



## Ken Color Laboratories, Inc.



Headquarters	Fairfield, NJ	U.S.
Type	Private (Non-PE)	
Employees	n/a	
Year Founded	1991	
Website	https://thealbummaster.com/	
Business	Wholesale photofinishing and custom album manufacturing.	
Revenues	\$0.7M	

### Company Overview

- Company Overview:** Ken Color Laboratories, Inc. is a privately held photofinishing lab and custom album manufacturer based in Fairfield, NJ. The company operates under the brand The Album Master and serves a wholesale-only customer base of professional photographers and studios.
- Product:** The company’s portfolio includes handcrafted photo albums, high-end photographic prints, wall displays (acrylic, canvas, metal), and event-related products such as press-printed cards and banners. Production is entirely in-house, emphasizing color accuracy and craftsmanship.
- Customers:** They exclusively serve professional B2B customers in the portrait and wedding photography segments. Orders are received through industry-standard platforms like ROES and FTP, reinforcing its specialized nature.
- Ownership:** Privately owned and operated by a small leadership team; equity is spread across several individual stakeholders, with Martin Kwan reportedly holding the largest stake (37%), followed by Kwok Kit Kwan (33%).
- Debt Structure:** Net of Cash, the entity is free of Liabilities (not just debt).
- Basis for Assessment:** Company prepared, un-commented FY-23/24/25 plus tax returns, with main focus on FY-25. Their FY runs from March to February.
- Other (pros/cons):** Strong liquidity and no debt (net of cash) despite modest profitability and a niche market focus. Declining revenue and weak margins signal rising competitive pressure and limited reinvestment, posing long-term viability concerns. Small entity size drives the empirical default risk up. Due to the size, Key Man Risk and Operational Disruptions (e.g. no CAPEX in FY-25, equipment failure, etc) might prove critical to the company. Although no details were provided about customer concentration, there is a chance that they have a few bulk customers. The loss of 1-2 key clients could be critical.

### Financial Snapshot

	Feb-23	Feb-24	Feb-25	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	871	798	735	-7.9%
Gross Profit	790	708	625	-11.7%
Adjusted EBITDA	66	12	20	67.8%
Gross Profit Margin	90.8%	88.7%	85.1%	-3.6 ppt
EBITDA Margin	7.6%	1.5%	2.7%	1.2 ppt
Net Income	11	(6)	6	190.3%
Depreciation & Amorti	54	19	13	-31.7%

### Financial Ratio Benchmarking

	# of Benchmarks:	50	Industry Median	Company Metric	Percentile Rank
Liquidity	Revenue	\$21M	\$1M		
	Current Ratio	1.83	9.53	<div></div>	100%
	Quick Ratio	1.17	4.85	<div></div>	100%
Leverage	Net Debt / EBITDA	1.47	(4.51)		
	Debt to Assets	25.8%	3.2%	<div></div>	88%
Profitability	EBITDA Margin	9.8%	2.7%	<div></div>	10%
	ROCE %	16.7%	2.5%	<div></div>	13%

### Business Risk

Industry Group Risk Profile			Media And Entertainment		20%	5.0	to	7.0	
Industry Risk Assessment		KPI Rating	Contribution	Industry Group Description					
Cyclicality		Intermediate risk		Entities that derive a majority of their revenues from operating as ad agencies and marketing services companies, ad-supported online content platforms, broadcast networks, cable TV and over-the-top (OTT) networks, data publishers, e-commerce service providers, educational publishers, film and TV programming production companies, local TV stations, motion picture exhibitors, music publishing and recording companies, newspapers/magazines, outdoor advertising companies, printing companies, and radio stations.					
Competitive Risk		Intermediate risk							
Global Industry		Intermediate risk							
Market Segment Outlook		Above Average							
Competitive Position Profile				Business And Consumer Services		50%	3.0	to	4.5
Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline					
Cycle-Tested		< 2000	<div></div>	Navigated multiple economic down-cycles.					
Scale and Scope		Weak	<div></div>	Lacks scale and diversity, highly dependent on specific markets or services.					
Brand Equity and Reputation		Satisfactory	<div></div>	Average brand with limited ability to command a price premium.					
Business Strategy		Weak	<div></div>	Inconsistent or poorly adapted to market conditions.					
Customer & End-Market Diversity		Satisfactory	<div></div>	Moderate reliance on a group of customers or end-markets.					
Service Diversity		Satisfactory	<div></div>	Limited range of services. Limited diversity in customer needs met.					
Expense Structure		Weak	<div></div>	Poor ability to manage expenses. High direct labor expense as a percent of revenue.					
Reinvestment Needs		Satisfactory	<div></div>	High reinvestment needs.					
Management, Governance, Sponsorship						30%	3.5	to	4.5

### Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	< \$5M
Financial Flexibility	Adjustment	<div></div>	Above Average
Fixed Cost Coverage Risk	Risk Flag	<div></div>	FCCR of 1.07x

### Rating Range (Rounded)

3.5 to 4.5

Weight	Rating Range		
65%	7.0	to	8.0