

# Bronner Bros., Inc.



CC

1 year PD

14.87% to 20.71%

Headquarters	Marietta, GA	U.S.
Type	Private (Non-PE)	
Employees	~300	
Year Founded	1947	
Website	https://www.bronnerbros.com	
Business	Manufactures and distributes ethnic hair care products.	
Revenues	\$8.8M	

## Company Overview

- Company Overview:** Bronner Bros., Inc. is a family-owned manufacturer and distributor of ethnic hair care products. Known for its iconic Bronner Bros. International Beauty Show, it has built strong brand recognition and diversified its offerings
- Product:** Bronner specializes in ethnic hair care through brands such as African Royale, BB, and Tropical Roots, focusing on chemical-free and natural solutions.
- Customers:** They used to serve a wide customer base through US retail giants like Walmart, Sally Beauty, some of which they lost during th epanidemic (e.g. Walmart).
- Ownership:** The company remains family-owned, with the Bronner family maintaining leadership roles across operations. It is currently ran in 2nd generation, with the 3rd being actively involved in the company.
- Debt Structure:** N/A - no debt structure or notes to financials were provided during this review. However, the entity claims to be debt free, following an SLB-transaction earlier this year.
- Other (pros/cons):** In FY-23 Bronner faced significant profitability risks, with FY-23 EBITDA margin at -56% and a high debt-to-assets ratio (96.4%), suggesting severe financial instability. Despite their positive net income during T9-24 (\$1.49mn), liquidity remains weak, with a current ratio of 0.55. Earlier this year (3/24) they did a SLB-transaction, which allegedly was fully reinvested to pay off business debt and inject working capital. Based on the annualized T9-24 income statement, Bronner did break even this year and is on a path to full recovery (e.g. sales via Amazon, and Shopify) regaining momentum again.

## Financial Snapshot

	Dec-21	Dec-23	Dec-24 (A)	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	-	8,799	10,555	20.0%
Gross Profit	-	3,033	5,560	83.3%
Adjusted EBITDA	-	(4,931)	(3,440)	-30.2%
Gross Profit Margin	#DIV/0!	34.5%	52.7%	18.2 ppt
EBITDA Margin	#DIV/0!	-56.0%	-32.6%	23.5 ppt
Net Income	-	(5,916)	1,986	n/a

## Financial Ratio Benchmarking

# of Benchmarks:	20	Industry Median	Company Metric	Percentile Rank
		\$13M	\$9M	
Liquidity	Revenue	1.58	0.55	<div></div> 17%
	Quick Ratio	0.95	0.27	<div></div> 23%
Leverage	Net Debt / EBITDA	0.78	(0.76)	<div></div> 78%
	Debt to Assets	21.2%	96.4%	<div></div> 13%
Profitability	EBITDA Margin	12.3%	-56.0%	<div></div> 0%
	ROCE %	23.6%	421.9%	<div></div> 100%

# of Industry Benchmarks

20

Company Financials Date

Dec-23

Industry Benchmarks - Primary: Personal Care Products

## Business Risk

Industry Group Risk Profile			Branded Nondurables		20%	5.5	to	7.0
Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description					
Cyclicality	Low risk	<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>						
Global Industry	Low risk	<div></div>						
Market Segment Outlook	Stable	<div></div>						
Competitive Position Profile			Cpg		50%	5.5	to	7.0
Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline					
Cycle-Tested	< 2000	<div></div>	Navigated multiple economic down-cycles.					
Product Diversity	Strong	<div></div>	Multiple product categories					
Market Share	Weak	<div></div>	Low market share (<5%) in chosen categories.					
Category Demand	Above Average	<div></div>	Operates in categories with solid growth (5-10% annual growth).					
Supplier Diversity	Weak	<div></div>	Dependence on ≤ 2 offshore suppliers, high supply risk.					
Geographic Coverage	Satisfactory	<div></div>	Regional brand					
Innovation	Satisfactory	<div></div>	Occasional product innovations, mostly reactive.					
Brand Loyalty	Strong	<div></div>						
Competitive Positioning	Satisfactory	<div></div>						
Management, Governance, Sponsorship					30%	5.0	to	6.5

## Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	\$5-10M
Trend Analysis	Adjustment	<div></div>	Moderate Positive
Financial Flexibility	Adjustment	<div></div>	Above Average
Fixed Cost Coverage Risk	Risk Flag	<div></div>	FCCR of -10.46x
Other Modifier	Risk Flag	<div></div>	No Notes to Financials provided (-0.25), only trial balance was given instead of a balance sheet (-0.25), which has shown some deviations to the

## Rating Range (Rounded)

3.0

to

4.0

Weight	Rating Range		
20%	3.0	to	3.5