

# YOUNG INNOVATIONS, INC.



Headquarters	Algonquin, IL	U.S.
Type	Private (PE)	
Employees	~250	
Year Founded	1900	
Website	https://younginnovations.com/	
Business	Dental products manufacturer and distributor.	
Revenues	\$247.6M	

## Company Overview

- Company Overview:** Young Innovations, Inc. ("YI")develops, manufactures, and distributes consumable dental products and equipment, across N.A.focusing on preventive, restorative, and infection control solutions.
- Product:** They offer a diverse range of dental consumables, including prophy angles, restorative materials, sterilization products, orthodontic tools, and surgical solutions, catering to various dental procedures.
- Customers:** Its primary customers include dentists, hygienists, dental assistants, clinics, and distributors who rely on its products for routine care, restorative treatments, and infection prevention in dental practices.
- Ownership:** YI is privately owned by The Jordan Company, a PE firm that acquired majority control in 11/17 from Linden Capital Partners..
- Debt Structure:** \$480mn, amortizing TL supplemented by a \$75mn Revolver (unused per 12/31/23). Both are subject to SOFR+x, and due in 2029. Churchill (part of TIAA) arranged an add-on refi with TJC for an acquisition under YI in 1/2024. Covenant are unknown, but compliant.
- Basis for Assessment:** Complete, and audited FY-22, FY-23. Bank-reported T9-24 were uncommented, un-audited/reviewed. We were leaning mainly on FY-23 for this assessment, supplemented by annualized T9-24 for trend.
- Other (pros/cons):** Net losses, yet positive EBITDA, mainly due to D&A. High leverage (66% of assets are Goodwill), and negative FCCR would be concerning without a \$75mn R/C-line capacity. Negative equity and debt reliance signal a high reliance on PE backing, which offers stability but may risk a short-term growth focus over long-term resilience. Default risk would rise significantly upon failure of a refi or increasing borrowing costs (e.g. SOFR). Although likely M&A-driven, their 2024 projection is very promising.

## Financial Snapshot

	Dec-22	Dec-23	Dec-24(A)	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	238,169	247,583	305,015	23.2%
Gross Profit	109,977	120,701	154,499	28.0%
Adjusted EBITDA	50,096	53,052	78,465	47.9%
Gross Profit Margin	46.2%	48.8%	50.7%	1.9 ppt
EBITDA Margin	21.0%	21.4%	25.7%	4.3 ppt
Net Income	(75,439)	(88,744)	(106,989)	20.6%
Depreciation & Amorti	85,395	86,747	94,529	9.0%

				Weight	Rating Range		
				35%	2.5	to	3.5

# of Benchmarks:	328	Industry Median	\$163M	Company Metric	\$248M	Percentile Rank	
Liquidity	Revenue						
	Current Ratio	2.54	2.77		54%		
Leverage	Quick Ratio	1.65	1.24		40%		
	Net Debt / EBITDA	1.15	8.96		4%		
Profitability	Debt to Assets	19.5%	84.5%		5%		
	EBITDA Margin	15.5%	21.4%		72%		
	ROCE %	10.6%	-6.2%		3%		

# of Industry Benchmarks 328  
Company Financials Date Dec-23

Industry Benchmarks - Primary: Electronic Manufacturing Services | Secondary:

## Business Risk

Industry Group Risk Profile	Technology Hardware And Semiconductors	15%	4.0	to	5.5
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Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description
Cyclicality	Moderately high risk		Entities that derive a majority of their revenue from the sale of technology hardware and semiconductors. This includes manufacturers of semiconductors and semiconductor equipment, computer hardware, storage, and peripherals, electronic components and equipment, office electronics, consumer electronics, communications equipment, technology distributors, and electronic manufacturing services, which currently consists of mostly outsourced manufacturing providers.
Competitive Risk	Moderately high risk		
Global Industry	Moderately high risk		
Market Segment Outlook	Stable		

Competitive Position Profile	Manufacturing	35%	5.5	to	7.0
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Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline
Cycle-Tested	< 2000		Navigated multiple economic down-cycles.
Competitive Advantages	Satisfactory		Average position in a market with several competitors; moderate threat of new entry and substitution.
Supplier Diversity	Satisfactory		Limited diversity of suppliers, reliant on a few key ones.
Customer Relationships	Satisfactory		Top 5 customers 26-40% of revenue
Manufacturing Redundancy	Above Average		Multiple manufacturing sites in similar locations.
Innovation and Education	Satisfactory		0
Product Portfolio	Strong		
Brand Recognition	Satisfactory		

Management, Governance, Sponsorship	50%	5.0	to	6.5
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## Anchor Modifiers

Modifiers			
Trend Analysis	Adjustment		Strong Positive
Fixed Cost Coverage Risk	Risk Flag		FCCR of -0.51x

## Rating Range (Rounded)

4.0	to	5.0
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