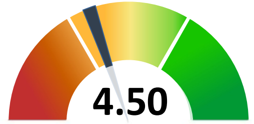
C & D Printing, Inc.



CCC+

1 year PD
3.18% to 9.02%

- They benefit from strong liquidity, low leverage, and integrated operations that support near-term stability. Entity recovered from a Loss in FY-23 to a profit in FY-24 and LTM through 4/25.
- Key risks include limited scale, site concentration, low returns, and weak in-place management (excluding the planned transformation), which could pressure long-term credit quality.

Strengths

- **Exceptional Liquidity and Debt Profile:** With a current ratio of 11.1x and no long-term debt, the company demonstrates low short-term default risk and strong solvency capacity, significantly outperforming industry medians.
- **Vertically Integrated, High-Capability Print Facility:** Offers full-service in-house operations across design, printing, finishing, die-cutting, and warehousing, without reliance on third-party vendors.
- **Diversification:** Sales are spread across folding carton (55%), bindery (25%), and sign/promotional (20%) serving food, pharmaceutical, and nutraceutical clients; no customer exceeds 10% of sales - 10+ year relationships with most top 10 customers.

Challenges

- **Minimal Reinvestments:** CapEx was just $397 in FY-24 with net PP&E declining to $11k, and even negative by Apr-25 (-$79k), suggesting potential underinvestment or asset depletion vs "$6mn+ equipment value" stated in the "Package"-deck.
- **Low Profitability:** FY-24 EBITDA margin was 11.0%, and ROCE just 1.2%, versus industry medians of 9.8% and 11.8% respectively, highlighting inefficiencies in capital deployment and underperformance despite a modest revenue base.
- **Non-Recurring Adjustments, Size & Management:** Adjusted EBITDA relies on ~$604k in add-backs, including owner expenses and personal benefits, repeated over three years. This raises questions about true normalized earnings power, quality of reported profitability, strategy/melting ice-cube, expecially considering the small size of the entity, increasing empirical default risks. Management has allegedly "checked-out" trying to sell the entity, instead of driving growth.

Company Overview

Headquarters	St Petersburg, FL
Type	Private (Non-PE)
Employees	~80
Year Founded	1975
Website	https://cndprinting.com/
Business	Commercial printing, packaging, and mailing services.
Revenues	$7.3M

- **Company Overview:** C & D Printing, Inc. is a commercial printing and packaging company based in St. Petersburg, FL, with operations dating back to 1973.
- **Product:** They offer folding carton (55% of revenue), bindery (25%), and promotional/specialty print (20%), serving regulated industries with high graphic and precision requirements. All capabilities are managed in-house—from prepress to warehousing.
- **Customers:** The company supports U.S.-based food, pharmaceutical, and nutraceutical brands. Client relationships span 10+ years with no single customer representing over 10% of revenue, minimizing concentration risk.
- **Ownership:** Privately held and currently transitioning leadership. Waxman Ventures is expected to install a new management team and professionalize operations post-acquisition.
- **Debt Structure:** They seem to carry only 2 long-term equipment loans, totaling $700k. No terms were provided. No indication of an R/C-line.
- **Basis for Assessment:** Uncommented, company-prepared, high level balance sheet and i/s for FY-23, FY-24, and T12 i/s through 4/25 and a b/s per 2/25.
- **Single Event Risks:** Loss of owner-operator (in case the transition fails) would disrupt operations due to lack of succession planning and management depth. Shutdown or damage to the sole facility could halt production and cash flow. Loss of key clients or project cancellations could pressure margins and liquidity, although, due to fairly solid diversification, shouldn't be existential.

Financial Statement Highlights

$ '000s	(C) Apr-25 T12	(B) Dec-23 T12	(A) Dec-24 T12	Change (C) to (B)	Change (B) to (A)
Income Statement					
Total Revenue	7,129	7,930	7,280		-8.2%
Gross Profit	1,766	1,665	1,690		1.5%
Adjusted EBITDA	782	769	804		4.5%
Gross Profit Margin	24.8%	21.0%	23.2%		+222 bps
Net Income	60	(42)	32		-175.6%
Balance Sheet					
Cash And Cash Equivalents	156	139	20		-85.4%
Total Current Assets	2,809	3,000	2,956		-1.5%
Total Assets	2,697	3,208	3,012		-6.1%
Total Current Liabilities	225	163	266		62.8%
Total Debt	713	1,018	700		-31.2%
Total Equity	1,651	2,027	2,046		1.0%
Key Ratios					
Current Ratio	12.51	18.38	11.13		-39.5%
Quick Ratio	5.13	10.99	5.60		-49.0%
Net Debt / EBITDA	0.71	1.14	0.85		-26.0%
Debt to Assets	26.4%	31.7%	23.2%		(849) bps
EBITDA Margin	11.0%	9.7%	11.0%		+134 bps
ROCE %	2.4%	-1.4%	1.2%		+255 bps

- Revenue declined slightly from $7.9mn (FY-23) to $7.3mn (FY-24), yet gross margin improved from 21.0% to 23.2%, driven by cost efficiencies and lower COGS.
- Operating income swung from -$42k loss in FY-23 to $32k gain in FY-24, while EBITDA rose to $199k, supporting the narrative of controlled expense structure evolution.
- Cash rebound from $20k to $156k by 04/25, while they sustained a quick ratio of 5.6x and no long-term debt, pointing to ample liquidity cushions despite tight profitability.

Scorecard Summary

Financial vs Business Risk Weighting Factors

Ownership	Private (Non-PE)
Company Stage	Stabilized
Financials	Complete (Unaudited)

	Weight	Score	Dimension	Weight	Score
Financial	65%	7.9	Liquidity	45%	*10.0*
			Leverage	28%	*6.0*
			Profitability	28%	*6.2*
Business	35%	4.1	Industry Risk	20%	*5.0*
			Competitive Position	50%	*4.7*
			Mgmt / Governance	30%	*2.7*
			Sponsor / Parent		
Modifiers		-2.2	Revenue Segment		*(2.0)*

Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	*29*	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.99	11.13	*100%*
	Quick Ratio	1.29	5.60	*100%*
Leverage	Net Debt / EBITDA	1.19	0.85	*56%*
	Debt to Assets	22.0%	23.2%	*54%*
Profitability	EBITDA Margin	9.8%	11.0%	*58%*
	ROCE %	11.8%	1.2%	*21%*
	Revenue	$30M	$7M	

Industry Benchmarks - Primary: Commercial Printing | Secondary: Paper and Plastic Packaging Product

Debt Maturities

Business Risk Highlights

- **Industry:** The North American commercial printing industry is valued at ~$241bn in '25, with a projected CAGR of 1.27% through 2030. The majority of the business seems to be closely related to this industry. Consiering ~2% inflation target by the FRB, this equates to an effective decline. The North American paper packaging industry, encompassing products like folding cartons and corrugated boxes, is projected to grow from $76bn in '25 to $93bn by 2030, CAGR of 4.32%. The fact that the entity is vertically integrated helps to stabilize growth.
- **Competitive Position:** Strong regional positioning with >50 years of brand legacy and a fully integrated production model gives it a USP over some of their competitors
- **Management:** The business has operated in "autopilot" mode, with minimal daily involvement from current owners. This is expected to shift as Waxman Ventures installs a professional team. Current management seems to be less interested in the entity as indicated by a lack of recent CAPEX - essentially creating a melting ice-cube, and consistently high owner-expenses and benefits charged on the company.
- **Sponsorship:** Privately owned with no institutional debt or external equity sponsors, which avoids agency conflicts but also limits access to institutional capital unless added by new