



## Industry Financial Report

release date: June 2018

ALL US

[238220] Plumbing, Heating, and Air-Conditioning Contractors

Sector: Construction

Sales Class: \$5m - \$9.99m

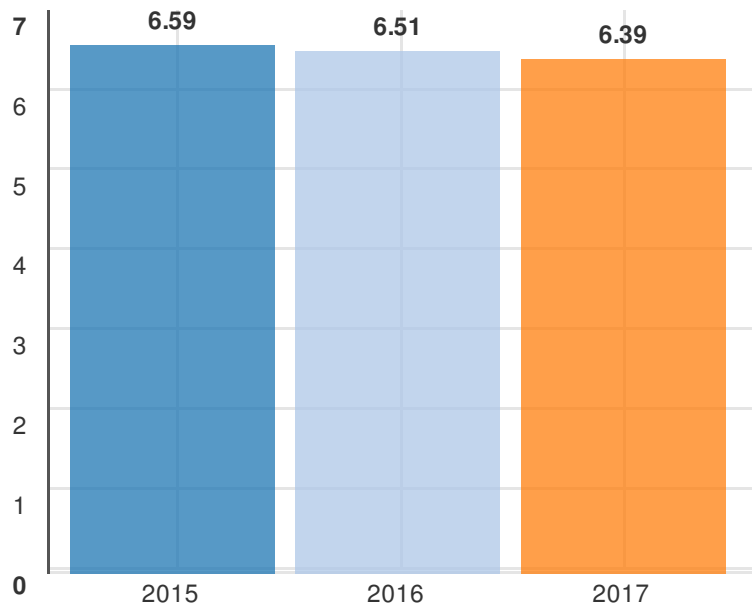
### Contents

Income-Expense statement - dollar-based  
Income-Expense statement - percentage-based  
Balance Sheet - dollar-based  
Balance Sheet - percentage-based  
Sources-Uses of Funds  
Financial Ratios - Cash Flow-Solvency  
Financial Ratios - Profitability  
Financial Ratios - Efficiency-Debt-Risk  
Financial Ratios - Turnover  
About the Data

Firms Analyzed	
2013	2,979
2014	2,814
2015	2,392
2016	2,214
2017	2,153

**Time Series:** Financial reports analyze calendar years as displayed. Our winter release reports display an additional, overlapped year running from the end of the second quarter of the prior year to the end of the second quarter of the release year.

### Discretionary Owner Earnings (%)



<b>Income and Expense- Profit and Loss \$</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Business Revenue	7,452,713	7,094,022	8,019,377	8,001,022	8,123,908
Cost of Sales	5,303,351	5,106,986	5,636,820	5,632,720	5,701,358
Cost of Sales - Labor Portion	3,379,314	3,144,677	3,308,308	3,432,158	3,452,313
Gross Margin	2,149,362	1,987,036	2,382,557	2,368,302	2,422,550
Officers Comp.	298,109	292,983	299,925	301,639	312,770
Salary-Wages	505,294	466,787	574,989	578,474	598,732
Rent	153,526	129,821	131,518	132,017	136,482
Taxes Paid	190,789	186,573	228,552	229,629	238,030
Advertising	78,999	46,821	101,044	101,613	105,611
Benefits-Pensions	208,676	162,453	242,987	244,831	253,466
Repairs	37,264	17,026	21,652	21,603	22,747
Bad Debt	22,358	8,513	13,633	13,602	13,811
Sales, General, Admin & Misc.	412,135	393,009	481,163	475,261	492,309
EBITDA	242,212	283,050	287,094	269,634	248,592
Amortization Depreciation Depletion	78,999	56,752	65,759	66,408	69,053
Operating Expenses	1,986,149	1,760,738	2,161,222	2,165,077	2,243,011
Operating Income	163,213	226,298	221,335	203,226	179,539
Interest Income	1,491	1,419	802	800	812
Interest Expense	21,613	13,479	24,860	25,603	26,809
Other Income	43,971	41,145	41,701	44,006	43,869
Pre-Tax Net Profit	187,062	255,383	238,978	222,429	197,411
Income Tax	56,205	82,849	76,451	69,997	60,240
After Tax Net Profit	130,857	172,534	162,527	152,432	137,171
Discretionary Owner Earnings	507,965	522,269	528,211	520,479	518,994

<b>Income and Expense- Profit and Loss %</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Business Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	71.16%	71.99%	70.29%	70.40%	70.18%
Cost of Sales - Labor Portion	45.34%	44.33%	41.25%	42.90%	42.50%
Gross Margin	28.84%	28.01%	29.71%	29.60%	29.82%
Officers Comp.	4.00%	4.13%	3.74%	3.77%	3.85%
Salary-Wages	6.78%	6.58%	7.17%	7.23%	7.37%
Rent	2.06%	1.83%	1.64%	1.65%	1.68%
Taxes Paid	2.56%	2.63%	2.85%	2.87%	2.93%
Advertising	1.06%	0.66%	1.26%	1.27%	1.30%
Benefits-Pensions	2.80%	2.29%	3.03%	3.06%	3.12%
Repairs	0.50%	0.24%	0.27%	0.27%	0.28%
Bad Debt	0.30%	0.12%	0.17%	0.17%	0.17%
Sales, General, Admin & Misc.	5.53%	5.54%	6.00%	5.94%	6.06%
EBITDA	3.25%	3.99%	3.58%	3.37%	3.06%
Amortization Depreciation Depletion	1.06%	0.80%	0.82%	0.83%	0.85%
Operating Expenses	26.65%	24.82%	26.95%	27.06%	27.61%
Operating Income	2.19%	3.19%	2.76%	2.54%	2.21%
Interest Income	0.02%	0.02%	0.01%	0.01%	0.01%
Interest Expense	0.29%	0.19%	0.31%	0.32%	0.33%
Other Income	0.59%	0.58%	0.52%	0.55%	0.54%
Pre-Tax Net Profit	2.51%	3.60%	2.98%	2.78%	2.43%
Income Tax	0.75%	1.17%	0.95%	0.87%	0.74%
After Tax Net Profit	1.76%	2.43%	2.03%	1.91%	1.69%
Discretionary Owner Earnings	6.82%	7.36%	6.59%	6.51%	6.39%

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.

**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.

**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)**.

**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.

**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.

**Discretionary Owner Earnings** sums Officer Compensation, Depreciation and related non-cash expenses and Net Profit after business taxes to represent a practical measure of total return to owners. The D.O.E. metric is mainly used for small businesses.

<b>Balance Sheet - dollar-based</b>					
<b>Assets</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Cash	532,100	470,210	501,015	472,248	545,239
Receivables	1,171,687	1,058,753	1,131,737	1,066,861	1,231,653
Inventory	167,231	155,777	181,389	170,934	197,372
Other Current Assets	191,503	163,217	147,771	139,340	160,913
<b>Total Current Assets</b>	<b>2,062,521</b>	<b>1,847,957</b>	<b>1,961,912</b>	<b>1,849,383</b>	<b>2,135,177</b>
Gross Fixed Assets	1,173,725	1,039,676	1,142,616	1,061,726	1,264,063
Accum. Depreciation-Amortization-Depltn.	868,067	768,927	838,628	779,259	927,319
<b>Net Fixed Assets</b>	<b>305,657</b>	<b>270,749</b>	<b>303,988</b>	<b>282,467</b>	<b>336,744</b>
Other Non-Current Assets	298,990	281,551	242,938	225,854	269,350
<b>Total Assets</b>	<b>2,667,168</b>	<b>2,400,257</b>	<b>2,508,838</b>	<b>2,357,704</b>	<b>2,741,271</b>
<b>Liabilities</b>					
Accounts Payable	483,824	446,928	464,386	433,817	498,637
Loans/Notes Payable	115,222	102,491	120,424	111,991	125,550
Other Current Liabilities	487,292	449,808	485,209	449,850	527,146
<b>Total Current Liabilities</b>	<b>1,086,338</b>	<b>999,227</b>	<b>1,070,019</b>	<b>995,658</b>	<b>1,151,333</b>
<b>Total Long Term Liabilities</b>	<b>360,868</b>	<b>315,874</b>	<b>339,697</b>	<b>320,412</b>	<b>372,265</b>
<b>Total Liabilities</b>	<b>1,447,206</b>	<b>1,315,101</b>	<b>1,409,716</b>	<b>1,316,070</b>	<b>1,523,598</b>
<b>Net Worth</b>	<b>1,219,962</b>	<b>1,085,156</b>	<b>1,099,122</b>	<b>1,041,634</b>	<b>1,217,673</b>
<b>Total Liabilities &amp; Net Worth</b>	<b>2,667,168</b>	<b>2,400,257</b>	<b>2,508,838</b>	<b>2,357,704</b>	<b>2,741,271</b>

**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.

**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.

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

**print-only 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.

**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.

<b>Balance Sheet - percentage-based</b>					
<b>Assets</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Cash	19.95%	19.59%	19.97%	20.03%	19.89%
Receivables	43.93%	44.11%	45.11%	45.25%	44.93%
Inventory	6.27%	6.49%	7.23%	7.25%	7.20%
Other Current Assets	7.18%	6.80%	5.89%	5.91%	5.87%
<b>Total Current Assets</b>	<b>77.33%</b>	<b>76.99%</b>	<b>78.20%</b>	<b>78.44%</b>	<b>77.89%</b>
Gross Fixed Assets	44.01%	43.32%	45.54%	45.03%	46.11%
Accum. Depreciation-Amortization-Depltn.	32.55%	32.04%	33.43%	33.05%	33.83%
<b>Net Fixed Assets</b>	<b>11.46%</b>	<b>11.28%</b>	<b>12.12%</b>	<b>11.98%</b>	<b>12.28%</b>
Other Non-Current Assets	11.21%	11.73%	9.68%	9.58%	9.83%
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Liabilities</b>					
Accounts Payable	18.14%	18.62%	18.51%	18.40%	18.19%
Loans/Notes Payable	4.32%	4.27%	4.80%	4.75%	4.58%
Other Current Liabilities	18.27%	18.74%	19.34%	19.08%	19.23%
<b>Total Current Liabilities</b>	<b>40.73%</b>	<b>41.63%</b>	<b>42.65%</b>	<b>42.23%</b>	<b>42.00%</b>
<b>Total Long Term Liabilities</b>	<b>13.53%</b>	<b>13.16%</b>	<b>13.54%</b>	<b>13.59%</b>	<b>13.58%</b>
<b>Total Liabilities</b>	<b>54.26%</b>	<b>54.79%</b>	<b>56.19%</b>	<b>55.82%</b>	<b>55.58%</b>
<b>Net Worth</b>	<b>45.74%</b>	<b>45.21%</b>	<b>43.81%</b>	<b>44.18%</b>	<b>44.42%</b>
<b>Total Liabilities &amp; Net Worth</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**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.

<b>Sources &amp; Uses of Funds</b>				
<b>Change in:</b>	<b>13-14</b>	<b>14-15</b>	<b>15-16</b>	<b>16-17</b>
Cash and cash equivalents	-61,890	30,805	-28,767	72,991
<b>Worksheet:</b>				
Accounts receivable	112,934	-72,984	64,876	-164,792
Inventory	11,454	-25,612	10,455	-26,438
Other Curr Assets	28,286	15,446	8,431	-21,573
Net Fixed Assets	34,908	-33,239	21,520	-54,277
Other Non-Curr Assets	17,439	38,613	17,085	-43,496
Accounts payable	-36,896	17,458	-30,569	64,820
Loans/Notes Payable	-12,731	17,933	-8,433	13,559
Other Current Liabilities	-37,484	35,401	-35,359	77,296
Long-term debt	-44,994	23,823	-19,285	51,853
Net Worth	-134,806	13,966	-57,488	176,039
Total Sources & Uses	-61,890	30,805	-28,767	72,991
Cash: Beginning period	532,100	470,210	501,015	472,248
Cash: End period	470,210	501,015	472,248	545,239
Change in Cash & Cash equivalents	-61,890	30,805	-28,767	72,991

**Sources and Uses:** The Sources and Uses of Funds table tests the accuracy of the balance sheet and distinguishes the sources of funds from their use. It is the basic worksheet preliminary to a formal cash flow statement examining the liquidity of a business. A multi-year industry benchmark common size balance sheet, which includes overlapped but not identical sets of firms in each year, is not well-suited for the presentation of a formal cash flow analysis.

Financial Ratios: Cash Flow-Solvency					
	2013	2014	2015	2016	2017
Accounts Payable: Business Revenue (%)	6.49	6.30	5.79	5.42	6.14
Current Liabilities: Inventory	6.50	6.41	5.90	5.82	5.83
Current Liabilities: Net Worth	0.89	0.92	0.97	0.96	0.95
Current Ratio	1.90	1.85	1.83	1.86	1.85
Days Payable	33.30	31.94	30.07	28.11	31.92
Quick Ratio	1.57	1.53	1.53	1.55	1.54
Total Liabilities: Net Worth	1.19	1.21	1.28	1.26	1.25

**Accounts Payable: Business Revenue:** Accounts Payable divided by Annual Business Revenue, measuring the speed with which a company pays vendors relative to Business Revenue. Numbers higher than typical industry ratios suggest that the company may be using suppliers to float operations.

**Current Liabilities: Inventory:** Current Liabilities divided by Inventory: A high ratio, relative to industry norms, suggests over-reliance on unsold goods to finance operations.

**Current Liabilities: Net Worth:** Current Liabilities divided by Net Worth, reflecting a level of security for creditors. The larger the ratio relative to industry norms, the less security there is for creditors.

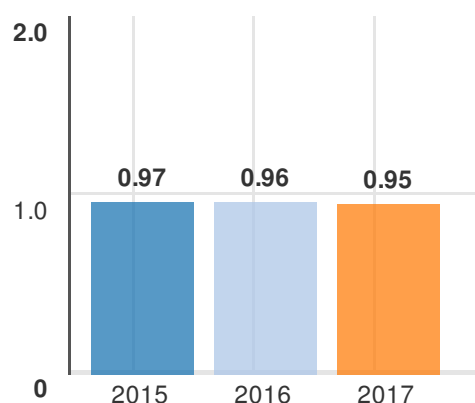
**Current Ratio:** This is the same as Current Assets divided by Current Liabilities, measuring current assets available to cover current liabilities, a test of near-term solvency. The ratio indicates to what extent cash on hand and disposable assets are enough to pay off near term liabilities. The Quick Ratio is applied as a more stringent test.

**Days Payables:**  $365 / (\text{Cost of Sales} : \text{Accounts Payable ratio})$ : Reflects the average number of days for each payable before payment is made.

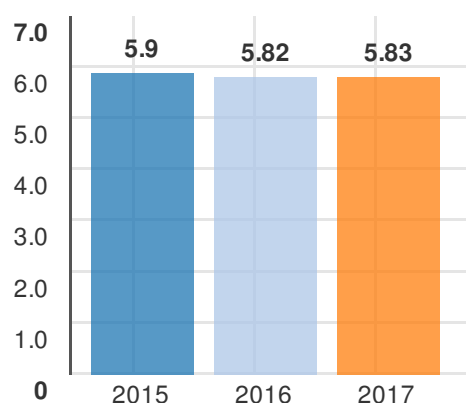
**Quick Ratio:** Cash plus Accounts Receivable, divided by Current Liabilities, indicating liquid assets available to cover current debt. Also known as the Acid Ratio. This is a harsher version of the Current Ratio, which balances short-term liabilities against cash and liquid instruments.

**Total Liabilities: Net Worth:** Total liabilities divided by Net Worth. This ratio helps to clarify the impact of long-term debt, which can be seen by comparing this ratio with Current Liabilities: Net Worth. Creditors are concerned to the extent that total liability levels exceed Net Worth.

**Current Liabilities Net Worth**

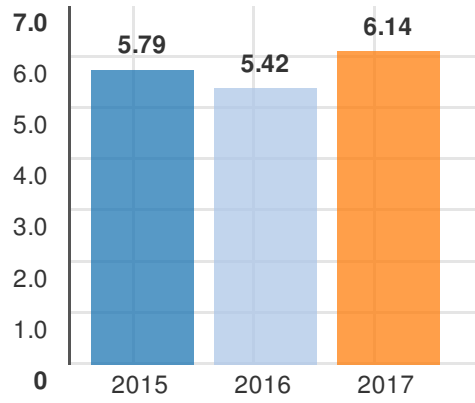


**Current Liabilities Inventory**

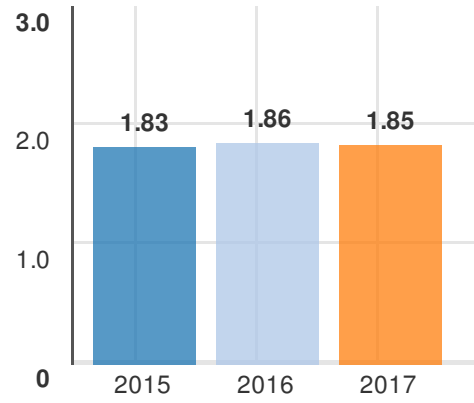




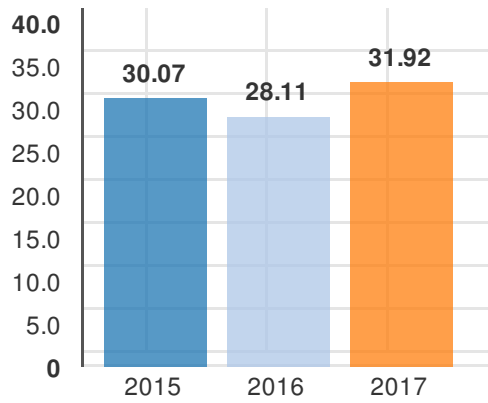
**Accounts Payable: Sales (%)**



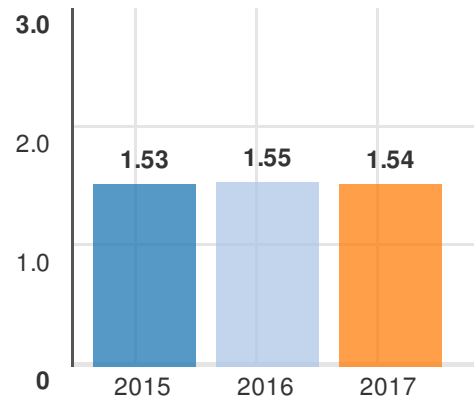
**Current Ratio**



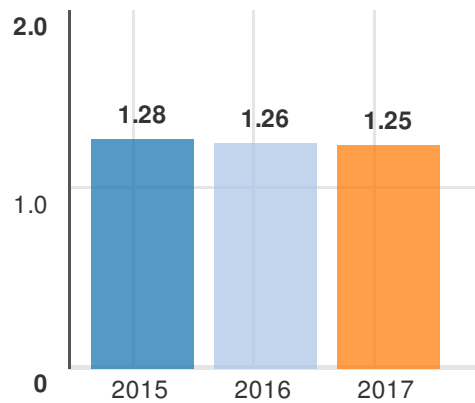
**Days Payable**



**Quick Ratio**



**Total Liabilities: Net Worth**



Financial Ratios: Profitability					
	2013	2014	2015	2016	2017
EBITDA: Business Revenue (%)	3.25	3.99	3.58	3.37	3.06
Pre-Tax Return On Assets (%)	7.01	10.64	9.53	9.43	7.20
Pre-Tax Return on Net Worth (%)	15.33	23.53	21.74	21.35	16.21
Pre-Tax Return on Business Revenue (%)	2.51	3.60	2.98	2.78	2.43
After Tax Return on Assets (%)	4.91	7.19	6.48	6.47	5.00
After Tax Return on Net Worth (%)	10.73	15.90	14.79	14.63	11.26
After Tax Return on Business Revenue (%)	1.76	2.43	2.03	1.91	1.69
Discretionary Owner Earnings (%)	6.82	7.36	6.59	6.51	6.39

**EBITDA:** EBITDA: Business Revenue: Earnings Before Interest, (income) Taxes due, Depreciation and Amortization divided by Business Revenue. EBITDA: Business Revenue is a relatively controversial (and often criticized) metric designed to eliminate the effect of finance and accounting decisions when comparing companies and industry benchmarks. Tax credits and deferral procedures and non-cash expenditures (Amortization and Depreciation) are not deducted from the profit equation, as are interest expenditures.

**Return on Assets:** Pre-Tax or After Tax Net Profit divided by Total Assets, a critical indicator of profitability. Companies which use their assets efficiently will 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.

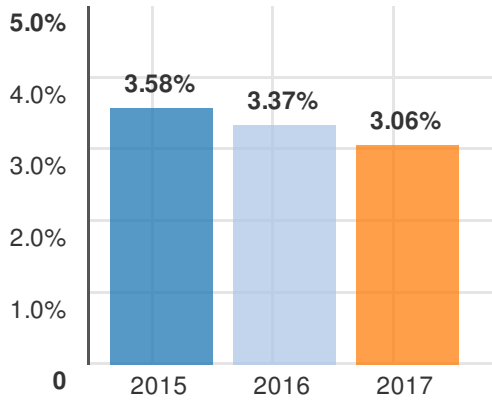
**Return on Net Worth:** Pre-Tax or After Tax Net Profit divided by Net Worth. This is the 'final measure' of profitability to evaluate overall return. This ratio measures return relative to investment, how well a company leverages the investment in it. May appear higher for small businesses due to owner compensation draws accounted as net profit.

**Return on Business Revenue:** Pre-Tax or After Tax Net Profit Net Profit divided by Annual Business Revenue, indicating 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.

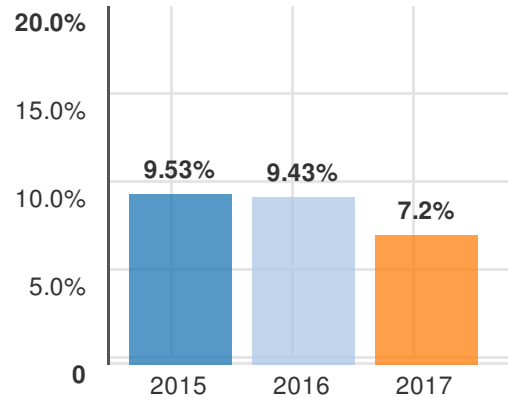
**Discretionary Owner Earnings:** Sums Officer Compensation, Depreciation and related non-cash expenses and Net Profit after business taxes to represent a practical measure of total return to owners. The D.O.E. metric is mainly used for small businesses.

## Profitability Ratios:

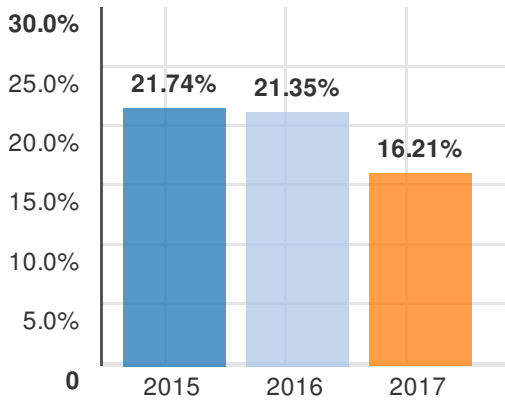
### EBITDA: Sales (%)



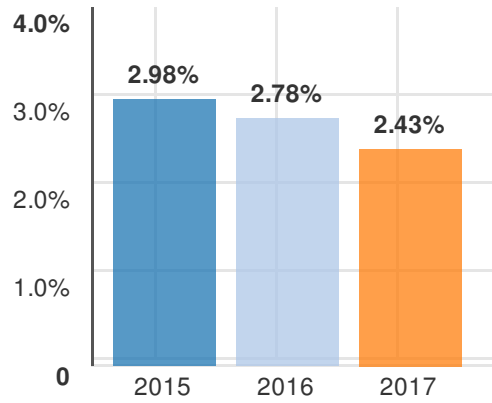
### Return on Assets Pre-Tax (%)



### Return On Net Worth Pre-Tax (%)



### Return On Sales Pre-Tax (%)



Financial Ratios: Efficiency-Debt-Risk					
	2013	2014	2015	2016	2017
Assets: Business Revenue	0.36	0.34	0.31	0.29	0.34
Cost of Sales: Accounts Payable	10.96	11.43	12.14	12.98	11.43
Cost of Sales: Inventory	31.71	32.78	31.08	32.95	28.89
Days Inventory	11.51	11.13	11.75	11.08	12.64
Days Receivables	57.38	54.47	51.51	48.67	55.34
Days Working Capital	47.81	43.67	40.59	38.95	44.20
EBITDA: Interest Expense	11.21	21.00	11.55	10.53	9.27
Fixed Assets: Net Worth	0.25	0.25	0.28	0.27	0.28
Gross Margin: Business Revenue	28.84	28.01	29.71	29.60	29.82
Net Working Capital: Business Revenue	0.13	0.12	0.11	0.11	0.12
Loans/Notes Payable:Net Worth	0.09	0.09	0.11	0.11	0.10
Long-Term Liabilities:Net Worth	0.30	0.29	0.31	0.31	0.31
Modified Z-Score	4.30	4.51	4.41	4.48	4.23

**Assets: Business Revenue:** Total Assets divided by Net Business Revenue, indicating whether a company is handling too high a volume of Business Revenue in relation to investment. Very low percentages relative to industry norms might indicate overly conservative sales efforts or poor sales management.

**Cost of Sales: Accounts Payable:** Measures the number of times payables turn over in the course of the year. High measures may indicate cash flow concerns.

**Cost of Sales: Inventory:** Reflects the number of times inventory is turned over during the course of the year. High levels can mean good liquidity or Business Revenue, or shortages requiring better management. Low levels may indicate poor cash flow or overstocking.

**Days Inventory:  $365/(\text{Cost of Sales: Inventory})$ :** The average number of days of items in inventory.

**Days Receivables:  $365/(\text{Receivables Turnover})$ :** Reflects the number of days that receivables are outstanding. Target average or lower.

**Days Working Capital:  $365/(\text{Working Capital Turnover})$ :** Expresses the coverage in number of days of available working capital.

**EBITDA: interest expense:** Earnings before Interest, (income) Taxes due, Depreciation and Amortization divided by Interest expense. Assesses financial stability by examining whether a company is at least profitable enough to pay interest expense. A ratio  $>1.00$  indicates it is. See cautions in the listing for EBITDA.

**Fixed Assets: Net Worth:** Fixed Assets divided by Net Worth. High ratios relative to the industry can indicate low working capital or high levels of debt.

**Gross Margin: Business Revenue:** Pretax profits divided by Annual Business Revenue. This is the profit ratio before product and Business Revenue costs, as well as taxes. This ratio can indicate the "play" in other expenses which could be adjusted to increase the Net Profit margin.

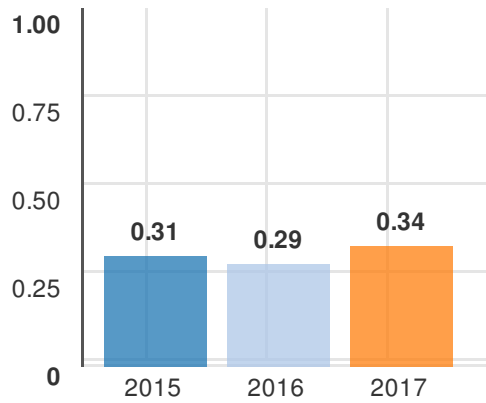
**Net Working Capital: Business Revenue:** Net Working Capital divided by Business Revenue. Indicates if a company is maintaining a reasonable level of liquidity relative to its Business Revenue volume. A high ratio indicate an overly conservative reliance on liquid assets, while low ratios suggests the opposite.

**Loans/Notes Payable: Net Worth:** The Loans/Notes Payable portion of current liabilities divided by Net Worth, a measure of debt coverage.

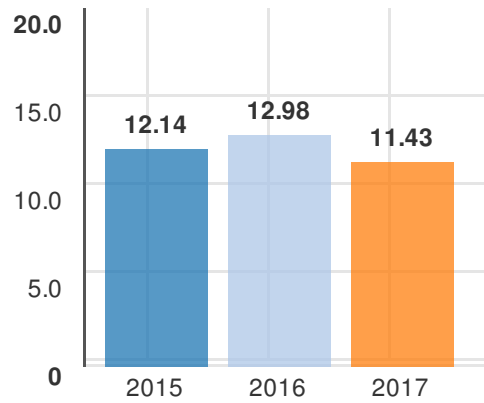
**LongTerm Liabilities: Net Worth:** LongTerm Liabilities divided by Net Worth, a measure of debt coverage.

## Efficiency-Debt-Risk Ratios:

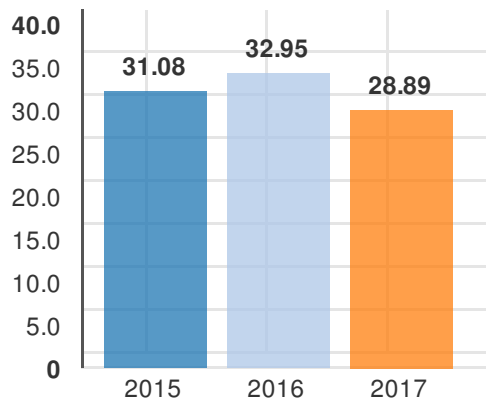
### Assets: Business Revenue



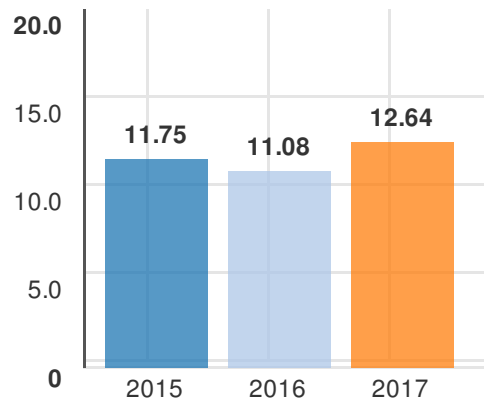
### Cost of Sales: Accounts Payable



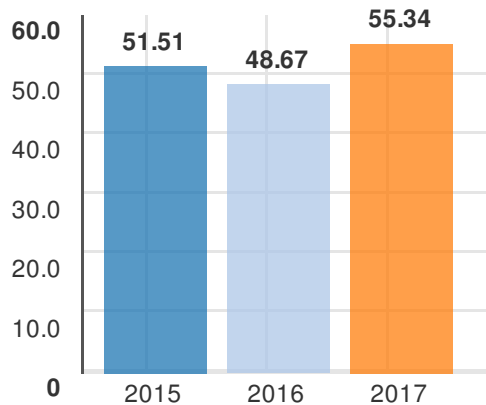
### Cost of Sales: Inventory



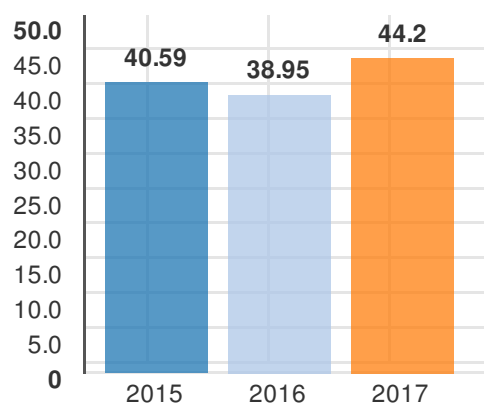
### Days Inventory



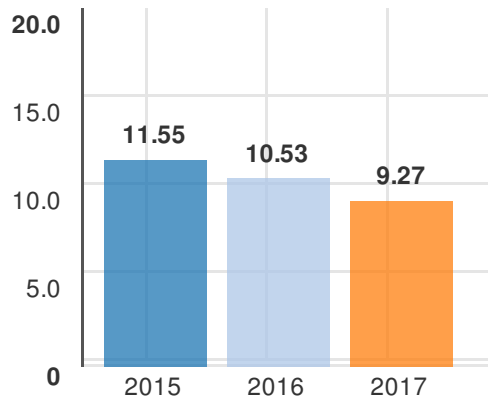
### Days Receivables (x)



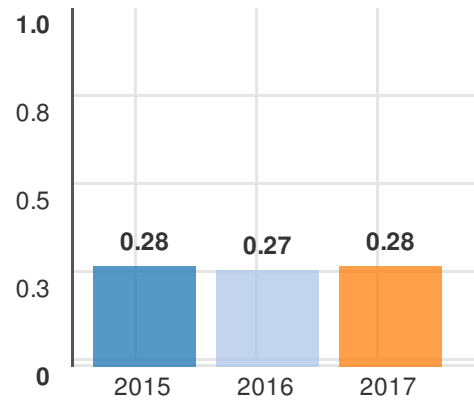
### Days Working Capital (x)



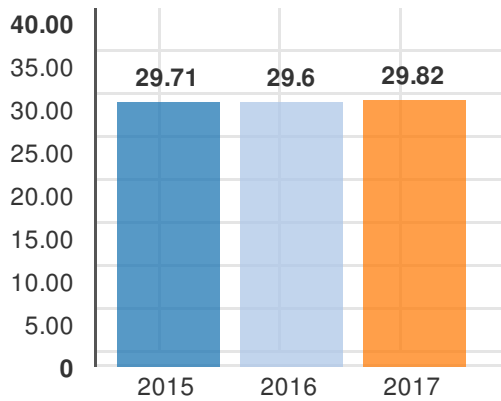
**EBITDA: Interest**



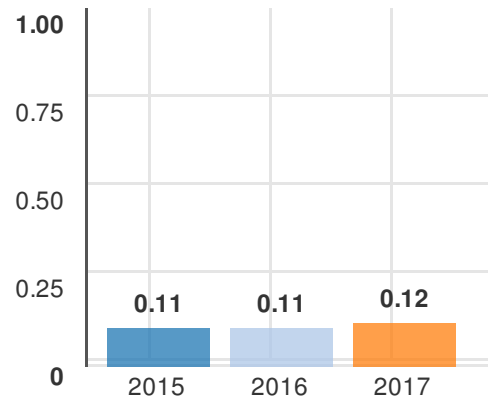
**Fixed Assets: Net Worth**



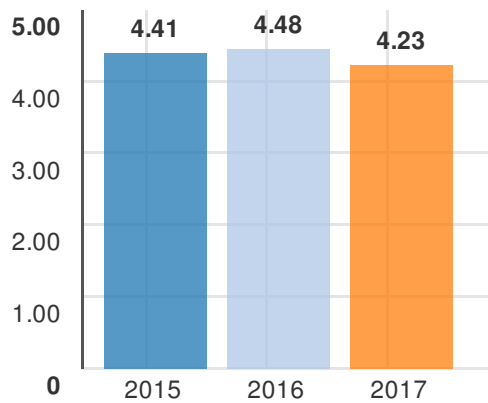
**Gross Margin: Business Revenue**



**Net Working Capital: Sales**



**Modified Z-Score**



Financial Ratios: Turnover					
	2013	2014	2015	2016	2017
Cash Turnover (X)	14.01	15.09	16.01	16.94	14.90
Current Asset Turnover	3.61	3.84	4.09	4.33	3.80
Fixed Asset Turnover	24.38	26.20	26.38	28.33	24.12
Inventory Turnover (X)	44.57	45.54	44.21	46.81	41.16
Receivables Turnover (X)	6.36	6.70	7.09	7.50	6.60
Total Asset Turnover (X)	2.79	2.96	3.20	3.39	2.96
Working Capital Turnover (X)	7.63	8.36	8.99	9.37	8.26

**Cash Turnover:** Business Revenue divided by Cash. Indicates efficiency in the use of cash to develop Business Revenue. A more stringent ratio than Working Capital Turnover (below). Target at or slightly below industry level.

**Current Asset Turnover:** Business Revenue divided by Current Assets. A general indicator of the efficiency of asset use. Target at or slightly below industry level.

**Fixed Asset Turnover:** Business Revenue divided by Fixed Assets. An indicator of the efficiency of investment in fixed asset such as plant and equipment. Target at or slightly below industry level.

**Inventory Turnover:** Business Revenue divided by Inventory. This ratio gives a picture of how quickly inventory turns over. Ratios below the industry norm suggest high levels of inventory. High ratios could indicate product levels insufficient to satisfy demand in a timely manner. Target: at or slightly above industry level.

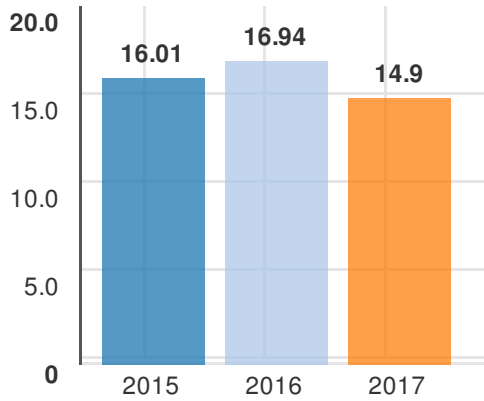
**Receivables Turnover:** Business Revenue divided by Receivables. An indicator of how efficiently invoiced sales are collected. Target at or slightly above industry level.

**Total Asset Turnover:** Business Revenue divided by Total Assets. Target: at or slightly below industry level.

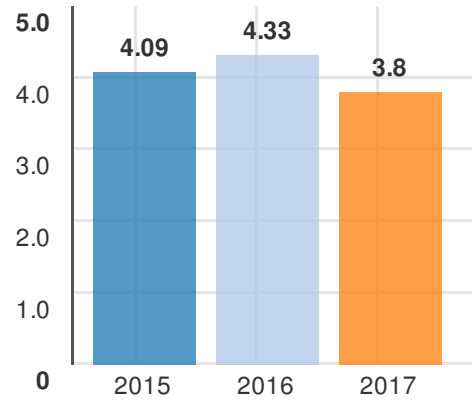
**Working Capital Turnover:** Business Revenue divided by Net Working Capital (current assets minus current liabilities). Ratios higher than industry norms may indicate a strain on available liquid assets, while low ratios may suggest too much liquidity. Target: at or above industry level.

## Turnover Ratios:

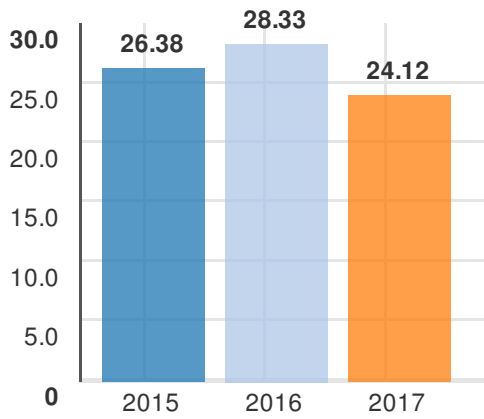
### Cash Turnover



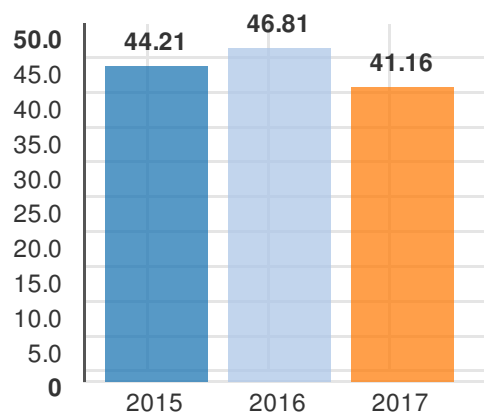
### Current Asset Turnover



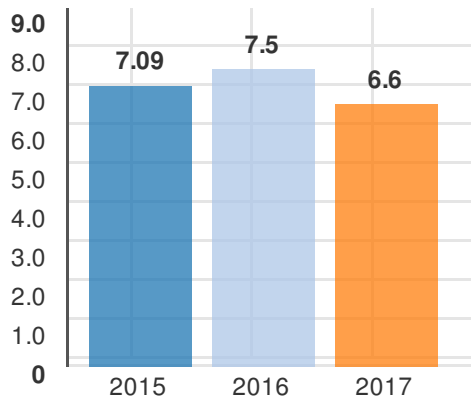
### Fixed Asset Turnover



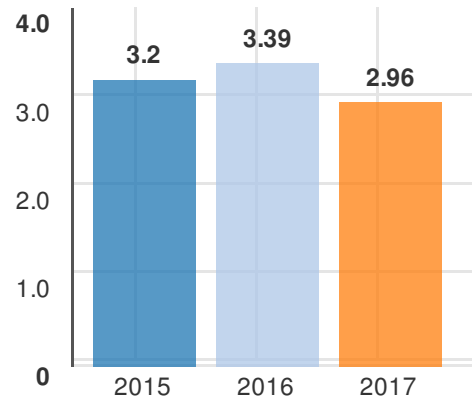
### Inventory Turnover (X)



### Receivables Turnover (X)



### Total Asset Turnover (X)





## 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.