



Florida Food Products, LLC



Headquarters	Lake Mary, FL	U.S.
Type	Private (PE)	
Employees	250 - 500	
Year Founded	1954	
Website	https://floridafood.com/	
Business	Natural plant-based ingredient solutions provider.	
Revenues	\$265.0M	

Company Overview

- **Company Overview:** Florida Food Products, LLC is a leading developer and supplier of natural and clean-label food ingredients, serving various food and beverage manufacturers across the U.S.
- **Product:** Natural Ingredients - vegetable juice concentrates, fermented vegetable derivatives, and other clean-label food ingredients. Functional Additives - natural flavoring, coloring, and preservation solutions.
- **Customers:** FFP serves large-scale food and beverage manufacturers, benefiting from growing demand for natural, clean-label ingredients in packaged foods, beverages, and plant-based alternatives.
- **Ownership:** Owned by PE firms Ardian (majority since '21) and MidOcean Partners (minority, '18). Potential exit strategies or structural changes could impact the company's financial stability and long-term direction.
- **Debt Structure:** Unsustainable debt burden (\$755mn, \$80mn interest expense in '23), considering 58% of Assets are Goodwill, 29% IP. Substantial refi-risk in 2028/29 with 94% maturing. R/C-line over \$50mn, with \$31mn utilized per end of 2023. Covenants haven't been shared yet.
- **Basis for Assessment:** Complete audited financials, incl notes, covering FY-21 through FY-23. This assessment leans primarily on FY-23.
- **Other (pros/cons):** The entity faces sustained losses, rising leverage, and declining liquidity, posing long-term financial risks. Strong revenue growth contrasts with weak profitability, while private equity ownership adds uncertainty about refinancing and strategic direction. High leverage and rising losses may hinder refinancing, leading to liquidity shortfalls. Loss of Ardian's support could weaken capital access, increasing default risk. Rated 'Caa3' w/ a neg outlook by Mpodys (5/24) - 'CCC-' S&P equivalent.

Financial Snapshot

	<u>Dec-21</u>	<u>Dec-22</u>	<u>Dec-23</u>	<u>Chg</u>
\$ '000s	T12	T12	T12	%
Total Revenue	117,522	218,512	264,967	21.3%
Gross Profit	65,573	76,974	101,818	32.3%
Adjusted EBITDA	16,680	33,036	37,581	13.8%
Gross Profit Margin	55.8%	35.2%	38.4%	3.2 ppt
EBITDA Margin	14.2%	15.1%	14.2%	-0.9 ppt
Net Income	(82,490)	(137,943)	(187,696)	36.1%

Financial Ratio Benchmarking

# of Benchmarks:	56	Industry Median	Company Metric	Percentile Rank
	Revenue	\$253M	\$265M	
Liquidity	Current Ratio	1.67	1.54	<div><div></div></div> 41%
	Quick Ratio	1.03	0.73	<div><div></div></div> 36%
Leverage	Net Debt / EBITDA	4.32	19.96	<div><div></div></div> 0%
	Debt to Assets	59.9%	54.2%	<div><div></div></div> 55%
Profitability	EBITDA Margin	9.9%	14.2%	<div><div></div></div> 69%
	ROCE %	10.5%	-8.9%	

# of Industry Benchmarks	56
Company Financials Date	Dec-23

Industry Benchmarks - Primary: Packaged Foods and Meats

Business Risk

Industry Group Risk Profile	Branded Nondurables	15%	5.5	to	7.0
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Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description
Cyclicality	Low risk	<div><div></div></div>	Entities that derive a majority of their revenues from manufacturing, marketing, and selling branded consumer nondurable products as well as private-label nondurable consumer products manufacturers. This includes apparel, accessory stores, and related products; beverages, including spirits and soft drink bottlers; food and kindred products; personal care and cosmetics; household products; tobacco products (excluding tobacco leaf merchants/suppliers); and miscellaneous and diversified consumer products.
Competitive Risk	Low risk	<div><div></div></div>	
Global Industry	Low risk	<div><div></div></div>	
Market Segment Outlook	Stable	<div><div></div></div>	

Competitive Position Profile	<i>Cpg</i>	35%	6.0	to	7.5
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Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline
Cycle-Tested	< 2000	<div><div></div></div>	Navigated multiple economic down-cycles.
Product Diversity	Strong	<div><div></div></div>	Multiple product categories
Market Share	Satisfactory	<div><div></div></div>	Average market share (5-15%), comparable to industry peers.
Category Demand	Satisfactory	<div><div></div></div>	Operates in stable or slow growth categories (0-5% annual growth).
Supplier Diversity	Satisfactory	<div><div></div></div>	Limited supplier diversity, potentially exposing to supply risks.
Geographic Coverage	Above Average	<div><div></div></div>	National brand
Innovation	Above Average	<div><div></div></div>	Regular product innovations maintaining brand relevance.

Management, Governance, Sponsorship	50%	3.5	to	5.0
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Anchor Modifiers

Modifiers			
Financial Transparency	Risk Flag	<div><div></div></div>	Partial
Trend Analysis	Adjustment	<div><div></div></div>	Moderate Negative
Financial Flexibility	Adjustment	<div><div></div></div>	Strained
Fixed Cost Coverage Risk	Risk Flag	<div><div></div></div>	FCCR of -1.31x

Rating Range (Rounded)	3.5	to	4.0
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