

# NewCo Plastics, LLC



B

1 year PD  
1.89% to 3.18%

Headquarters	Miami, FL	U.S.
Type	Private (PE)	
Employees	~200	
Year Founded	2020	
Website	https://www.newcoplastics.com/	
Business	Precision plastic injection molding manufacturers.	
Revenues	\$129.7M	

## Company Overview

- Company Overview:** NewCo Plastics is a special purpose entity that was formed by White Wolf Capital ("WWC") in 3/2020 to acquire North American plastic injection molding and manufacturing companies. To date they acquired Hilco Technologies (7/21), PM Mold Company (8/22), and Magenta LLC and Affiliates (5/24). They have 4 manufacturing sites - 2 in MI, 1 in IL, and another in FL.
- Product:** Custom injection molding, in-house mold design, rapid prototyping, and specialty coatings for automotive, medical, aerospace, and industrial clients.
- Customers:** Serves various industries, including aerospace, defense, medical & life sciences, agriculture, automotive, and industrial sectors.
- Ownership:** NewCo Plastics is a portfolio company of White Wolf Capital Group, a diversified investment management firm specializing in private equity and private credit strategies.
- Debt Structure:** Total Debt of a senior (amortizing), and a subordinated Term Loan, jointly ~\$37.7mn, and the majority of the total debt. After that they carry \$10.9mn UPB under an R/C-line. We did not receive maturity dates, but most debt is subject to floating rate agreements.
- Other (pros/cons):** High leverage (3.7 vs peers' 1.9x) and a dip in performance in FY-24 despite revenue growth (+24.8%). PE-support by WWC is very helpful, yet critical for the pursuit of an acquisitions driven growth strategy. Annualized FY-24 financials vs. FY-23 might be an indicator of integration risks, although it is not transparent what's been causing the decline in Net Income by 83.4% (e.g. non-cash expenses?). Good Liquidity, and solid/at-par performance - profitable since FY-21.

## Financial Snapshot

	Dec-22	Dec-23	Sep-24(A)	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	95,331	103,914	129,676	24.8%
Gross Profit	21,558	26,330	32,444	23.2%
Adjusted EBITDA	12,454	14,431	15,528	7.6%
Gross Profit Margin	22.6%	25.3%	25.0%	-0.3 ppt
EBITDA Margin	13.1%	13.9%	12.0%	-1.9 ppt
Net Income	1,659	4,626	769	-83.4%

## Financial Ratio Benchmarking

# of Benchmarks: 39		Industry Median	Company Metric	Percentile Rank
		\$116M	\$130M	
Liquidity	Current Ratio	2.25	2.22	51%
	Quick Ratio	1.28	1.28	49%
Leverage	Net Debt / EBITDA	1.91	3.66	41%
	Debt to Assets	27.9%	48.4%	34%
Profitability	EBITDA Margin	10.6%	12.0%	54%
	ROCE %	8.4%	-4.9%	9%

# of Industry Benchmarks39

Company Financials DateSep-24(A)

Industry Benchmarks - Primary: Specialty Chemicals | Secondary: Metal, Glass and Plastic Containers

## Business Risk

Industry Group Risk Profile			Specialty Chemicals	15%	5.0	to	6.5	
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		Stable	<div></div>					
Competitive Position Profile				Manufacturing	35%	4.5	to	6.0
Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline				
Cycle-Tested		>= 2020	<div></div>	No through-the-cycle operating history.				
Competitive Advantages		Satisfactory	<div></div>	Average position in a market with several competitors; moderate threat of new entry and substitution.				
Supplier Diversity		Satisfactory	<div></div>	Limited diversity of suppliers, reliant on a few key ones.				
Customer Concentration		Satisfactory	<div></div>	Top 5 customers 26-40% of revenue				
Manufacturing Redundancy		Above Average	<div></div>	Multiple manufacturing sites in similar locations.				
Demand Elasticity		Satisfactory	<div></div>	Products have moderately elastic demand (some substitutes available).				
Contract Terms		Satisfactory	<div></div>					
Certifications and Compliance		Above Average	<div></div>					
Management, Governance, Sponsorship					50%	4.0	to	5.0

## Anchor Modifiers

Modifiers				
Trend Analysis		Adjustment		Strong Positive
Financial Flexibility		Adjustment		Above Average
Other Modifier		Risk Flag		No Notes to Financials (-0.25), very basic financial information (-1)

## Rating Range (Rounded)

4.5

to

5.5