

# USA Cabinet Store, LLC



CC

1 year PD  
20.71% to 26.55%

Headquarters	Fairfax, VA	U.S.
Type	Private (Non-PE)	
Employees	<50	
Year Founded	2011	
Website	https://www.usacabinetstore.com/	
Business	Retailer of kitchen and bathroom cabinetry.	
Revenues	\$2.9M	

## Company Overview

- Company Overview:** USA Cabinet Store, LLC is a home improvement retail company specializing in high-quality kitchen and bathroom cabinetry. Operating primarily in Virginia, the company focuses on providing value to customers through a range of customizable cabinetry options.
- Product:** The company offers a variety of cabinetry products, including kitchen and bathroom solutions. Their products cater to residential customers looking to renovate or upgrade their living spaces.
- Customers:** USA Cabinet Store serves homeowners and renovators in the Virginia area, with its products available directly through its website and at their physical location.
- Ownership:** The company is privately owned, and while not part of a larger group or publicly traded, it operates independently in its regional market.
- Debt Structure:** \$0.5mn in LT Debt without further terms. We are not aware of a revolving line of credit.
- Basis for Assessment:** Company-prepared, un-reviewed, un-audited, and un-commented FY-22, and FY-23 (b/s and i/s). Main basis for the assessment was FY-23.
- Other (pros/cons):** Declining revenue, profitability and EBITDA-driven rising leverage raise concerns about operational sustainability without cost controls or revenue stabilization. Strong liquidity offsets risks, but limited market reach, low EBITDA margins (1.7% vs. peers' 5.7%), and operational inefficiencies weaken credit stability. Small entity size significantly increases empirical default risk. No substantial growth efforts (e.g., marketing) were noted, though the company remains profitable and appears focused on efficiency gains (e.g. inventory reductions).

## Financial Snapshot

		Dec-22	Dec-23	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	-	3,969	2,865	-27.8%
Gross Profit	-	793	883	11.3%
Adjusted EBITDA	-	113	48	-57.9%
Gross Profit Margin	-	20.0%	30.8%	10.8 ppt
EBITDA Margin	-	2.9%	1.7%	-1.2 ppt
Net Income	-	121	62	-48.8%

## Financial Ratio Benchmarking

# of Benchmarks: 17		Industry Median	Company Metric	Percentile Rank
		\$434M	\$3M	
Liquidity	Current Ratio	1.32	28.75	<div></div> 100%
	Quick Ratio	0.31	17.61	<div></div> 100%
Leverage	Net Debt / EBITDA	3.70	9.70	<div></div> 26%
	Debt to Assets	49.1%	31.8%	<div></div> 65%
Profitability	EBITDA Margin	5.7%	1.7%	<div></div> 23%
	ROCE %	8.3%	0.2%	<div></div> 24%

# of Industry Benchmarks17

Company Financials DateDec-23

Industry Benchmarks - Primary: Home Improvement Retail

## Business Risk

Industry Group Risk Profile			Retail And Restaurants			20%	4.5	to	6.5
Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description						
Cyclicality	Intermediate risk	<div></div>	Entities that derive a majority of their revenue from selling goods or services directly to the individual consumer through stores, catalogues, or online operations--or a combination of these channels. We include restaurants, automotive retailers, and grocery wholesalers in this sector given that the fundamentals of operating these businesses are largely the same as general retailing with similar unit economics.						
Competitive Risk	Intermediate risk	<div></div>							
Global Industry	Intermediate risk	<div></div>							
Market Segment Outlook	Stable	<div></div>							
Competitive Position Profile			Retail And Restaurants			50%	3.5	to	5.0
Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline						
Cycle-Tested	2009-2019	<div></div>	Pre-COVID.						
Merchandising Strategy	Satisfactory	<div></div>	Strategy is somewhat inconsistent and lacks focus						
Brand Reputation and Marketing	Weak	<div></div>	Weak brand reputation, no price premiums						
Online Strategy	Satisfactory	<div></div>	Limited online presence but operational						
Advertising Budget	Weak	<div></div>	Very small budget, minimal marketing						
Scale and Scope	Weak	<div></div>	Very small scale, no bargaining power						
Geographic Diversity	Satisfactory	<div></div>	Limited to one state or region						
Same-Store Sales	Satisfactory	<div></div>	Flat or minor growth, in line with sector average						
Inventory Turnover	Satisfactory	<div></div>	Average, some markdown risk						
Management, Governance, Sponsorship						30%	3.5	to	4.5

## Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	< \$5M
Trend Analysis	Adjustment	<div></div>	Strong Negative
Fixed-Cost Coverage Risk	Risk Flag	<div></div>	FCCR of 0.88x
Other Modifier	Risk Flag	<div></div>	No notes to Financials

## Rating Range (Rounded)

2.5

to

3.5

Weight	Rating Range		
50%	6.0	to	7.5