


# TruckPro Holding Corporation (d/b/a TruckPro)



CCC

1 year PD  
9.02% to 14.87%

Headquarters	Cordova, TN	U.S.
Type	Private (PE)	
Employees	>1,800	
Year Founded	1958	
Website	https://www.truckpro.com/	
Business	Heavy-duty truck parts distribution and services.	
Revenues	\$646.8M	

## Company Overview

- Company Overview:** TruckPro is a leading independent distributor of heavy-duty truck and trailer parts across North America, catering to fleets, independent repair shops, and municipalities.
- Product:** They supply >130k parts, covering brake systems, engine parts, electrical components, drivetrain, and suspension systems. Value-add services, include diagnostics, inspections, and rebuilds at >75 locations.
- Customers:** Serves >80k customers, including trucking fleets, repair shops, government agencies, and industrial businesses. Operates both B2B sales channels and an expanding e-commerce platform.
- Ownership:** Privately owned by Platinum Equity since 2019. Platinum is specialized in leveraged buyouts and operational turnarounds.
- Debt Structure:** We only received high level insights - missing maturity dates. They carry \$306mn in long-term debt, \$53k operating lease liabilities, and \$40k in UPB undre an R/C-line.
- Basis for Assessment:** Company-prepared, US-GAAP, uncommented, and unaudited FY-23, and T9 through 9/24. We annualized the T9 income statement paired with balance sheet per 9/24 for this assessment.
- Other (pros/cons):** TruckPro operates at a high leverage and negative equity (technical insolvency), facing persistent profitability challenges and liquidity constraints, increasing financial instability. YoY, revenue and EBITDA were declining. Ongoing acquisitions are proof of a PE-driven expansion strategy, yet w/o improved operational efficiency, revenue growth, or external capital support, their ability to sustain long-term debt obligations remains uncertain. Substantial Refi-risk, and concerns about a near- to mid-term exit of Platinum Equity as they are already 6 years in.

## Financial Snapshot

	Dec-21	Sep-24	Dec-24(A)	Chg
\$ '000s	T12	T9	T12	%
Total Revenue	-	485,097	646,796	33.3%
Gross Profit	-	149,370	199,160	33.3%
Adjusted EBITDA	-	23,476	31,301	33.3%
Gross Profit Margin	-	30.8%	30.8%	0.0 ppt
EBITDA Margin	-	4.8%	4.8%	0.0 ppt
Net Income	-	(33,611)	(44,815)	33.3%

		Weight	Rating Range		
		30%	2.0	to	3.0

## Financial Ratio Benchmarking

# of Benchmarks:	24	Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks	24
	Revenue	\$648M	\$647M		Company Financials Date	Dec-24(A)
Liquidity	Current Ratio	2.05	1.59	<div><div></div></div>	32%	Industry Benchmarks - Primary: Trading Companies and Distributors
	Quick Ratio	1.10	0.65	<div><div></div></div>	18%	
Leverage	Net Debt / EBITDA	2.53	13.82	<div><div></div></div>	12%	
	Debt to Assets	35.9%	93.0%	<div><div></div></div>	8%	
Profitability	EBITDA Margin	5.5%	4.8%	<div><div></div></div>	42%	
	ROCE %	10.4%	1.5%			

## 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%	5.5	to	7.5
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		Above Average	<div></div>	Has solid relationships with multiple suppliers.				
Product Range		Above Average	<div></div>	Has a broad product range within a specific category.				
Customer Relationships		Above Average	<div></div>	Good relationships with both large and small retailers.				
Delivery Speed		Satisfactory	<div></div>	Average delivery times, comparable to industry peers.				
Inventory Management		Satisfactory	<div></div>	Average inventory management, occasional stockouts or overstock.				
Value-Added Services		Above Average	<div></div>	Provides a few value-added services.				
Technology Use		Satisfactory	<div></div>	Average use of technology, some automation but many processes still manual.				
Management, Governance, Sponsorship					50%	3.5	to	5.0

## Anchor Modifiers

Modifiers				
Trend Analysis	Adjustment	<div></div>	Moderate Negative	
Fixed Cost Coverage Risk	Risk Flag	<div></div>	FCCR of 0.09x	
Other Modifier	Risk Flag	<div></div>	No notes to Financials (-0.25), Substantial Refi-, and PE-Exit Risk - lacking further details (-0.25)	

## Rating Range (Rounded)

3.5 to 4.5