

FleetPride, Inc.



B

1 year PD
1.89% to 3.18%

Headquarters	Irving, TX	U.S.
Type	Private (PE)	
Employees	~4,000	
Year Founded	1999	
Website	https://www.fleetpride.com	
Business	Distributor of heavy-duty truck parts and services.	
Revenues	\$1,700.0M	

Company Overview

- Company Overview:** FleetPride, Inc. is the largest independent distributor of heavy-duty truck and trailer parts in the U.S. They operate through >300 locations, in 46 states and a fleet of >1k vehicles.
- Product:** Brakes, drivetrain, suspension, electrical systems, etc as well as repair services. Its private label products account for ~30% of revenue, providing a cost-effective solution for customers.
- Customers:** Their customer base is very diverse, ranging from large fleet operators to independent truck owners and repair shops.
- Ownership:** American Securities became a PE firm in '94, driving strategic growth and operational improvements, in the industrial and distribution sectors. As of '23, they had \$26bn AUM, mainly funded by institutional investors. They acquired FleetPride in '18 from TPG Capital. An exit in 1-3 years, in conjunction with a recovering freight market, is likely.
- Debt Structure:** They have a \$350mn R/C-line (ABL), with a current utilization of \$190mn, maturing mid-2027, a \$920mn first lien due 9/28, rated 'B3', and a \$225mn second lien due 12/26, rated 'Caa2'.
- Other (pros/cons):** Their Leverage, >8x, driven by debt-funded acquisitions, increases credit risk amid weak cash flow and reliance on a \$350mn ABL facility. Revenue exposure to the cyclical U.S. freight market raises volatility risks, with EBITDA down 20% since FY-22. Forecasted margin improvements remain uncertain, increasing risks of sustained revenue fluctuation. They are working on expanding their service and repari network to stabilize further. Freight market is considered to be bottomed out. Inflation was also major driver of margin volatility.

Financial Snapshot

	Dec-21	Dec-22	Dec-23	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	-	-	1,700.0	-
Gross Profit	-	-	N/A	-
Adjusted EBITDA	-	-	157.2	-
Gross Profit Margin	-	-	N/A	-
EBITDA Margin	-	-	#####	-
Net Income	-	-	24.4	-

Financial Ratio Benchmarking

# of Benchmarks:	34	Industry Median	Company Metric	Percentile Rank
	Revenue	\$1,572M	\$1,700M	
Liquidity	Current Ratio	2.01		
	Quick Ratio	0.96		
Leverage	Net Debt / EBITDA	3.76	8.30	<div></div> 18%
	Debt to Assets	47.3%		
Profitability	EBITDA Margin	8.3%	9.2%	<div></div> 60%
	ROCE %	11.2%		

of Industry Benchmarks34

Company Financials DateJun-24

Industry Benchmarks - Primary: Trading Companies and Distributors

Business Risk

Industry Group Risk Profile			Capital Goods		15%	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 revenues from manufacturing and/or servicing industrial equipment. This includes manufacturers of heavy and light industrial equipment, machinery, industrial components, and systems, as well as providers of related services, such as construction equipment rental companies or industrial distributors.					
Competitive Risk	Intermediate risk	<div></div>						
Global Industry	Intermediate risk	<div></div>						
Market Segment Outlook	Stable	<div></div>						
Competitive Position Profile			Distribution		35%	6.5	to	8.5
Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline					
Cycle-Tested	< 2000	<div></div>	Navigated multiple economic down-cycles.					
Geographic Coverage	Above Average	<div></div>	Covers most regions nationally with its distribution network.					
Supplier Relationships	Strong	<div></div>	Strong, exclusive relationships with top-tier suppliers.					
Product Range	Strong	<div></div>	Distributes a wide range of products from diverse categories.					
Customer Relationships	Above Average	<div></div>	Good relationships with both large and small retailers.					
Delivery Speed	Above Average	<div></div>	Above-average delivery times.					
Inventory Management	Above Average	<div></div>	Good inventory management with infrequent stockouts.					
Value-Added Services	Above Average	<div></div>	Provides a few value-added services.					
Technology Use	Above Average	<div></div>	Good use of technology for key operations, some areas still manual.					
Management, Governance, Sponsorship					50%	5.0	to	6.5

Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	\$1-10B
Financial Transparency	Risk Flag	<div></div>	Minimal
Trend Analysis	Adjustment	<div></div>	Moderate Negative
Financial Flexibility	Adjustment	<div></div>	Above Average

Rating Range (Rounded)

4.5

to

5.5