

Triangle Services, Inc.



BB

1 year PD
0.38% to 0.60%

- Revenue grew by 13.7% to \$168.7mn (FY-23), but a 41.5% debt-to-assets ratio and (9/24) raises leverage concerns.
- Liquidity is solid with a 1.76 current 1.71 quick ratio (9/24), with an additional ~\$17mn availability under their R/C-line.
- EBITDA Margin per FY-24 (A) exceeds peers by 80bps. Solid recovery in Net Income and oper. efficiency post COVID.

Strengths

- Rebound and Diversification:** The entity generates revenue from four diverse service lines—facility maintenance (\$45.9mn), aviation support (\$45.5mn), content management (\$37.3mn), and roadway improvements (\$40mn), limiting dependency on a single sector. In FY-22, they likely still felt the effects of COVID (Loss of -\$1.7mn) which may reach a profit of ~\$9mn in FY-24(A).
- Liquidity Strength:** The company’s current ratio of 1.45 (FY-23) and 1.76 (9/24) exceeds the peer median of 1.24, reflecting strong short-term liquidity management and the ability to meet near-term obligations effectively.
- Capital Efficiency:** With a ROCE of 13.4% (FY-23) their returns exceed the peer median of 7.9% by almost 70%. Between FY-22 and 9/24 the ratio of COGS plus OPEX to revenue decreased from 97.9% to 93.4%.

Challenges

- Elevated Leverage:** Debt-to-assets increased slightly to 41.5% (9/24) from 40.8% (FY-22), with total debt rising by over \$8mn in the last two fiscal years, indicating higher reliance on debt financing, despite much steeper EBITDA growth.
- Profitability:** An EBITDA margin of 6.8% (FY-23) trails their peers' 8.7%, leaving room for improvement in cost structures and pricing strategies.
- Customer Concentration:** Most likely relying on large service contracts in sectors like aviation and facility maintenance. Yet, specific data wasn't provided.

Scorecard Summary

Financial vs Business Risk Weighting Factors					
	Ownership	Private (Non-PE)			
	Company Stage	Growth			
	Financials	Complete			
	Weight	Score	Dimension	Weight	Score
Financial	75%	5.0	Liquidity	25%	<div><div></div></div> 6.0
			Leverage	38%	<div><div></div></div> 3.6
			Profitability	38%	<div><div></div></div> 3.3
Business	25%	6.7	Industry Risk	20%	<div><div></div></div> 6.5
			Competitive Position	50%	<div><div></div></div> 7.4
			Mgmt / Governance	30%	<div><div></div></div> 5.7
			Sponsor / Parent		
Modifiers		0.5	Trend Analysis		<div><div></div></div> 0.5

Company Overview

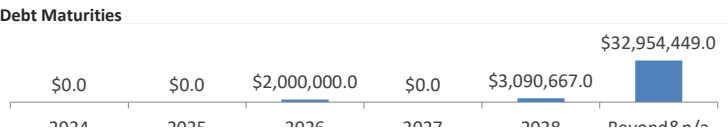
Headquarters	Garden City, NY
Type	Private (Non-PE)
Employees	>2,000
Year Founded	1960
Website	https://www.triangleservices.com/
Business	Integrated facility, aviation, and communication services.
Revenues	\$178.9M

- Company Overview:** Triangle Services, Inc., established in 1960, is a family-owned provider of diverse support services. They are actively pursuing strategic acquisitions (e.g. Century Direct LLC 8/23, nearly doubled the size of their print and mail division).
- Prroducts:** Facility Maintenance (leaning, security, and mechanical services); Aviation Support (ramp and cargo handling for domestic and international airlines); Roadway Improvements (thermoplastic markings and traffic control); Content Management (digital printing, mailing, and transaction processing).
- Customers:** Serves a wide range of industries, including aviation, healthcare, government, and commercial real estate.
- Ownership:** Privately owned and operated by the Fine family, with Lonnie Fine as CEO and Perry Fine as President.
- Debt Structure:** Their largest debt position (\$26mn UPB) is an unsecured R/C-line (\$43mn limit) with a maturity date of 6/30/24 per 12/31/2024. Financials per 9/24 did not provide further details or an update in that respect.~\$3.6mn are lease obligations, payable over time, with the balance consisting of two TLs, an equipment loan, and a Seller Note all payable prior to 2029.
- Trend:** Although FY-23 (audited financials) is the basis for this assessment, the annualized T9/24-financials suggest a continued and meaningful improement over the prior two years.

Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	20	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.24	1.45	55%
	Quick Ratio	0.97	1.41	71%
Leverage	Net Debt / EBITDA	2.98	3.37	42%
	Debt to Assets	34.5%	42.1%	47%
Profitability	EBITDA Margin	8.7%	6.8%	38%
	ROCE %	7.9%	13.4%	82%
	Revenue	\$150M	\$169M	

Industry Benchmarks - Primary: Diversified Support Services



Financial Statement Highlights

\$ '000s	(C) Dec-22 T12	(B) Dec-23 T12	(A) Dec-24 (A) T12	Change	
				(C) to (B)	(B) to (A)
Income Statement					
Total Revenue	148,393	168,694	178,908		6.1%
Gross Profit	25,282	34,736	41,113		18.4%
Adjusted EBITDA	7,189	11,528	16,971		47.2%
Gross Profit Margin	17.0%	20.6%	23.0%		+239 bps
Net Income	(1,688)	6,710	9,066		35.1%
Balance Sheet					
Cash And Cash Equivalents	7,570	5,833	7,221		23.8%
Total Current Assets	69,056	82,682	83,236		0.7%
Total Assets	93,923	106,073	112,366		5.9%
Total Current Liabilities	45,104	57,133	47,276		-17.3%
Total Debt	38,300	44,696	46,646		4.4%
Total Equity	39,418	41,906	48,702		16.2%
Key Ratios					
Current Ratio	1.53	1.45	1.76		21.7%
Quick Ratio	1.48	1.41	1.71		21.5%
Net Debt / EBITDA	4.27	3.37	2.32		-31.1%
Debt to Assets	40.8%	42.1%	41.5%		(62) bps
EBITDA Margin	4.8%	6.8%	9.5%		+265 bps
ROCE %	6.5%	13.4%	18.0%		+463 bps

- Revenue grew by 20.6% from FY-22 to FY-24(A), from \$148.4mn to \$178.9mn, driven by increased demand across service lines.
- EBITDA improved from \$7.2mn (FY-22) to \$11.5mn (FY-23) and may reach \$17mn in FY-24, reflecting operational improvements.
- Net Income turned from a Loss in FY-22 by -\$1.7mn to an annualized profit of ~\$9mn in FY-24(A)

Business Risk Highlights

- Industry:** The diversified support services industry faces moderate cyclicality, but long-term contracts and stable demand for essential services (e.g., facility maintenance) provide resilience. As of 2024, the industry is projected to grow at a CAGR of 9.5% from 2023 to 2028, driven by a growing relevance of customer experiences and the integration of new technologies such as AI into service operations.
- Competitive Position:** Triangle competes with major players like ABM Industries and ISS Facility Services, leveraging a strong reputation built over six decades to maintain client trust. Given their profitability vs peers, they are in a fairly good competitive position.
- Management:** The company benefits from stable leadership under the Fine family but lacks added transparency about contingency/succession plans, which could present a governance risks.
- PE Sponsor:** N/A