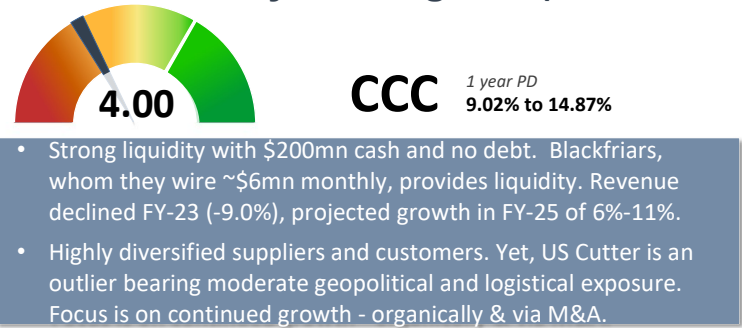


Plastics Family Holdings, In (d/b/a US Cutter)



- Strengths
- Financial Health & Sponsor:** The company boasts a current ratio of 183.6% and a quick ratio of 113.6%, with \$200mn in cash reserves and no outstanding debt. They wire monthly \$6-7mn in profits to Blackfriars, who, in return provides added liquidity in place of a formal R/C-line. In 2024 alone they looked at ~33 potential add-on acquisitions, trying to grow sustainably backed by Blackfriars.
 - Customer & Supplier Diversification:** >13k customers across industries like signage, construction, and manufacturing, with no single customer contributing more than 5-6% of revenue. Top 4 suppliers make about 3-4% of all purchases.
 - Geographic Coverage:** With >200 locations in North America, they have a broad operational footprint that enhances customer service, reduces geographic concentration risk, and supports a highly diverse revenue stream.
- Challenges
- Transparency:** Due to their private nature, instilled by Blackfriars, we were only provided with a few datapoints (unaudited), preventing a closer look into efficiency or leverage information. Hence, this assessment is mainly leaning on qualitative factors. Financial KPIs per FY-23 indicate a -9% revenue decline.
 - Supplier Concentration:** US Cutter sources 67% of its inventory from Asia, making the e-commerce segment vulnerable to geopolitical tensions, tariffs, and supply chain disruptions.
 - E-commerce Challenges:** While 30-40% of sales are through Amazon and eBay, proprietary online platforms have underperformed, signaling missed opportunities in direct-to-consumer channels via US Cutter.

Scorecard Summary

Financial vs Business Risk Weighting Factors					
Ownership		Private (PE)			
Company Stage		Growth			
Financials		Missing			
	Weight	Score	Dimension	Weight	Score
Financial	0%	4.9	Liquidity	67%	<div><div></div></div> 6.3
			Leverage	33%	<div><div></div></div> -
			Profitability	0%	<div><div></div></div> -
Business	100%	5.3	Industry Risk	15%	<div><div></div></div> 5.5
			Competitive Position	35%	<div><div></div></div> 5.5
			Mgmt / Governance	15%	<div><div></div></div> 5.0
			Sponsor / Parent	35%	<div><div></div></div> 5.0
Modifiers	-1.2		Revenue Segment		<div><div></div></div> (1.1)
			Financial Transparency		<div><div></div></div> (0.15)
			Trend Analysis		<div><div></div></div> (0.17)

Company Overview

- | | |
|--------------|---|
| Headquarters | Irving, TX |
| Type | Private (PE) |
| Employees | 1,000 - 5,000 |
| Year Founded | 1924 |
| Website | https://plasticsfamilyamericas.com/ |
| Business | Distributor of plastics and various value-added services. |
| Revenues | - |
- Company Overview:** Plastics Family Holdings, Inc. is a leading distributor of plastic products and value-added services across North America making about \$1.0bn in revenue annually. The entity was created in 1/2024 out of 6 main companies (including their respective subs) for tax/efficiency purposes. The portfolio of companies has already been owned by Blackfriars, some of them for >100 years. Its operations are diversified under multiple brands (33, and growing), catering to a broad and diverse customer base.
 - Product:**
 - Core Plastics:** Offers a wide range of plastic sheets, rods, films, and tubing for industries like construction, signage, and manufacturing.
 - Value-Added Services:** Provides fabrication, machining, and customization tailored to client specifications.
 - E-commerce Segment:** US Cutter specializes in online sales, with a significant presence on Amazon and eBay.
 - Customers:** >13k customers across industries, including construction firms, manufacturers, and national brands like Burger King, contributing to stable revenue streams.
 - Ownership:** Privately owned by Blackfriars Corporation, which oversees strategic growth through acquisitions and operational autonomy across brands.
 - Debt Structure:** They are debt free, no detailed financials were provided
 - Other:** Excludes the acquisition of "Laminated Materials Corporation" which took effect after 12/31/2023.

Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	62	Industry Median	Company Metric	Percentile Rank	
Liquidity	Current Ratio	1.87	1.84	<div><div></div></div> 48%	
	Quick Ratio	0.90	1.14	<div><div></div></div> 69%	
Leverage	Net Debt / EBITDA	2.60	-		
	Debt to Assets	33.5%	0.0%		
Profitability	EBITDA Margin	6.5%			
	ROCE %	11.3%			
Revenue		\$1,270M	\$0M		
Industry Benchmarks - Primary: Distributors Secondary: Specialty Chemicals Tertiary: Other Specialty					
Debt Maturities					
	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	2024	2025	2026	2027	2028
					Beyond 2028

Financial Statement Highlights

\$ '000s	(C)	(B)	(A)	Change	
	Dec-21	Dec-22	Dec-23	(C) to (B)	(B) to (A)
Income Statement					
Total Revenue	-	-	-		FALSE
Gross Profit	-	-	-		FALSE
Adjusted EBITDA	-	-	-		FALSE
Gross Profit Margin					
Net Income	-	-	-		
Balance Sheet					
Cash And Cash Equivalents	-	-	-		FALSE
Total Current Assets	-	-	-		FALSE
Total Assets	-	-	-		FALSE
Total Current Liabilities	-	-	-		FALSE
Total Debt	-	-	-		FALSE
Total Equity	-	-	-		FALSE
Key Ratios					
Current Ratio					n/a
Quick Ratio					n/a
Net Debt / EBITDA					
Debt to Assets					
EBITDA Margin					
ROCE %					

- Liquidity:** The current ratio of 183.6% far exceeds industry norms, reflecting exceptional working capital management and financial stability.
- Cash Reserves:** The company maintains a cash ratio of 41.8%, highlighting its ability to meet short-term liabilities without leveraging debt.
- Leverage:** With no debt on its balance sheet, the company demonstrates a conservative financial approach, reducing credit risk.

Business Risk Highlights

- Industry:** The plastics distribution industry is projected to grow at a 4.2% CAGR through 2030, driven by demand in manufacturing, construction, and packaging.
- Competitive Position:** The company holds a leading market share in North America, supported by its extensive geographic reach and value-added services like machining and customization.
- Management:** Decentralized management grants operational autonomy to brand managers, while an internal audit team ensures compliance with corporate goals and financial controls.
- Sponsor:** Backed/owned by Blackfriars Corporation, with access to a portfolio of 150 companies and strategic funding for acquisitions and growth.