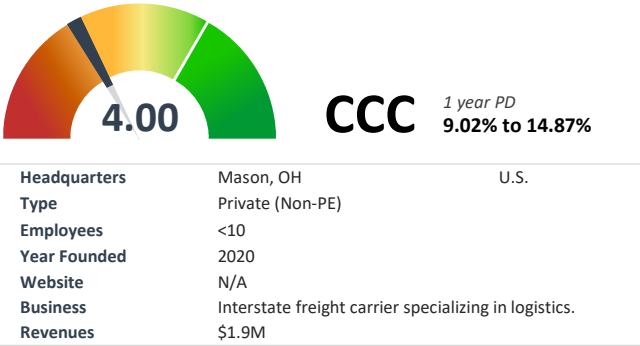


# ORAS Express, LLC



## Company Overview

- Company Overview:** ORAS Express, LLC is a freight transportation company based in Mason, Ohio, providing general freight and paper product logistics across state lines.
- Product:** They operate a fleet of 12 tractors, and trailers, with about 12 drivers.
- Customers:** Specializes in on-time, efficient deliveries, achieving a 9/10 rating for timeliness in customer reviews (www.carriersource.io).
- Ownership:** Privately owned, with operations led by Olimjon Rakhmonov.
- Debt Structure:** N/A
- Other (pros/cons):** As part of this assessment we only received an incomplete income statement extracted from the FY-23 tax filings, and a very high level - also unaudited - YTD income statement through 10/2024. Solely during T10-24 revenue grew 30.5%, but the drop in EBITDA margin to 3.4% due to a 46% increase in OPEX. On an annualized basis revenue is slated to grow by 57% y-o-y with OPEX increasing by 75% (FY-24(A)). Part of it might be related to their 40% vehicle out-of-service rate, which far exceeds the 22.26% nationale average, threatening reliability, customer retention, and after all - profitability. The comparatively small entity size increases the empirical default risk. They were operating at a loss in FY-23, yet are slated to turn profitable (again) in FY-24(A). Given the loss in 2024, they might have a bit of a tougher time to get financing.

## Financial Snapshot

	Dec-21	Dec-23	Oct-24(A)	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	-	1,909	2,990	56.6%
Gross Profit	-	1,741	2,968	70.5%
Adjusted EBITDA	-	106	102	-3.3%
Gross Profit Margin	-	91.2%	99.3%	8.1 ppt
EBITDA Margin	-	5.5%	3.4%	-2.1 ppt
Net Income	-	(434)	102	

		Weight	Rating Range		
		50%	7.0	to	8.5

## Financial Ratio Benchmarking

# of Benchmarks:	9	Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks	9
		\$29M	\$2M		Company Financials Date	Dec-23
Liquidity	Revenue				Industry Benchmarks - Primary: Cargo Ground Transportation	
	Current Ratio	1.24				
	Quick Ratio	1.03				
Leverage	Net Debt / EBITDA	1.77	-	<div></div> 75%		
	Debt to Assets	46.2%				
	EBITDA Margin	7.2%	5.5%	<div></div> 25%		
Profitability	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		>= 2020	<div></div>	No through-the-cycle operating history.				
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		Above Average	<div></div>	Above 95% on-time delivery. Good routing and scheduling processes.				
Fleet Maintenance		Weak	<div></div>	Poor fleet maintenance with frequent vehicle breakdowns.				
Technological Capabilities		Weak	<div></div>	Heavy reliance on manual processes, limited use of technology.				
Safety Record		Strong	<div></div>					
Regulatory Compliance		Satisfactory	<div></div>					
Management, Governance, Sponsorship					30%	3.5	to	5.0

## Anchor Modifiers

Modifiers				
Revenue Segment	Normalization	<div></div>	< \$5M	
Trend Analysis	Adjustment	<div></div>	Moderate Positive	
Financial Flexibility	Adjustment	<div></div>	Limited	
Other Modifier	Risk Flag	<div></div>	No notes to financials	

## Rating Range (Rounded)

3.5 to 4.5