

Marcus & Millichap
TAG INDUSTRIAL GROUP

MEDLINE INDUSTRIES, INC.
1015 WEST JEFFERSON STREET

VANDALIA, IL 62471

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SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- 25,920-Square-Foot Warehouse Situated on 1.85 Acres for Ample Parking
 - Asset Features Masonry Construction with Two Dock-High Doors
- Tenant is National Healthcare Manufacturer, with Major Stake by Blackstone
 - Medline Has been Property's Tenant for Over 20 Years
 - Newly-Amended Lease Extended to 2027
 - Proximate Location to I-70
- Heavy Power with Over 400 Amps and Air Circulation Systems Throughout the Building

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1015 West Jefferson Street in Vandalia, Illinois, leased to Medline Industries, Inc. The subject property consists of approximately 25,920 square feet of warehouse space and is situated on 1.85 acres of land. The single-tenant asset features excess land for additional parking, masonry construction, two dock-high doors, and a clear height of 11'. Equipped with 400 amps of heavy power, the property contains air circulation systems throughout the building. With close proximity to Interstate 70, the asset sits an hour's drive from downtown Saint Louis, Missouri.

For over 20 years, the property has been occupied by Medline which recently renewed the lease through August 2027. Founded in 1966 by brothers James and Jon Mills, Medline has grown to become the nation's largest privately held manufacturer and distributor of healthcare supplies with revenues topping \$20 billion. Across North America, the company operates over 50 distribution centers and over 20 manufacturing facilities to supply more than 300,000 products to healthcare professionals globally (Medline). In 2021, Medline received a majority investment from a partnership comprised of Blackstone, The Carlyle Group, and Hellman & Friedman. Medline continues to be led by the Mills family, who remains the single largest shareholder (Blackstone).

The Saint Louis metro is near the geographic center of the United States, within 500 miles of one-third of the U.S. population. About 2.8 million people call the metro area home, with Saint Louis hosting over 319,000 residents. Located at the confluence of the Mississippi and Missouri rivers, the metro area encompasses counties in both Missouri and Illinois. The economy of Saint Louis is anchored by the logistics industry, with trade, transportation, and utilities accounting for the largest share of employment. As Saint Louis continues to be a desirable industrial market for investors, a recent report ranked Saint Louis as the tenth industrial market to watch in 2019. The Gateway Arch continues to serve as a major tourist attraction and residents enjoy a high quality of life with a variety of entertainment options.

PROPERTY DETAILS

MEDLINE INDUSTRIES, INC.

1015 WEST JEFFERSON STREET, VANDALIA, IL 62471

| | |
|------------------------|-------------------------------------|
| Number of Suites | 1 |
| Number of Buildings | 1 |
| Total Square Feet | 25,920 |
| Year Built | 1951 |
| Lot Size | 1.85 Acres |
| Type of Ownership | Fee Simple |
| Clear Height | 11' |
| Building Class | C |
| Tenancy | Single |
| Dock High Doors | 2 |
| Construction | Masonry |
| Power | 400a |
| Age/Condition of Roofs | Good Condition - Eight Years of Use |
| Market | Central Illinois |
| Submarket | Effingham/Central Illinois Area |



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MEDLINE INDUSTRIES, INC.

1015 WEST JEFFERSON STREET, VANDALIA, IL 62471

OFFERING PRICE

\$635,000

CAP RATE

7.82%

PRO FORMA CAP RATE

8.15%

| | |
|--------------------|----------------|
| Offering Price | \$635,000 |
| Cap Rate | 7.82% |
| Pro Forma Cap Rate | 8.15% |
| Price/SF | \$24.50 |
| Total Square Feet | 25,920 |
| Rental Rate | \$2.81 |
| Lease Type | Modified Gross |
| Lease Term | 55 Months |
| Rental Increases | 2.84% in 2024 |
| Tenancy | Single |
| Occupancy | 100.00% |

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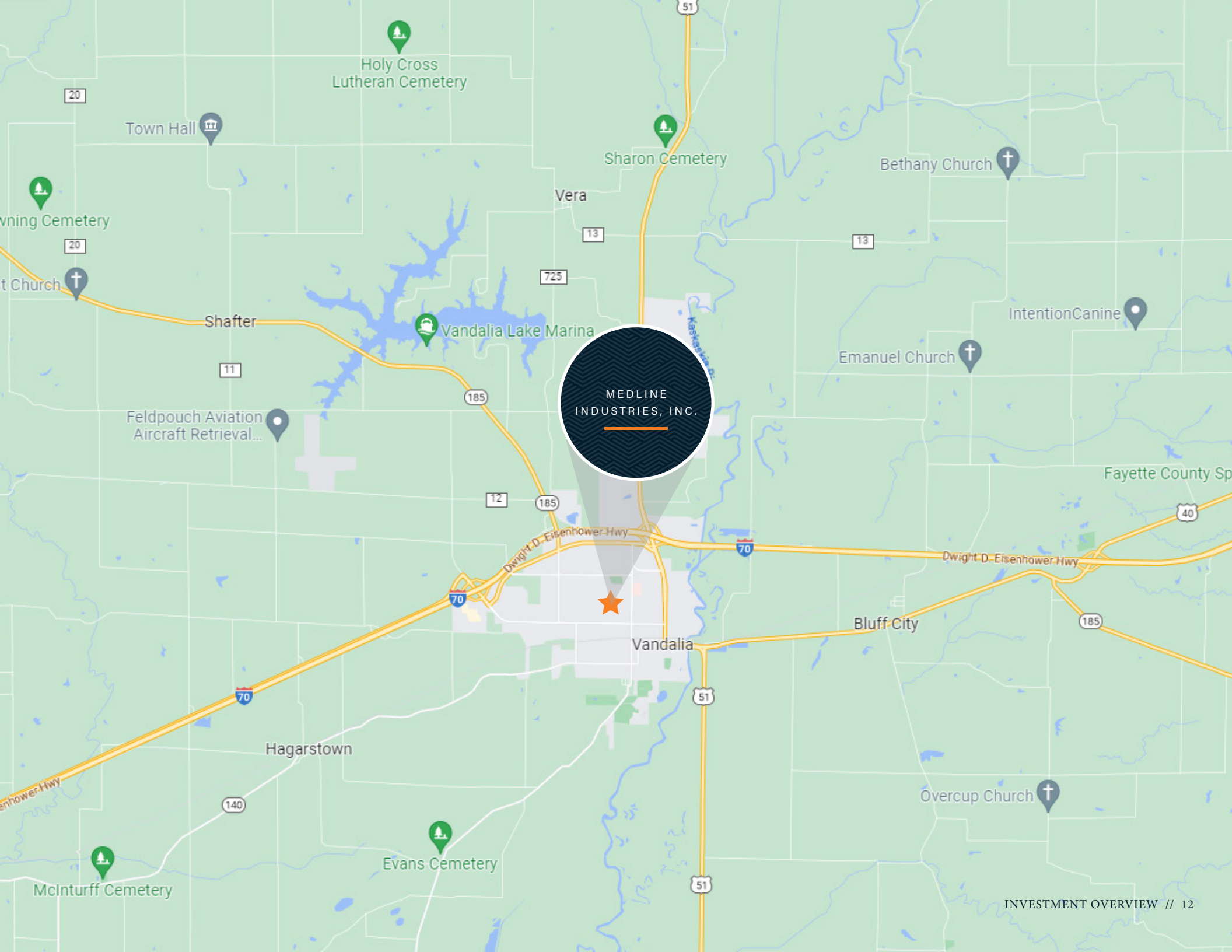
RENT ROLL

| Tenant Name | Suite | Square Feet | % Bldg Share | Lease Dates | | Annual Rent per Sq. Ft. | Total Rent Per Month | Total Rent Per Year | Pro Forma Rent Per Year | Changes on | Rent Increase | Lease Type |
|------------------------------|-------|-------------|--------------|-----------------------|---------|---------------------------------|----------------------|-------------------------------|-------------------------|------------|---------------|----------------|
| Medline Industries, Inc. | 100 | 25,920 | 100.0% | 9/1/22 | 8/31/27 | \$2.81 | \$6,078 | \$72,936 | \$75,000 | Sep-2024 | 2.83% | Modified Gross |
| Total | | 25,920 | | | | \$2.81 | \$6,078 | \$72,936 | \$75,000 | | | |
| Occupied Tenants: 1 | | | | Unoccupied Tenants: 0 | | Occupied GLA: 100.00% | | Unoccupied GLA: 0.00% | | | | |
| Total Current Rents: \$6,078 | | | | | | Occupied Current Rents: \$6,078 | | Unoccupied Current Rents: \$0 | | | | |

OPERATING STATEMENT

| Income | Current | | Per SF | Pro Forma | | Per SF |
|------------------------------|----------|------|--------|-----------|------|--------|
| Scheduled Base Rental Income | 72,936 | | 2.81 | 75,000 | | 2.89 |
| Expense Reimbursement Income | | | | | | |
| Net Lease Reimbursement | | | | | | |
| Total Reimbursement Income | \$0 | 0.0% | \$0.00 | \$0 | 0.0% | \$0.00 |
| Effective Gross Revenue | \$72,936 | | \$2.81 | \$75,000 | | \$2.89 |

| Operating Expenses | Current | | Per SF | Pro Forma | | Per SF |
|-----------------------|----------|--|--------|-----------|--|--------|
| Repairs & Maintenance | 2,950 | | 0.11 | 2,950 | | 0.11 |
| Landscaping | 2,234 | | 0.09 | 2,234 | | 0.09 |
| Insurance | 3,092 | | 0.12 | 3,092 | | 0.12 |
| Real Estate Taxes | 14,995 | | 0.58 | 14,995 | | 0.58 |
| Total Expenses | \$23,271 | | \$0.90 | \$23,271 | | \$0.90 |
| Expenses as % of EGR | 31.9% | | | 31.0% | | |
| Net Operating Income | \$49,665 | | \$1.92 | \$51,729 | | \$2.00 |



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TENANT SUMMARY



300,000+

products to meet every need



125+
countries

where we do business



200+

clinicians on staff



28+
million

square feet of warehousing in North America



#1
market leader in

Surgery centers
Acute care facilities
Skilled nursing facilities
Home care agencies
Nursing homes
Hospice care
Hospital laundries



1-day ship to
95% of the U.S.

with an average 60-day inventory on hand for each customer



34,000+

employees worldwide



50+

distribution centers across North America



20+

manufacturing sites across North America



\$20.2 billion

in overall company sales



20x
faster growth

than the competition*



95%
of customers stay with us



70%

of the U.S. News & World Report Honor Roll hospitals choose Medline

50+ years

of consecutive annual growth in revenue



1,500+

MedTrans trucks nationwide



#16

on the Forbes 2021 list of America's largest private companies

Forbes

*Based on CY 2021 financial data

CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 2,399 debt and equity financings in 2021



National platform operating within the firm's brokerage offices



\$10.4 billion total national volume in 2021



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings

The background of the slide is a dark blue, semi-transparent image of an industrial interior. It shows a large space with a high ceiling, featuring a complex network of white metal beams and trusses. Several white, dome-shaped pendant lights are suspended from the ceiling. In the lower-left corner, a large, light-colored industrial door is visible, partially obscured by the dark overlay. The overall aesthetic is clean and professional, suggesting a focus on industry or manufacturing.

SECTION 2

MARKET OVERVIEW

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ST. LOUIS MISSOURI

Known for its Gateway Arch, the St. Louis metro is situated near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and it has nearly 2.8 million residents. The metro encompasses the city of St. Louis; the Missouri counties of St. Charles, Jefferson, Franklin, St. Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun. St. Louis is the most populous county, with 1 million people. The city of St. Louis contains just under 300,000 citizens and is the only city in the metro with a population of more than 90,000 residents. In North St. Louis, the U.S. National Geospatial-Intelligence Agency has a major expansion underway. The \$1.7 billion 97-acre campus is set to be completed in 2025.



CENTRAL
LOCATION



EXCELLENT
TRANSPORTATION
SYSTEM

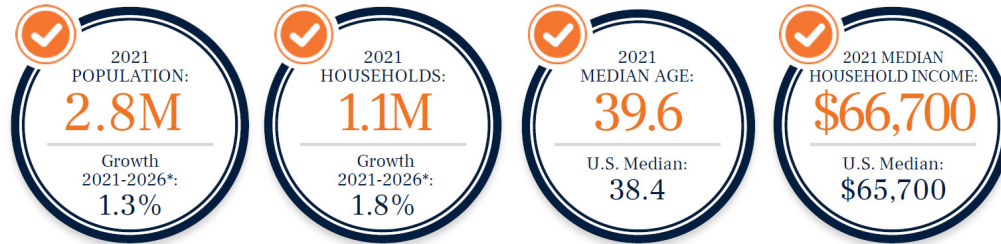


AFFORDABLE
COST OF
LIVING

METROPLEX GROWTH

QUALITY OF LIFE

The metro boasts numerous public and private golf courses, more than 100 parks, 200 miles of trails and the Gateway Arch. Many of St. Louis' top attractions, including the Saint Louis Zoo, the Saint Louis Art Museum, the Missouri History Museum and the Municipal Opera, are located in Forest Park. The park features golf courses and athletic fields. The area houses the St. Louis Cardinals and the St. Louis Blues. Lake of the Ozarks is nearby, offering destinations for hunting, fishing, camping, hiking and spelunking. There are more than 40 colleges, universities and technical schools in the metro, enrolling around 200,000 students a year. Washington University in St. Louis is highly ranked among U.S. universities.



DEMOGRAPHICS



9,979

Total Population
Within 5 miles



56.8%



43.2%



\$67,240

Average Household Income
Within 5 miles



4,478

Employees
Within 1 Mile

DEMOGRAPHICS

| POPULATION | 1 Mile | 3 Miles | 5 Miles |
|-------------------------------|--------|---------|---------|
| 2027 Projection | | | |
| Total Population | 5,741 | 8,778 | 10,035 |
| 2022 Estimate | | | |
| Total Population | 5,636 | 8,651 | 9,979 |
| 2010 Census | | | |
| Total Population | 5,261 | 7,998 | 9,552 |
| 2000 Census | | | |
| Total Population | 5,287 | 7,881 | 9,448 |
| Daytime Population | | | |
| 2022 Estimate | 4,915 | 8,422 | 9,022 |
| HOUSEHOLDS | 1 Mile | 3 Miles | 5 Miles |
| 2027 Projection | | | |
| Total Households | 2,305 | 2,789 | 3,302 |
| 2022 Estimate | | | |
| Total Households | 2,261 | 2,748 | 3,293 |
| Average (Mean) Household Size | 2.3 | 2.3 | 2.3 |
| 2010 Census | | | |
| Total Households | 2,213 | 2,719 | 3,350 |
| 2000 Census | | | |
| Total Households | 2,228 | 2,717 | 3,338 |

| HOUSEHOLDS BY INCOME | 1 Mile | 3 Miles | 5 Miles |
|--|----------|----------|----------|
| 2022 Estimate | | | |
| \$200,000 or More | 1.2% | 1.9% | 2.6% |
| \$150,000-\$199,999 | 3.8% | 4.0% | 4.3% |
| \$100,000-\$149,999 | 11.1% | 12.0% | 13.0% |
| \$75,000-\$99,999 | 9.7% | 9.8% | 9.8% |
| \$50,000-\$74,999 | 24.1% | 23.6% | 23.0% |
| \$35,000-\$49,999 | 14.7% | 14.8% | 15.0% |
| \$25,000-\$34,999 | 10.7% | 10.2% | 9.5% |
| \$15,000-\$24,999 | 9.9% | 9.7% | 9.5% |
| Under \$15,000 | 14.7% | 14.0% | 13.2% |
| Average Household Income | \$59,518 | \$63,131 | \$67,240 |
| Median Household Income | \$49,962 | \$51,029 | \$52,278 |
| Per Capita Income | \$28,519 | \$23,525 | \$25,194 |
| POPULATION PROFILE | 1 Mile | 3 Miles | 5 Miles |
| Population By Age | | | |
| 2022 Estimate Total Population | 5,636 | 8,651 | 9,979 |
| Under 20 | 21.9% | 19.7% | 20.2% |
| 20 to 34 Years | 22.9% | 24.7% | 23.4% |
| 35 to 39 Years | 6.8% | 7.3% | 7.1% |
| 40 to 49 Years | 12.8% | 13.7% | 13.4% |
| 50 to 64 Years | 17.9% | 17.4% | 18.0% |
| Age 65+ | 17.6% | 17.2% | 17.9% |
| Median Age | 38.8 | 38.8 | 39.5 |
| Population 25+ by Education Level | | | |
| 2022 Estimate Population Age 25+ | 3,987 | 6,250 | 7,199 |
| Elementary (0-8) | 4.0% | 3.5% | 3.7% |
| Some High School (9-11) | 10.3% | 11.3% | 10.9% |
| High School Graduate (12) | 37.0% | 37.2% | 37.4% |
| Some College (13-15) | 24.7% | 22.9% | 22.4% |
| Associate Degree Only | 8.1% | 8.4% | 8.8% |
| Bachelor's Degree Only | 8.9% | 8.8% | 8.9% |
| Graduate Degree | 6.9% | 7.9% | 7.8% |
| Travel Time to Work | | | |
| Average Travel Time to Work in Minutes | 20.0 | 21.0 | 22.0 |

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