

A&J Direct, Inc.



CC

1 year PD

14.87% to 20.71%

Headquarters	Chicago, IL	U.S.
Type	Private (Non-PE)	
Employees	<10	
Year Founded	2017	
Website	https://www.carriersource.io/carriers/a-j-direct-inc	
Business	Licensed interstate general freight carrier.	
Revenues	\$1.1M	

Company Overview

- Company Overview:** A&J Direct, Inc. is a Chicago-based licensed interstate freight carrier. The company has been operating since 2019 and focuses on cost-efficient logistics solutions.
- Product:** The company specializes in general freight transportation across multiple states (no specialization)..
- Customers:** A&J Direct likely serves a concentrated customer base across regional/local markets, focusing on businesses that need reliable freight services without requiring specialized transport.
- Ownership:** Privately owned, with management directly involved in operations. No external sponsors or parent entities are reported.
- Debt Structure:** N/A - only FY-23, and FY-24 income statement has been provided (excel, high level, no notes to financials, unaudited).
- Other (pros/cons):** Consistent profitability with EBITDA margin improving to 30.3%. FY-24 showed a -5.3% revenue, which the entity covered with a -9% lower OPEX, eventually concluding to an increase in Net Income by 5%. Lack of balance sheet and cash flow data limits assessment of leverage and liquidity, increasing uncertainty about financial stability. Entity has just about \$1mn in revenue, which increases its' empirical default probability. They likely operate about 2-3 trucks, and rely on just a few drivers. The latter further increases stability concerns. Likely without formal Risk Management procedures or contingency, and succession plans.

Financial Snapshot

	Dec-22	Dec-23	Dec-24	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	-	1,078	1,021	-5.3%
Gross Profit	-	1,078	1,021	-5.3%
Adjusted EBITDA	-	294	309	5.3%
Gross Profit Margin	-	100.0%	100.0%	0.0 ppt
EBITDA Margin	-	27.2%	30.3%	3.0 ppt
Net Income	-	294	309	5.3%

Financial Ratio Benchmarking

# of Benchmarks:	9	Industry Median	Company Metric	Percentile Rank
Liquidity	Revenue	\$29M	\$1M	
	Current Ratio	1.24		
	Quick Ratio	1.03		
Leverage	Net Debt / EBITDA	1.77	1.77	<div></div> 50%
	Debt to Assets	46.2%		
Profitability	EBITDA Margin	7.2%	27.2%	<div></div> 100%
	ROCE %	13.4%		

Business Risk

Industry Group Risk Profile		Transportation Cyclical		20%	3.5	to	5.0
Industry Risk Assessment		KPI Rating	Contribution	Industry Group Description			
Cyclicality		High risk	<div></div>	Entities that derive a majority of their revenue from operating airlines (including heavy air freight), shipping companies, trucking companies, and certain miscellaneous other transportation companies, such as bus companies.			
Competitive Risk		Moderately high risk	<div></div>				
Global Industry		High risk	<div></div>				
Market Segment Outlook		Stable	<div></div>				
Competitive Position Profile		Logistics		50%	4.0	to	5.5
Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline			
Cycle-Tested		2009-2019	<div></div>	Pre-COVID.			
Number of Tractors (or vehicles)		Weak	<div></div>	<50 tractors, limited operational scale.			
Customer Concentration		Satisfactory	<div></div>	Moderate customer concentration. Top 5 customers 40-60% of total sales.			
Average Customer Contract Term		Satisfactory	<div></div>	6-12 months, providing some level of revenue predictability.			
On-time Delivery		Satisfactory	<div></div>	Industry standard on-time delivery rate. Average routing and scheduling processes.			
Fleet Maintenance		Satisfactory	<div></div>	Average fleet maintenance, occasional vehicle breakdowns.			
Technological Capabilities		Satisfactory	<div></div>	Average technology use, some automation but many processes still manual.			
Driver Retention		Satisfactory	<div></div>				
Management, Governance, Sponsorship				30%	3.5	to	5.0

Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	< \$5M
Other Modifier	Risk Flag	<div></div>	No Notes to Financials

Rating Range (Rounded)

3.0

to

4.0

Weight	Rating Range		
20%	5.0	to	6.0