

# CLARION TECHNOLOGIES, INC.



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1 year PD

26.55% to 60.78%

Headquarters	Holland, MI	U.S.
Type	Private (Non-PE)	
Employees	~800	
Year Founded	1988	
Website	https://www.clariontechnologies.com/	
Business	Injection-molded plastic components manufacturer.	
Revenues	\$80.4M	

## Company Overview

- Company Overview:** Manufacturer of custom injection-molded plastic components. The company specializes in producing precision-engineered plastic parts using advanced molding technologies.
- Product:** Automotive Components - interior and exterior plastic parts for vehicle manufacturers and suppliers. Home Appliance Parts - injection-molded parts for washing machines, refrigerators, and kitchen appliances. Consumer Goods Plastics - for diverse applications, including packaging and industrial use.
- Customers:** Historically included Electrolux and Lear Corporation (exact current customer mix is unclear).Likely serves OEMs and Tier-1 suppliers in the automotive and home appliance industries.
- Ownership:** Privately held, with no disclosed public ownership or private equity sponsor information.
- Debt Structure:** ~\$10mn is long-term debt, with about \$3mn in capital leases. They have an R/C-line with an undisclosed capacity, but \$12mn UPB. No further details (maturity dates, seniority, rates) were provided.
- Basis for Assessment:** Company-prepared, uncommented, unreviewed FY22 - FY25(P). We were mainly leaning on FY-24 financials.
- Other (pros/cons):** Clarion faces rising leverage, negative EBITDA in two of the past three years, and weak cash flow, increasing financial strain without external capital support. Customer concentration, lack of differentiation, and growing debt reliance elevate operational and solvency risks in a competitive plastics manufacturing sector. Clarion Technologies is highly vulnerable to refinancing challenges, and supply disruptions. Giving credit to an assumed capacity under their R/C-line.

## Financial Snapshot

	Dec-22	Dec-23	Dec-24	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	67,285	74,730	80,364	7.5%
Gross Profit	(40)	3,481	357	-89.7%
Adjusted EBITDA	(1,590)	1,691	(1,048)	-161.9%
Gross Profit Margin	-0.1%	4.7%	0.4%	-4.2 ppt
EBITDA Margin	-2.4%	2.3%	-1.3%	-3.6 ppt
Net Income	(2,902)	(1,079)	(5,210)	382.9%

## Financial Ratio Benchmarking

# of Benchmarks:		32			
		Industry Median	Company Metric	Percentile Rank	
Liquidity	Revenue	\$89M	\$80M		
	Current Ratio	2.05	1.51	<div></div>	24%
	Quick Ratio	1.32	1.13	<div></div>	43%
Leverage	Net Debt / EBITDA	1.10	n/a	<div></div>	0%
	Debt to Assets	30.4%	61.5%	<div></div>	4%
Profitability	EBITDA Margin	11.8%	-1.3%		
	ROCE %	18.2%	-10.8%		

# of Industry Benchmarks

32

Company Financials Date

Dec-24

Industry Benchmarks - Primary: Automotive Parts and Equipment

## Business Risk

Industry Group Risk Profile		Auto Suppliers		20%	5.0	to	6.5
Industry Risk Assessment		KPI Rating	Contribution	Industry Group Description			
Cyclicality		Moderately high risk	<div></div>	Companies that derive a majority of their revenues from the production, assembly, sale, and distribution of parts or services for the automotive or commercial vehicle manufacturing industry and their respective aftermarkets.			
Competitive Risk		Moderately high risk	<div></div>				
Global Industry		Moderately high risk	<div></div>				
Market Segment Outlook		Above Average	<div></div>				
Competitive Position Profile		Manufacturing		50%	5.0	to	6.5
Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline			
Cycle-Tested		< 2000	<div></div>	Navigated multiple economic down-cycles.			
Competitive Advantages		Satisfactory	<div></div>	Average position in a market with several competitors; moderate threat of new entry and substitution.			
Supplier Diversity		Satisfactory	<div></div>	Limited diversity of suppliers, reliant on a few key ones.			
Customer Concentration		Satisfactory	<div></div>	Top 5 customers 26-40% of revenue			
Manufacturing Redundancy		Satisfactory	<div></div>	Single manufacturing site with limited exposure to natural disasters or other risks that could shutter the operation.			
Demand Elasticity		Satisfactory	<div></div>	Products have moderately elastic demand (some substitutes available).			
Backlog		Satisfactory	<div></div>				
Management, Governance, Sponsorship				30%	4.5	to	5.5

## Anchor Modifiers

Modifiers				
Fixed Cost Coverage Risk	Risk Flag	<div></div>	FCCR of -1.45x	
Other Modifier	Risk Flag	<div></div>	No notes to financials (-0.25). Assuming higher capacity under the R/C-line adding to an improved FCCR-ratio. (+0.5)	

## Rating Range (Rounded)

2.0

to

3.0