

From 125
to 135

2005-2015

Ahern's Decade of Growth on the Map and on the Job



Looking Back, Year by Year

2004: Special Hazards Department established

2005: Ahern Fire Protection opens District office in Twin Cities

2006: Commissioning services added

2006: Fond du Lac headquarters expansion breaks ground

2006: New Company logo unveiled

2008: Company begins largest project in history at Columbia St. Mary's Hospital

2009: Company mourns death of CFO Mike Krueger

2009: Ahern earns William H. Feather safety award from NUCA

2010: Hill/Ahern partnership established

2011: Ahern acquires Airgas North Central Fire Services Division

2011: Ahern Fire Protection opens District office in Des Moines

2011: Company establishes National fire protection business unit

2011: Ahern realigns corporate structure along geographic lines

2011: Ahern named one of the "Healthiest Companies in America"

2012: Company breaks ground on landmark Milwaukee office

2013: Company reaches man-hour record of 2.14 million

2013: Ahern achieves ASME Nuclear fabrication certification

2014: Hill/Ahern acquires Superior Mechanical Systems (SMS)

2014: Company begins offering Building Controls services

2015: Company celebrates 135th Anniversary

From 125 to 135:

"For the hundreds of people who make up the J. F. Ahern Co. family, the story is not over. They may pause to look back, but, always, they are moving forward."

These are the final sentences of J. F. Ahern Co.'s commemorative book, "Looking Back, Moving Forward," published in in 2005 for the Company's 125th anniversary. With another decade in Ahern's history now complete, it's time to once again reflect on the progress, success, and lessons learned for one of the nation's largest and most respected mechanical and fire protection contractors.



"I witnessed Ahern take an opportunity to invest money back into the Company and employees during a time when the economy and the construction industry was taking a downward spin, in order to prepare for the future. Now that the economy is getting stronger, we are starting to see that investment work in Ahern's favor. That is the biggest change I have seen in my first 10 years of employment and one of the reasons working at Ahern is so rewarding."

Angie Benike, sales/project manager **10** year employee



"The increase in speed that we do business/communicate has changed greatly, but that's cliché. I get most excited about the growth of our desire and capability to become proactive in managing the risk associated with the work we perform."

Jeremy Brunhoefer CSP, director of safety **10** year employee



Adaptation: To the Customer, for the Customer

Over the past 10 years, Ahern has continued to lead the industry in applying the latest technologies to construction and facility services.

Ahern's design team began regularly using 3D/BIM modeling in the mid-2000's, giving project teams a virtual view of a building's mechanical and fire protection systems before a single length of pipe is installed. In the field, Ahern's project teams began performing site layout surveys using a piece of equipment called a Total Station, which electronically captures installation points for various system components. Incorporating those measurements into the 3D drawings results in unprecedented accuracy and, ultimately, reduced labor costs.

As the Company grew more diverse and ventured into new geographic territories, it became increasingly important to convey a consistent, unified presence to Ahern's customers. In 2006, the Company redesigned their logo, combining the separate "J. F. Ahern Co." and "Ahern Fire Protection" logos into one image depicting simply, "Ahern." A few years later in 2011, the Company shifted its corporate structure to focus on geographic regions rather than industry trades. This allows Ahern to better serve its customer base as a single-source provider, providing a comprehensive range of construction and facility services.

With the rise of digital and social media, Ahern adapted its customer communications to create more effective interactions. The Company invested in a comprehensive service software platform that includes electronic forms, real-time service technician communications, and easy access to archived reports.

Customers, employees, and job candidates come together at Ahern's social media sites, which were formally launched in 2013 and have since earned thousands of followers. Ahern added a blog to its web site in 2014, which catalogs dozens of technical and industry news articles written by the Company's subject matter experts.

Services: Design, Build, Maintain

In response to the ever-evolving needs of its customer base, Ahern spent the last 10 years improving and adding to its comprehensive product and service lines.

In 2006, the Company established an in-house HVAC commissioning team, offering customers expert testing and balancing of their newly installed systems as well as retro-commissioning of existing equipment. A few years later, Ahern added building controls to its list of service offerings, giving customers a high-tech look at how their facilities are performing and pinpointing trouble spots and inefficiencies.

The Company's Special Hazards Department is one of its largest success stories from the past decade. Sixteen-year industry veteran Doug Lackey came on board in 2003 to work with the existing fire protection business units and determine how to best complement non-water based system installation and service into Company's well-established sprinkler operation. The Special Hazards Department became its own business about one year later, with only two employees. Today, there are over 30 office and field employees performing work across all of Ahern's territories. The Department has branched out into the fire alarm market as well, adding a full line of installation, inspection, testing, and monitoring services.

Ahern's pipe fabrication group expanded its already impressive collection of ASME accreditation in 2013, when it earned three nuclear certifications –NPT, NS, and NA – after a rigorous vetting process. The achievement enables Ahern to fabricate piping for the nuclear power generation market, in which many of the Company's existing customers are heavily involved.



Ahern's corporate office expansion

"Technology is a huge change. Designers went from a stationary computer with a small box monitor and a "pool" cell phone to having high-powered lap tops with multiple screens and individual iPhones. This gives designers the flexibility to work from the job site, home, or a different office."

Wade Lenz, fire protection design manager **10** year employee



Milwaukee Office

Expansion:

On the Map and on the Job Site

Planned, profitable expansion continued to be an integral part of Ahern's business model as the Company moved into the new millennium.

One very visual indicator of this growth has been the expansion of the Company's facilities. In 2006, Ahern broke ground on a 54,000 square-foot expansion to its Fond du Lac, WI headquarters. Focusing on environmentally-friendly building principles, the facility achieved LEED Gold Certification by the U.S. Green Building Council. Features include one of Wisconsin's first greenwater reclamation systems; an ice storage system; in-floor radiant heating; and high-efficiency fixtures.

In 2013, many of these features were repeated when the Company built a new 52,000 square-foot office in Milwaukee. This landmark facility also achieved LEED Gold status, and also earned an Association of Facility Engineers (AFE) Project of the Year award, among numerous other accolades. Over the past 10 years, Ahern has also expanded its facilities in Minneapolis, St. Louis, Des Moines, and Marinette and Madison, WI.

Ahern's fire equipment customer base got a boost in 2011 when the Company acquired Airgas North Central's Fire Services Division. Ahern assumed service

for all existing Airgas clients, and also hired on Airgas' 40-plus employees. Today, Ahern's Fire Equipment team offers a complete line of extinguisher sales and service, as well as related equipment such as emergency lighting, fire safety training, and pre-engineered systems such as kitchen hoods, paint booths, and vehicle systems.

While Ahern had always traveled outside its core territory to accommodate key customers on specific projects, it wasn't until 2011 that the Company established a business unit focused on building a fire protection project base at a national level. Today, the National Fire Protection group is one of the fastest-growing segments in Ahern's portfolio, performing work in many of the 47 states in which it is licensed.

Ahern entered the Chicago fire protection market back in 1989, but there was a major change in 2011 when the Company entered a joint partnership with the city's largest mechanical contractor, Hill Mechanical Group. The resulting venture, known as Hill/Ahern Fire Protection, combined Ahern's extensive fire protection expertise with Hill's 75-plus years of local mechanical contracting success to provide customers with a trusted single-source provider. The partnership showed strong year-over-year growth, and in 2014 they acquired area contractor Superior Mechanical Systems (SMS), bringing 35 additional employees to the Hill/Ahern team.



"Working at Ahern has been a fantastic experience! We're all fortunate to be a part of such a quality operation that provides so much opportunity for its employees."

Chris Behrendt PE, regional construction manager **10** year employee

People:

Work with Purpose, Live with Purpose

In keeping with Ahern's 135-history, the Company continued its commitment to hiring and retaining only the finest industry experts.

In 2013, the Company logged 2.14 million man-hours – more than any year in its history. That record was short-lived, however, as employees logged 2.3 million the very next year. Despite these large numbers, Ahern's safety record still averages 2.2 times better than the industry average.

Tragedy struck in early 2009, when Executive Vice President of Finance and Corporate Services Mike Krueger passed away suddenly of a heart attack. Krueger's financial acumen had made a significant impact on the Company during his 18-year tenure, and his death left a void for employees as well as his friends and family. Ahern established a college scholarship in his name, available to employees' children with declared majors in Business. The first recipient, Shawn Anhalt, actually went on to become an Accounting intern and was later hired as Ahern's assistant controller.

History was made in 2014 when the Company welcomed the first female member of the Management Committee. Krista Ebbens joined Ahern as General Counsel in 2013, and her legal expertise made her a valuable addition to the Committee. 2014 also brought the retirement of 32-year Company veteran Al Fox, a Management Committee member and one of the original Ahern Fire Protection employees, whose leadership was a vital part of the division's financial and geographic growth.

Ahern's commitment to developing successful, happy, and healthy employees was in clear evidence throughout the decade. The Company's Fond du Lac expansion and Milwaukee facility were built to include state-of-the-art fitness centers, and employees outside of these offices are reimbursed for health club memberships. These benefits are just one part an overall wellness initiative that earned Ahern a nod as one of the "Healthiest Companies in America" by IHS (Interactive Health Solutions) in 2011. Ahern was one of only 44 companies out of 1500 entries to earn this elite recognition. Ahern was also recognized with the *Milwaukee Business Journal's* "Healthiest Employers" award twice – first in 2011 and again in 2015.

In addition to the wellness initiative, Ahern also invested in a company-wide learning management system, enabling employees to improve their technical and general business skills by completing a variety of online courses, participating in webinars, or attending educational seminars.



Fire Equipment - kitchen hood system

"The Ahern vision and management commitment to our customers, me, and all employees has made our testing, balancing, and commissioning team one of the most respected in the state. My only regret is that I did not join this team earlier in my career."

Dick Wirt, commissioning manager **10** year employee

"In the 10 years I have been with Ahern, there have been great improvements in the 3D design and coordination software we use. The software is also used in the fabrication of ductwork and we have customized it to provide pre-assembly drawings the shop uses to assemble multiple pieces before shipping to the jobsite. The in-house coordination has improved greatly when we have team projects where we provide HVAC, plumbing and fire protection."

Gary Hunter, HVAC CAD designer **10** year employee



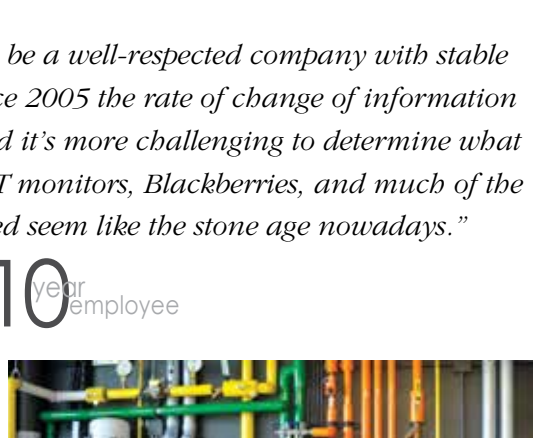
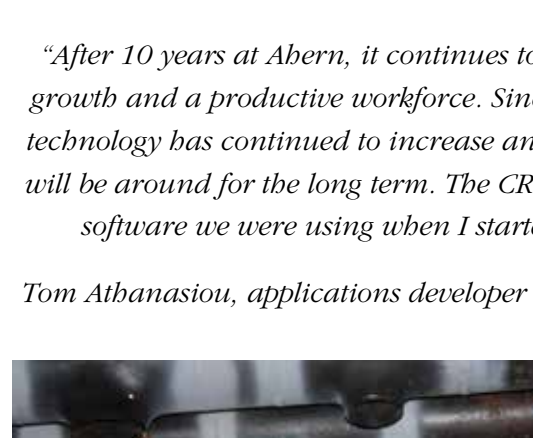
Projects: Across the Street, Across the Continent

Ahern relied on its breadth of services and strong customer relationships to carry the Company through the Great Recession and into the gradual rebound.

In 2008, the Company was awarded the largest project in its history at Columbia St. Mary's Hospital in Milwaukee. By the end of the project several years later, Ahern had performed approximately \$65 million of design/build HVAC and plumbing work throughout the 22-acre campus, and employed upwards of 80 field crew members on site at the project's peak as well as engineers, project managers, and a full-time safety coordinator. Columbia St. Mary's was one of many healthcare customers for which Ahern performed construction and service work. The Company has worked in 60 percent of all the hospitals in Wisconsin alone.

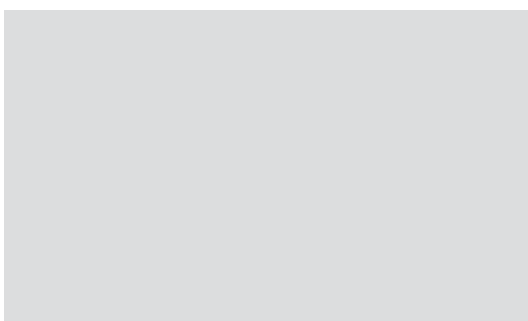
Healthcare was not the only industry where Ahern showcased its capabilities over the past 10 years. The Company's extensive industrial/process piping experience brought opportunities in the burgeoning ethanol, biodiesel, and mining industries. Ahern's pipe fabrication team also focused on the booming North American oil & gas sector, shipping spools throughout the country and into Canada. Power generation and water/wastewater treatment continued to offer opportunities to Ahern's industrial teams as well. On the commercial side, the Midwest gradually emerged from the Great Recession as the decade progressed, bringing with it projects in the multi-housing and office building sectors. Ahern's HVAC, plumbing, and fire protection trades took advantage of the comeback, performing installations and also growing the service and inspection side of the business.

Specialized fire protection systems were in great demand throughout the decade. Non-water-based suppression systems in data centers and computer rooms brought numerous opportunities, and Ahern installed these systems in individual facilities as well as major regional data center hubs. Large, complex fire sprinkler systems in retail and food/beverage distribution centers, including cold storage facilities, allowed Ahern to showcase its fire protection expertise on a regional and national level. Numerous customers ask Ahern to travel around the country to perform these complicated installations.



"After 10 years at Ahern, it continues to be a well-respected company with stable growth and a productive workforce. Since 2005 the rate of change of information technology has continued to increase and it's more challenging to determine what will be around for the long term. The CRT monitors, Blackberries, and much of the software we were using when I started seem like the stone age nowadays."

Tom Athanasiou, applications developer **10** year employee



Recognition:

The Industry Takes Notice

Ahern's reputation as a premier specialty contractor was evidenced by industry accolades throughout the past decade.

A longstanding part of Contractor magazine's annual "Book of Giants," the Company was ranked the 20th largest specialty contractor in the nation on their 2015 list. Engineering News-Record (ENR) named Ahern the 8th largest specialty contractor in the U.S. for 2014, as well as the largest in Wisconsin. Ahern also earned numerous project-specific accolades from industry associations such as Associated General Contractors (AGC) and the Mechanical Contractors Association of America (MCAA), as well as leading publications like the Daily Reporter and Wisconsin Builder. Ahern earned these nods on a wide variety of projects, from large industrial facilities like the Beaver Dam Wastewater Plant, to commercial buildings like GE Healthcare, to state projects like UW-Lacrosse Centennial Hall.

A commitment to safety shone through as well in the past 10 years. The National Utility Contractors Association (NUCA) recognized Ahern in 2009 with their elite William H. Feather Award. NUCA chose Ahern out of 2,500 members, based on the Company's low injury record and comprehensive safety program. On a local level, Ahern earned safety awards from trade groups in every state in which they operate an office.



Contractor magazine

2005 #23
2006 #21
2007 #25
2008 #22
2009 #24
2010 #28
2011 #25
2012 #25
2013 #26
2014 #26
2015 #20

#5 in the Midwest

#5 in Fire Protection

#2 in Water/Wastewater

"Book of Giants"

"Top Specialty Contractors"

ENR Midwest

2005 #4
2006 #2
2007 #5
2008 #6
2009 #8
2010 #4
2011 #4
2012 #3
2013 #7
2014 #8
2015 #6





The more things change...

In 2014, Ahern published a newly developed Core Purpose statement:

“We create and maintain systems that save lives, improve the environment, and ensure personal comfort and well-being.”

Along with this statement, they unveiled their Unbreakable Values and Beliefs, which include:

- **Straightforward and Honest.** We are true to our word every day. We do the right thing.
- **People and Community at Our Core.** We exhibit a lifelong, genuine dedication to each other and our communities.
- **Committed to Excellence.** We are driven to be the best in everything we do.
- **Adaptable.** We learn from our experiences to discover the best solutions.
- **Good Stewards.** We are committed to the future of our company, our people, and our customers.

These written statements merely formalize how the Company has operated for 135 years – doing whatever it takes to keep customers, employees, and community members happy. As the 125th anniversary commemorative booklet ended 10 years ago,

“They may pause to look back, but, always, they are moving forward.”



“Even though Ahern has expanded into different states and industries, the Company has retained its family feel. I think that is a large part of the reason Ahern has continued to succeed. The employees feel appreciated and that makes Ahern a great place to work.”

Sara Immel, payroll specialist ¹⁰year employee



Fire protection service work at Park Cheese Co



Plumbing work at St. Mary Springs

"We've come a long way since I started at Abern, from a \$5M HVAC statewide service department with a hand-written T-card dispatch system to iPads in the field and a combined service department with revenues of nearly \$1M per month in Milwaukee alone. On my first day of employment I did not know what RTU [rooftop unit] was and now I am replacing them for hundreds of thousands of dollars, and have sold service contracts on tens of thousands of RTUs. It has been remarkably rewarding."

Grant Horn FMP, service account executive ¹⁰year employee

And another decade begins.



135 years
2005-2015

