

BizBenchmarker Report

Powered By: **Bizminer**

developed for **Prime Plumbing**

by ABC Accounting



Jun 19, 2018

Benchmark Area: Harrisburg Metro Area

NAICS 238220

Plumbing, Heating, and Air-Conditioning Contractors

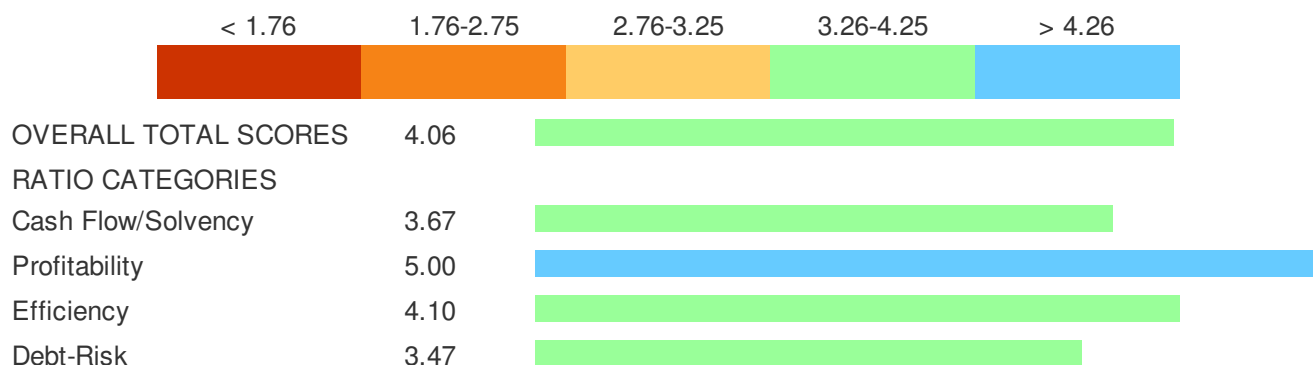
Sector: Construction

Sales Class: \$1m - \$2.49m

Covered Years: 2015,2016,2017

Firms Analyzed		
2015	2016	2017
37	34	33

SUMMARY SCORES (2015,2016,2017, 1-5 Scale)



BENCHMARK SCORES

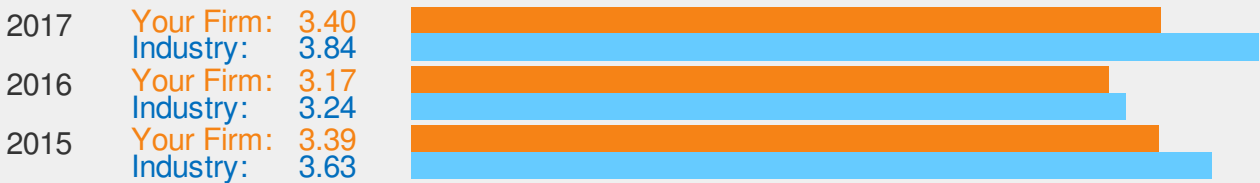
Ratio	Formula	Benchmark Score (1-5 Scale)			
		2015	2016	2017	Overall
Overall Score		4.00	3.95	4.23	4.06
Cash Flow/Solvency		3.80	3.60	3.60	3.67
	Accounts Payable: Business Revenue Accounts Payable/Business Revenue	5.00	5.00	4.00	4.67
	Current Ratio Current Assets/Current Liabilities	3.00	3.00	3.00	3.00
	Days Payable 365/(Cost of Sales: Accounts Payable)	5.00	4.00	5.00	4.67
	Quick Ratio (Cash+Accounts Receivable)/Current Liabilities	3.00	3.00	3.00	3.00
	Net Working Capital: Business Revenue (Current Assets-Current Liabilities)/Sales	3.00	3.00	3.00	3.00
Profitability		5.00	5.00	5.00	5.00
	EBITDA: Business Revenue (%) EBITDA/Business Revenue	5.00	5.00	5.00	5.00
	Pre-Tax Return On Assets (%) Net Profit/Total Assets	5.00	5.00	5.00	5.00
	Pre-Tax Return on Net Worth (%) Net Profit/Net Worth	5.00	5.00	5.00	5.00
	Return on Business Revenue (%) Net Profit/Business Revenue	5.00	5.00	5.00	5.00
	Discretionary Owner Earnings Owner's Comp.+Net Profit+Non-Cash Expenses	5.00	5.00	5.00	5.00
Efficiency		4.29	3.57	4.43	4.10
	Assets: Business Revenue Assets/Business Revenue	4.00	5.00	4.00	4.33
	Days Inventory 365/(Cost of Sales/Inventory)	5.00	3.00	5.00	4.33
	Days Receivables 365/(Business Revenue/Receivables)	3.00	3.00	4.00	3.33
	Current Asset Turnover Business Revenue/Current Assets	3.00	3.00	4.00	3.33
	Fixed Asset Turnover Business Revenue/Fixed Assets	5.00	2.00	4.00	3.67
	Gross Margin: Business Revenue Gross Margin/Business Revenue	5.00	4.00	5.00	4.67
	Sales Per Employee Business Revenue/FTE Equivalent	5.00	5.00	5.00	5.00
Debt-Risk		2.80	3.80	3.80	3.47
	Interest Coverage EBITDA/Interest Expense	5.00	5.00	5.00	5.00
	Current Liabilities: Net Worth Current Liabilities/Net Worth	1.00	3.00	3.00	2.33
	Current Liabilities: Net Worth Long-Term Liabilities/Net Worth	1.00	3.00	3.00	2.33
	Loans-Notes Payable/Net Worth (Loans-Notes Payable)/Net Worth	2.00	3.00	3.00	2.67
	Current Liabilities/Inventory Current Liabilities/Inventory	5.00	5.00	5.00	5.00

Cash Flow/Solvency

Accounts Payable: Business Revenue

Average Score: 4.67

Average Variance: -6.74%



Accounts Payable/Business Revenue. Measures the speed with which a company pays vendors. Ratios significantly higher than the industry average may indicate that suppliers are used to float operations. Very low ratios may indicate cash management issues.

Current Ratio

Average Score: 3.00

Average Variance: -1.03%

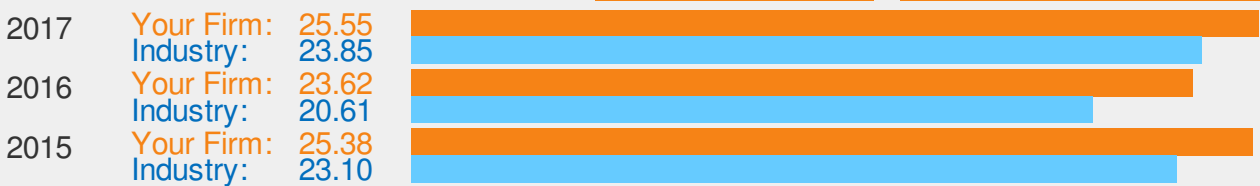


Current Assets/Current Liabilities. Measures current assets available to cover current liabilities, indicating the extent to which cash on hand and disposable assets can pay off near term liabilities. Higher is better unless it constrains necessary investment.

Days Payable

Average Score: 4.67

Average Variance: 10.53%



365/(Cost of Sales/Accounts Payable ratio). Reflects the average number of days for each payable before payment is made. High ratios may indicate cash flow difficulties.

Quick Ratio

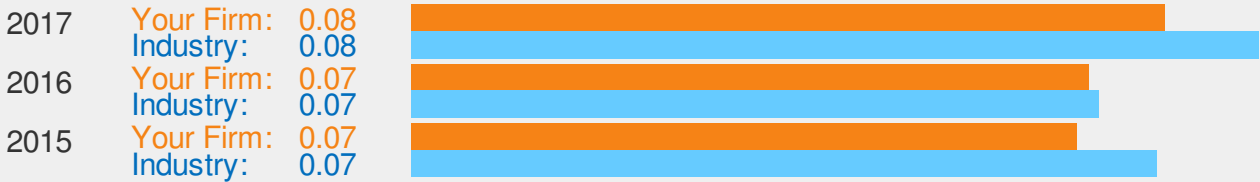
Average Score: 3.00

Average Variance: -1.02%



Cash plus Accounts Receivable/Current Liabilities. A more stringent version of the Current Ratio, indicating liquid assets available to cover current debt. Higher is better unless it constrains necessary investment.

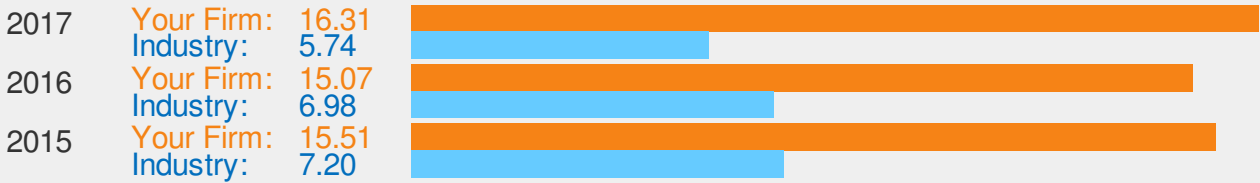
Net Working Capital: Business Revenue **Average Score: 3.00** | **Average Variance: 0.00%**



Current Assets-Current Liabilities. Indicates if a company is maintaining a reasonable level of liquidity relative to its short term obligations, although a very high ratio may indicate an under-investment in non-liquid assets.

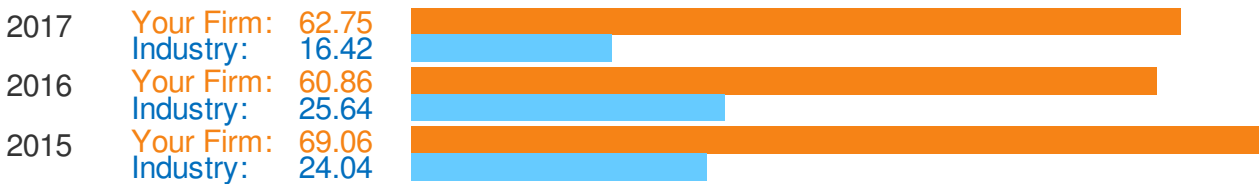
Profitability

EBITDA: Business Revenue (%) **Average Score: 5.00** | **Average Variance: 138.49%**



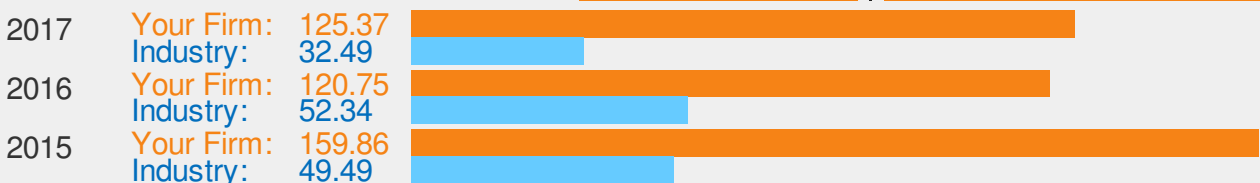
(Earnings Before Interest, Income Taxes Due, Depreciation and Amortization)/Business Revenue. A metric designed to eliminate the effect of finance and accounting decisions when comparing companies and industry benchmarks. Tax credits, deferral procedures and non-cash expenditures (Amortization and Depreciation) are not deducted from the profit equation, nor are interest expenditures.

Pre-Tax Return On Assets (%) **Average Score: 5.00** | **Average Variance: 202.26%**



Pre-Tax Net Profit/Total Assets. A critical indicator of profitability. Companies which use their assets efficiently tend to show a ratio higher than the industry norm. The ratio may appear higher for small businesses due to owner compensation draws accounted as net profit.

Pre-Tax Return on Net Worth (%) **Average Score: 5.00** | **Average Variance: 213.20%**



Pre-Tax Net Profit/Net Worth. This ratio measures return relative to investment. May appear higher for small businesses due to owner compensation draws accounted as net profit.

Return on Business Revenue (%)

Average Score: 5.00 | Average Variance: 175.60%



Pre-Tax Net Profit/Business Revenue. Indicates the level of profit from each dollar of Business Revenue. This ratio can be used as a predictor of the company's ability to withstand changes in prices or market conditions. May appear higher for small businesses due to owner compensation draws accounted as net profit.

Discretionary Owner Earnings

Average Score: 5.00 | Average Variance: 72.12%

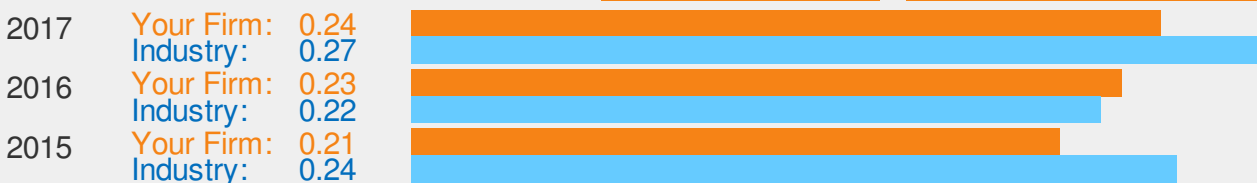


(Officer Compensation+Depreciation+Pre-Tax Net Profit)/Business Revenue. This ratio measures the in-pocket return to owner(s) of privately held companies. Most useful for small company measurement and rule-of-thumb-valuation.

Efficiency

Assets: Business Revenue

Average Score: 4.33 | Average Variance: -6.36%



Total Assets/Business Revenue. Indicates whether a company is handling a reasonable volume of Business Revenue in relation to investment. High ratios relative to industry norms might indicate overly conservative sales efforts or lagging sales management. Low ratios may indicate lagging investment in business resources.

Days Inventory

Average Score: 4.33 | Average Variance: 9.62%

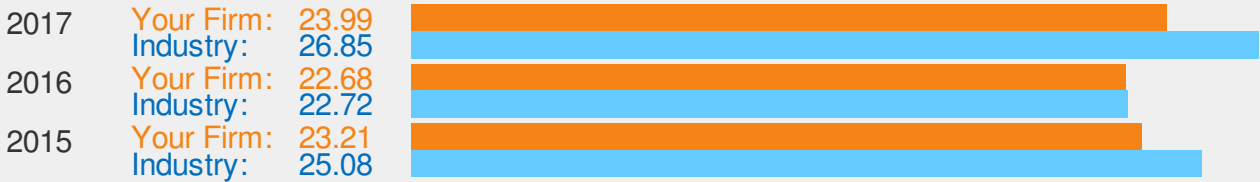


365/(Cost of Sales/Inventory) Reflects the number of times inventory is turned over during the course of the year. High levels can mean shortages in the ability to deliver on a timely basis. Low levels may be a sign of poor cash flow or overstocking.

Days Receivables

Average Score: 3.33

Average Variance: -6.09%



365/(Business Revenue/Receivables). Reflects the number of days that receivables are outstanding. Higher than average ratios may indicate a problems in the collection process.

Current Asset Turnover

Average Score: 3.33

Average Variance: 7.30%



Business Revenue/Current Assets. An indicator of the efficiency of short-term asset use. In general, higher is better.

Fixed Asset Turnover

Average Score: 3.67

Average Variance: 24.61%



Business Revenue/Fixed Assets. An indicator of the efficiency of investment in fixed assets such as plant and equipment.

Gross Margin: Business Revenue

Average Score: 4.67

Average Variance: 21.63%

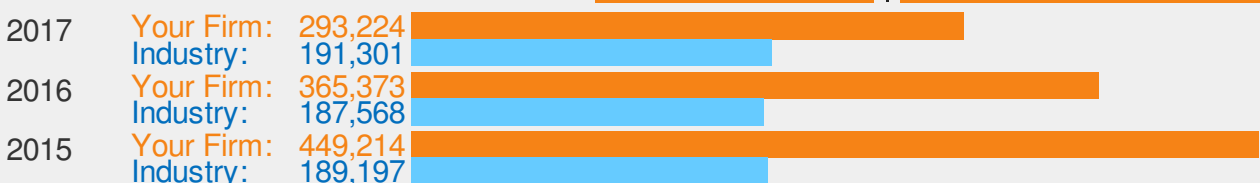


Gross Margin/Business Revenue. This is the profit ratio before discretionary expenses and taxes. This ratio indicates the "play" in discretionary expenses which could be adjusted to increase the Net Profit margin. It also suggests whether the costs of product or service delivery are line with industry norms.

Sales Per Employee

Average Score: 5.00

Average Variance: 95.17%



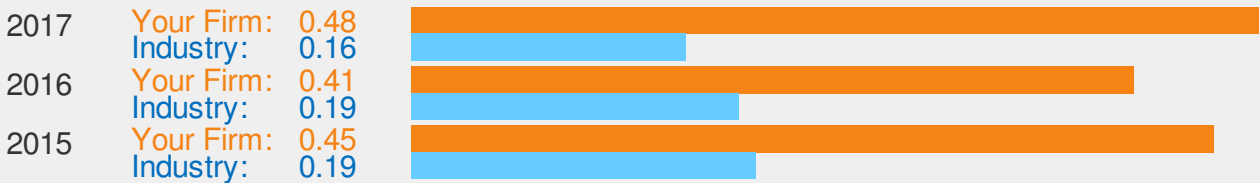
Business Revenue/FTE Employees. A basic efficiency measure developed outside the formal financial statement. Higher is better.

Debt-Risk

Interest Coverage

Average Score: 5.00

Average Variance: 150.88%



[Earnings before Interest, Income Taxes due, Depreciation-Amortization]/Interest expense. Assesses financial stability by examining whether a company is profitable enough to pay interest expense. A ratio >1.00 is desirable.

Current Liabilities: Net Worth

Average Score: 2.33

Average Variance: 6.97%



Current Liabilities/Net Worth. Reflects a level of security for creditors. The larger the ratio relative to industry norms, the less security there is for creditors.

Current Liabilities: Net Worth

Average Score: 2.33

Average Variance: 6.97%

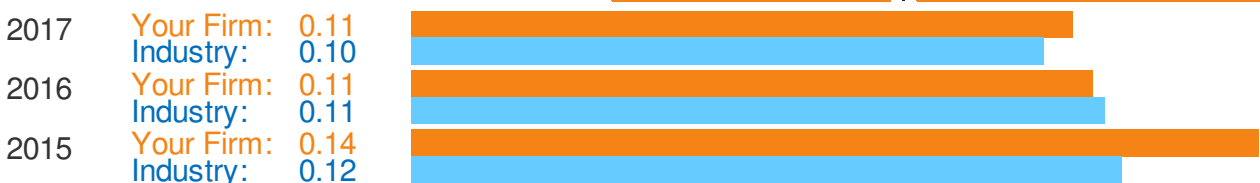


Long-Term Liabilities/Net Worth. A measure of long-term debt coverage. High ratios indicate excessive leveraging and higher levels of risk. Very low levels may indicate a lack of appropriate long-term investment.

Loans-Notes Payable/Net Worth

Average Score: 2.67

Average Variance: 8.89%

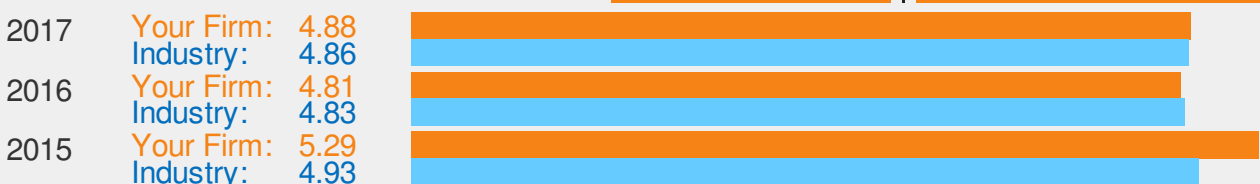


Loans-Notes Payable/Net Worth. A measure of short-term debt coverage. In general, lower is better.

Current Liabilities/Inventory

Average Score: 5.00

Average Variance: 2.43%



Current Liabilities/Inventory. A high ratio relative to industry average suggests over-reliance on unsold goods to finance operations.

Profit & Loss									
	2015			2016			2017		
	Industry	Your Firm	Variance	Industry	Your Firm	Variance	Industry	Your Firm	Variance
Business Revenue	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%
Cost of Sales	58.73%	48.71%	-17.06%	57.44%	48.95%	-14.78%	57.36%	48.55%	-15.36%
Cost of Sales - Labor Portion	34.41%	32.02%	-6.95%	35.00%	32.53%	-7.06%	33.66%	31.50%	-6.42%
Gross Margin	41.27%	51.29%	24.28%	42.56%	51.05%	19.95%	42.64%	51.45%	20.66%
Officers Comp.	7.20%	7.28%	1.11%	7.24%	7.31%	0.97%	7.18%	7.14%	-0.56%
Salary-Wages	9.55%	10.39%	8.80%	9.62%	10.18%	5.82%	9.53%	9.96%	4.51%
Rent	1.99%	1.83%	-8.04%	2.02%	1.95%	-3.47%	2.00%	1.83%	-8.50%
Taxes Paid	3.34%	3.10%	-7.19%	3.27%	3.21%	-1.83%	3.24%	3.21%	-0.93%
Advertising	0.91%	0.79%	-13.19%	0.92%	0.89%	-3.26%	0.91%	0.85%	-6.59%
Benefits-Pensions	2.65%	2.46%	-7.17%	2.67%	2.60%	-2.62%	2.65%	2.53%	-4.53%
Repairs	0.54%	0.55%	1.85%	0.55%	0.55%	0.00%	0.55%	0.54%	-1.82%
Bad Debt	0.07%	0.06%	-14.29%	0.07%	0.06%	-14.29%	0.07%	0.07%	0.00%
Sales, General, Admin & Misc.	9.28%	9.32%	0.43%	9.22%	9.23%	0.11%	9.31%	9.01%	-3.22%
EBITDA	5.74%	15.51%	170.21%	6.98%	15.07%	115.90%	7.20%	16.31%	126.53%
Amortization Depreciation Depletion	1.19%	1.09%	-8.40%	1.22%	1.15%	-5.74%	1.21%	1.14%	-5.79%
Operating Expenses	36.72%	36.87%	0.41%	36.80%	37.13%	0.90%	36.65%	36.27%	-1.04%
Operating Income	4.55%	14.42%	216.92%	5.76%	13.92%	141.67%	5.99%	15.17%	153.26%
Interest Income	0.02%	0.02%	0.00%	0.02%	0.01%	-50.00%	0.02%	0.02%	0.00%
Interest Expense	0.37%	0.34%	-8.11%	0.38%	0.37%	-2.63%	0.37%	0.34%	-8.11%
Other Income	0.25%	0.26%	4.00%	0.26%	0.27%	3.85%	0.25%	0.22%	-12.00%
Pre-Tax Net Profit	4.45%	14.36%	222.70%	5.66%	13.83%	144.35%	5.89%	15.07%	155.86%
Income Tax	0.80%	1.07%	33.75%	1.28%	1.12%	-12.50%	1.31%	1.13%	-13.74%
After Tax Net Profit	3.65%	13.28%	263.84%	4.38%	12.71%	190.18%	4.58%	13.94%	204.37%
Discretionary Owner Earnings	12.04%	21.65%	79.82%	12.84%	21.17%	64.88%	12.97%	22.22%	71.32%

Dollar-based sales and other dollar-based data in this report reflect averages for sales of the industry segment, not total industry-wide averages. As a result, sales levels may vary from year to year, depending on the mix of firms that fall within the selected segment.

In local Industry Financial reports, the "Other Income" line item percentage is applied directly from US averages for this industry. Local percentages may differ. Other P&L percentages and all dollar calculations are based on actual local data.

Business Revenue includes receipts from core business operations. Interest Income and Other income (such as rents and royalties) are generally detailed separately below Operating Income. While Business Revenue is separated from Interest Income for most classifications, Business Revenue includes interest income from the private sector where it is central to financial industry operations, including Finance and Insurance (NAICS 52xxxx except NAICS 5242xx Insurance Brokers and Other Insurance Activities); Real Estate-Rental-Leasing (53xxxx); and Management of Companies and Enterprises (55xxxx).

Cost of Sales includes materials and labor involved in the direct delivery of a product or service. Other costs are included in the cost of sales to the extent that they are involved in bringing goods to their location and condition ready to be sold. Non-production overheads such as development costs may be attributable to the cost of goods sold. The costs of services provided will consist primarily of personnel directly engaged in providing the service, including supervisory personnel and attributable overhead.

Cost of Sales Labor Labor costs directly associated with Cost of Sales, expressed in dollars or as a percentage of Business Revenue (not as a percentage of Cost of Sales).

Gross Margin represents direct operating expenses plus net profit. In addition to the labor portion of Cost of Sales, wage costs are reflected in the **Officers Compensation** and **Wages-Salary** line items. In many cases, SG&A (Sales, General and Administrative) costs also include some overhead, administrative and supervisory wages.

Officers Compensation includes salaries, wages, stock bonuses and other forms of compensation paid to officers for personal services rendered. It does not include qualified deferred compensation.

Salaries-Wages includes the amount paid for employee labor compensation including bonuses. Pension contributions, the labor portion of Cost of Sales and Officer Compensation are excluded.

Rent covers the rental cost of any business property, including land, buildings and equipment.

The **Taxes Paid** line item includes payroll other paid-in tax items, but not business income taxes due for the period. Although it can be calculated in many ways and is a controversial measure, the **EBITDA line item (Earnings before Interest Expense, income tax due, Depreciation and Amortization)** adds back interest payments, depreciation, amortization and depletion allowances, and excludes income taxes due to reduce the effect of accounting decisions on the bottom line of the Profit and Loss Statement. Since some firms utilize EBITDA to "add back" non-cash and flexible expenses which may be altered through credits and accounting procedures (such as income tax), paid-in income taxes from the Taxes Paid line item are not added back in the EBITDA calculation.

Advertising includes advertising, promotion and publicity for the reporting business, but not on behalf of others.

Benefits-Pension includes, but is not limited to, employee health care and retirement costs. In addition to varying proportions of overhead, administrative and supervisory wages, some generally more minor expenses are aggregated under **SG&A (Sales, General and Administrative)**.

Repairs include the costs of maintenance and incidental repairs that do not add to the value or appreciably prolong life of the property. Expenditures for permanent improvements which increase the basis of the property, are capitalized and depreciated rather than deducted on this line.

Bad Debt is debt written off as uncollectable.

Sales, General, Admin & Misc In addition to varying proportions of overhead, administrative and supervisory wages, some generally more minor expenses (such as travel and charitable contributions) are aggregated under SG&A (Sales, General and Administrative).

EBITDA (Earnings Before Interest, Income Taxes Due, Depreciation and Amortization)/Business Revenue. A metric designed to eliminate the effect of finance and accounting decisions when comparing companies and industry benchmarks. Tax credits, deferral procedures and non-cash expenditures (Amortization and Depreciation) are not deducted from the profit equation, nor are interest expenditures.

Amortization-Depreciation-Depletion is the expense line for the current write-off of fixed tangible and intangible assets. This item could include fully depreciated assets still in use and partially completed assets for which no deduction was yet allowed if the corporation reported them as depreciable on its balance sheet.

Operating Expenses sums the individual expense line items above, yielding the **Operating Income** or net of core business operations, when subtracted from the Gross Margin.

Operating Income is the sum of Gross Margin less Operating Expenses.

Interest Income is revenue derived from interest-bearing vehicles rather than the firm's core business. Interest Income is reported as Business Revenue for NAICS 52xxxx except NAICS 5242xx Insurance Brokers and Other Insurance Activities); Real Estate-Rental-Leasing (53xxxx); and Management of Companies and Enterprises (55xxxx).

Interest Expense is the interest portion of payments made on short and long term debt items.

Other Income is revenue derived from sources other than Business Revenue and Interest Income, for example, investments in outside operations or entities.

Pre-Tax Net Profit represents net profit before income tax due. **Income Tax** calculates the federal corporate tax rate before credits, leaving **After-Tax Profit** at the bottom line.

Income Tax is the federal tax due on the current Pre-Tax Net Profit amount.

After-Tax Net Profit represents net profit after payment of federal income tax due.

Discretionary Owner Earnings (Officer Compensation+Depreciation+Pre-Tax Net Profit)/Business Revenue. This ratio measures the in-pocket return to owner(s) of privately held companies. Most useful for small company measurement and rule-of-thumb-valuation.

Balance Sheet									
	2015			2016			2017		
	Industry	Your Firm	Variance	Industry	Your Firm	Variance	Industry	Your Firm	Variance
Cash	25.23%	26.77%	6.10%	24.89%	23.71%	-4.74%	24.76%	25.28%	2.10%
Receivables	27.14%	30.59%	12.71%	28.20%	27.35%	-3.01%	28.05%	27.36%	-2.46%
Inventory	6.35%	6.76%	6.46%	6.60%	6.47%	-1.97%	6.56%	6.36%	-3.05%
Other Current Assets	3.27%	3.62%	10.70%	3.31%	3.34%	0.91%	3.29%	3.30%	0.30%
Total Current Assets	61.99%	67.74%	9.28%	63.00%	60.86%	-3.40%	62.66%	62.31%	-0.56%
Gross Fixed Assets	117.29%	119.71%	2.06%	112.24%	108.04%	-3.74%	113.29%	113.24%	-0.04%
Accum. Depreciation- Amortization-Depltn.	93.18%	103.48%	11.05%	89.20%	82.51%	-7.50%	90.04%	90.05%	0.01%
Net Fixed Assets	24.10%	16.23%	-32.66%	23.04%	25.52%	10.76%	23.25%	23.19%	-0.26%
Other Non-Current Assets	13.91%	16.02%	15.17%	13.96%	13.62%	-2.44%	14.09%	14.50%	2.91%
Total Assets	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%
Liabilities									
Accounts Payable	14.16%	16.29%	15.04%	14.69%	13.94%	-5.11%	14.82%	14.15%	-4.52%
Loans/Notes Payable	5.27%	6.03%	14.42%	5.61%	5.67%	1.07%	5.69%	5.47%	-3.87%
Other Current Liabilities	11.41%	13.45%	17.88%	11.61%	11.48%	-1.12%	11.81%	11.44%	-3.13%
Total Current Liabilities	30.84%	35.78%	16.02%	31.91%	31.08%	-2.60%	32.32%	31.05%	-3.93%
Total Long Term Liabilities	18.62%	21.02%	12.89%	19.11%	18.52%	-3.09%	19.10%	18.89%	-1.10%
Total Liabilities	49.46%	56.80%	14.84%	51.02%	49.60%	-2.78%	51.42%	49.95%	-2.86%
Net Worth	50.54%	43.20%	-14.52%	48.98%	50.40%	2.90%	48.58%	50.05%	3.03%
Total Liabilities & Net Worth	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%

Cash: Money on hand in checking, savings or redeemable certificate accounts.

Receivables: A short-term asset (to be collected within one year) in the form of accounts or notes receivable, and usually representing a credit for a completed sale or loan.

Inventory: The stockpile of unsold products.

Other Current Assets: Miscellaneous current assets not included in Cash, Receivables or Inventory line items.

Total Current Assets: The sum of a firm's cash, accounts and notes receivable, inventory, prepaid expenses and marketable securities which can be converted to cash within a single operating cycle.

Gross Fixed Assets: The original book value of long-term assets such as building and machinery.

Accumulated Deprec-Amort-Depl (of Fixed Assets): The depreciated portion of long-term assets such as building and machinery.

Net Fixed Assets: Long-term assets such as building and machinery, net of accumulated amortization-depreciation-depletion.

Other Non-Current Assets: Miscellaneous Non-Current Assets not included in the Net Fixed Asset line item.

Total Assets: The sum of current assets and fixed assets such as plant and equipment.

Note: Some legacy year asset line items are blended with the closest four digit industry segment. In local Industry Financial report, some legacy year asset line item percentages are applied directly from US averages for this industry. Local percentages may differ. Other balance sheet percentages and all balance sheet dollar calculations are based on actual local data.

Accounts Payable: Invoices due to suppliers within the current business cycle.

Loans/Notes Payable: Loan amounts due to suppliers within the current business cycle.

Other Current Liabilities: Miscellaneous current liabilities not included in the Accounts Payable or Loans/Notes Payable line items.

Total Current Liabilities: Measurable debt owed within one year, including accounts, loans and notes payable, accrued liabilities and taxes due.

Long Term Liabilities: Debt which is due in more than one year, including the portion of loans and mortgages that become due after the current business cycle.

Total Liabilities: Current Liabilities plus Long Term Liabilities such as notes and mortgages due over more than one year.

Net Worth: Current assets plus fixed assets minus current and long-term liabilities.

Total Liabilities & Net Worth: The sum of all liabilities and Net Worth or equity, which together equal the dollar value of Total Assets.

Profit & Loss									
	2015			2016			2017		
	Industry	Your Firm	Variance	Industry	Your Firm	Variance	Industry	Your Firm	Variance
Business Revenue	1,599,391	1,796,854	12.35%	1,808,940	1,826,865	0.99%	1,696,498	1,759,342	3.70%
Cost of Sales	939,322	875,263	-6.82%	1,039,055	894,256	-13.94%	973,111	854,204	-12.22%
Cost of Sales - Labor Portion	550,303	575,263	4.54%	633,071	594,256	-6.13%	571,096	554,204	-2.96%
Gross Margin	660,069	921,591	39.62%	769,885	932,609	21.14%	723,387	905,138	25.13%
Officers Comp.	115,156	130,814	13.60%	131,035	133,526	1.90%	121,809	125,542	3.06%
Salary-Wages	152,742	186,674	22.22%	173,936	185,985	6.93%	161,676	175,263	8.40%
Rent	31,828	32,929	3.46%	36,526	35,547	-2.68%	33,930	32,125	-5.32%
Taxes Paid	53,420	55,625	4.13%	59,152	58,563	-1.00%	54,967	56,542	2.87%
Advertising	14,554	14,256	-2.05%	16,651	16,213	-2.63%	15,438	15,002	-2.82%
Benefits-Pensions	42,384	44,203	4.29%	48,286	47,526	-1.57%	44,957	44,526	-0.96%
Repairs	8,637	9,899	14.61%	10,027	10,001	-0.26%	9,331	9,452	1.30%
Bad Debt	1,120	1,002	-10.54%	1,253	1,152	-8.06%	1,188	1,165	-1.94%
Sales, General, Admin & Misc.	148,423	167,524	12.87%	166,863	168,546	1.01%	157,944	158,562	0.39%
EBITDA	91,805	278,665	203.54%	126,264	275,309	118.04%	122,147	286,959	134.93%
Amortization Depreciation Depletion	19,033	19,542	2.67%	22,023	21,025	-4.53%	20,528	19,985	-2.65%
Operating Expenses	587,297	662,468	12.80%	665,690	678,315	1.90%	621,768	638,164	2.64%
Operating Income	72,772	259,123	256.08%	104,195	254,294	144.06%	101,619	266,974	162.72%
Interest Income	320	331	3.44%	358	258	-27.93%	339	379	11.80%
Interest Expense	5,918	6,152	3.95%	6,804	6,752	-0.76%	6,277	6,002	-4.38%
Other Income	3,998	4,652	16.36%	4,703	4,852	3.17%	4,241	3,845	-9.34%
Pre-Tax Net Profit	71,172	257,954	262.44%	102,386	252,655	146.77%	99,922	265,196	165.40%
Income Tax	12,793	19,252	50.49%	23,181	20,512	-11.51%	22,223	19,871	-10.58%
After Tax Net Profit	58,379	238,702	308.88%	79,232	232,195	193.06%	77,699	245,325	215.74%
Discretionary Owner Earnings	192,568	389,058	102.04%	232,268	386,747	66.51%	220,036	390,852	77.63%

Balance Sheet									
	2015			2016			2017		
	Industry	Your Firm	Variance	Industry	Your Firm	Variance	Industry	Your Firm	Variance
Cash	109,356	99,991	-9.17%	99,404	98,454	-1.01%	102,911	106,852	3.92%
Receivables	117,635	114,256	-2.56%	112,623	113,526	0.89%	116,585	115,648	-0.86%
Inventory	27,523	25,265	-7.41%	26,359	26,845	0.00%	27,266	26,895	-3.70%
Other Current Assets	14,173	13,526	-7.14%	13,219	13,846	0.00%	13,674	13,958	0.00%
Total Current Assets	268,687	253,038	-5.60%	251,605	252,671	0.40%	260,436	263,353	1.15%
Gross Fixed Assets	508,363	447,152	-12.01%	448,242	448,524	0.00%	470,862	478,563	1.70%
Accum. Depreciation- Amortization-Depltn.	403,885	386,526	-4.22%	356,242	342,565	-3.93%	374,219	380,568	1.60%
Net Fixed Assets	104,478	60,626	-42.31%	92,000	105,959	14.13%	96,643	97,995	1.04%
Other Non-Current Assets	60,273	59,856	-1.67%	55,768	56,528	1.82%	58,555	61,273	5.17%
Total Assets	433,438	373,520	-13.86%	399,373	415,158	4.01%	415,634	422,621	1.69%
Liabilities									
Accounts Payable	61,375	60,865	-1.64%	58,668	57,859	-1.72%	61,597	59,788	-3.28%
Loans/Notes Payable	22,842	22,536	0.00%	22,405	23,521	4.55%	23,650	23,110	0.00%
Other Current Liabilities	49,455	50,231	2.04%	46,367	47,643	2.17%	49,086	48,345	-2.04%
Total Current Liabilities	133,672	133,632	0.00%	127,440	129,023	1.57%	134,333	131,243	-2.24%
Total Long Term Liabilities	80,706	78,526	-2.50%	76,320	76,899	0.00%	79,386	79,842	0.00%
Total Liabilities	214,378	212,158	-0.93%	203,760	205,922	0.99%	213,719	211,085	-0.94%
Net Worth	219,060	161,362	-26.48%	195,613	209,236	7.18%	201,915	211,536	4.98%
Total Liabilities & Net Worth	433,438	373,520	-13.86%	399,373	415,158	4.01%	415,634	422,621	1.69%

BizBenchmarker SCORING METHODOLOGY

Our Approach to Scoring

BizBenchmarker reports offer two types of scoring. The Variance shown for each ratio measures the percentage difference between client ratios and the industry average for the selected industry, sales class and market. The Variance results in a Score of 1-5 (5 being best) for each year of each selected ratio. The application of the Variances to the Score depends on the specific ratio involved; in some cases (which we call Standard Scoring) higher is better; in some, lower (Reverse Scoring) is better; in a few, closest to the industry average (Balanced Scoring) is best. You can find the detailed approach for each BizBenchmarker ratio below.

For each ratio, the score for all selected years is averaged to determine the overall Ratio Score. The Ratio Scores for each of the four ratio categories (Cash flow/Solvency; Profitability; Efficiency; Debt-Risk) reflect the average Ratio Scores in each category. (P2 also provides Category Scores for each year as well as the average of all selected years.) The Overall Total Score on P2 of the BizBenchmarker report reflects the average of the Category Scores.

Scoring for ratios is calculated in one of three ways:

- Standard (higher is generally better)
- Reverse (lower is generally better)
- Balanced (middle is generally good, too high or too low is not)

All three types are based on a scale of 1-5, with 5 being "best" and 1 being "worst". All percentages are shown as a deviation from the industry average.

Standard (basically higher is better)

- +/-10% from average= 3
- +11% to +20% above average= 4
- >20% above average= 5
- +11% to +20% below average= 2
- >20% below average= 1

Reverse (lower is better)

- +/-10% from average= 3
- +11% to +20% above average= 2
- >20% above average= 1
- +11% to +20% below average= 4
- >20% below average= 5

Balanced (middle is good, too high or too low is not)

- +/-10% from average= 5
- 11% to 15% above or below average= 4
- +16% to +25% above or below average= 3
- 25%-30% above or below average= 2
- 30% above or below average= 1

The corresponding applications for each ratio are highlighted below. Individual ratio scores are averaged for all selected years.

CASH FLOW/SOLVENCY Summary: Average selected ratios for this category

- **Current Ratio:** STANDARD SCORING
- **Quick Ratio:** STANDARD SCORING
- **Net Working Capital:** STANDARD SCORING
- **Accounts Payable:** **Business Revenue:** BALANCED SCORING
- **Days Payable:** BALANCED SCORING

PROFITABILITY Summary: Average selected ratios for this category

- **Return on Business Revenue:** STANDARD SCORING
- **EBITDA:** **Business Revenue:** STANDARD SCORING
- **Discretionary Owner Earnings:** STANDARD SCORING
- **Return on Assets:** STANDARD SCORING
- **Return on Net Worth:** STANDARD SCORING

EFFICIENCY Summary: Average selected ratios for this category

- **Assets:** **Business Revenue:** BALANCED SCORING
- **Days Inventory:** BALANCED SCORING
- **Days Receivables:** REVERSE SCORING
- **Current Asset Turnover:** STANDARD SCORING
- **Fixed Asset Turnover:** STANDARD SCORING
- **Gross Margin:** **Business Revenue:** STANDARD SCORING
- **Sales Per Employee:** STANDARD SCORING

DEBT-RISK Summary: Average selected ratios for this category

- **Interest Coverage:** STANDARD SCORING
- **Current Liabilities:** **Net Worth:** REVERSE SCORING
- **Long-Term Liabilities:** **Net Worth:** REVERSE SCORING
- **Total Liabilities:** **Net Worth:** REVERSE SCORING
- **Loans-Notes Payable:** **Net Worth:** REVERSE SCORING
- **Current Liabilities:** **Inventory:** BALANCED SCORING

About the Data

Raw data analyzed for BizMiner reports is sourced from an array of the nation's government and private statistical sources. None of these raw data sources creates the final measures reflected in BizMiner industry profiles. In total, BizMiner accesses over a billion sourced data points from 15 million business operations for each of its twice annual updates covering a 3-5 year time series. Historical data and BizMiner algorithms are used to inform and test projections for non-reporting firms. Data elements are sourced specifically from:

- IRS SOI Corporation Tax Book
- IRS Statistics of Income
- US Economic Census
- US Census Quarterly Financial Reports
- US Census County Business Patterns
- Bureau of Labor Statistics Monthly Employment Reports
- Bureau of Labor Statistics Monthly Unemployment Reports
- Bureau of Labor Statistics Annual Wage Survey
- Bureau of Labor Statistics Industry Productivity Reports
- Bureau of Labor Statistics Price Indices
- National Agricultural Statistical Service
- US Census Quarterly Financial Reports
- US Census Retail Trade Report
- InfoGroup, Inc.
- Credit Reporting Agencies
- Business Directories
- American Community Survey

While 100% firm coverage is desirable for analysis purposes, the greatest value of BizMiner reports rests in discerning patterns of activity, which are reflected in the large samples used to develop our reports. The overall current coverage of the databases surpasses 13 million active business operations at any point in time.

As is the case with any databases this large, some errors are inevitable. Some firms are missed and specific information on others is lacking from the database. Not all information received is uniform or complete, resulting in the need to develop projection algorithms for specific industry segments and metrics in some report series. No representation is made as to the accuracy of the databases utilized or the results of subsequent analyses. Neither the Brandow Company nor its resellers has undertaken independent primary research to confirm the accuracy of the data utilized in the Profile analyses. Neither the Brandow Company nor its resellers are responsible for conclusions drawn or decisions made based upon this data or analysis. In no event will the Brandow Company or its resellers be liable for any damages, direct, indirect, incidental or consequential resulting from the use of the information contained in BizMiner reports.