

VoidForm Products, LLC



- Revenue declined by -7.7% to \$57.1mn in FY-23. A drop in operating cash flow ratio about a quarter in T6-24 raises liquidity concerns, yet entity benefits from PE-backing.
- EBITDA margin of 30.9% (T6-24) is exceptional. Coupled with a low leverage (0.85), indicates financial stability, despite potential customer concentration risks in a niche market .

Strengths

- Product Differentiation:** The company’s focus on specialized void form systems, like the SlabVoid® System, addresses critical soil expansion issues in construction, providing a strong competitive edge in a niche market.
- Profitability Resilience:** VoidForm Products, LLC maintains a robust EBITDA margin of 21.3% in FY-23, more than double the peer median of 10.6%, reflecting efficient operations and strong cost management.
- Low Leverage & PE:** A leverage ratio of 0.78 vs peers' 2.14, speaks for a conservative approach to debt mgmt. PE-backing by Argonaut Private Equity (actively involved) further reduces credit risk concerns, including liquidity.

Challenges

- Revenue Decline:** The company experienced a revenue decline from \$61.8mn in FY-22 to \$57.1mn in FY-23, indicating potential challenges in sustaining growth and market share (e.g. less COVID subsidy, and dynamic in the construction market due to prolonged high interest levels and inflation).
- Cash Flow Volatility:** The operating cash flow ratio dropped sharply from 255.4% in FY-23 to 63.9% in T6-24, highlighting potential difficulties in cash conversion and working capital management.
- Customer Concentration Risk (TBC):** The company's focus on a niche market may lead to a concentrated customer base, increasing vulnerability if key customers reduce their orders or shift to competitors.

Scorecard Summary

Financial vs Business Risk Weighting Factors					
	Ownership	Private (PE)			
	Company Stage	Growth			
	Financials	Complete			
	Weight	Score	Dimension	Weight	Score
Financial	40%	7.4	Liquidity	30%	<div><div></div></div> 5.8
			Leverage	35%	<div><div></div></div> 2.6
			Profitability	35%	<div><div></div></div> 3.8
Business	60%	6.5	Industry Risk	15%	<div><div></div></div> 5.5
			Competitive Position	35%	<div><div></div></div> 6.4
			Mgmt / Governance	15%	<div><div></div></div> 5.7
			Sponsor / Parent	35%	<div><div></div></div> 7.3
Modifiers		-0.5	Revenue Segment		<div><div></div></div> (0.5)
			Trend Analysis		<div><div></div></div> (0.25)
			Financial Flexibility		<div><div></div></div> 0.25

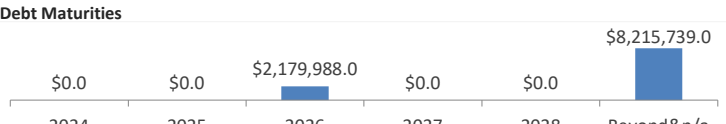
Company Overview

Headquarters	Englewood, CO
Type	Private (PE)
Employees	~120
Year Founded	1980
Website	https://voidform.com
Business	Manufactures void systems for soil-expansion mitigation.
Revenues	\$57.1M

- Company Overview:** VoidForm Products, LLC is a manufacturer of specialized construction materials designed to mitigate the effects of expansive soils on concrete foundations. The company operates primarily in North America, offering a range of innovative void form systems that protect structural integrity in residential, commercial, and industrial construction projects.
- Product:** Their product lineup includes VoidForm Systems, SlabVoid® System, and VoidForm® Tubes, all engineered to address soil expansion issues and provide temporary support during concrete placement.
- Customers:** VoidForm Products serves a diverse customer base that includes construction firms, contractors, and engineers across various sectors, particularly in regions prone to soil movement.
- Ownership:** As of 2021, the company is 90% owned by Argonaut Private Equity and BOKF CC MB II, LLC a presumably passive investment vehicle of BOK Financial (https://www.bokfinancial.com), with founder John Gates retaining a 10% ownership stake.
- Debt Structure:** No material maturity wall in sight.
- Other:** n/a

Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	29	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.93	1.91	50%
	Quick Ratio	1.00	1.49	66%
Leverage	Net Debt / EBITDA	2.14	0.78	66%
	Debt to Assets	27.7%	26.2%	51%
Profitability	EBITDA Margin	10.6%	21.3%	94%
	ROCE %	14.5%	18.9%	63%
	Revenue	\$58M	\$57M	
Industry Benchmarks - Primary: Broadcasting				



Financial Statement Highlights

\$ '000s	(C) Jun-24 T6	(B) Dec-22 T12	(A) Dec-23 T12	Change	
				(C) to (B)	(B) to (A)
Income Statement					
Total Revenue	28,728	61,833	57,074		-7.7%
Gross Profit	13,708	31,512	29,269		-7.1%
Adjusted EBITDA	8,880	15,671	12,175		-22.3%
Gross Profit Margin	47.7%	51.0%	51.3%		+32 bps
Net Income	4,960	13,423	8,272		-38.4%
Balance Sheet					
Cash And Cash Equivalents	5,134	5,567	4,115		-26.1%
Total Current Assets	17,292	21,055	13,822		-34.4%
Total Assets	53,892	62,632	51,919		-17.1%
Total Current Liabilities	8,306	6,448	7,228		12.1%
Total Debt	12,672	16,053	13,578		-15.4%
Total Equity	36,255	43,111	34,295		-20.4%
Key Ratios					
Current Ratio	2.08	3.27	1.91		-41.4%
Quick Ratio	1.59	2.64	1.49		-43.4%
Net Debt / EBITDA	0.85	0.67	0.78		16.2%
Debt to Assets	23.5%	25.6%	26.2%		+52 bps
EBITDA Margin	30.9%	25.3%	21.3%		(401) bps
ROCE %	15.3%	21.6%	18.9%		(271) bps

- Quick ratio of 1.49 in FY-23 is stronger than the peer median of 1.00, indicating a solid ability to cover short-term liabilities without relying on inventory.
- Debt-to-assets ratio of 26.2% in FY2023 is slightly better than the peer median of 27.7%, yet their EBITDA margin of 30.9% in T6-24 far exceeds peers' 10.6%, highlighting the company’s strong profitability and effective cost control.

Business Risk Highlights

- Industry:** The building products industry is subject to moderate volatility, with a projected CAGR of 4.5% through 2028. The industry’s reliance on economic cycles and construction activity poses risks to sustained growth.
- Competitive Position:** VoidForm Products holds a strong competitive position within its niche, with limited direct competition in soil-expansion mitigation systems, but the narrow focus may limit broader market opportunities.
- Management:** The management team, led by President David DiLuccia, has shown stability and strategic focus, particularly in expanding production capacity to meet growing demand, as evidenced by the new facility in Jackson, MS.
- PE Sponsor:** Founded in 2002, Argonaut Private Equity, manages ~\$3bn in AUM, and has a strong track record with >100 investments. Its 45% stake in VoidForm Products, LLC reflects significant commitment, but reliance on middle-market investment from BOK Financial via BOKF CC MB II, LLC (45% stake). The firm is recognized for its strategic focus on long-term value creation, driven by operational improvements and close partnerships with management teams.