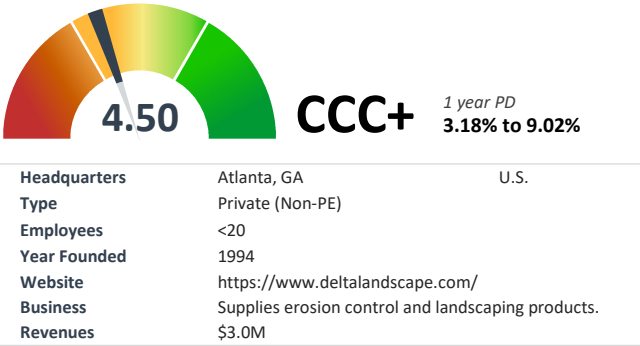


# Delta Landscape Supply Of Georgia, Inc.



## Company Overview

- Company Overview:** Delta Landscape Supply of Georgia, Inc. operates across the southeastern United States, focusing on meeting the needs of the landscaping and erosion control industry (B2B). They emphasize strategic market positioning and built a reputation for reliability and expertise in providing high-quality solutions.
- Product:** The portfolio includes erosion control materials, fertilizers, and additional landscaping supplies. Erosion control and fertilizers are core offerings due to consistent demand and strategic market importance.
- Customers:** The company caters to a diverse customer base, including landscape contractors and homeowners, mitigating dependency on a single client segment.
- Ownership:** Privately held, managed by CEO/CFO Bernice Malcom and Secretary Susan Maddox, with a focus on maintaining financial stability through conservative management.
- Debt Structure:** No interest expenses were reported, nor any debt.
- Other (pros/cons):** Consistent revenue growth is evident, but rising operating expenses continue to pressure margins, impacting future cash flow. Exceptional liquidity and a debt-free status offer financial stability, though a conservative capital approach may limit growth in a competitive market. Yet, the entity's net income is growing in excess over the growth in Total Revenue. Small entity size increases empirical default risk. We made an adjustment for data inconsistency (Net Income) between tax statements and income statement. B/S-details for FY-23 was not provided.

## Financial Snapshot

	Feb-22	Feb-23	Feb-24	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	2,470	2,928	3,045	4.0%
Gross Profit	887	1,058	1,117	5.6%
Adjusted EBITDA	137	219	223	1.8%
Gross Profit Margin	35.9%	36.1%	36.7%	0.6 ppt
EBITDA Margin	5.6%	7.5%	7.3%	-0.2 ppt
Net Income	133	202	223	10.4%

## Financial Ratio Benchmarking

# of Benchmarks:	26	Industry Median	Company Metric	Percentile Rank
		\$17M	\$3M	
Liquidity	Revenue			
	Current Ratio	1.65	7.09	<div></div> 100%
Leverage	Quick Ratio	1.02	6.28	<div></div> 100%
	Net Debt / EBITDA	1.46	(5.43)	
Profitability	Debt to Assets	23.2%	0.0%	<div></div> 91%
	EBITDA Margin	14.9%	7.3%	<div></div> 32%
	ROCE %	12.4%	16.1%	<div></div> 55%

		Weight	Rating Range		
		50%	7.0	to	8.0
# of Industry Benchmarks	26				
Company Financials Date	Feb-24				
Industry Benchmarks - Primary: Agricultural Products and Services   Secondary: Building Products					

## Business Risk

Industry Group Risk Profile			Agribusiness And Commodity Foods		20%	4.5	to	6.0	
Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description						
Cyclicality	Moderately high risk	<div></div>	Companies that derive the majority of their revenues either from the sourcing and distribution of crops and crop inputs, or from the processing, distribution, and marketing of commodity food products. These criteria apply globally to ratings on certain issuers in agricultural commodity merchandising (i.e., commodity trading) and processing (e.g., corn/wheat milling, soybean and sugar cane crushing, sugar refining, sweetener manufacturing, tobacco leaf merchants, etc.), feed and crop input distribution/wholesaling, and the commodity food subsectors of the consumer nondurables industry (including commodity meat production, and produce industries).						
Competitive Risk	Intermediate risk	<div></div>							
Global Industry	Intermediate risk	<div></div>							
Market Segment Outlook	Stable	<div></div>							
Competitive Position Profile			Building Materials			50%	5.5	to	7.5
Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline						
Cycle-Tested	< 2000	<div></div>	Navigated multiple economic down-cycles.						
Product Distribution	Above Average	<div></div>	Mix of owned and third-party distribution.						
Revenue Base	Satisfactory	<div></div>	Average revenue base.						
Product Diversity	Above Average	<div></div>	2-3 product categories.						
Customer Concentration	Satisfactory	<div></div>	21-30% of sales from one customer.						
Asset Efficiency	Above Average	<div></div>	Moderately new and scalable assets.						
SG&A Expenses	Satisfactory	<div></div>	High but manageable SG&A expenses.						
Management, Governance, Sponsorship						30%	4.5	to	5.5

## Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	< \$5M
Trend Analysis	Adjustment	<div></div>	Moderate Positive
Financial Flexibility	Adjustment	<div></div>	Above Average
Other Modifier	Risk Flag	<div></div>	Discrepany between 2024 income statement and tax filing related to net income (-0.25)

## Rating Range (Rounded)

4.0	to	5.0
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