

Aluma-Form, Inc



B 1 year PD
1.89% to 3.18%

- Aluma-Form shows strong profitability, low leverage, and stable ownership, supporting solid near-term credit quality.
- Limited cash liquidity, working capital dependency, and low transparency (e.g. concentrations, 1 year of financials, backlog, succession planning, revenue sustainability vs lumpy project business) present a moderate risk. There is tariff-sensitivity.

Strengths

- Exceptional Capital Efficiency:** With a 76.5% ROCE and 44.3% ROA, Aluma-Form exhibits best-in-class returns on invested and total capital, enabling organic growth without relying on external financing.
- Robust Free Cash Flow Generation:** The company generated \$38.1mn in Free Cash Flow in FY-24, reversing a negative cash position of -\$37.9mn. This provides flexibility for reinvestment and shields from short-term financing pressures.
- Strong Profitability Margins:** A gross profit margin of 49.3% and EBITDA margin of 18.2% significantly exceed peer medians, demonstrating pricing power and operational efficiency in a margin-sensitive, project-driven industry.

Challenges

- Inventory-Heavy Liquidity Profile:** Despite a solid current ratio of 2.19, the Quick Ratio of 0.83 reveals dependency on inventory and receivables, which may constrain flexibility during supply chain or demand shocks.
- Limited Cash Reserves Relative to Operating Scale:** Despite strong free cash flow, the company ended FY-24 with just \$118k in cash, offering little cushion against unforeseen disruptions. This thin absolute liquidity position increases reliance on continuous cash conversion and exposes the business to short-term funding strain in the event of delayed collections or demand volatility.
- Transparency & Tariffs:** Lack of visibility into customer concentration, contract backlog, and project pipeline weakens confidence in revenue stability and forward cash flow visibility. Due to high reliance on imported raw materials we consider the tariff-risk exposure moderate to high.

Scorecard Summary

Financial vs Business Risk Weighting Factors					
Ownership		Private (Non-PE)			
Company Stage		Stabilized			
Financials		Partial			
	Weight	Score	Dimension	Weight	Score
Financial	50%	7.3	Liquidity	25%	5.0
			Leverage	38%	6.9
			Profitability	38%	9.3
Business	50%	5.4	Industry Risk	20%	6.0
			Competitive Position	50%	5.3
			Mgmt / Governance	30%	5.3
			Sponsor / Parent		
Modifiers		-1.6	Financial Transparency		(0.9)
			Tariffs		(0.25)

Company Overview

Headquarters	Memphis, TN
Type	Private (Non-PE)
Employees	~120
Year Founded	1961
Website	www.alumaform.com
Business	Engineers and manufactures utility infrastructure components.
Revenues	\$226.8M

- Company Overview:** Aluma-Form, Inc. is a privately held, management-owned manufacturer of engineered components for the utility and telecommunications infrastructure sectors. Headquartered in Memphis, TN, it has operated since 1961 with a focus on North America.
- Product:** They design and fabricate structural utility equipment including aluminum platforms, fiberglass arms, apitong wood braces, pole-mounting brackets, and sectionalizing enclosures. Products are engineered for corrosion resistance, ease of installation, and compliance with utility-grade standards.
- Customers:** The company serves a wide range of electric utility companies, telecom providers, and government agencies across North America. Products are sold into both overhead and underground infrastructure applications, with some clients reportedly relying on Aluma-Form as a sole-source provider.
- Ownership:** They are privately held and management-owned, with no evidence of external PE-ownership or ESOP structure.
- Debt Structure:** The entity has about \$5.5mn in LT-Debt, and an R/C-line, under which nearly \$11mn were drawn per 12/24. No terms or max limit were provided.
- Basis for Assessment:** Company-prepared, FY-24 i/s, and b/s - uncommented.
- Single Event Risks:** Loss of a major customer or contract could quickly disrupt cash flow given likely revenue concentration and high receivables exposure. Inventory disruption or impairment would pressure liquidity due to inventory-heavy asset structure and limited quick assets. Potential key-man risk, depending on in-place succession planning, and potentially skewed financials provided due to project based business (given we only received FY-24).

Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	67	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.80	2.19	60%
	Quick Ratio	1.05	0.83	29%
Leverage	Net Debt / EBITDA	2.02	0.45	69%
	Debt to Assets	28.3%	23.7%	57%
Profitability	EBITDA Margin	11.6%	18.2%	87%
	ROCE %	13.3%	76.5%	100%
	Revenue	\$217M	\$227M	

Industry Benchmarks - Primary: Electrical Components and Equipment | Secondary: Building Products



Financial Statement Highlights

\$ '000s	(C) Dec-22 T12	(B) Dec-23 T12	(A) Dec-24 T12	Change	
				(C) to (B)	(B) to (A)
Income Statement					
Total Revenue	-	-	226,753		FALSE
Gross Profit	-	-	111,808		FALSE
Adjusted EBITDA	-	-	41,179		FALSE
Gross Profit Margin			49.3%		
Net Income	-	-	34,999		
Balance Sheet					
Cash And Cash Equivalents	-	-	118		FALSE
Total Current Assets	-	-	64,191		FALSE
Total Assets	-	-	79,076		FALSE
Total Current Liabilities	-	-	29,268		FALSE
Total Debt			18,775		n/a
Total Equity	-	-	44,382		FALSE
Key Ratios					
Current Ratio			2.19		n/a
Quick Ratio			0.83		n/a
Net Debt / EBITDA			0.45		
Debt to Assets			23.7%		
EBITDA Margin			18.2%		
ROCE %			76.5%		

- Despite a high COGS, the company maintained a 49.3% gross margin and converted nearly 16.8% of revenue into Free Cash Flow, highlighting operational strength.
- Net Debt/EBITDA at 0.45x and Debt to Assets at 23.7% in FY-24 place Aluma-Form well below peer leverage levels, enhancing financial durability and optionality.

Business Risk Highlights

- Industry:** The utility infrastructure components sector is experiencing steady 5.2% CAGR growth through 2031, but is exposed to raw material volatility (aluminum, fiberglass) and capital spending cycles tied to macro conditions.
- Competitive Position:** Aluma-Form differentiates itself with custom-engineered solutions and high-margin specialty products. Key peers include Hubbell Power Systems and MacLean Power Systems, which operate at scale with broader catalogs.
- Management:** As a privately held, management-owned entity, decisions appear closely aligned with operational performance. No external sponsor or PE firm is involved, limiting pressure for short-term exits but also reducing access to external capital resources.
- PE Sponsor:** N/A