


GG Brands Company (d/b/a sub "The Gorilla Glue Company, LLC")



A

1 year PD

0.04% to 0.05%

Headquarters

Cincinnati, OH

U.S.

Type

Private (Non-PE)

Employees

~800

Year Founded

1994

Website

https://gorillatough.com/

Business

Manufactures high-strength adhesives and sealants.

Revenues

\$500.8M

Company Overview

- Company Overview:** GG Brands Company, operating as The Gorilla Glue Company, is a privately held manufacturer specializing in adhesives, tapes, and sealants. HQ's in Cincinnati, Ohio, they serve consumer and industrial markets globally.
- Product:** Gorilla Glue: High-strength bonding adhesive for diverse materials.Gorilla Tape: Heavy-duty tape for indoor and outdoor repairs.Gorilla Construction Adhesive: Formulated for construction applications.Gorilla Super Glue: Quick-drying adhesive for small repairs.
- Customers:** Serves DIYers, contractors, and industrial users, with products distributed through retail, e-commerce, and industrial channels globally.
- Ownership:** Privately owned by the Ragland family, with Mark Mercurio as CEO.
- Debt Structure:** Stockholder loan and Lease Liabilities that amortize gradually through 2028/29, plus the R/C-line make about 50% of debt. the Balance are "Other long-term liabilities" - not further described.
- Other (pros/cons):** Exceptional liquidity (vast amount of cash \$71mn, more than double of FY-22) with a current ratio of 5.09 and net debt/EBITDA at - 0.35 ensures minimal near-term financial risks, and reduced Leverage significantly. Although vast amount of cash is a positive thing, we also consider it a highly mobile balance sheet item. They also have a fully unused R/C-line that can expand up to \$120mn (\$10mn + accordion feature). EBITDA margin of 18.0% and ROCE of 31.7% outperform peers, supported by global reach and diversified products. Significant, yet not critical customer concentration with about 1/3 of sales and A/Rs to three major customers. Increased diversification in FY-23.

Financial Snapshot

	Dec-21	Dec-22	Dec-23	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	-	469,367	500,764	6.7%
Gross Profit	-	176,514	212,911	20.6%
Adjusted EBITDA	-	84,732	90,255	6.5%
Gross Profit Margin	-	37.6%	42.5%	4.9 ppt
EBITDA Margin	-	18.1%	18.0%	0.0 ppt
Net Income	-	64,728	71,551	10.5%

				Weight	Rating Range		
				75%	7.0	to	8.5

Financial Ratio Benchmarking

# of Benchmarks:		23	Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks		23
			\$499M	\$501M		Company Financials Date		Dec-23
Liquidity	Revenue					Industry Benchmarks - Primary: Specialty Chemicals		
	Current Ratio	2.52	5.09	<div></div>	92%			
Leverage	Quick Ratio	1.71	3.68	<div></div>	90%			
	Net Debt / EBITDA	2.14	0.12	<div></div>	67%			
Profitability	Debt to Assets	30.8%	26.4%	<div></div>	62%			
	EBITDA Margin	14.3%	18.0%	<div></div>	57%			
	ROCE %	10.9%	31.7%	<div></div>	100%			

Business Risk

Industry Group Risk Profile				Specialty Chemicals				20%	6.0	to	8.0
Industry Risk Assessment		KPI Rating	Contribution	Industry Group Description							
Cyclicality		Intermediate risk	<div></div>	Entities that derive a majority of their revenue from the production of specialty chemicals, including producers of industrial gases, coatings, advanced materials, and numerous other specialty chemicals.							
Competitive Risk		Low risk	<div></div>								
Global Industry		Low risk	<div></div>								
Market Segment Outlook		Above Average	<div></div>								
Competitive Position Profile				Cpg				50%	6.5	to	8.0
Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline							
Cylcle-Tested		< 2000	<div></div>	Navigated multiple economic down-cycles.							
Product Diversity		Strong	<div></div>	Multiple product categories							
Market Share		Satisfactory	<div></div>	Average market share (5-15%), comparable to industry peers.							
Category Demand		Above Average	<div></div>	Operates in categories with solid growth (5-10% annual growth).							
Supplier Diversity		Satisfactory	<div></div>	Limited supplier diversity, potentially exposing to supply risks.							
Geographic Coverage		Strong	<div></div>	Global brand							
Innovation		Strong	<div></div>	Frequent product innovations and updates keeping brand fresh and relevant.							
Customer Concentration		Satisfactory	<div></div>								
Management, Governance, Sponsorship								30%	5.0	to	6.5

Anchor Modifiers

Modifiers				
Trend Analysis	Adjustment	<div></div>	Strong Positive	
Financial Flexibility	Adjustment	<div></div>	Very High	
Other Modifier	Risk Flag	<div></div>		

Rating Range (Rounded)

7.5 to 8.5