

# LUMBER LIQUIDATORS HQ

RICHMOND, VIRGINIA





## SINGLE-TENANT OPPORTUNITY WITH 9 YEARS OF TERM, CONTRACTUAL RENT INCREASES, AND CORPORATE GUARANTEE

The Property offers a reliable cash flow that continues through 2029 with tenant options to extend for 2, 5-year periods. The lease calls for contractual annual rent increases of 2.8%, providing stable and robust cash flow growth while the new renovation in 2019 limits the Property's exposure to major capital expenditures. The Offering is encumbered by a lease guaranteed by the LL Flooring (NYSE: LL), a publicly traded company with a market capitalization of over \$760 million as of November 13, 2020.





**LIBBIE MILL**  
MIDTOWN

**SINGLE FAMILY DEVELOPMENT**  
213 TOWNHOMES

**FUTURE MIXED USE**



**HARP'S LANDING**  
PROPOSED  
143,000 SF OF OFFICE

**PENSTOCK QUARTER**  
Delivered December 2018  
327-Unit Multi-Family  
41,000 SF of Retail

 **CAPITAL EYE CARE**   
**Stables Market**

 

**LUMBER LIQUIDATORS**  
HARDWOOD FLOORS FOR LE

**RICHMOND, VIRGINIA**  
25-Minute average work commute  
9 historic districts  
Cost of Living is 5 points lower than US average

**DOWNTOWN RICHMOND <2 MILES** ✓



**CORNER SHOPS**  
 Delivered October 2020  
 12,221 SF of Retail



**WELLSMITH**  
 Under Construction  
 Winter 2021 Delivery  
 349- Unit Multifamily

**TANNER ROW**  
 35,684 SF of Office | 9,392 SF of Retail



**EMMER ROW**  
 24,533 SF of Office | 20,098 SF of Retail



**ONE HOLLAND PLACE**  
 85,819 sf of Office  
 94.2% Occupied



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**ESS!**

STAPLES MILL ROAD (19,995 VPD)

## TENANT WITH STRONG BALANCE SHEET AND GROWTH POTENTIAL

At the end of the third quarter, LL Flooring maintained \$230 million in liquidity, comprised of \$199 million in cash and cash equivalents and \$31 million of excess availability under a credit agreement (an increase from \$186 million in liquidity at the end of the second quarter of 2020). Net cash provided by operating activities was \$181 million year to date, including \$75 million in the second quarter, pointing toward a strong cash position as that trend continues. With three consecutive quarters of increased year-over-year margin growth, the company's implementation of digital-based customer service tools and supply line optimization are successfully driving profitability.

### AS OF NOVEMBER 15, 2020

STOCK PRICE:  
**\$26.57**

STOCK GROWTH  
IN 2020:  
**182%**

MARKET  
CAPITALIZATION:  
**\$767  
MILLION**

TOTAL DEBT:  
**\$239  
MILLION**

EBITDA:  
**\$50.39  
MILLION**

EARNINGS PER  
SHARE:  
**\$1.60**

### Q3 2020 HIGHLIGHTS

**10.9%**  
**OPERATING MARGIN**

**140%**  
**INCREASE IN SALES  
OVER Q3 2019**

**\$230 MM**  
**IN LIQUIDITY**

**\$25.3 MM**  
**INCREASE IN ADJUSTED  
NOI OVER Q3 2019**

## NEW HEADQUARTERS OF PUBLICLY TRADED COMPANY WITH UNIQUE, PERSONALIZED BUILD-OUT

Lumber Liquidators moved its corporate headquarters from Toano, Virginia to Richmond as part of a transitional effort to focus on its thriving retail and installation services that are better served in proximity to its metropolitan clientele. The Tenant received tenant allowance from the Landlord to build a versatile, open air space that meet the evolving needs of Lumber Liquidators. The high ceilings and open floor plan provide a collaborative working environment for the 200 employees at the site while also showcasing the company's fashionable hardwood flooring.



**DOWNTOWN RICHMOND**  
(2 MILES)



**LOCATED WITHIN DYNAMIC,  
MIXED USED DEVELOPMENT  
LIBBIE MILL-MIDTOWN**

The Property lies at the southeastern border of the Libbie Mill-Midtown mixed use development. The continued development of the 1,096 multifamily units and over 140,000 sf of office will produce a modern live, work, play community that will drive demand and office rents in the near and long term. Benefitting from the area's affluent customer base (\$69,213 AHHI in 3-mile radius), the existing multi-family properties have reached stabilization while attracting premier retail tenants to amenitize the community.

1 Mile from Subject Property

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HARDWOOD FLOORS FOR LESS!

**ONE HOLLAND PLACE**  
85,819 sf of Office  
94.2% Occupied

W BROAD STREET (27,871 VPD)

STAPLES



2 Miles from Subject Property



### SHORT PUMP (5 MILES)

Short Pump Town Center



West Broad Marketplace



West Creek Business Park

2.1 Million SF of Office



Innsbrook Corporate Center

3.0 Million SF of Office



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Under Construction  
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349- Unit Multifamily

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3 SF of Retail



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SSIONAL NAIL CARE

WNE BANK  
Senior, Homeown Banking

MILL ROAD (19,995 VPD)



Breaking ground in 2013, Libbie Mill-Midtown was the largest redevelopment in Henrico County, directly in between downtown Richmond and the city's most affluent suburban submarkets such as Short Pump, Innsbrook and West Creek. This strategic location provides immediately accessibility to West Broad Street, I-64, Route 33, I-95 and I-195 and connectivity to all of Richmond and the surrounding Mid-Atlantic.





LUMBER LIQUIDATORS DISTRIBUTION CENTER  
WHITE OAK TECHNOLOGY PARK  
1 MILLION SF  
(16 MILES)

RICHMOND INTERNATIONAL AIRPORT  
(10 MILES)



64 (82,403 VPD)

195 (86,700 VPD)



Anth  
BlueCross Blue



STAPLES MILL ROAD (119,995 VPD)



## RICHMOND'S BUSINESS COMMUNITY CONTINUES IMPRESSIVE GROWTH

Less than two hours from Washington, DC, Richmond offers a rare blend of business-friendly regulations, affordable yet high-quality lifestyles and first-class executive amenities making Richmond an ideal site to relocate. Firms are choosing headquarter locations where traffic is light, school systems are strong, and legislation is supportive of business. In addition to Lumber Liquidators, notable firms who have chosen Richmond as the perfect site to relocate their corporate headquarters relocate include Altria Group, Dominion Resources and MeadWestvaco. Meanwhile, Genworth Financial, Universal Corporation, McKesson Medical-Surgical Inc. and Market maintain a headquarters and grown organically in Richmond highlighting the city's ability to attract and retain its corporate partners.

**VDH** VIRGINIA DEPARTMENT OF HEALTH

**DOWNTOWN RICHMOND  
2 MILES**



**LUMBER LIQUIDATORS**

HARDWOOD FLOORS FOR LESS!

**THE MILL  
DOWNTOWN**

### Key Richmond Employers

Rank	Company Name	Employees
1	Capital One Financial Corp	13,000
2	Virginia Cmnlth. Univ. Health Syst	9,313
3	HCA Virginia Health System	7,628
4	Bon Secours Richmond	7,136
5	Dominion Virginia Power	5,433
6	SunTrust Banks Inc	3,810
7	Altria Group Inc.	3,800
7	Amazon.com	3,800
9	Wells Fargo	2,902
10	Anthem Blue Cross and Blue Shield	2,655

## UNENCUMBERED BY EXISTING FINANCING

The Property will be sold on a free and clear basis, which allows an investor to take advantage of today's strong lending markets to generate strong cash on cash returns.





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