



NFI Holdings, LLC



Headquarters	Newburyport, MA	U.S.
Type	Private (PE)	
Employees	50 - 100	
Year Founded	2020	
Website	https://www.newburyfranklin.com/industrials	
Business	0	
Revenues	\$105.6M	

Company Overview

Company Overview: NFI Holdings, LLC is a U.S.-based industrial platform focused on acquiring and growing manufacturers and distributors of consumable components for MRO and industrial applications.

Product: Its core offerings include fasteners, electrical parts, custom-molded rubber goods, and precision plastic components used in assembly, maintenance, and production processes.

Customers: The company serves defense contractors, automotive suppliers, and general industrial clients requiring recurring, engineered components for critical operations.

Ownership: NFI is wholly owned by Newbury Franklin ("NF"), a long-term HoldCo that builds and manages industry-specific platform businesses.

Debt Structure: The entity carries about \$60mn in LT debt, and has almost \$11mn UPB under an R/C-line for which we don't know the limit. No further details (e.g. maturities, rates, seniority, covenants) were provided.

Basis for Assessment: FY-22/23 are complete, commented, and audited. The most relevant FY-24 financials are comprised of a detailed, company prepared, yet uncommented income statement and balance sheet.

Other (pros/cons): Solid revenue growth and margin gains, but high leverage and weak equity levels remain key credit concerns. PE backing by Newbury Franklin adds stability and access to capital, who has no solidified exit strategy/intention (to be explored further). Ongoing net losses and limited governance visibility raise questions about strategy / profitability and thereby the long-term commitment of NF. Single Event Risks identified include a covenant breach from weak earnings coverage given high leverage, refi-risk, and a liquidity shortfall due to capex exceeding internal cash flows. Post D&A, the entity operated with a positive CFO, but a negative FCF in '24.

Financial Snapshot

	<u>Dec-22</u>	<u>Dec-23</u>	<u>Dec-24</u>	<u>Chg</u>
\$ '000s	T12	T12	T12	%
Total Revenue	67,621	95,103	105,620	11.1%
Gross Profit	20,898	29,956	31,880	6.4%
Adjusted EBITDA	7,582	12,651	15,498	22.5%
Gross Profit Margin	30.9%	31.5%	30.2%	-1.3 ppt
EBITDA Margin	11.2%	13.3%	14.7%	1.4 ppt
Net Income	(3,848)	1,255	(9,455)	-853.5%
Depreciation & Amorti	5,057	8,476	9,463	11.6%

Financial Ratio Benchmarking

# of Benchmarks:	61	Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks	61
					Company Financials Date	Dec-24
	Revenue	\$101M	\$106M			
Liquidity	Current Ratio	1.83	2.13	<div><div></div></div>	65%	Industry Benchmarks - Primary: Electronic Manufacturing Services Secondary:
	Quick Ratio	1.10	0.81	<div><div></div></div>	34%	
Leverage	Net Debt / EBITDA	3.37	4.49	<div><div></div></div>	28%	
	Debt to Assets	27.0%	71.3%	<div><div></div></div>	13%	
Profitability	EBITDA Margin	8.8%	14.7%	<div><div></div></div>	73%	
	ROCE %	11.4%	4.7%	<div><div></div></div>	24%	

Business Risk

Industry Group Risk Profile			Technology Hardware And Semiconductors	15%	5.0	to	6.5	
Industry Risk Assessment		KPI Rating	Contribution	Industry Group Description				
Cyclicality		Moderately high risk	<div><div></div></div>	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	<div><div></div></div>					
Global Industry		Moderately high risk	<div><div></div></div>					
Market Segment Outlook		Above Average	<div><div></div></div>					
Competitive Position Profile				Manufacturing	35%	4.5	to	6.0
Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline				
Cylcle-Tested		>= 2020	<div><div></div></div>	No through-the-cycle operating history.				
Competitive Advantages		Satisfactory	<div><div></div></div>	Average position in a market with several competitors; moderate threat of new entry and substitution.				
Supplier Diversity		Satisfactory	<div><div></div></div>	Limited diversity of suppliers, reliant on a few key ones.				
Customer Concentration		Satisfactory	<div><div></div></div>	Top 5 customers 26-40% of revenue				
Manufacturing Redundancy		Above Average	<div><div></div></div>	Multiple manufacturing sites in similar locations.				
Demand Elasticity		Above Average	<div><div></div></div>	Products have slightly elastic demand (few substitutes available).				
Management, Governance, Sponsorship					50%	5.0	to	6.5

Anchor Modifiers

Modifiers			
Trend Analysis	Adjustment	<div></div>	Moderate Positive
Fixed Cost Coverage Risk	Risk Flag	<div></div>	FCCR of 0.48x

Rating Range (Rounded)