LYNCH MECHANICALS
3715 Rosemont Ave, Camp Hill, PA, 17011
[238220] Plumbing, Heating, and Air-Conditioning Contractors
Owner: Graham Lynch, Owner
Phone: (717) 761-1966
URL: lynchmechanicals.com

INDUSTRY FINANCIAL INSIGHTS - 2019

**PEER GROUP OWNER EARNINGS AT PROJECTED FIRM LEVEL**

17.50% $146,828

Financial Metrics: Sales Class: $500,000 - $999,999
(Peer industry and sales class average % basis)

**STANDARD COMPANY SPEND AT PROJECTED REVENUE**

- Gross Margin: 49.05% $411,538
- Officer-Owner-Compensation: 8.75% $73,414
- Depreciation: 1.35% $11,327
- Operating Expenses: 41.46% $347,858
- Operating Income: 7.59% $50,677
- After Tax Net Profit: 6.04% $50,677
- Owner Earnings: 17.50% $146,828
- Accounts Receivable: Total Assets: 23.77% $36,366
- Accounts Payable: TLNW: 13.80% $21,113
- Net Worth: Assets: 43.87% $67,117

**INDUSTRY STANDARD BENCHMARKS**

- Accounts Payable: Revenue: 2.52
- Current Ratio: 1.95
- Days Payable: 18.93
- Net Working Capital Revenue: 0.05
- Days Receivable: 15.82
- Interest Coverage: 17.53
- Current Liabilities: NW: 0.72
- Loans-Notes Payable: Net Worth: 0.16
- Modified Z Score: 8.70
- Total Liabilities: Net Worth: 1.28

**BUSINESS VALUE INSIGHTS OCTOBER 2020**

**BUSINESS OPERATION DETAIL**

Location Sales: $500k-$999k
Employment: 4
Corporate Sales: N/A
Corporate Employment: N/A

**Value Approach**

**INCOME**

- Quartile 1: $240,043
- Median: $328,818
- Quartile 3: $433,352

**EARNINGS**

- Quartile 1: $254,669
- Median: $345,694
- Quartile 3: $440,435

Bizminer Vestimate® Value basis derived from projected company sales; peer group average earnings %; and industry valuation multiples.

**MARKET ANALYSIS INSIGHTS OCTOBER 2020**

**TOTAL INDUSTRY SALES** $454,005,240
**FIRM SALES RANK** 129 OF 232

**INDUSTRY MARKET OVERVIEW - HARRISBURG PA METRO AREA**

- Industry Operations: 232
- Business Sales Rank: 129 of 232
- Annual Market Sales Volume: $454,005,240
- Average Site Sales: $1,956,919
- Average Small Business Sales: $1,124,948

**MARKET PENETRATION**

- Market Sales per Person: $804.00
- US Sales per Person: $786.00
- Opportunity Index: 0.98
- Market Sales per Household: $1,829.00
- US Sales per Household: $1,865.00
- Opportunity Index: 1.02

**MARKET AREA POPULATION AND INCOME**

- Population: 36,306
- Households: 13,586
- Per Capita Income: $35,022
- Median HH Income: $75,352

**BUSINESS VALUE INSIGHTS OCTOBER 2020**

**EARNINGS APPROACH - MEDIAN**

$345,694
COVID IMPACT

Bizminer reports now adjust our raw data to better reflect the most recent changes in local and national industry markets. We accomplish this by integrating additional Census Bureau data with our proprietary content, allowing us to accelerate and refine month-to-month trends. Our content displays the new data in three ways:

- Our employment data is adjusted to better reflect the most recent realities at local and national levels
- Updates of industry market sales averages and total market volume are accelerated by one month and renamed as Trailing Twelve Month (TTM) values
- New content will display monthly (not annual) industry sales and employment from year-end 2019 through both Preliminary Update and Advance Projection months.

These enhanced protocols will be most obvious in our Industry Market Trend series, including a new "Monthly Change" tab in each report. Similarly, snapshot reports like the SWOT-XPRESS, Competitive Market Narrative and Company Insight series will reflect our new update protocols and add content for Preliminary Update and Advance months.

Shorter projections are more detailed and accurate than longer-term projections. Preliminary Update data is calculated on a more accurate and detailed basis than the Advance Projection month, which will adjust as it moves to “update month” status the following month. Interpret and utilize this content accordingly.

### MONTH-TO-MONTH EMPLOYMENT-SALES

<table>
<thead>
<tr>
<th></th>
<th>Dec-19</th>
<th>Oct-20</th>
<th>Nov-20 Advance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>2,164</td>
<td>2,135</td>
<td>2,135</td>
</tr>
<tr>
<td>Monthly Industry Market Volume</td>
<td>37,713,593</td>
<td>37,768,061</td>
<td>37,768,061</td>
</tr>
<tr>
<td>Average Monthly Site Sales</td>
<td>150,253</td>
<td>162,793</td>
<td>162,793</td>
</tr>
</tbody>
</table>

### % CHANGE FROM DEC-19

<table>
<thead>
<tr>
<th></th>
<th>Oct-20</th>
<th>Nov-20 Advance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>-1.34%</td>
<td>-1.34%</td>
</tr>
<tr>
<td>Monthly Industry Market Volume</td>
<td>0.14%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Average Monthly Site Sales</td>
<td>8.35%</td>
<td>8.35%</td>
</tr>
</tbody>
</table>

### Monthly Change Index (Dec-19=1.00)

- Employment
- Monthly Industry Market Volume
- Average Monthly Site Sales
INDUSTRY FINANCIAL INSIGHT TERMS

Industry peer group percentage averages are applied to the company’s estimated revenue.

**Gross Margin**: Business Revenue minus Cost of Sales

**Officer/Owner's Compensation**: Total wage compensation for services of company officers

**Depreciation**: Current portion of non-cash depreciation-amortization-depletion

**Operating Expenses**: Discretionary Expenses (excludes Cost of Sales and Interest Paid)

**After-Tax Net Profit**: Net Profit after payment of income taxes

**Owner Earnings**: Officers Compensation+Net Profit+Depreciation

**Net Worth/Assets**: Net Worth as a percent of Total Assets

**Accounts Receivable**: Total Assets: Short-term receivables as a percent of Total Assets

**Accounts Payable**: Short-term receivables as a percent of Total Liabilities+Net Worth

**Days Payable**: 365/(Cost of Sales/Accounts Payable ratio)

**Days Receivable**: 365/(Business Revenue/Receivables)

**Current Ratio**: Current Assets/Current Liabilities

**Interest Coverage**: (Earnings before Interest, Taxes Due, Depreciation-Amortization)/Interest expense

**Current Liabilities**: Net Worth: Current Liabilities/Net Worth

**Total Liabilities**: Net Worth: Total liabilities/Net Worth

**Modified Z-Score**: A modified form of the Altman Z-Score which evaluates default risk

**Net Working Capital**: Revenue: (Current Assets-Current Liabilities)/Business Revenue

**Accounts Payable**: Revenue: Accounts Payable/Business Revenue

**Loans-Notes Payable**: Net Worth: Loans-Notes Payable/Net Worth

BUSINESS VALUE INSIGHT TERMS

Bizminer Vestimate® Value basis derived from projected company sales; peer group average earnings %; and industry valuation multiples. Median ranges reflect a range of market conditions and business performance at this revenue scale.

You should not use Bizminer Vestimates® in place of a professional valuation or as the basis of any specific business-related or other financial transaction; nor to secure a business or personal loan.

**Owner Earnings (Cash Flow) Approach**: Revenue/Owner Earnings market valuation approach

**Sales Approach**: Revenue/Annual Sales market value approach

**Median and Quartiles**: Median: the point at which 50% of a sample is above and 50% of the same below the value. Quartile 1 lies at the mid-point between the median and the lowest value; Quartile 3 between the median and the highest value.

MARKET ANALYSIS INSIGHT TERMS

**Market Area**: The selected market parameters for this industry. Where there are at least five identified industry establishments, default market parameters are:

- 15 MILE RADIUS
- 44-45 Retail Trade
- 72 Accommodation-Food Services
- 811-812 Other Services

**US-NATIONAL**
- 11 Agriculture-Forestry-Fishing-Hunting
- 21 Mining-Quarrying- Oil & Gas Extraction
- 22 Utilities
- 31-32-33 Manufacturing
- 55 Management- Companies & Enterprises

**Industry Map**: Displays the closest operations in the same industry as the selected firm

**Competitors**: The number of same-industry operations within the market area.

**Industry Market Sales Volume**: Aggregate industry market sales

**Average Site Sales**: Average annual revenue of industry market operations in the market area.

**Average Small Business Sales**: Average annual sales of single site firms with <25 employees in the market

**Firm Sales Rank**: Sales rank based on this location's estimated revenue among all same-industry market operations

**US and Market Sales per Household**: Sales per household using the US as a comparison basis for the local market or, if a national market, displaying that value.

**Per Capita Income**: Average area income per person

**Median Household Income**: Median (mid-point) area income per household
DATA SOURCES AND LIMITATIONS

BizMiner data is widely accepted for industry analytical work, benchmarking, valuations, forensics and litigation. 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 Statistics of Income
- IRS SOI Corporation Tax Book
- IRS Sole Proprietorship Tables
- 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
- Bureau of Labor Statistics Consumer Price Index
- National Agricultural Statistical Service
- US Census Retail Trade Report
- InfoGroup, Inc.
- DealStats
- American Community Survey

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