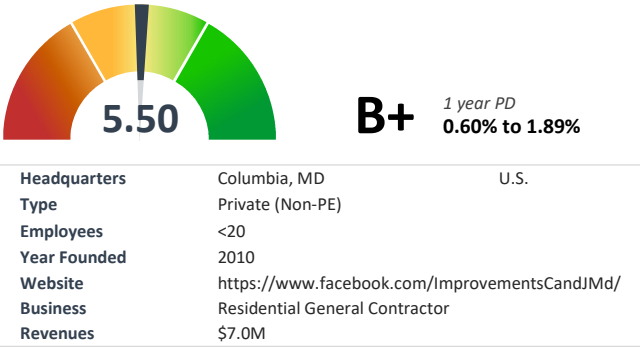


C & J Contractors, LLC



Company Overview

- Company Overview:** C&J Contractors, LLC is a general contractor with a primary focus on residential clients. Within that segment they handle projects of all sizes, from roof to basement.
- Product:** Services include Kitchens, Roof, Bathrooms, Gutt Renovations, Waterproofing, Cabinets, drywall, paint, etc...
- Customers:** Primarily residential homeowners in Maryland.
- Ownership:** Privately owned and led by Principal Ken Collignon, who oversees strategic operations and client satisfaction.
- Debt Structure:** N/A - no long term debt.
- Other (pros/cons):** C & J Contractors, LLC's strong liquidity (Current Ratio of 8.43) and debt-free status mitigate short-term financial concerns. With a 24.6% EBITDA Margin they are substantially more efficient than their peers. They more than doubled Net Income in FY-23, even though Revenue grew by "just" 61%. As a private company without a website, we found very limited information about the company online, which did not work in their favor from a rating perspective, balancing the fairly promising financials. Nevertheless, it is a comparatively small entity (heightened empirical default risk), and the owner has been taking substantial distributions in FY-23 and FY-22 (jointly about \$1.1mn).

Financial Snapshot

	Dec-21	Dec-22	Dec-23	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	4,313	4,374	7,029	60.7%
Gross Profit	1,775	1,727	2,663	54.2%
Adjusted EBITDA	858	816	1,728	111.7%
Gross Profit Margin	41.2%	39.5%	37.9%	-1.6 ppt
EBITDA Margin	19.9%	18.7%	24.6%	5.9 ppt
Net Income	842	694	1,549	123.3%

		Weight	Rating Range		
		65%	8.5	to	10.0

Financial Ratio Benchmarking

# of Benchmarks:	22	Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks	22
		\$13M	\$7M		Company Financials Date	Dec-23
Liquidity	Revenue				Industry Benchmarks - Primary: Construction and Engineering	
	Current Ratio	1.36	8.43	<div></div> 100%		
Leverage	Quick Ratio	1.28	6.34	<div></div> 100%		
	Net Debt / EBITDA	0.61	(0.20)	<div></div> 74%		
Profitability	Debt to Assets	33.9%	0.0%	<div></div> 96%		
	EBITDA Margin	11.9%	24.6%	<div></div> 85%		
	ROCE %	22.3%	267.1%	<div></div> 100%		

Business Risk

Industry Group Risk Profile		Engineering And Construction			20%	5.5	to	7.0
Industry Risk Assessment		KPI Rating	Contribution	Industry Group Description				
Cyclicality		Intermediate risk	<div></div>	Entities that derive a majority of their revenues from engineering and design, construction, and maintenance work.				
Competitive Risk		Moderately high risk	<div></div>					
Global Industry		Moderately high risk	<div></div>					
Market Segment Outlook		Above Average	<div></div>					
Competitive Position Profile		Construction			50%	4.5	to	5.5
Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline				
Cycle-Tested		2009-2019	<div></div>	Pre-COVID.				
Project Diversity		Above Average	<div></div>	2-3 segment focus				
Backlog		Satisfactory	<div></div>	1-2 years backlog				
Interest Environment		Satisfactory	<div></div>	Moderately rising interest rates				
Supplier Relationships		Satisfactory	<div></div>	Average relationships with suppliers, comparable to industry peers.				
Quality of Work		Satisfactory	<div></div>	Quality of work is industry standard.				
Ownership Commitment		Weak	<div></div>					
Regulatory Compliance		Satisfactory	<div></div>					
Management, Governance, Sponsorship					30%	4.5	to	5.5

Anchor Modifiers

Modifiers				
Revenue Segment	Normalization	<div></div>	\$5-10M	
Trend Analysis	Adjustment	<div></div>	Moderate Positive	
Financial Flexibility	Adjustment	<div></div>	Very High	
Other Modifier	Risk Flag	<div></div>		

Rating Range (Rounded)

5.0	to	6.0
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