Precision Facility Group, LLC / Precision Commercial Services, LLC (jointly "PG")

CC *1 year PD* **14.87% to 20.71%**

- PG's revenue growth and service diversification reflect long-term potential, though execution inefficiencies in '24 are weighing on margins, although the entity is profitable.
- High short-term debt reliance and weak cash conversion (growing A/Rs, causing cashflow bottleneck) present near-term credit risk despite stable leadership - pending refi/investment.

Strengths

- **Client and Service Diversification:** PG serves a broad spectrum of sectors including corporate offices, healthcare, retail, and hospitality, and offers services ranging from FF&E logistics to project management. 70% or revenue is repetitive.
- **Rapid Revenue Growth:** Total revenue increased by +60% YoY, from $11.4mn in FY-23 to $18.2mn in FY-24, indicating strong demand capture and the ability to expand market reach in a fragmented service-based industry.
- **Operational Footprint:** PG operates across multiple states (e.g. OH, TN, AL, KY, GA, and others), supported by decentralized service hubs and proprietary project management technology (Focusgrid), enhancing scalability and project visibility.

Challenges

- **Leverage & Coverage Risk:** Net Debt/EBITDA deteriorated from 2.6x to 6.4x, and Fixed Charge Coverage dropped to 0.15x, reflecting strained earnings against a surge in "Other Current Liabilities" from none to $1.6mn in FY-24.
- **Receivables Surge and Liquidity Tightness:** A/R almost doubled from $2.5mn to $4.9mn, far outpacing revenue growth (+60%), causing cash flow compression. The surge in A/R caused Operating Cash Flow to be negative in FY-24, despite a Net Profit. The entity needs to refi and/or do an equity round to sustain/accelerate growth and handle near-term maturities. During our calls with management the tenant remaind rather general about that.
- **Margin and Scalability Pressures:** Despite topline growth, EBITDA fell by nearly 50%, and EBITDA margin dropped to just 1.4% due to a loosing investment in FY-24. Yet the EBITDA Margin in FY-23 of 4.6% was also fairly weak vs. 8.4% peers.

Company Overview

Headquarters	Columbus, OH
Type	Private (Non-PE)
Employees	~50
Year Founded	2020
Website	https://www.precision-fg.com/; https://precision-cs.com/
Business	Commercial relocation, logistics, and furniture services.
Revenues	$18.2M

- **Company Overview:** PG offers nationwide commercial relocation and logistics services tailored to workplace transitions and project execution.
- **Product:** Offers integrated solutions including office furniture installation, asset warehousing, move management, and workplace reconfiguration using proprietary technology for project oversight and transparency.
- **Customers:** PG serves large enterprise clients in retail, financial services, healthcare, and corporate real estate. Notable clients include JLL, J Crew, Chase Bank, and Uniqlo, but also GCs, and Architects (project business).
- **Ownership:** Both entities (PFG & PCS) share the same ownership team (8 individuals) that also manage (e.g. Jeff Ankenbauer, Brian Bowers, Bob Portaro, John Ebner). A legal consolidation is expected by 25/26.
- **Debt Structure:** PG's debt is largely provided by either the principals or other 3rd party individuals, including inter-company debt. No terms or maturity dates were provided. Missing insights pertaining to the sureg in "Other Curent Liabilities", potentially causing a liquidity issue should a refi fail.
- **Basis for Assessment:** FY-23 and FY-24 income statement and balance sheet, with the latter being the core basis for this assessment.
- **Single Event Risks:** Refinancing risk is acute due to heavy short-term debt reliance and weak fixed charge coverage; and operational execution failures on large projects could disrupt cash flow and damage client relationships. The loss of a relationship with a "feeder"-client (e.g. DHL, FedEx, UPS, Maersk, etc) could pose an existential issue to the entity, although they also have master agreements with OMA, J Crew, JLL, and others that diversifies them quite a bit.

Financial Statement Highlights

$ '000s	(C) Dec-22 T12	(B) Dec-23 T12	(A) Dec-24 T12	Change (C) to (B)	Change (B) to (A)
Income Statement					
Total Revenue	-	11,371	18,203		60.1%
Gross Profit	-	3,090	6,340		105.2%
Adjusted EBITDA	-	518	262		-49.4%
Gross Profit Margin	-	27.2%	34.8%		+766 bps
Net Income	-	443	231		-47.9%
Balance Sheet					
Cash And Cash Equivalents	-	222	281		26.7%
Total Current Assets	-	2,719	6,451		137.3%
Total Assets	-	2,719	6,451		137.3%
Total Current Liabilities	-	2,560	5,736		124.1%
Total Debt		1,559	1,968		26.3%
Total Equity	-	218	523		140.5%
Key Ratios					
Current Ratio		1.06	1.12		5.9%
Quick Ratio		1.06	1.12		5.9%
Net Debt / EBITDA		2.58	6.43		149.4%
Debt to Assets		57.3%	30.5%		(2682) bps
EBITDA Margin		4.6%	1.4%		(312) bps
ROCE %		326.3%	36.7%		(28960) bps

- Revenue grew from $11.4mn to $18.2mn (FY-24), but EBITDA dropped from $518K to $262K, with EBITDA margin declining from 4.6% to 1.4%.
- AR increased by +99% YoY, while AP rose by only +82%, further tightening cash flows and potentially masking underlying receivables quality concerns.
- Retained earnings flipped from -$57k to $248k, growing equity to $523k, improving Debt/Equity from 7.16x to 3.76x, though the buffer remains slim in absolute terms.

Scorecard Summary

Financial vs Business Risk Weighting Factors

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

	Weight	Score	Dimension	Weight	Score
Financial	50%	3.1	Liquidity	40%	*4.4*
			Leverage	30%	*2.7*
			Profitability	30%	*1.6*
Business	50%	4.9	Industry Risk	20%	*6.5*
			Competitive Position	50%	*5.0*
			Mgmt / Governance	30%	*3.7*
			Sponsor / Parent		
Modifiers		-0.6	Revenue Segment		*(0.1)*
			Trend Analysis		*0.25*
			Financial Flexibility		*(0.25)*

Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	*24*	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.54	1.12	*34%*
	Quick Ratio	1.36	1.12	*43%*
Leverage	Net Debt / EBITDA	0.28	6.43	*15%*
	Debt to Assets	18.5%	30.5%	*30%*
Profitability	EBITDA Margin	8.4%	1.4%	*7%*
	ROCE %	12.9%	36.7%	*74%*
	Revenue	$34M	$18M	

Industry Benchmarks - Primary: Diversified Support Services

Debt Maturities

Business Risk Highlights

- **Industry:** The corporate relocation and logistics services space is highly fragmented and labor-intensive. Execution and fixed-cost absorption risk is elevated, particularly in inflationary labor and logistics environments. As of 2025, the market is valued at approximately USD 20.2bn (globally) and is projected to reach USD 32.5bn by 2032, reflecting a CAGR of 7%. Leaning on similar metrics for the US, the domestic growth in that segment is likely below that figure. Yet we suspect ~5% to be a possible range.
- **Competitive Position:** PG faces national and regional competitors like Corovan, Suddath, and Atlas Van Lines. While its proprietary technology and multi-state presence are strengths, EBITDA margins and liquidity metrics lag well behind peers.
- **Management:** Margin compression during topline growth and no reported CapEx investment suggest potential execution gaps or underinvestment in operational infrastructure. However, management explained a loss in profits by a fowl M&A investment that cost them $500k (net profit) in FY-24.
- **Sponsor:** PG operates without a financial sponsor or institutional equity backer. With $1.63mn of short-term debt and only $281k in cash, refinancing reliance and working capital dependency are unmitigated by outside capital flexibility.