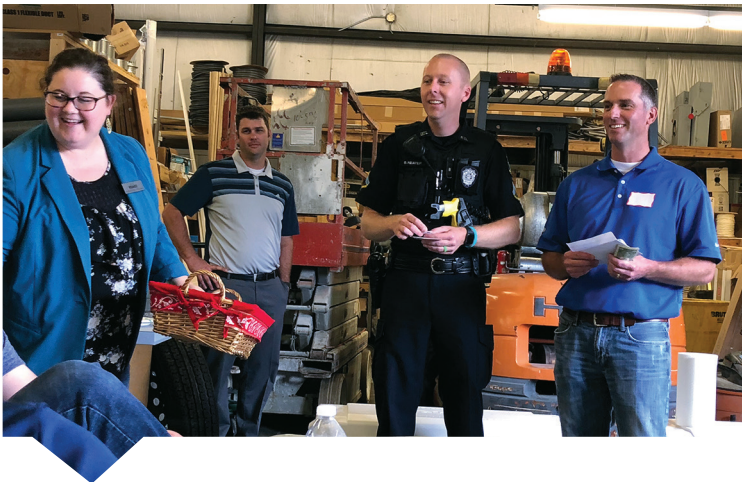
In Tulsa, Nabholz donated 30 BMX bikes and helmets to the BMX Youth Beginner League in Sand Springs. This donation will enable more families to participate in the sport. The Tulsa team partnered with USA BMX again, along with the Mayor's office, to build a float for Tulsa's Great Raft Race. At first glance the Raft Race seems like a wild, quirky adventure down the mighty Arkansas River (and it is). However, it also promotes outdoor water recreation and STEM education in Oklahoma.



The Rogers team participated in the Amazeum's UnGala FUNdraiser. This is a major fundraiser for the museum and a huge draw for the community. This year, we also sponsored a scooter to participate in a race with seven other area businesses. These were souped up to a whopping 24-volts and raced around a hay-bale track. Each company got to outfit their own scooter and our Rogers crew did a phenomenal job! When it was race time, Jason Vines stepped up and drove fast and furious for the win. It was a fun night for all and supported a great cause.



Nabholz' Fort Smith service team traveled to Hannah House, a non-profit shelter for women and girls in the Fort Smith and River Valley areas, where they tackled maintenance work and other projects as part of their Day of Service.



In Kansas, the Nabholz team presented Officer Brad Heater, Vice President of the Overland Park Fraternal Order of Police, with a sponsorship for the Shop With a Cop program. Every summer the Overland Park FOP solicits donations so they can send officers shopping with underprivileged children for back-to-school supplies. The Midwest team also held a 50/50 raffle with employees to raise additional money for the charity. The winning ticket went to the Nabholz crew at Jefferson City, who pooled their funds together and then donated their winnings back to the Shop With a Cop program. In all, the team raised nearly \$400 in addition to the corporate sponsorship.

Our Conway office once again won United Way of Faulkner County's award for Large Campaign of the Year. Each year, a high percentage of our employees sign up for automatic payroll deductions to go to United Way causes. Additionally, employees participate in annual events like "Stuff the Bus," which gathers school and personal grooming supplies for kids at the beginning of each year.

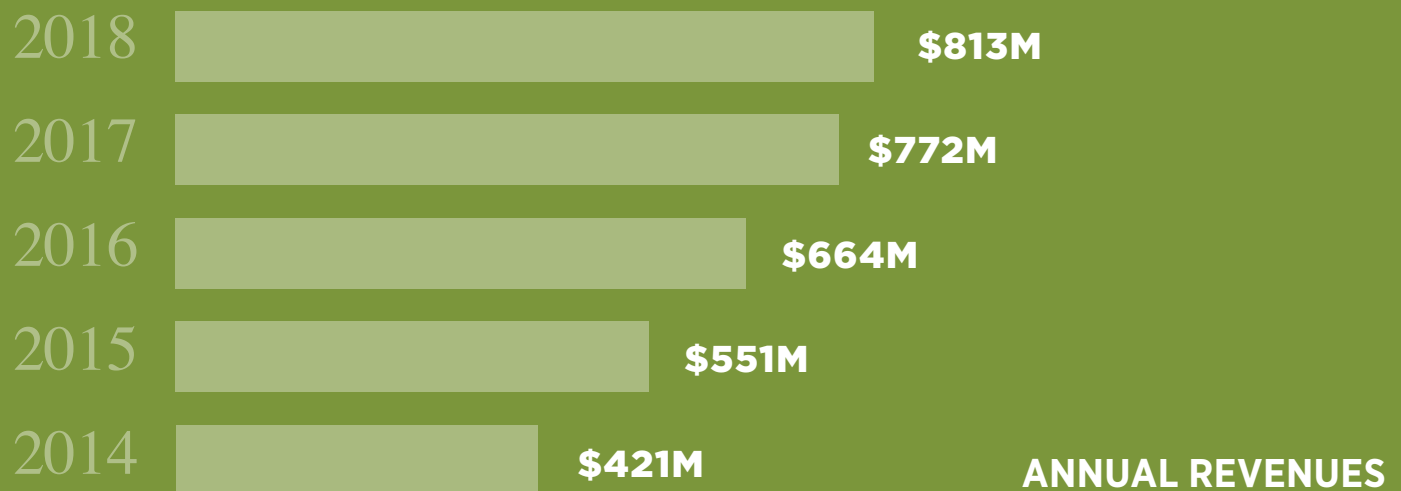
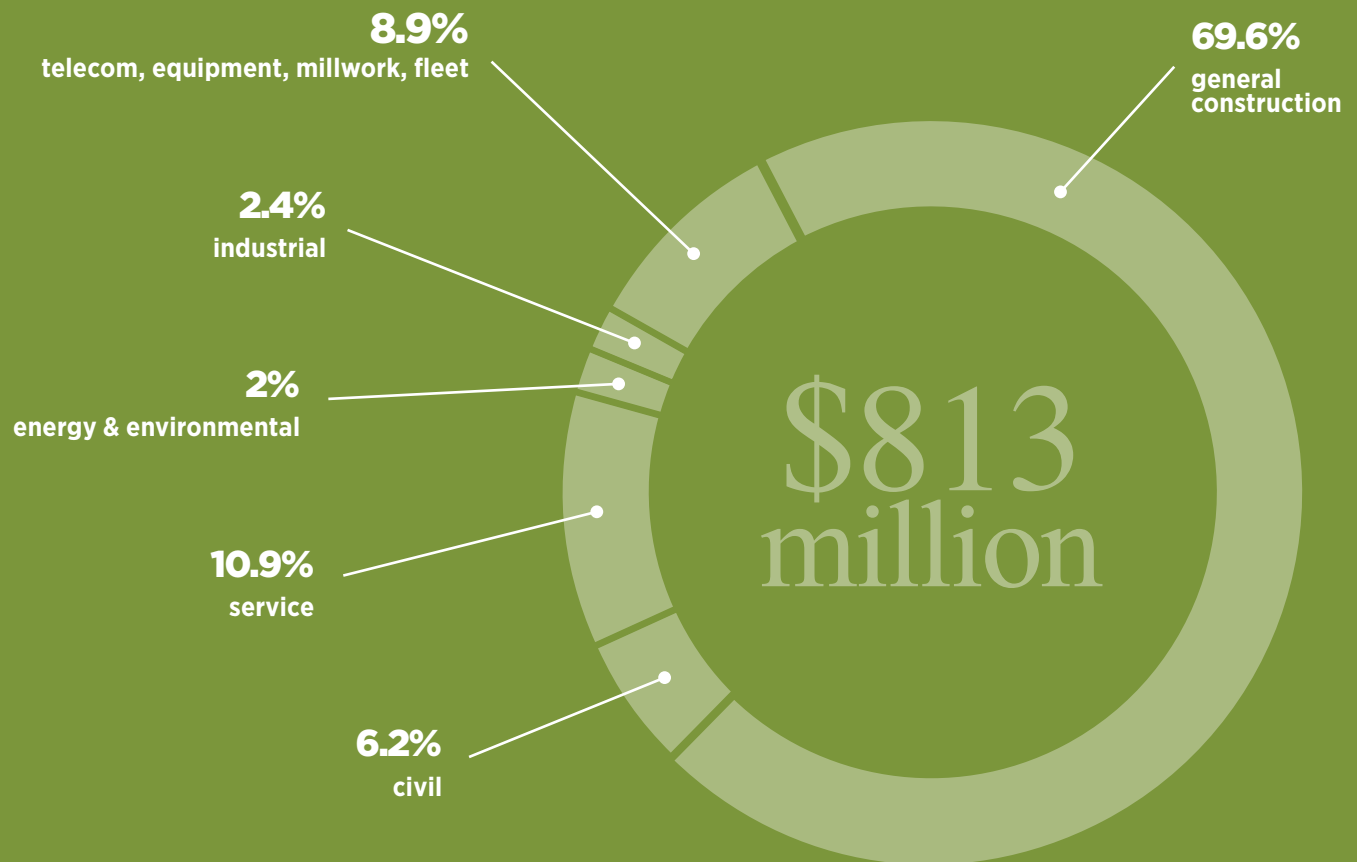


The Kansas construction team worked to remove an old loading dock extension on the building just purchased by Restore/Habitat for Humanity. Nabholz donated its time to complete this project. This is Habitat's newest and largest facility in the KC metro area.



Providing gainful, stable employment; developing skills and abilities;
promoting from within; and improving wellness and individual well-being.

**GROWING
OUR
PEOPLE**



FINANCIALS

Fiscal year 2018 marked the third consecutive record year for Nabholz. Total revenue crested the \$800 million mark, coming in at \$813 million. This is an overall 5.3% increase, as well as the highest recorded revenue ever in the company's 69-year history.

Revenue numbers were strong from locations in Kansas, Oklahoma, and Mississippi. In Kansas, construction revenue doubled from FY17 to FY18, bolstered by large healthcare and education projects.

In Oklahoma, revenue is up across the board. The service groups in Oklahoma City and Tulsa are up 62% and 38%, respectively. Construction revenue is up 76% in OKC and 41% in Tulsa. Owing to a successful acquisition of American Transfer & Storage Co. and strong local leadership, the Tulsa industrial group's revenue has almost tripled.

The Nabholz groups in Mississippi are also seeing positive growth in client acquisition and profit. Clients continue to respond positively to the successful pairing of our service and industrial teams, with both groups reporting increases in revenue.

In Arkansas, Nabholz offices in Jonesboro and Fort Smith have proved to be powerhouses in 2018. The Jonesboro construction group posted an 81% increase in revenue, thanks in part to their long-term relationship with St. Bernards Healthcare. In Fort Smith, the service group's revenue doubled, which reflects the strong relationships this crew has established with the area's manufacturing businesses.

Nabholz' diverse and ever-expanding offering of services has once again proved to be the key to our continued success and growth. With backlog strong for the next fiscal year, we hope to maintain this high level of performance.

WELLNESS

The Nabholz Wellness Program was recognized by the Centers for Disease Control and Prevention this year. After hearing Nabholz Wellness Director Jayme Mayo speak at a national conference, the CDC decided to feature our program as an example of a successful corporate initiative. Because of our wellness program, company health care premiums have increased by an annual average of only 1.6 percent and employee deductibles, copays, and other plan benefits have stayed the same. From its inception in 2007, the Nabholz Wellness Program has helped improve the lives of our employees and their families, and we continue to look forward to a healthy future.

2019 ORG CHART



GREG WILLIAMS
CEO



GREG FOGLE
COO



BRAD HEGEMAN
COO



BRYAN BRUICH
CFO



JAKE NABHOLZ
South President



STEVE CLOUTEN
Central President



JON PAHL
Midwest President



SHANE FERNANDEZ
Southwest President



BEN MONTGOMERY
Industrial President



MICHAEL PARKER
Energy & Environmental
President



JIM SPOTTS
Civil President

CORPORATE CHANGES AND RESTRUCTURING WITH AN EMPHASIS ON FUTURE EXPANSION

For the past 20 years, Nabholz has had the same executive organizational structure. We've spent a lot of time over the last two years discussing changes to this structure that will carry us into the future.

Brad Hegeman and Greg Fogle are now Nabholz' joint chief operating officers. Formerly regional presidents, both Brad Hegeman and Greg Fogle are responsible for tremendous growth in Arkansas, Mississippi, Kansas, and Missouri. While Greg and Brad will have distinct areas of responsibility, they will work together to promote growth, corporate unity, and the sharing of resources across all operations.

Jake Nabholz has been selected as president of our south region. Jake's background in construction, along with his work in Oklahoma and Jonesboro, make him an excellent choice for this role. Steve Clouten is now president of our central region. Steve has a great history in the industry with a proven record of results and satisfied customers.

In 2018, our Kansas City office became its own regional operation, with Jon Pahl as president.

Due to tremendous growth, our civil group has broken out as its own operation, with Jim Spotts as president. Jim has worked at Nabholz for 40 years and his innovative thinking has transformed the civil group to meet the demands of the economy throughout that time.



After 19 years as Nabholz' chief operating officer, Don Greenland has taken on a different role in the company. Don is now Nabholz' strategic growth officer and is focused on employee development and training, as well as researching new markets, services, and strategies. Don will remain on the board of directors.



Fun Mountain at Big Cedar Lodge was one of Nabholz' first major construction projects in Missouri. The 50,000-square-foot family recreation center features a bowling alley, laser tag arena, bumper car track, arcade, golf simulator, restaurant, go-carts, and four-story ropes course.



BREAKING INTO THE MISSOURI MARKET

Nabholz is expanding its commercial construction presence in Missouri. Several key projects have primed the market for Nabholz to make a full push into the state. Our work on some of the state's most recognizable destinations—the Wonders of Wildlife Museum and Aquarium, the Bass Pro Shop, Ozark Mill project, and Big Cedar Lodge—helped Nabholz earn a reputation as a reliable and competent construction firm.

However, it was changing legislation that made it feasible for Nabholz to compete in Missouri. Two years ago, legislation in Missouri was passed that allowed for the implementation of a new construction delivery method. Construction Manager At-Risk (CMAR) was previously available to certain cities and counties, but no state-wide statute or regulation permitted its use on public projects. The new legislation allows public owners to engage a construction manager advisor through a process focused on firm's qualifications rather than automatically

choosing the "lowest responsible bidder" or similar standard.

The Construction Manager At-Risk model saddles the construction firm with the responsibility of any risk taken on the job site, leaving the owner one step removed if any incidents were to occur.

This legislation opened the door for Nabholz to pursue work in sectors we excel in—K-12 education facilities, healthcare and medical facilities, and higher education facilities. We've made gains in this market already and are currently working on three large K-12 projects in Missouri at Independence School District, Jefferson City Public Schools, and the School of the Osage.

To make sure Nabholz continues to gain ground in Missouri, we've dedicated business development officers to spread the Nabholz brand. Executive Vice President of Operations Gregg Scholtens has also relocated to Missouri to establish a physical presence for the commercial construction group.

INDUSTRIAL ACQUIRES AMERICAN TRANSFER IN TULSA

In May of 2018, Nabholz' industrial branch acquired American Transfer & Storage Co. of Tulsa, Oklahoma. This acquisition gives Nabholz a significantly expanded client base for the region's industrial and manufacturing facilities and will enhance our current offering of services, including machinery rigging, equipment installation, industrial transportation, and other turn-key industrial projects.

In the acquisition, Nabholz gained American Transfer & Storage's campus at 110 S. 129th E Ave, highly visible from I-44 traveling west into Tulsa. Nabholz also took possession of the company's fleet of cranes, rigging lifts, and transportation

trucks and trailers. But most importantly, Nabholz gained a team of highly skilled operators, riggers, mechanics, and industrial craftsmen, who have served the region's manufacturing industry for decades through their tenure at American Transfer & Storage Co.

Nabholz has had a presence in Oklahoma since 1990 when the company set up a construction office in Tulsa. Nabholz established an industrial team in Tulsa in 2016, and our crew has been steadily gaining market share in the area. This acquisition sets us up to gain the brand recognition in Tulsa we enjoy in Central and Northwest Arkansas.

Helping our clients, and each other, thrive and achieve our purposes;
providing customer service unmatched in the industry.

**SERVING
OUR
CLIENTS**



**OUR COMMERCIAL CONSTRUCTION
OPERATION PERFORMED STRONGLY
IN FY18.**

7

**COMMERCIAL CONSTRUCTION
LOCATIONS**

230

PROJECTS COMPLETED IN 2018

\$2,234,277

**AVERAGE CONTRACT AMOUNT
PER PROJECT**

COMMERCIAL CONSTRUCTION

In Kansas and Missouri, our construction crews worked in sophisticated medical environments and rural school districts alike. Nabholz worked with Hutchinson Regional Medical Center to complete a state-of-the-art, circular ICU as well as a complete utility and power upgrade, which required precise workmanship and near constant communication with hospital officials. In Jefferson City, Missouri, Nabholz successfully communicated with school officials as they entrusted us with a \$140.5 million bond package, delivered using the Construction Manager At-Risk model, something completely new to them.

In Oklahoma, the Nabholz name continues to gain recognition through notable work and meaningful community giving. Nabholz is responsible for building some of the largest projects in the state, including Tulsa Zoo's Lost Kingdom Exhibit; the St. Francis Xavier Church and Parish center, the largest sanctuary project undertaken by the Oklahoma diocese to date; and upcoming work on the OKPOP Museum and BMX National Headquarters. Thanks to this past and future work, our Southwest team is gaining a reputation for building high impact cultural projects.

In Northwest Arkansas, we worked with organizations synonymous with Arkansas business and entrepreneurship. Our teams were on site at the University of Arkansas in Fayetteville constructing a dormitory out of cross-laminated timber, a building material new to the United States. We worked with Arkansas Children's to build a much needed, state-of-the-art pediatric hospital that now sees thousands of patients a week. We've helped bring the visions of the Walton Family Foundation, J.B. Hunt, Northwest Arkansas Regional Airport, and many more to life. Our team and workflow in this region show no signs of slowing down.

In Central Arkansas, Nabholz is currently constructing the new \$103 million Little Rock Southwest High School, the district's first new high school in more than 50 years. The 410,000-square-foot, three-story school will open to 2,250 students in August 2020. This is one of the many projects Nabholz is constructing in the education sector.

The Central Arkansas office will soon flex its muscle as a museum builder. Nabholz is partnering with Pepper Construction Group and Doyme Construction Company to undertake a \$70 million makeover of the Arkansas Arts Center in Little Rock. The project will break ground in October of 2019.

Northeast Arkansas is growing and Nabholz' business there is growing along with it. We're in phase three of a four-phase, \$137.5 million expansion plan for St. Bernards Healthcare. In late 2018, we completed a 245,000-square-foot, five-story surgical and intensive care tower, and we are on track to complete the entire expansion package by the end of 2019.

**ARKANSAS CHILDREN'S
NORTHWEST**
Springdale, AR



**TWO GENERATORS,
EACH WEIGHING IN AT
92,000 lbs**



**BOTH CAPABLE OF
POWERING
550 homes**

**770,021
MAN-HOURS WORKED
ON SITE TO DATE**

20 months & 15 days
FROM BREAKING GROUND TO FINAL INSPECTION

For the last few years, the Northwest Arkansas region has experienced tremendous economic and population growth, bringing with it the need for more housing, improved infrastructure, and increased public facilities. One more glaring need the increase highlighted was the need for a children's hospital.

In fact, it is estimated that the pediatric population in the region is growing two to three times faster than in any other part of the state. Further, at least 27% of the

children in the region live in poverty and half grow up in low-income households.

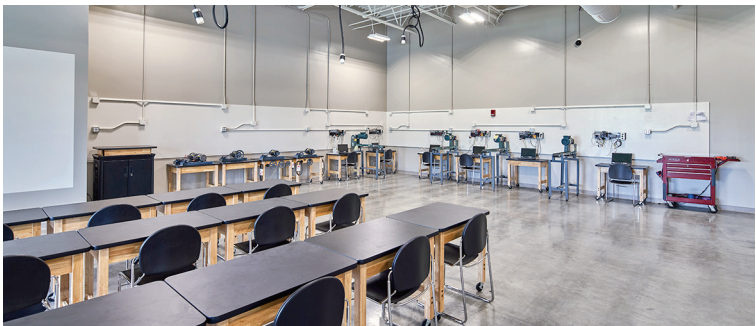
In the year before the hospital was constructed, 21,000 children were treated at the Arkansas Children's clinic in Lowell. More than 450 children were transported to Arkansas Children's in Little Rock via Angel One helicopters and ambulances. Now, at its new location, 70% of Northwest Arkansas residents are able to reach Arkansas Children's services within 30 minutes or less.

UNIVERSITY OF ARKANSAS
COMMUNITY COLLEGE AT
MORRILTON WORKFORCE
TRAINING CENTER - Morrilton, AR

This new Workforce Training Center houses air conditioning, heating and refrigeration, automotive service, industrial mechanics and maintenance, and welding technology programs, as well as space for specialized workforce training, and a new workforce development office.



71,360
square feet
of wire
mesh



53,843
SQUARE FEET

LARGEST CONSTRUCTION
PROJECT IN COLLEGE'S HISTORY

FIRST NEW BUILDING
IN NINE YEARS



12,000+
MAN-HOURS WORKED FOR
MECHANICAL AND PLUMBING

22 tons
OF REBAR USED



1,322
cubic yards
of concrete

ST. FRANCIS XAVIER
CATHOLIC CHURCH
Stillwater, OK

5,990

SQUARE-FOOT YOUTH
CENTER WITH GYM



950

SQUARE-FOOT
COMMERCIAL
KITCHEN

7,300

SQUARE-FOOT EDUCATION
WING WITH COMMON AREA
AND SUPPORT SPACE



830

seating in
13,640 sq.ft.
sanctuary

300

seating in
5,635 sq.ft.
Parish Hall



The St. Francis Xavier Catholic Church and multiuse building is the single largest sanctuary project undertaken by the Oklahoma diocese to date. This project is a perfect combination of traditional and modern architecture, including beautiful

cathedrals with a towering 63-foot-high steeple atop an already high elevation, with a 14-foot decorative cross. The exterior is a blend of masonry and massive concrete columns adorned by glass and other ornamental work.

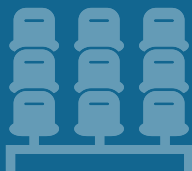


**SOUTH CONWAY COUNTY
SCHOOL DISTRICT
DEVIL DOG ARENA**
Morrliton, AR

The Devil Dog Arena serves as both a school and community hub for the town of Morrliton, Arkansas. It houses the new John Widner Basketball Court at Morrliton High School, a climate-controlled multipurpose arena that can seat over 2,000 fans. Far more than just a basketball court, the arena was also built to serve as a tornado shelter for students and community members. The new facility also houses a Devil Dog retail store, new concessions, cheer and dance practice room, new administrative offices, auxiliary practice area, weight room, and hospitality room.

2,265 seats

INCLUDING WHEELCHAIR-
ACCESSIBLE SPACES AND
HOSPITALITY SEATING



125,770

MAN-HOURS WORKED

185 STEPS IN THE SEATING AREA

91 STEPS IN THE CONCOURSE

83 STEPS OUTSIDE



NABHOLZ OFFICE
Lenexa, KS



This year, we built a new, larger office in Lenexa from the ground up. This office was a necessity for the growing Kansas and Missouri team. Nabholz first expanded into the Kansas market in 2004. Soon, we found a niche building educational and healthcare facilities in the rural Kansas towns that surround the metro area. Through the years, we have managed hundreds of millions of dollars worth of education, healthcare, and commercial office projects. With this new space, our team of 100+ employees now has ample room to grow. This new building provides a wellness room for employees to exercise before or after work, huddle rooms for team collaboration, focus rooms for personal quiet time, training space to satisfy our learning needs, and an expanded shop space where craftsmen can implement lean practices.

A LARGE TRAINING
ROOM THAT SEATS
60+ people



20,000
SQUARE FEET
OF OFFICE SPACE



25%
OF CONSTRUCTION WAS
SELF-PERFORMED





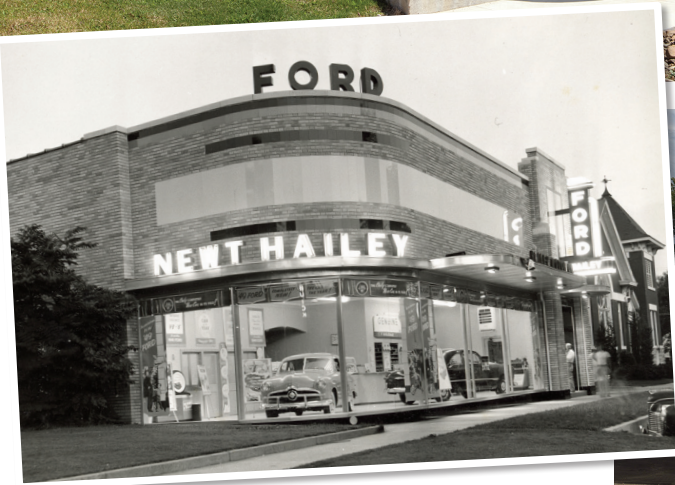
1,608
square feet
of salvaged
Vitrolite tiles

ROGERS HISTORICAL MUSEUM Rogers, AR

13,809
SQUARE FEET
RESTORED AND UPDATED

1,540

SQUARE FEET
OF ORIGINAL
TERRAZZO
PRESERVED
AND RESTORED



Originally constructed in 1947 as a Ford Dealership, the building was renovated in the early 1980s and again in the mid 1990s. However, Nabholz was tasked with restoring the building to its original design from 1947. Our crews restored and updated a total of 13,809 square feet. Work included preserving and restoring the original terrazzo floors, restoring the original steel windows,

creating and installing neon signage to match the original building signage, and preserving the original horse tie-up posts during the construction process. Notably, Vitrolite glass tile was salvaged from buildings across the country and installed in this museum to match the tile from the original construction. This project was part of a local design partnership with the Walton Family Foundation.

MANILA HIGH SCHOOL
Manila, AR



750,000 lbs
OF REBAR
USED



130,000
SQUARE
FEET



33,000 bricks
100,200
CONCRETE MASONRY UNIT BLOCKS

The new 130,000-square-foot Manila High School features a state-of-the-art auditorium that seats approximately 800, a gymnasium, a library, and a cafeteria capable of serving the approximately 680 high school students who eat there daily. Other special features of the school include vo-tech classrooms, agricultural classroom, a greenhouse, safe areas, large classrooms, and up-to-date computer labs.

Our project team took the time to build special touches into the new school. We incorporated a piece of the school's original gym floor as an art piece in the new school.

We also utilized a space under the main stairway, under a precast bench for time capsules. Another special feature of this school—its elevator—is the first (non-grain) elevator in Manila.

RONALD MCDONALD HOUSE
Tulsa, OK

28,000

MAN-HOURS WORKED

2

GAME ROOMS
FOR RESIDENTS
AND CHILDREN



7,600

SQUARE-FOOT
INTERIOR RENOVATION

1,440
square-foot
west addition



1,700
square-foot
east addition

Nabholz helped Ronald McDonald House of Tulsa undertake a renovation at both ends of their facility. These additions and renovations added space for new commercial and residential kitchens, open family space, playroom, playground, and administrative offices. We also added a new driveway for deliveries, a fenced in area for playground equipment, an enclosed “secret garden,” and a new roof on 60% of the building.

XNA PARKING GARAGE
Bentonville, AR

The rise in airline passengers at Northwest Arkansas Regional Airport has led to increased parking demand. Between 2011 and 2016, total passengers rose 19% to 1.33 million from 1.12 million. To meet these demands, Nabholz used the Design-Build delivery method and constructed a \$35 million, four-story parking deck. This deck boosted the total number of spaces by 34% to 4,631.

637,897
square feet
of parking



209,000
MAN-HOURS
WORKED



0
LOST TIME
JOBSITE INJURIES

1,065
RAMMED AGGREGATE
PIER FOUNDATIONS

3,000,000 lbs
OF REBAR
USED





VAN HORN HIGH SCHOOL Independence, MO

Construction and renovations of Van Horn High School were part of Independence School District's larger growth plan to ease overcrowding; eliminate the mobile trailers being used in the district; and advance the Academy model for all the high school students by adding and enhancing classrooms for STEM, culinary, vocational, and business coursework. All this work is funded by a \$38 million bond issue.



71,020
SQUARE FEET

45,300 NEW CONSTRUCTION

25,720 RENOVATION



197 PARKING SPACES

ADDITIONAL BOND PROJECTS

At Van Horn High School, the bond added instructional space for culinary classes, including five commercial kitchens to be used by students from all three high schools. Work also included construction of a competition gym with locker rooms, concession stands, and a mezzanine for wrestling and seating; a metals classroom; wood shop; remodeled science classrooms; and a physical therapy and athletic training classroom space.

At William Chrisman High School, the bond will pay for four additional classrooms, including two Cisco computer networking rooms, a weight room, remodeled science classrooms, and physical therapy and athletic training classroom space.

At Truman High School, the bond will pay for a new entry and exterior upgrades, addressing safety concerns and modernizing the building exterior. Four new classrooms will be added, moving four math classrooms out of the mobile trailers and into the school. The bond will also expand and remodel the lunchroom, remodel science classrooms, and add a physical therapy and athletic training classroom space.

Nabholz is delivering this work using the Construction Management at-Risk model. This model is new to the Missouri market and Nabholz is quickly earning a reputation as an expert K-12 constructor capable of delivering projects under this delivery format.

UNIVERSITY OF ARKANSAS AT
LITTLE ROCK WINDGATE CENTER
OF ART + DESIGN
Little Rock, AR



LARGE COVERED SHARED
YARD FOR OUTDOOR
3D art classes



64,601
SQUARE
FEET



285 tons
CONVENTIONAL STRUCTURAL STEEL
122 tons
PEMB STEEL STRUCTURE

The new Windgate Art + Design building for the University of Arkansas at Little Rock houses all of the various functions and programs in the art department, which were previously housed in three separate buildings spread across campus.

The Windgate Center of Art + Design is divided into two distinct architectural forms based on the use of the

spaces, while still connected through common building utilities and circulation patterns. The applied design area of the building is a single story high bay industrial style space that lends itself to three-dimensional forms of art. The visual arts portion of the building is a three-story structural steel framed building and houses the classrooms, galleries, lecture hall, administration area, and other spaces that make up the visual arts program.



0
safety related
incidents on
the project

**HUTCHINSON REGIONAL
MEDICAL CENTER**
Hutchinson, KS

100+
ELECTRICAL
SWITCHOVERS
WITHOUT ISSUE



26,700
SQUARE-FOOT ICU
AND MRI ADDITION



ICU BUILDING SITS ON
213
AUGER CAST PILES



Hutchinson Regional Medical Center set an ambitious goal of building the most innovative ICU in the region. They did so with a unique circular design that provides staff with a direct line of sight for all beds from one central station. This unique building required an innovative approach. During design, Nabholz took 3D scans of the existing structure to ensure precise



5
weeks from
groundbreaking
to complete
MRI addition

connection points. Robotic layout was accomplished using 3-point laser coordinates. When the building shell was finished, the team completed another 3D integrity scan to feed the virtual building model with exact data points for the interior teams to work from. These innovative methods paid off and the facility was completed months ahead of schedule and under budget.



INDUSTRIAL




Overall revenue, employee numbers, and brand impression were all trending up for Nabholz' industrial group in FY18. As a leading provider of machinery installation, rigging, millwright, and maintenance support services, Nabholz' unique ability to deliver turn-key machinery installations and relocations continues to gain attention from clients.

In Central Arkansas, our crews quoted 1,180 jobs and won 659, a win rate of almost 58%. Our project managers put together over \$33 million of bids for customers in this region. This group has developed a strong relationship with Kohler and has moved, modified, and upgraded multiple pieces of equipment in and out of their facility over the last year.

In response to continued growth, the Little Rock group is moving to a new facility this spring. This new office will house our industrial, service, environmental, and fleet equipment and services groups, allowing them to better collaborate in-house and serve clients more effectively.

In Northwest Arkansas, revenue is up 17%. This group bid 846 jobs and won 508, which is a 60% win ratio. This group also increased the number of craftsmen in the field and shop by 30%, no small feat given the current skilled labor shortage. This year, the in-house fabrication shop processed 300 tons of steel for various jobs, including fabricating and installing 40 structural beams for a job our service team in Fort Smith is working on—the revitalization of a shuttered Whirlpool plant.

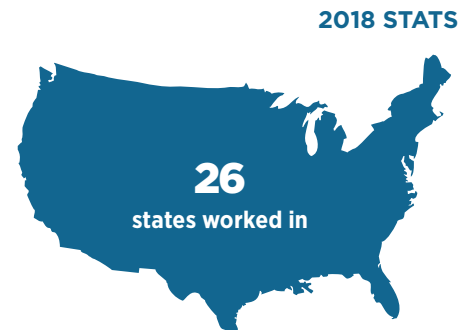
300
tons



OF STEEL
PROCESSED BY
THE NORTHWEST
ARKANSAS
FABRICATION SHOP

1,807
PROJECTS

\$10,382
AVERAGE CONTRACT AMOUNT



Revenue remained strong for our industrial group in the Memphis area. They developed an important relationship with a major electric motor manufacturer. Our team moved all of the company's manufacturing equipment, including presses, ovens, furnaces, and overhead hoists, loading it and preparing it for shipping and unloading a portion of it again in Wisconsin. They even worked with the Northwest Arkansas team to unload and set a 300-ton Minster Press for the same client in Cassville, Arkansas that was shipped from Erwin, Tennessee.

In Tulsa, Nabholz acquired American Transfer & Storage Co. Nabholz gained market share, equipment, and clients through this acquisition, but the most valuable assets were the talented riggers, welders, and industrial workers employed by American Transfer. These new workers have now blended with Nabholz' original crew with very little turnover. They proved they could work together on a job for a first-time client relocating 32 pieces of heavy equipment from one base to another. The client reported that the blended team exceeded their expectations and that they would use Nabholz in the future.



CIVIL

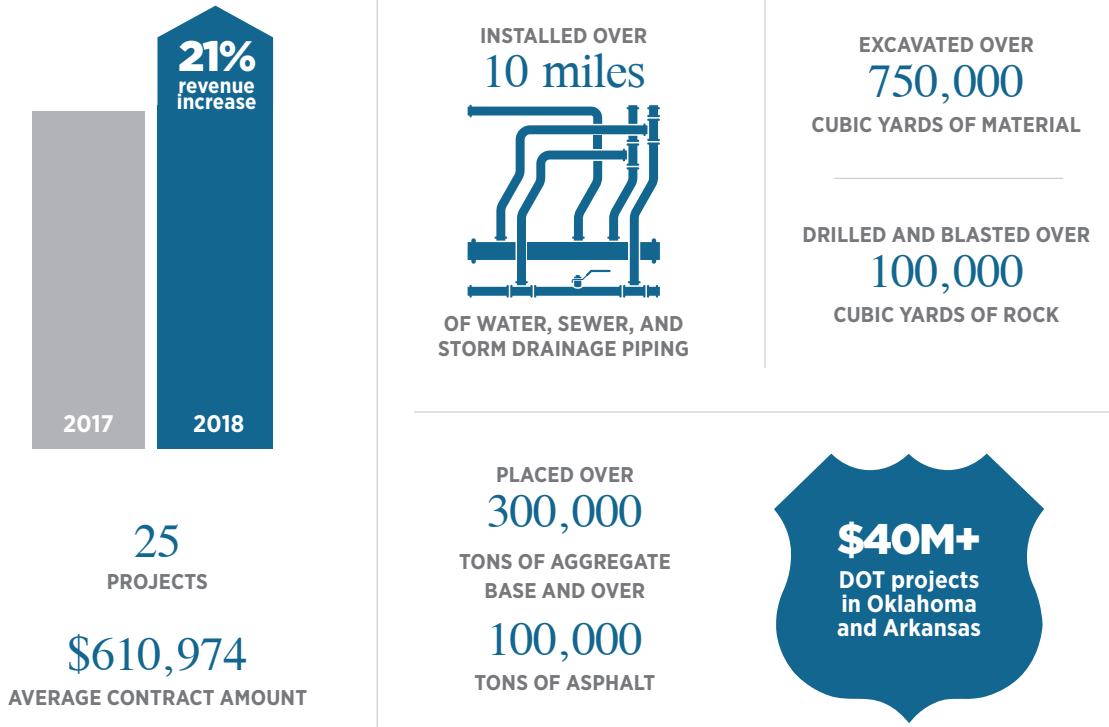


Nabholz' civil team outperformed expectations this year, increasing revenue by 21% from the previous fiscal year. The group worked on 25 different jobs with an average contract amount of \$610,974, representing a healthy mix of site prep, excavation work, and road and utility work.

Nabholz continues to perform work for the Arkansas Department of Transportation and Oklahoma Department of Transportation. We are currently under contract for over \$40 million of DOT work.

One of these projects is a \$10.5 million, 2.2-mile infrastructure job in Jenks, Oklahoma. This is Nabholz' first project with ODOT, and it includes demolition, water and large storm utility installation, and roadway reconstruction. In Arkansas, Nabholz has straightened out "Dead Man's Curve" on Highway 62 West between Alpena and Green Forest. Work began in November 2016 and has progressed quickly, making this roadway much safer for drivers.

2018 STATS



Nabholz' executive team designated the civil group as a distinct operation this year and named Jim Spotts as president. Jim has worked at Nabholz for 40 years, guiding the civil organization through several iterations, from subdivision work to heavy highway work to keep pace with a changing economy. Chris Kauffman was promoted to executive vice president of operations.





Entegrity continues to grow, now with eight offices in six states. Nabholz joined with Entegrity Consulting Partners to form Entegrity, LLC, an energy savings performance contracting company, in 2013. The group has grown steadily since its inception and FY18 was no exception. Revenue jumped 168% this fiscal year.

The group made headlines for its work with Batesville Schools in Arkansas, which resulted in a 40% reduction in energy costs district wide. The district plans to use some of these savings for teacher raises.

Entegrity also worked with the Arkansas Department of Corrections to implement a major energy savings plan. Phase 1 went into effect this year at the East Arkansas Regional Unit and Delta Unit, resulting in \$1.1 million in savings and \$600,000 in utility incentives for the department.

Additionally, Entegrity acquired Richter Solar Energy, a Northwest Arkansas-based solar energy firm specializing in the design and installation of solar electric systems. This acquisition has allowed Entegrity to provide clients with a skilled and experienced solar team in Arkansas.



8
OFFICES

6
STATES

2018 STATS



Nabholz' environmental group continued the upward growth and revenue trend that began in FY17. The group performed over 120 jobs this year, with an average contract amount of \$20,344. These numbers represent a 6% increase in the number of jobs performed last year, as well as a very healthy 22% increase in revenue from FY17.

Our environmental professionals worked with clients to perform asbestos inspections, mold remediation, environmental site assessments, and lab chemical packaging and disposal. They've also completed an impressive amount of K-12 work. The team has performed asbestos abatement for 20 school districts in Arkansas. In addition to this work, we've helped several schools implement AHERA (Asbestos Hazard Emergency Response Act) management plans.

Environmental also worked with Entegrity to perform testing at several different Arkansas Department of Corrections and Arkansas Community Corrections facilities for energy performance contract upgrades.

In FY18, we completed major projects at the University of Arkansas at Fayetteville, Hendrix College, the former Fayetteville Hospital building, the University of Arkansas for Medical Sciences, Texarkana Housing Authority, and Pine Bluff Housing Authority.



120
PROJECTS COMPLETED

\$20,344
AVERAGE CONTRACT AMOUNT

2018 STATS



ASBESTOS
ABATEMENT FOR
20
SCHOOL DISTRICTS
IN ARKANSAS



2018 STATS

LITTLE ROCK
52%
REVENUE GROWTH

OKLAHOMA CITY
62%
REVENUE GROWTH

FORT SMITH
103%
REVENUE GROWTH

MEMPHIS
36%
REVENUE GROWTH





Our service teams' revenues remained steady in FY18. Focusing on maintenance and specialized work with quick turnaround times, this group completed close to 5,000 jobs this year, with an average contract amount of \$11,069.

In Oklahoma, the Oklahoma City and Tulsa groups are up 62% and 38%, respectively, and continue to grow. This year, OKC added electrical to their list of services after meeting the state's strict licensing requirements.

In Fort Smith, our service operation celebrated its highest annual revenue to date. With over \$5 million in sales across multiple sectors, including healthcare, education, industrial, and commercial, this team more than doubled its FY17 revenue. The group's largest project was serving on a multi-contractor crew to renovate the former 600,000-square-foot Whirlpool production facility in Fort Smith that was shuttered for many years and is now undergoing a massive revitalization for a multi-tenant leasable warehouse space.

In Springfield, our service crew is working with our construction office in Missouri to build new relationships. This group has served as Nabholz' foothold in Missouri for many years. In that time, they've developed important relationships with Big Cedar Lodge, Bass Pro Shops, medical facilities, and commercial clients.

Memphis recorded a revenue increase of 36% from FY17 and they continue to find success working with Nabholz' industrial unit. The heavy manufacturing clients in this area have responded positively to this one-two punch of rigging and equipment transportation paired with facility maintenance. Their job list this year included intricate trench work in these manufacturing facilities, interior finish-outs, and metal panel installation.

In Conway and Little Rock, our groups continue to work with long-term clients, such as the University of Central Arkansas and Schlumberger. In Conway, crews performed tenant finish-outs, concrete work, ATM maintenance and installation, and major renovations. The Little Rock team has added to its workforce to meet client demands. This crew undertook several projects around the million-dollar mark, including a finish-out for an orthopedic client, and foundation, rail, and warehouse work for a major equipment manufacturer.

In Rogers, Lance Norsworthy has taken on management of the service group. Lance previously worked as a project manager in Little Rock and successfully managed many jobs in the Central Arkansas area. Lance has already made changes that have gained the Rogers unit more work, improved client relationships, and retained talented craft workers. One of these positive steps was adding firestopping to the list of services this group offers.

Our Lenexa crew increased in size and skill. Four of the team's electricians earned their journeyman licenses, and the electrical project manager on staff earned a master electrician license. In a real show of skill, this group self-performed all electrical work, wall grouting, concrete work, drainage, welding, partition installation, and hardware installation on the new Nabholz office building in Lenexa.



Cranes over
the parking
garage at
XNA

EQUIPMENT

Nabholz has long worked to have the most advanced, complete equipment fleet, along with the safest operators. We decided this year to not let geography hold us back from serving clients, so we've combined all of our equipment locations under a single point of leadership. That means any piece of equipment in our fleet, no matter where it's housed or serviced, is available to any client, anywhere. We've amassed an extensive fleet of equipment and expanded our services to Kansas and Oklahoma. Clients can now work with experienced Nabholz operators and managers in Lenexa and Tulsa, in addition to those in Rogers, Conway, and Jonesboro.

The custom millwork and cabinetry group exceeded expectations in FY18 thanks in large part to ongoing relationships with Nabholz' construction groups and various healthcare clients. To meet increased demand, the business unit hired a new draftsman and installer. With a solid backlog in place, the group will continue to grow.

In FY18 the millshop completed its largest contract in the last five years, a \$1.49 million contract to install freestanding reception, check-in, and other millwork at Arkansas Children's Northwest. The team completed this work on an abbreviated schedule, accomplished through frequent communication with the construction team on site, fabricating the freestanding desks well in advance, and working in tandem with other trades.

The Arkansas Children's job will only reign on top of the list of largest contracts for a few short weeks, however. In fiscal year 2019, the crew will undertake an even larger job, contracted upwards of \$1.5 million, at St. Bernards Medical Center in Jonesboro, Arkansas.

Millwork at
Arkansas
Children's
Northwest

MILLWORK





BILL HANNAH



Bill with founder Bob Nabholz.

After 46 years at Nabholz, Bill Hannah is retiring. In his time at Nabholz, Bill didn't just live by Nabholz' culture of integrity, fellowship, and hard work—he was instrumental in creating it.

Bill graduated from the University of Louisiana Monroe in 1972 and soon after began his career at Nabholz. Bill has served as an estimator, general manager of Nabco (now a separate entity from Nabholz), project manager for the construction division, and concurrently as senior vice president of business development and president of Nabholz' Central and Northeast Arkansas operations. In 2002, Bill became chief executive officer of Nabholz Construction and was then named chairman of the board in 2013.

In his role as chairman, Bill led the board in sensible growth strategies and ensured the values and guiding principles of the corporation remained central to the company's operations. Additionally, Bill continued his

work building the lasting relationships that are the cornerstone of Nabholz' long-term success.

Along with Chairman Emeritus Charles Nabholz and current CEO Greg Williams, Bill has also guided the efforts of the Nabholz Charitable Foundation. Through his work on the foundation, Bill has had a direct role in deciding how Nabholz' charitable dollars are spent to build communities.

In his long career at Nabholz, he has brought Cajun flare to company events, often cooking gumbo and crawfish to serve to employees, clients, and community members. This is how many Nabholz employees think of Bill—in the equipment yard, stirring a pot of gumbo and talking with project managers, craftsmen, and friends—rather than in a suit and tie.

His legacy of servant leadership will continue far beyond his tenure at Nabholz.

CONWAY

FORT SMITH

JONESBORO

LITTLE ROCK

ROGERS

LENEXA

SPRINGFIELD

OLIVE BRANCH

OKLAHOMA CITY

TULSA

NABHOLZ.COM

