

# OK Stone Engineering

*A strategic alliance with*

**GRETON, SPA**



# DO YOU REMEMBER WHEN KITCHEN'S LOOKED LIKE THIS?



Coronado

**ENGINEERED QUARTZ**

## ENGINEERED QUARTZ

MODERN ENGINEERED QUARTZ LOOKS LIKE THIS: COUNTERTOP, KITCHEN SURFACES AND WALL BACKING



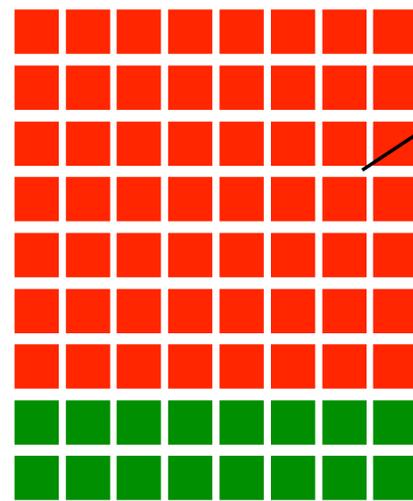
**ENGINEERED QUARTZ**

**MODERN ENGINEERED QUARTZ LOOKS LIKE THIS TOO:**



# IN THE US, ENGINEERED STONE IS AN \$18 BILLION+ RETAIL MARKET YET THERE IS NOT ENOUGH DOMESTIC SUPPLY TO MEET THE CURRENT DEMAND.

THE US MARKET NEEDS MANUFACTURING CAPACITY  
FOR AN ADDITIONAL 100 MIL+ SQFT OF  
ENGINEERED STONE SLABS



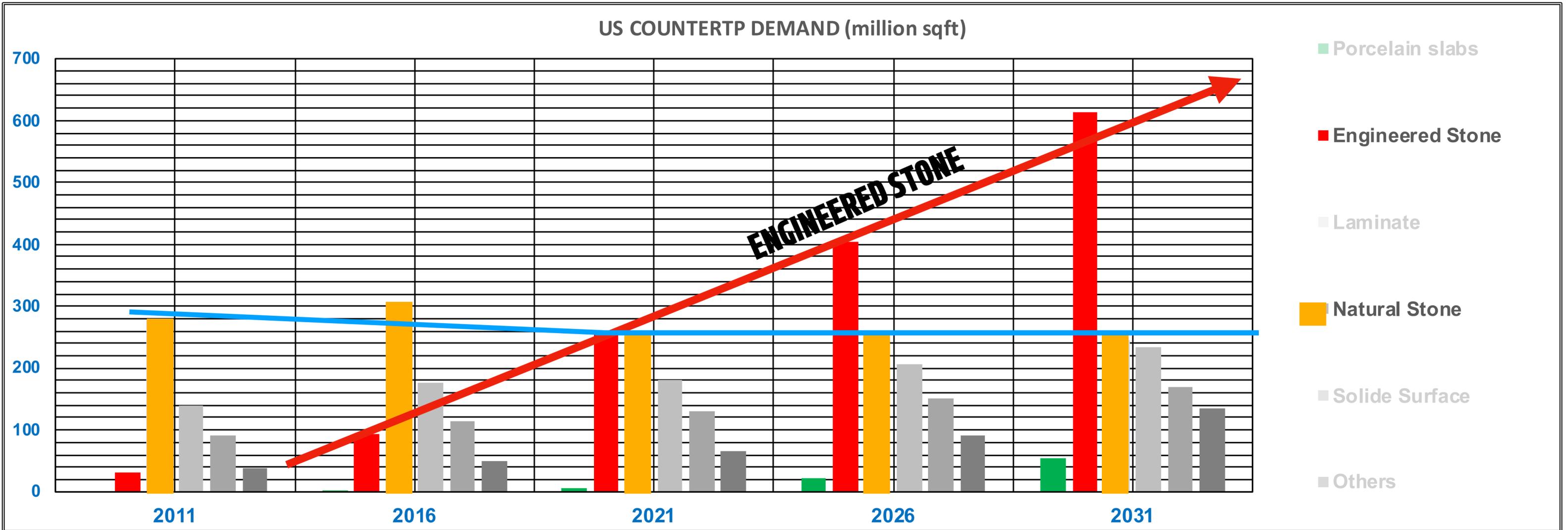
*200 MILLION sqft of stone slab is imported to the US  
in a chaotic supply chain and the market is full of  
low quality foreign products.*

*55 MILLION sqft is peak capacity of US supply of  
slabs. More than double this capacity is currently  
needed in the market.*

**The existing suppliers in-market are using an older generation of technology and many are not keeping current with changing demand trends. The US needs an immediate increase of manufacturing capability *and to urgently modernize a full generation of obsoleting technology.***

# WHICH IS WHY ENGINEERED STONE HAS OVERTAKEN NATURAL STONE BECOMING AN \$18B US MARKET

**GROWTH  
MARKET**

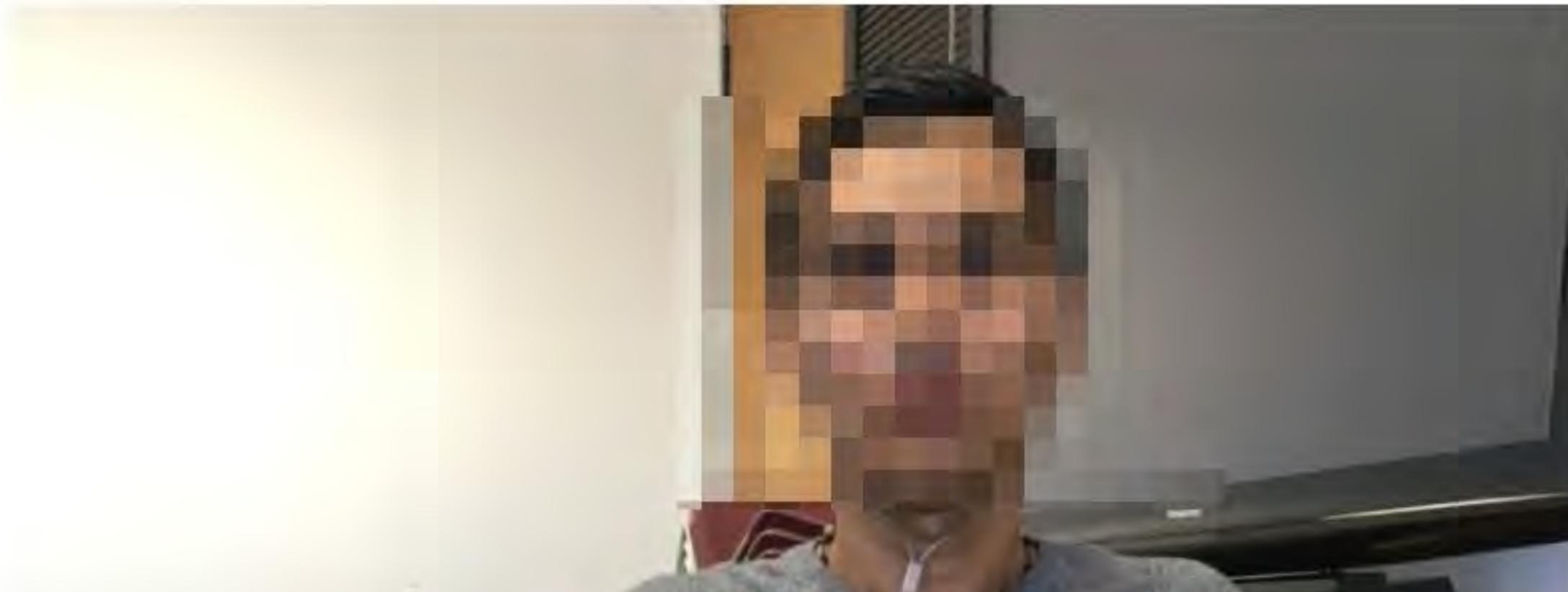


**In the United States, quartz has become the preferred choice for kitchen countertops among the population. By the end of 2021, it established itself as the most used material in the US market. By 2026, Engineered Quartz demand for just countertop applications is projected to be 404 million sq/ft, *which is approximately double the projected demand for natural stone.***

# LA County Supervisors Take Initial Step Toward A Ban On Artificial-Stone Countertops

By Jim Morris and Kim Krisberg | Public Health Watch

Published Jun 7, 2023 11:11 AM



“The county is ground zero for silicosis, a fatal disease caused by the inhalation of silica dust unleashed when the countertops are cut or ground ...  
... Last month, Public Health Watch reported that California’s Division of Occupational Safety and Health, known as Cal/OSHA, had begun drafting an emergency silica rule and launched a special enforcement program in response to the outbreak.

## THE PROBLEM

# ACCORDING TO THE CDC, THE CURRENT METHODS OF PRODUCTION ARE DANGEROUS TO STONE WORKERS



Silicosis is an incurable occupational lung disease caused by inhaling particles of respirable crystalline silica.

Centers for Disease Control and Prevention  
**MMWR** | **Silicosis in Stone Fabrication Workers**

Silicosis	Workers are at risk	How to protect workers
<ul style="list-style-type: none"><li>• <b>Incurable lung disease</b></li><li>• Occurs after breathing silica dust</li></ul> 	<p><b>18</b> cases in <b>4</b> states</p> <p><b>2</b> deaths</p> <p>Most worked with engineered stone</p> 	<ul style="list-style-type: none"><li>• <b>Control and monitor exposures</b></li><li>• <b>Comply with standards</b></li><li>• <b>Conduct medical screening</b></li></ul>  

Cases identified in CA, CO, WA, and TX through surveillance and case reports as published in Rose, Heinzerling, et al. *MMWR* 2019. [bit.ly/CDCVA31](https://bit.ly/CDCVA31)

WWW.CDC.GOV

CS 282376-AB

WHY NOW | INVESTMENT THESIS

# THIS IS WHAT A TYPICAL ENGINEERED STONE FACTORY LOOKS LIKE:

AGING TECHNOLOGY. TOXIC MATERIALS. ANYWAY, THERE ARE ONLY 7 IN THE U.S.



# THE US MARKET NEEDS A QUARTZ STONE NEW FACTORY LIKE THIS

WHY NOW? CURRENTLY THERE ARE NO US PLANTS WITH THE MOST CURRENT BRETON TECHNOLOGY.

breton



## CHANGE IN DEMAND

**Consumers consistently want new aesthetic effects like this, but designer quartz is difficult or impossible to produce at scale. Only Breton has the next generation of quartz technology:**



# Breton...Today

95% of all branded engineered quartz is produced using Breton technology



# THE NEXT GENERATION OF SLAB TECHNOLOGY: BIOQUARTZ

*ELIMINATES THE QUARTZ DUST THAT CAN CAUSE SILICOSIS*

**BIOQUARTZ is potentially the single most important solution to multiple problems in the stone slab market: it does not contain crystalline silica, thought by the CDC to be the cause of silicosis; is less expensive to produce; uses raw material that is sourced on-shore in the US and creates a superior product at a lower price than current quartz stone slab stock based on our calculations.**

Manufactured with an industrial process that does not contain any crystalline silica and therefore does not create silicosis issues.

1

2

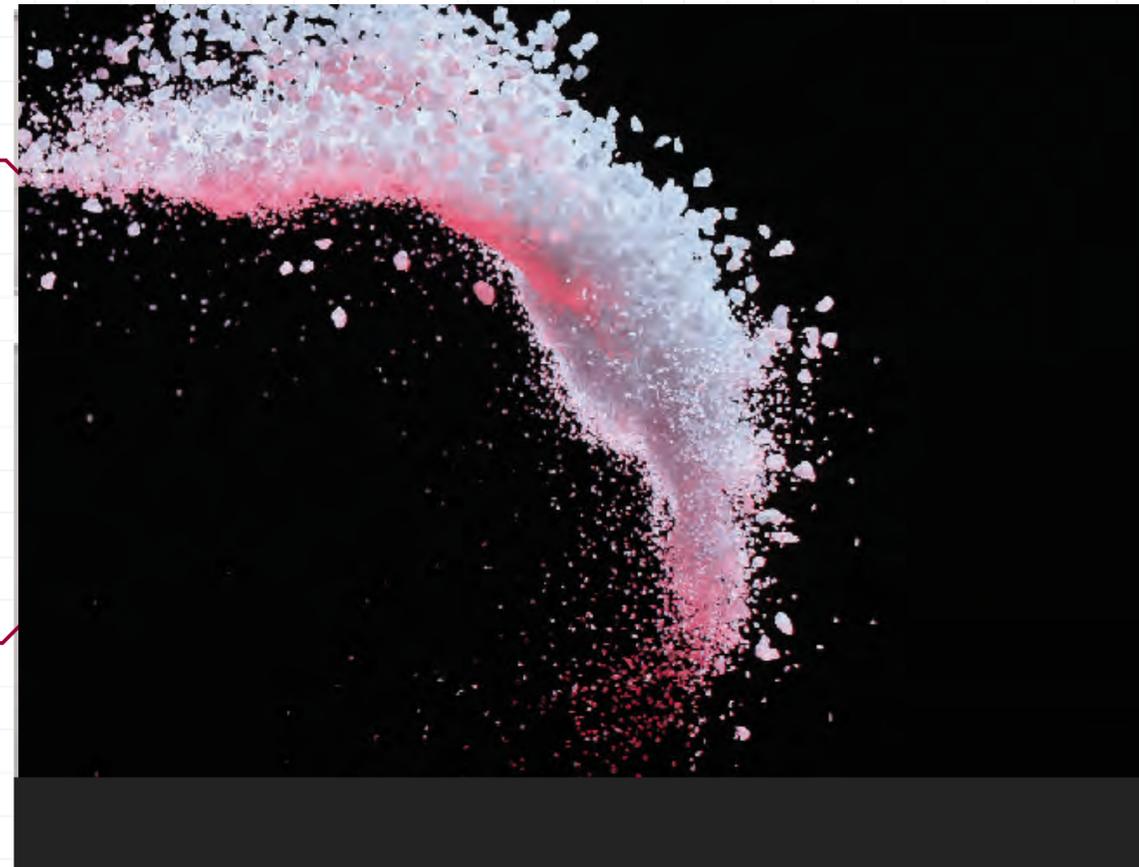
Making it possible to create local, perfect, milky, pure white or transparent colors.

Making it possible to source the raw materials locally and with a lower cost.

4

3

Breton's Biolenic Resin



# THESE ARE THE THREE TECHNOLOGIES WE ARE BRINGING TO MARKET WITH OUR TEXAS FACILITY

*OUR COMPETITIVE ADVANTAGES START WITH ADVANCED TECHNOLOGIES*

bioquartz

1



- + Eliminates the type of silicosis in the CDC warnings
- + key ingredients found inside US borders
- + Lowers cost of final slab product
- + True Next Generation technology offers competitive

chromia

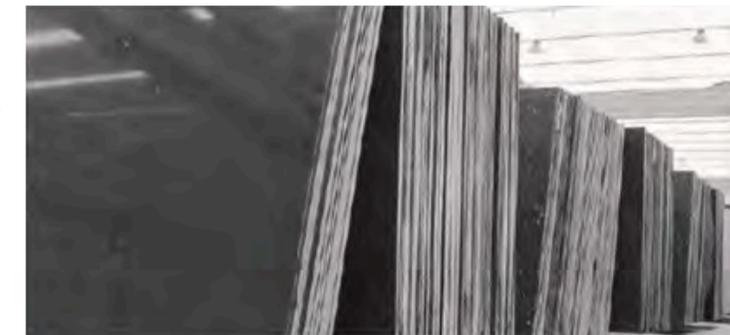
2



- + Rapid printing of high-value aesthetic effects
- + High margin product
- + Opens up new markets above existing demand
- + Long term competitive advantage

kreos-plus

3



- + Extremely thin 7mm finished product
- + Uses Bioquartz
- + Unique in the US markets
- + Long term competitive advantage
- + Combines with Chromia full body printing

## NEW TECHNOLOGY

***We are introducing this printing technology to the US market with our engineering partner Breton. This is printed quartz:***



Together OK Stone and Breton can deliver a new generation of quality of stone slabs to the US market using newer technologies making it approximately 10% less costly, silica-free and potentially easier to handle and ship, with an unlimited range of highly valuable aesthetic features.

Introducing

# OK Stone Engineering, Inc and Breton, SpA.

Together we are building the next generation US factory for engineered stone in Ft. Worth, TX to fill the massive gap in the US market where the domestic supply shortage is projected to increase to 140 million sqft *annually by 2026*.

Target Revenue

**\$139M** 2029 Stabilized

*With immediate demand from our distribution channel, we project first full year of operations to provide \$77M of revenue, scaling to \$108M+ in second year of full operations.*

Target EBITDA

**\$61M** 2029 Stabilized

*Engineered Quartz Stone Slabs are a highly profitable product in a rapidly growing industry. Our projected Gross Margins are nearly 55%, with projected EBITDA margins of approximately 40%*

(in \$ USD)	Forecast <u>2026</u>	Forecast <u>2027</u>	Forecast <u>2028</u>	Forecast <u>2029</u>
Revenue	46,289,880	77,149,800	108,009,720	138,869,639
EBITDA	22,335,654	29,241,348	45,209,638	61,022,927

Year 1 - 4

PROJECTED BASED ON EXISTING DEMAND

## THE OPPORTUNITY

**Since 1963, Breton has dominated stone manufacturing technology in the U.S. and Global markets. In 2023, OK Stone and Breton look to dominate the US Market for the next 50 years.**



Beginning June 2023: Breton and the OK Stone Engineering company are developing the first stone slab factory using the nextgen Breton technology to feed product to the existing market demand.

**\$138M+** Our 2029 Proforma Revenue

**\$61M+** 2029 Proforma EBITDA

Join us in creating the next great American company and another strong Italian-American alliance.

**Breton and OK Stone Engineering** are seeking to capture in the next 5-years a significant portion of the \$18+ billion US market, projected to be as much as \$30B by 2026, for engineered stone slab manufacturing. *Our advantages are many.* **First**, we are bringing to market the newest innovations by the market leader in stone slab manufacturing. **Second**, we are solving the toxic silicosis problem. **Third**, we are creating less expensive product using a lower cost raw material that is sourced in the US and not overseas.

# RETAIL BUYERS WANT BETTER PRICES, FASTER DELIVERY AND CRAZY GOOD AESTHETIC EFFECTS.

*In other words, if you can deliver unique products directly from a US facility that competes on price yet offers technically advanced features, then you can own large parts of the sales channel.*

## 1 OUR CLEAN TECH WILL BE A KEY DRIVER OF REVENUE AND LOW COST-OF-SALES

*We believe the existing manufacturers will be forced to the market bottom as we outcompete them with technology and more relevant products to the consumer.*

## 2 OUR NEW DESIGN TECHNOLOGIES OFFER AN IMPROVED ENGINEERED STONE PRODUCT.

*Home builders are being forced into sustainability by shareholders, lenders, investors, govt reg and homebuyers.*

## 3 AMERICA IS ON-SHORING AND DEMANDING A PRODUCT LIKE BIOQUARTZ

*Imports will be under continued pressure from tariffs, esg, safety and the overall desire for quality product.*

**Our slabs are used in the US for countertop, floor and wall tile:**



The rising popularity of quartz stems from its exceptional versatility in aesthetics, hygiene, and resilience. Unlike other stone products, quartz is notably resistant to impacts, scratches, and stains. Additionally, its transition from slab to the final product is notably smooth and effortless.

**By 2026, engineered quartz countertop is projected to 2X natural stone in the US markets.**



Through constant innovation, Breton has advanced the aesthetics of quartz, leading to a broad spectrum of top-tier products. This includes everything from the latest renditions of exotic granites to a vast array of veined and decorative patterns, all swiftly crafted using cutting-edge technology.

# Next Steps AND CONTACT INFORMATION

---

OREN KLAFF

[oren@intersectioncapital.com](mailto:oren@intersectioncapital.com)



(310) 756-4373