

BES Associates Corp



- High EBITDA Margin and ROCE indicate strong financial and competitive health, enhancing creditworthiness.
- Solid liquidity and moderate leverage balances potential customer concentration risk and undefined market share. Comparatively small entitiy size increases default risk.

Strengths

- Operational Efficiency:** Exceptional operational efficiency with an EBITDA Margin of 19.6%, significantly higher than the peer median of 8.3%, indicates superior cost management and potentially strong pricing power.
- Capital Utilization:** High Return on Capital Employed (ROCE) of 47.1%, vastly exceeding the peer median of 16.2%, suggesting effective generation of returns from capital investments.
- Liquidity and Debt Management:** Strong liquidity position with a Quick Ratio of 1.60, higher than the peer median of 1.14, and a moderate leverage with a Net Debt/EBITDA ratio of 1.13, lower than the peer median of 1.36.

Challenges

- Limited Geographic Diversity and Entity Size:** Based in Miami, FL, the company's geographic diversity is not explicitly detailed, which could imply a market concentration risk, along with just ~12mn in annual revenue - which makes the entity empirically rather susceptible to a default.
- Unclear Customer Concentration:** Missing customer details, which could pose risks if the company is overly reliant on a few large customers.
- Market Share Uncertainty:** While the company's financial performance suggests a strong competitive position, the exact market share is not specified, making it difficult to assess its true standing in the market.

Scorecard Summary

	Weight	Score	Dimension	Contribution
Financial	65%	6.7	Liquidity	<div></div>
			Leverage	<div></div>
			Profitability	<div></div>
Business	35%	5.7	Industry Risk	<div></div>
			Competitive Position	<div></div>
			Mgmt / Governance	<div></div>
			Sponsor / Parent	<div></div>
Modifiers		-0.8	Revenue Segment	<div></div>
			Trend Analysis	<div></div>

Industry Benchmarks - Primary: Building Products

Company Overview

Headquarters	Miami, FL	U.S.
Type	Private (Non-PE)	
Employees	n/a	
Year Founded	2013	
Website	http://www.besmiami.com/	
Business	Glazing systems designer and manufacturer	
Revenues	\$11.6M	

- Company Overview:** BES Associates Corp is a Miami-based company specializing in building envelope solutions. The company focuses on manufacturing, designing, and installing windows and doors for mid to high-rise buildings, catering to the specific needs of contractors and developers in the construction industry.
- Product:**
 - Curtain wall systems: Prominently featured on their website, indicating a significant part of their business.
 - Window wall systems: Integral to their core offering in building envelopes, especially for high-rise constructions.
 - Railing systems: Complementary to their main products, enhancing the functionality and aesthetics of building exteriors.
 - Glazing systems: A key component in their envelope solutions, essential for modern building designs.
- Customers:** Likely contractors and developers in the construction industry, with a focus in mid to high-rise building projects, aligning with the company's product specialization.
- Ownership:** Specific details on ownership structure are not publicly available from the accessed sources.

Financial Ratio Benchmarking

# of Benchmarks:	19	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.67	1.61	<div></div>
	Quick Ratio	1.14	1.60	<div></div>
Leverage	Net Debt / EBITDA	1.36	1.13	<div></div>
	Debt to Assets	37.0%	24.6%	<div></div>
Profitability	EBITDA Margin	8.3%	19.6%	<div></div>
	ROCE %	16.2%	47.1%	<div></div>
	Revenue	\$17M	\$12M	

- Strong Quick Ratio of 1.60 indicates robust short-term financial health.
- Significantly better EBITDA Margin of 19.6% / ROCE of 47.1% vs their peers, highlighting exceptional operational efficiency.

Financial Statement Highlights

\$ '000s	T0	Dec-21 T12	Dec-23 T11	Chg
Income Statement				
Total Revenue		8,869	11,624	31.1%
Gross Profit		3,295	3,724	13.0%
Adjusted EBITDA		169	2,273	1241.6%
Gross Profit Margin		37.1%	32.0%	(511) bps
EBITDA Margin		1.9%	19.6%	+1764 bps
Balance Sheet				
Cash And Cash Equivalents		-	4	
Total Current Assets		-	9,403	
Total Assets		-	10,491	
Total Current Liabilities		-	5,831	
Total Debt		-	2,583	
Total Equity		-	2,514	
Cash Flow				
Net Income		(16)	2,186	
CAPEX		-	-	
Depreciation & Amortization		125	79	-36.6%
Fixed Charge Coverage Ratio		0.97x	3.03x	+2.1x

- Solid revenue growth from \$8.9mn in FY-2021 to \$11.6mn FY-2023 (T11) +31.1%
- Net Income improved from a loss of \$16k in FY-2021 to a profit of \$2,2mn in FY-2023 (T11), further substantiating the steep improvement in operational efficiency.
- High Asset Turnover Ratio of 110.8% suggests efficient use of assets contributing to the company's overall profitability.

Business Risk Highlights

- Industry:** The Building Products & Equipment industry is characterized by its substantial size and moderate growth, with a projected Compound Annual Growth Rate (CAGR) of around 4-6% over the next few years.
- Competitive Position:** Strong operational efficiency and capital utilization indicate a competitive edge, but market share specifics are unclear. On a national scale they are, based on revenue relatively insignificant. That may be rather different on a local level, in particular if the entity has a competitive edge, which is suggested by the strong growth in revenue and profitability since FY-2021.
- Management:** Limited public information on management changes or succession planning, suggesting either stability or low disclosure levels.
- PE Sponsor:** n/a