



All Round Foods, Inc



B+ 1 year PD
0.60% to 1.89%

- Exceptional liquidity, debt-free balance sheet (net of cash), capital efficiency, and steady profits highlight sound financial control.
- Margin pressure (yet, after +30% revenue in FY-23), limited and aging leadership-depth, low market visibility, presumed lack of an R/C-line, no CAPEX, no innovation, yet distributions >FCF in FY-24 - jointly raising sustainability concerns.

- Strengths**
- Exceptional Liquidity:** FY-24 current ratio of 7.73 and quick ratio of 6.23 significantly exceed peer medians (1.39 and 0.82), providing a robust liquidity buffer against earnings volatility and operational disruptions.
 - Debt-Free Balance Sheet:** With Net Debt/EBITDA of -1.66x and total liabilities under 13% of assets, the company is financially conservative, offering low default risk and high resilience to interest rate changes.
 - High Capital Efficiency:** Despite margin compression, ROCE in FY-24 was 24.6%, far above the 9.4% peer median, indicating strong internal return on capital employed and effective asset utilization.
- Challenges**
- Margin Compression and Cash Flow Risk:** EBITDA dropped from \$2.3mn (FY-23) to \$1.2mn (FY-24); EBITDA margin fell to 4.1%, below the peer median of 5.8%, weakening coverage and overall earnings quality.
 - Contingency/Succession Plans:** High reliance on current executives with no visible plan for contingencies or succession. The team seems to be quite small (<25 employees) with an aging founder and CEO (Glen Wolther), who is presumably in his mid 60s.
 - Aggressive Cash Distributions vs innovation & investments:** FY-24 distributions totaled \$1.16mn, exceeding free cash flow of \$1.06mn, suggesting potential cash leakage and lack of retention, even as profitability declined. Based on the information we received/gathered we were unable to identify any CAPEX or current innovations.

Scorecard Summary

Financial vs Business Risk Weighting Factors					
	Ownership	Private (Non-PE)			
	Company Stage	Stabilized			
	Financials	Complete (Unaudited)			
	Weight	Score	Dimension	Weight	Score
Financial	65%	7.2	Liquidity	35%	10.0
			Leverage	33%	7.4
			Profitability	33%	4.1
Business	35%	5.3	Industry Risk	20%	6.8
			Competitive Position	50%	5.0
			Mgmt / Governance	30%	4.7
			Sponsor / Parent		
Modifiers	-1.0		Revenue Segment		▶ (1.0)
			Trend Analysis		(0.25)
			Financial Flexibility		0.25

Company Overview

Headquarters	Westbury, NY
Type	Private (Non-PE)
Employees	< 25
Year Founded	1994
Website	https://allroundfoods.com/
Business	Frozen bakery products for foodservice distributors.
Revenues	\$29.9M

- Company Overview:** All Round Foods, Inc. is a private manufacturer and distributor of frozen bakery products, HQ'd in Westbury, NY. The company specializes in foodservice-focused offerings distributed nationally through brokers and wholesale networks.
- Product:** Offers a diverse range of frozen donuts, bagels, garlic breads (reportedly their top selling product line), specialty breads, and desserts tailored for institutional foodservice.
- Customers:** Serves foodservice distributors supplying restaurants, hotels, healthcare facilities, and universities across the United States
- Ownership:** Owned by Glen Wolther (President & CEO) and Debi Wolther (EVP) leading the company; no institutional ownership or known parent entity, although the tenant is technically a subsidiary.
- Debt Structure:** No LT Debt has been reported.Short Term Liabilities are exceeded by Cash and Cash Equivalents.
- Basis for Assessment:** Unaudited, Income Tax Returns FY-22/23/24 - no notes to financials.
- Single Event Risks:** (i) the loss of a top distributor or institutional client (we currently have no transparency over concentration risks), (ii) limited margin buffer leaving them exposed to raw material price hikes or vendor issues, and (iii) a high reliance on current executives with no visible contingency / succession plan, with a cash-out tendency.

Financial Benchmarking & Debt Maturity Profile

# of Benchmarks:	38				
		Industry Median	Company Metric		Percentile Rank
Liquidity	Current Ratio	1.39	7.73	■	100%
	Quick Ratio	0.82	6.23	■	100%
Leverage	Net Debt / EBITDA	1.26	(1.66)		
	Debt to Assets	28.0%	0.4%		
Profitability	EBITDA Margin	5.8%	4.1%	■	34%
	ROCE %	9.4%	24.6%	■	76%
	Revenue	\$28M	\$30M		
Industry Benchmarks - Primary: Packaged Foods and Meats Secondary: Food Distributors					



Financial Statement Highlights

\$ '000s	(C)	(B)	(A)	Change	
	Dec-22	Dec-23	Dec-24	(C) to (B)	(B) to (A)
	T12	T12	T12		
Income Statement					
Total Revenue	23,105	29,995	29,862		-0.4%
Gross Profit	3,118	5,219	4,830		-7.5%
Adjusted EBITDA	992	2,314	1,234		-46.7%
Gross Profit Margin	13.5%	17.4%	16.2%		(123) bps
Net Income	975	2,285	1,195		-47.7%
Balance Sheet					
Cash And Cash Equivalents	1,048	2,194	2,072		-5.6%
Total Current Assets	4,452	5,682	5,553		-2.3%
Total Assets	4,534	5,745	5,606		-2.4%
Total Current Liabilities	1,706	895	718		-19.7%
Total Debt	5	17	23		36.3%
Total Equity	2,828	4,849	4,888		0.8%
Key Ratios					
Current Ratio	2.61	6.35	7.73		21.8%
Quick Ratio	2.14	5.35	6.23		16.4%
Net Debt / EBITDA	(1.05)	(0.94)	(1.66)		76.5%
Debt to Assets	0.1%	0.3%	0.4%		+12 bps
EBITDA Margin	4.3%	7.7%	4.1%		(358) bps
ROCE %	34.2%	47.3%	24.6%		(2275) bps

- Revenue remained flat (\$30mn in FY-23 vs. \$29.9mn in FY-24), while EBITDA fell by nearly 47%, reflecting rising cost pressure and/or price rigidity.
- Operating cash flow decreased from \$1.4mn (FY-23) to \$1.1mn (FY-24) in parallel with earnings, though still sufficient to cover rent and routine expenses.
- No CapEx activity reported from FY-22 to FY-24, indicating possible reliance on fully depreciated equipment, a melting ice-cube, or outsourcing of production capacity.

Business Risk Highlights

- Industry:** Operates in the \$5.7B U.S. frozen bakery sector, projected to grow at 5.9% CAGR through 2032; however, rising consumer health scrutiny and price sensitivity pose structural risks. Key success factors in the industry are Product Innovation, Supply Chain Resilience, and Regulatory Compliance. With the latter two being seemingly solid for the entity, we did not identify any new innovations, or CAPEX spending to avoid falling behind the competitions over time. The industry features a mix of large multinationals and smaller specialized firms, offering opportunities for differentiation and growth within specific segments. Technological advancements, including AI-driven supply chain management, are increasingly vital for operational efficiency.
- Competitive Position:** The company holds niche strength in thaw-and-serve donuts and kettle-boiled bagels but lacks broad brand awareness or shelf dominance versus national competitors. They also seem to have a niche-strength in garlic breads.
- Management:** Closely-held leadership structure creates key-person risk; succession plans and institutional governance processes remain unknown or undocumented at this point.
- PE Sponsor:** n/a
- Other:** No visibility into vendor or customer diversification raises concerns around supply