

# Crown Packaging Corp. and Affiliates



- Crown Packaging Corp. demonstrates strong liquidity and cautious leverage, ensuring a financial safeguard.
- Lack of detailed financial (income and cf-statement) and qualitative data impedes thorough assessment of profitability, competitiveness, and strategic planning.

Strengths

- **Diverse Product Range:** Crown Packaging offers a wide variety of packaging solutions, catering to multiple industries, which positions it well to capitalize on diverse market demands.
- **Low Debt Levels:** Relatively low debt levels with a Debt to Assets ratio of 19.0% in FY-2022, suggesting a manageable debt burden.
- **Stable Financial Position:** The company's favorable liquidity ratios, such as a current ratio of 2.40, indicate a strong ability to meet short-term obligations, enhancing its creditworthiness.

Challenges

- **Lack of Financial Transparency:** Absence of detailed financial statements (income and cash flow) hinders a more comprehensive financial analysis.
- **Limited Information on Management and Governance:** Missing insights about management and governance practices, affecting the assessment of leadership quality and strategic planning.
- **Limited Public Financial Data:** The lack of comprehensive publicly available financial data restricts a full assessment of the company's financial health.

## Scorecard Summary

	Weight	Score	Dimension	Contribution
Financial	50%	6.7	Liquidity	<div></div>
			Leverage	<div></div>
			Profitability	<div></div>
Business	50%	6.4	Industry Risk	<div></div>
			Competitive Position	<div></div>
			Mgmt / Governance	<div></div>
			Sponsor / Parent	<div></div>
Modifiers		-0.3	Financial Transparency	<div></div>

Industry Benchmarks - Primary: Paper and Plastic Packaging Products and Materials

## Company Overview

Headquarters	Chesterfield, MO	U.S.
Type	Private (Non-PE)	
Employees	~500	
Year Founded	1969	
Website	https://crownpack.com/	
Business	Industrial packaging products and equipment	
Revenues	-	

- **Company Overview:** Crown Packaging Corp. has been in the business for >50 years. They offer a single-source solution for industrial packaging products and equipment. They partner with top manufacturers to provide optimal packaging solutions, and serve businesses across North America. Their respective clients are supported through several operations in the US, Mexico and Canada - the latter two through affiliates.
- **Product:** Broad range of packaging materials suitable for various industrial needs, as derived from the Company Overview and them offering over 150k packaging products and supplies.
- **Customers:** Serves a wide range of customers, from the world’s largest retailers, manufacturers, and logistics companies to small businesses and start-ups. Notable testimonials can be found on their website from ProVia, AmerisourceBergen, and JM Eagle.
- **Ownership:** Details regarding ownership or public trading status are not provided in the available data. However, the an equity ratio of 52.1% in FY-2022 suggests a substantial ownership portion (vast majority is retained earnings!) in the total assets, providing a buffer against financial downturns

## Financial Ratio Benchmarking

# of Benchmarks: 21		Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.73	2.40	<div></div>
	Quick Ratio	0.94	1.75	<div></div>
Leverage	Net Debt / EBITDA	5.99		
	Debt to Assets	53.7%	19.0%	<div></div>
Profitability	EBITDA Margin	8.9%		
	ROCE %	7.1%	0.0%	<div></div>
	Revenue	\$361M	\$0M	

- Robust liquidity with a current ratio of 2.40, significantly above the peer median of 1.73, ensuring short-term financial stability.
- Debt to Assets ratio of 19.0% signifies a low leverage position vs peer median of 53.7%, indicating a conservative debt management approach.

## Financial Statement Highlights

\$ '000s	Dec-20 T12	Dec-21 T12	Dec-22 T12	Chg
Income Statement				
Total Revenue	-	-	-	
Gross Profit	-	-	-	
Adjusted EBITDA	-	-	-	
Gross Profit Margin				
EBITDA Margin				
Balance Sheet				
Cash And Cash Equivalents	1,304	-	-	
Total Current Assets	95,373	115,102	110,445	-4.0%
Total Assets	100,981	121,424	143,376	18.1%
Total Current Liabilities	47,011	63,342	45,967	-27.4%
Total Debt	5,621	17,035	27,309	60.3%
Total Equity	50,436	57,082	74,640	30.8%
Cash Flow				
Net Income	-	-	-	
CAPEX	-	-	-	
Depreciation & Amortization	-	-	-	
Fixed Charge Coverage Ratio	0.00x			

- A notable amount in accounts receivable (\$67.9mn in FY-2022) indicates a substantial credit sales operation, which could impact cash flows.
- Consistent inventory levels (around \$30mn for the last two FYs) suggest stable production and demand but may warrant a deeper look into inventory turnover.
- The company has generally managed to maintain a balanced asset and liability structure, with total assets of \$143.4mn and total liabilities of \$68.7mn in FY-2022, yet an increase in debt by 60.3%, whereby Assets only increased by 18.1% y-o-y.

## Business Risk Highlights

- **Industry:** Operating in the "Paper and Plastic Packaging Products and Materials" industry, the company may face risks related to raw material price volatility and environmental regulations.
- **Competitive Position:** Without detailed product and market share information, assessing the competitive position is challenging, but the industry is known for being competitive and price-sensitive.
- **Management and Governance:** The lack of available information about direct management and governance practices makes it difficult to assess the company's strategic and operational leadership capabilities.
- **PE Sponsor:** n/a.