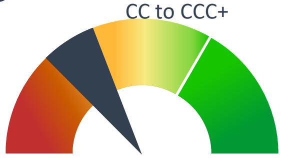
DME Express LLC

3.5 to 4.5

CC to CCC+



4.0

Headquarters	Port Allen, LA	U.S.
Type	Private (Non-PE)	
Employees	n/a	
Year Founded	2005	
Website	https://dmeexpress.com/	
Business	Providers of hospice Durable Medical Equipment	
Revenues	$52.6M	

Company Overview

- **Company Overview:** DME Express LLC provides durable medical equipment for hospice and nursing facility customers in the Southeast. The company was founded in 2005 and is based in Port Allen, Louisiana. It has warehouses and service locations in Texas, Arkansas, Louisiana, Mississippi, Alabama, Tennessee, Georgia, Florida, North Carolina, and South Carolina. As such, the company is one of the largest providers of hospice Durable Medical Equipment in the US. Following the minority participation of WayPoint Capital Partners in 2016, they acquired "Advanced Therapeutics", another Health Care Distributor, founded 1995, in July 2018 - so far their only notable acquisition on record.
- **Product:** Oxygen / Respiratory Equipment, Wheelchairs / Broda Chairs, Patient Lifts, Bed Frames and Mattresses, Mobility Equipment, Bariatric Equipment and Bathroom Safety products.
- **Customers:** Hospices and healthcare facilities
- **PE Sponsor:** Since Dec 19, 2016, WayPoint Capital Partners, a muli-billion dollar single family office based in Rye, NY, holds minority stake. Since then, DME completed four add-on acquisitions including the acquisition of Maryland-based Advanced Therapeutics in June 2018. Given WayPoint is not holding a majority stake in the entity, we were unable to provide credit to PE-backing.

Financial Snapshot

$ '000s	Dec-22 T12	Jun-23 T6	Chg %
Total Revenue	52,645	24,365	-53.7%
Gross Profit	20,114	10,850	-46.1%
Adjusted EBITDA	13,293	7,059	-46.9%
Gross Profit Margin	38.2%	44.5%	6.3 ppt
EBITDA Margin	25.2%	29.0%	3.7 ppt

	Weight	Rating Range
Financial Ratio Benchmarking	65%	4.3 to 4.7

Financial Ratio Benchmarking

# of Benchmarks: 6		Industry Median	Company Metric	Percentile Rank
	Revenue	*$47M*	*$53M*	
Liquidity	Current Ratio	1.90	1.62	
	Quick Ratio	1.48	1.45	
Leverage	Net Debt / EBITDA	(0.05)	7.09	
	Debt to Assets	3.3%	99.4%	
Profitability	EBITDA Margin	18.2%	29.0%	
	ROCE %	31.4%	-3.0%	

# of Industry Benchmarks 6

Company Financials Date Jun-23

Industry Benchmarks - Primary: Health Care Distributors

Business Risk

35% | 5.7 to 6.2

		Weight	Rating Range
Industry Group Risk Profile	*Business And Consumer Services*	50%	6.3 to 6.8

Industry Risk Assessment	KPI Rating	Contribution
Cyclicality	Intermediate risk	
Competitive Risk	Intermediate risk	
Global Industry	Intermediate risk	
Market Segment Outlook	Above Average	

Industry Group Description

Primary revenues from offering solutions for noncore activities or providing varied business and consumer services, including: services for direct consumer needs; product distribution services; facilities services for maintaining other businesses' premises or staffing; and general and professional services for complex business support.

		Weight	Rating Range
Competitive Position Profile	*Distribution*	50%	5.1 to 5.5

Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline
Cylcle-Tested	2001-2008		Pre-GFC.
Geographic Coverage	Satisfactory		Distribution network covers several key areas regionally.
Supplier Relationships	Satisfactory		Relationships with suppliers are average and non-exclusive.
Product Range	Satisfactory		Product range is average, comparable to industry peers.
Customer Relationships	Satisfactory		Average relationships with retailers, comparable to industry peers.
Delivery Speed	Satisfactory		Average delivery times, comparable to industry peers.
Inventory Management	Satisfactory		Average inventory management, occasional stockouts or overstock.
Value-Added Services	Satisfactory		Provides basic value-added services.
Technology Use	Satisfactory		Average use of technology, some automation but many processes still manual.

	Weight	Rating Range
Management, Governance, Sponsorship	0%	- to -

Anchor Modifiers

(1.3) to (1.1)

Modifiers			
Revenue Segment	Normalization		$50-100M
Fixed Cost Coverage Risk	Risk Flag		FCCR of -0.62x

Rating Range (Rounded)

3.5 to 4.5