



Bizminer© 2020

Industry Financial Report

NAICS 332410

Power Boiler and Heat Exchanger Manufacturing Small < \$5M

Sales Classes Applied: \$500,000 - \$999,999, \$1m - \$2.49m, \$2.5m - \$4.99m

Tulsa, OK Metro Area Release Date: April 2020

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INTRODUCTION

GET THE MOST OUT OF YOUR INDUSTRY FINANCIAL REPORT

The Bizminer Industry Financial Report presents detailed information to help you understand any firm's position relative to the financial performance of similar firms in the industry. If you input your firm financials, comparison of dollar, percentage and financial ratio performance become an even more powerful benchmark of firm performance against industry standards. The results can help you understand your industry and become an important part of your toolkit that helps to guide management decisions. If you aren't already, consider working with a qualified advisor to obtain personalized guidance.

To assist you, the report includes definitions of most line items and ratios; and (if you take advantage of the inputs tool) a simple scoring interface that compares your firm and the industry peer group you selected.

YOUR INDUSTRY PEER GROUP

When you accessed your Industry Financial Report, you selected a comparison peer group that most closely represents the character of your firm.

Firms Analyzed	
2015	9
2016	8
2017	7
2018	8
2019	8

Your peers are determined through a series of criteria and can include your selections of:

- Industry Segment (of 5000 classifications)
- Market Area (US- State-Metro)
- Sales Class (of 15 available)
- Time Series (1-5 year display options)

YOUR INDUSTRY IN CONTEXT: THE NAICS CLASSIFICATION SYSTEM

The industry your selected fits within the official NAICS (North American Industry Classification System) and Bizminer's proprietary taxonomy, which breaks out more detailed industries classifications than NAICS by adding up to eight decimal digits after the NAICS-6 code. The industry you selected fits into this industry hierarchy:

- NAICS 332: Fabricated Metal Product Manufacturing
- NAICS 3324: Boiler, Tank, and Shipping Container Manufacturing
- NAICS 332410: Power Boiler and Heat Exchanger Manufacturing

RATIO CATEGORIES

The Bizminer Industry Financial Report is based on selected financial ratios that are typically considered to be Key Performance Indicators (KPIs) which includes:

Cash Flow/Solvency: Cash Flow ratios indicate a company's ability to meet various levels of demand on cash and easily obtainable cash resources against current and anticipated near-term payments due.

Profitability: Profitability ratios compare levels of return against various expense and balance sheet components to measure your performance against reasonable industry peer group standards, indicating bottom line performance.

Efficiency: Efficiency ratios measure your success in marshalling resources at hand to effectively manage various components of your business operations. These indicators often point most specifically toward actions that could enhance your bottom line.

Debt-Risk: Debt-Risk ratios assess the appropriateness of a firm's level of debt against the ability to pay, as well as the risk of insolvency.

If you submit corresponding inputs, ratios will be scored against industry values for the most recent three calendar years.

CUSTOMIZE YOUR REPORT

Customize any Bizminer Industry Financial Report with these options: Co-brand with your name and logo (and/or your client's); input and benchmark firm financials; specify tables, ratios and years you want to display. Display options are On by default.

NO-INPUTS SCORING

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PROFIT LOSS (\$): INCOME & EXPENSE - INDUSTRY

	Industry				
	2015	2016	2017	2018	2019
Business Revenue	2,127,217	1,999,812	2,043,478	2,213,141	2,035,998
Cost of Sales	1,439,788	1,363,272	1,399,271	1,504,572	1,399,404
Cost of Sales - Labor Portion	291,002	278,811	289,736	307,543	281,876
Gross Margin	687,429	636,540	644,207	708,569	636,594
Officers Comp.	120,246	119,516	119,418	130,042	115,236
Salary-Wages	179,681	179,733	181,517	195,602	176,760
Rent	98,981	98,299	98,064	107,022	90,665
Taxes Paid	53,578	33,300	30,525	36,215	45,613
Advertising	10,597	10,416	10,252	11,329	13,539
Benefits-Pensions	71,015	71,544	73,904	77,849	83,911
Repairs	23,664	23,511	23,670	25,625	13,779
Bad Debt	200	187	191	207	1,266
Sales, General, Admin & Misc.	61,853	54,816	55,496	59,599	60,463
EBITDA	67,614	45,218	51,170	65,079	35,362
Amortization Depreciation Depletion	22,903	23,422	25,165	26,598	35,846
Operating Expenses	642,718	614,744	618,202	670,088	637,078
Operating Income	44,711	21,796	26,005	38,481	-484
Interest Income	200	187	191	207	1,249
Interest Expense	3,949	3,765	3,984	4,170	16,582
Other Income	6,173	6,551	6,743	6,948	9,921
Pre-Tax Net Profit	47,135	24,769	28,955	41,466	-5,896
Income Tax	7,070	3,716	4,343	8,708	0
After Tax Net Profit	40,065	21,053	24,612	32,758	-5,896
Discretionary Owner Earnings	183,214	163,991	169,195	189,398	145,186

PROFIT LOSS DEFINITIONS

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: The payroll compensation portion of Cost of Sales, expressed as a per cent of Business Revenue.

Gross Margin represents direct operating expenses plus net profit. In addition to the labor portion of Cost of Sales, payroll 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: Salary, wages stock bonuses and other compensation paid to officers for personal services rendered. It does not include qualified deferred compensation, such as contributions to a 401(k) plan or a salary reduction agreement, which are included in the Benefits-Pensions line.

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 not a formal 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**).

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.

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.

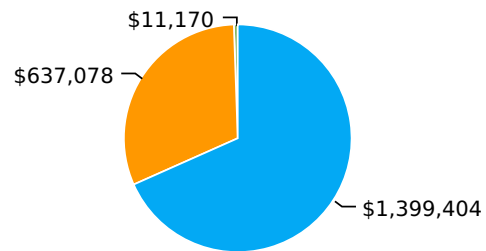
Pre-Tax Net Profit represents net profit before income tax due. Income Tax calculates the federal corporate tax rate before credits, leaving After-Tax Profit at the bottom line.

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

PROFIT LOSS (\$): EXPENSES

Industry Expenses: Sales 2019

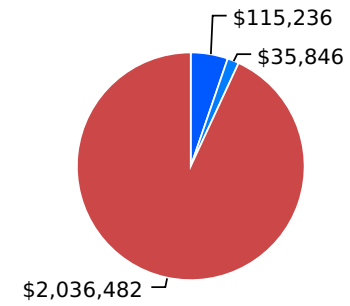
Cost of Sales Operating Expenses Other Income-Interest
Pre-Tax Net Profit



Total Owner Earnings is reduced by the -0.29% Net Profit value, which is not displayed in the chart.

Industry Owner Earnings: Sales 2019

Officer Compensation Non-Cash Expenses Pre-Tax Net Profit
All Cash Expenses



Total Owner Earnings is reduced by the -0.29% Net Profit value, which is not displayed in the chart.

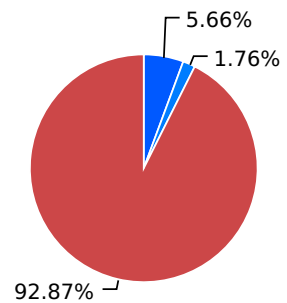
PROFIT LOSS (%): INCOME & EXPENSE - INDUSTRY

	Industry				
	2015	2016	2017	2018	2019
Business Revenue	100%	100%	100%	100%	100%
Cost of Sales	67.68%	68.17%	68.47%	67.98%	68.73%
Cost of Sales - Labor Portion	13.68%	13.94%	14.18%	13.90%	13.84%
Gross Margin	32.32%	31.83%	31.53%	32.02%	31.27%
Officers Comp.	5.65%	5.98%	5.84%	5.88%	5.66%
Salary-Wages	8.45%	8.99%	8.88%	8.84%	8.68%
Rent	4.65%	4.92%	4.80%	4.84%	4.45%
Taxes Paid	2.52%	1.67%	1.49%	1.64%	2.24%
Advertising	0.50%	0.52%	0.50%	0.51%	0.66%
Benefits-Pensions	3.34%	3.58%	3.62%	3.52%	4.12%
Repairs	1.11%	1.18%	1.16%	1.16%	0.68%
Bad Debt	0.01%	0.01%	0.01%	0.01%	0.06%
Sales, General, Admin & Misc.	2.91%	2.74%	2.72%	2.69%	2.97%
EBITDA	3.18%	2.24%	2.51%	2.93%	1.75%
Amortization Depreciation Depletion	1.08%	1.17%	1.23%	1.20%	1.76%
Operating Expenses	30.22%	30.76%	30.25%	30.29%	31.28%
Operating Income	2.10%	1.07%	1.28%	1.73%	-0.01%
Interest Income	0.01%	0.01%	0.01%	0.01%	0.06%
Interest Expense	0.19%	0.19%	0.19%	0.19%	0.81%
Other Income	0.29%	0.33%	0.33%	0.31%	0.49%
Pre-Tax Net Profit	2.22%	1.24%	1.42%	1.87%	-0.29%
Income Tax	0.33%	0.19%	0.21%	0.39%	0.00%
After Tax Net Profit	1.88%	1.03%	1.22%	1.47%	-0.27%
Discretionary Owner Earnings	8.61%	8.20%	8.28%	8.56%	7.13%

PROFIT LOSS (%): EXPENSES

Industry Owner Earnings: Sales 2019

- Officer Compensation
- Non-Cash Expenses
- Pre-Tax Net Profit
- All Cash Expenses



Total Owner Earnings is reduced by the -0.29% Net Profit value, which is not displayed in the chart.

BALANCE SHEET (\$): INDUSTRY

	Industry				
	2015	2016	2017	2018	2019
Cash	152,169	126,804	137,776	151,609	154,029
Receivables	205,254	175,133	196,749	208,936	208,019
Inventory	192,828	168,885	196,777	200,721	200,965
Other Current Assets	20,721	17,662	19,678	21,090	19,255
Total Current Assets	570,972	488,484	550,980	582,356	582,268
Gross Fixed Assets	230,926	195,741	213,573	1,359,276	862,512
Accum. Depreciation-Amortization- Depltn.	27,231	23,874	27,458	1,164,320	661,478
Net Fixed Assets	203,696	171,867	186,115	194,980	201,074
Other Non-Current Assets	170,407	148,745	169,492	168,133	164,485
Total Assets	945,075	809,096	906,587	945,469	947,827
Accounts Payable	47,338	41,394	49,143	50,097	53,393
Loans/Notes Payable	59,932	51,944	55,160	57,761	51,077
Other Current Liabilities	92,767	81,112	89,388	88,221	84,096
Total Current Liabilities	200,037	174,450	193,691	196,079	188,566
Total Long Term Liabilities	113,522	98,374	106,676	104,850	107,400
Total Liabilities	313,559	272,824	300,367	300,929	295,966
Net Worth	631,516	536,272	606,220	644,540	651,861
Total Liabilities & Net Worth	945,075	809,096	906,587	945,469	947,827

BALANCE SHEET DEFINITIONS

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.

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.

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

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.

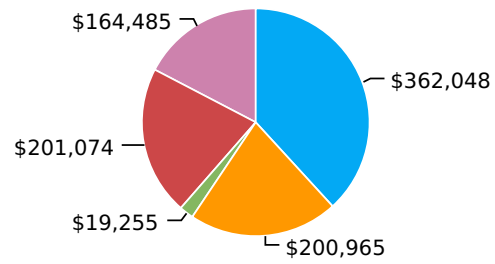
Total Liabilities: Current Liabilities plus Long Term Liabilities such as notes and mortgages due over more than one year.

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

BALANCE SHEET (\$): ASSETS

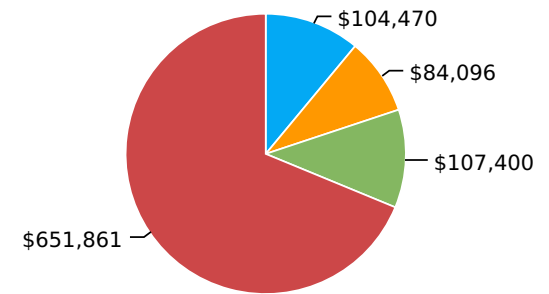
Industry Assets 2019

- Cash-Receivables
- Inventory
- Other Current
- Net Fixed
- Other Non-Current



Industry Liabilities 2019

- Payables
- Other Current
- Long Term
- Net Worth



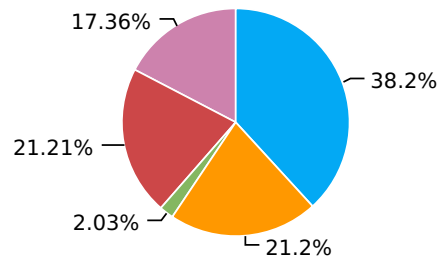
BALANCE SHEET (%): INDUSTRY

	Industry				
	2015	2016	2017	2018	2019
Cash	16.10%	15.67%	15.20%	16.04%	16.25%
Receivables	21.72%	21.65%	21.70%	22.10%	21.95%
Inventory	20.40%	20.87%	21.71%	21.23%	21.20%
Other Current Assets	2.19%	2.18%	2.17%	2.23%	2.03%
Total Current Assets	60.42%	60.37%	60.78%	61.59%	61.43%
Gross Fixed Assets	24.43%	24.19%	23.56%	143.77%	91.00%
Accum. Depreciation-Amortization- Depltn.	2.88%	2.95%	3.03%	123.15%	69.79%
Net Fixed Assets	21.55%	21.24%	20.53%	20.62%	21.21%
Other Non-Current Assets	18.03%	18.39%	18.69%	17.79%	17.36%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Accounts Payable	5.01%	5.12%	5.42%	5.30%	5.63%
Loans/Notes Payable	6.34%	6.42%	6.08%	6.11%	5.39%
Other Current Liabilities	9.82%	10.03%	9.86%	9.33%	8.87%
Total Current Liabilities	21.17%	21.57%	21.36%	20.74%	19.89%
Total Long Term Liabilities	12.01%	12.16%	11.77%	11.09%	11.33%
Total Liabilities	33.18%	33.72%	33.13%	31.83%	31.23%
Net Worth	66.82%	66.28%	66.87%	68.17%	68.77%
Total Liabilities & Net Worth	100.00%	100.00%	100.00%	100.00%	100.00%

BALANCE SHEET (%): ASSETS

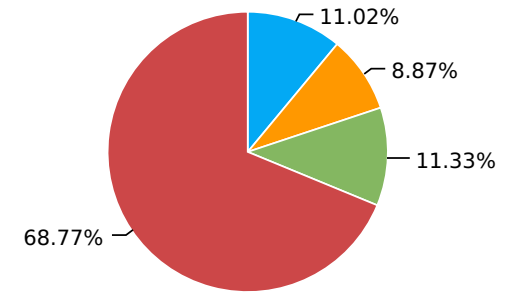
Industry Assets 2019

Cash-Receivables Inventory Other Current Net Fixed
Other Non-Current



Industry Liabilities 2019

Payables Other Current Long Term Net Worth

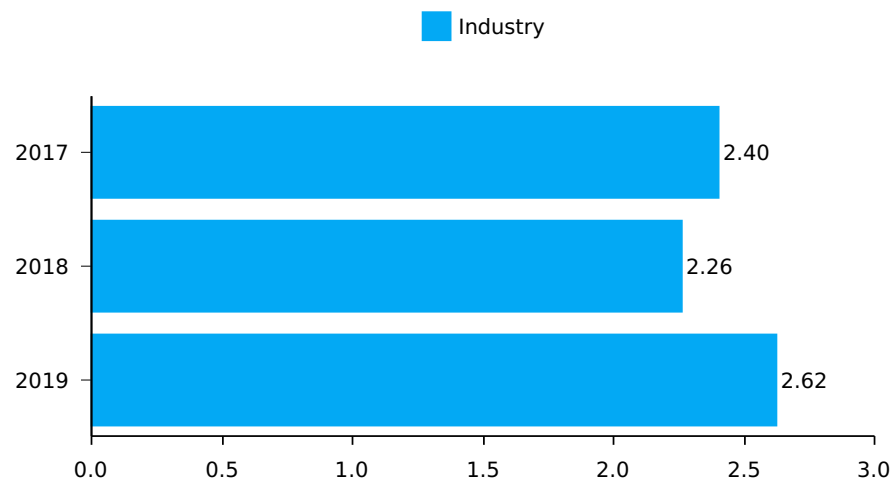


FINANCIAL RATIOS: CASH FLOW-SOLVENCY

Financial Ratios: Cash Flow-Solvency	Industry				
	2015	2016	2017	2018	2019
Accounts Payable: Business Revenue	2.23	2.07	2.40	2.26	2.62
Current Ratio	2.85	2.80	2.84	2.97	3.09
Quick Ratio	1.79	1.73	1.73	1.84	1.92
Days Payable	12.00	11.08	12.82	12.15	13.93
Current Liabilities: Inventory	1.04	1.03	0.98	0.98	0.94
Net Working Capital: Business Revenue	0.17	0.16	0.17	0.17	0.19
Cost of Sales: Accounts Payable	30.42	32.93	28.47	30.03	26.21
Cost of Sales: Inventory	7.47	8.07	7.11	7.50	6.96

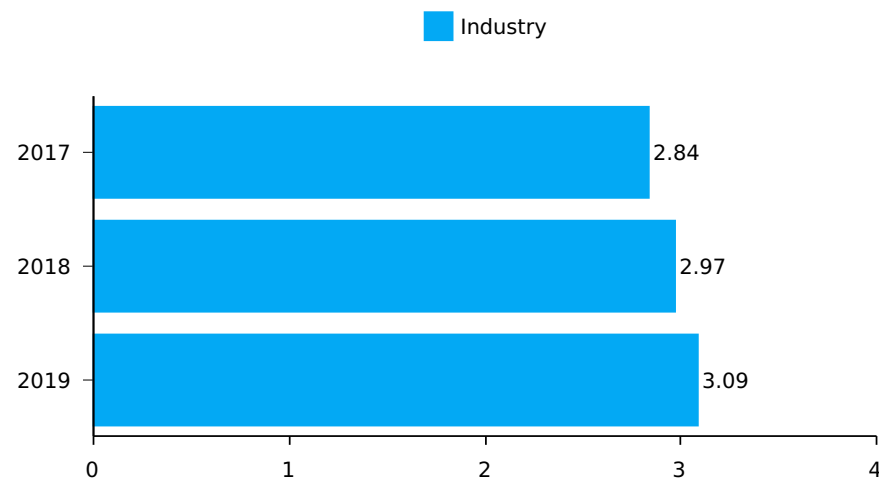
FINANCIAL RATIOS: CASH FLOW-SOLVENCY

Accounts Payable: Business Revenue



Notes: 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.

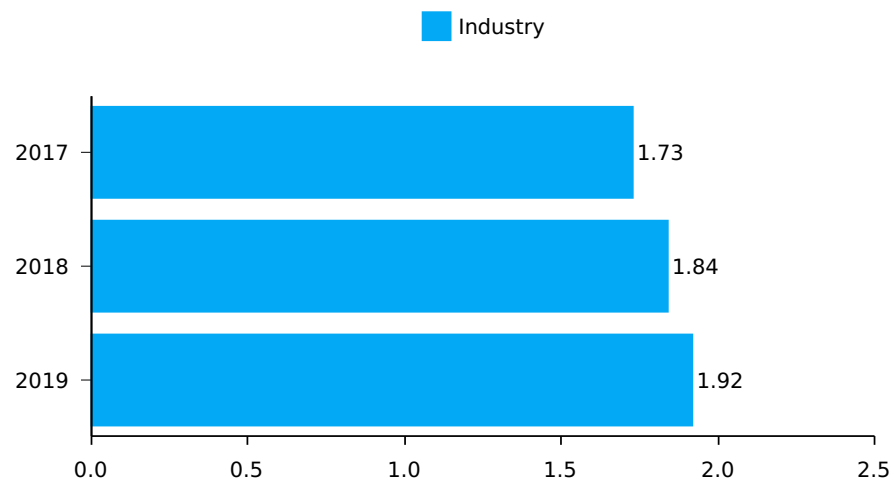
Current Ratio



Notes: Current Assets/Current Liabilities: Measures current assets available to cover current liabilities, a test of near-term solvency. The Current Ratio indicates the extent to which cash on hand and disposable assets can pay off near term liabilities. Higher is better unless it constrains necessary investment.

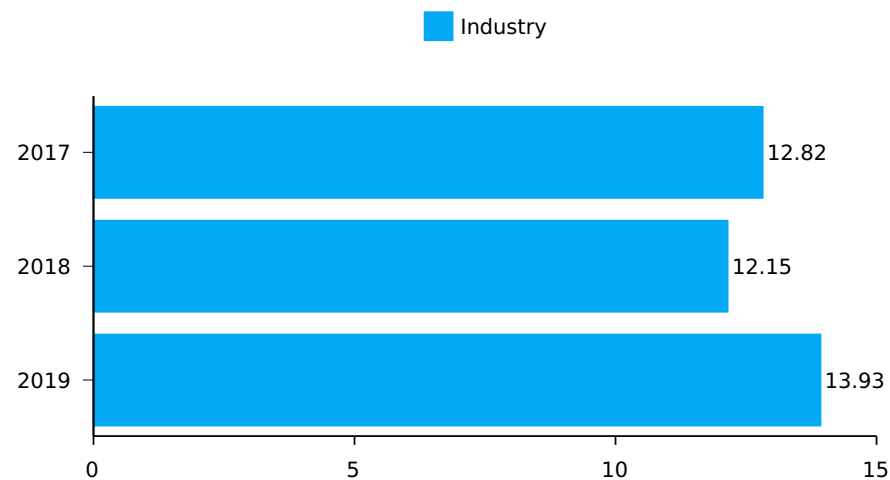
FINANCIAL RATIOS: CASH FLOW-SOLVENCY

Quick Ratio



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

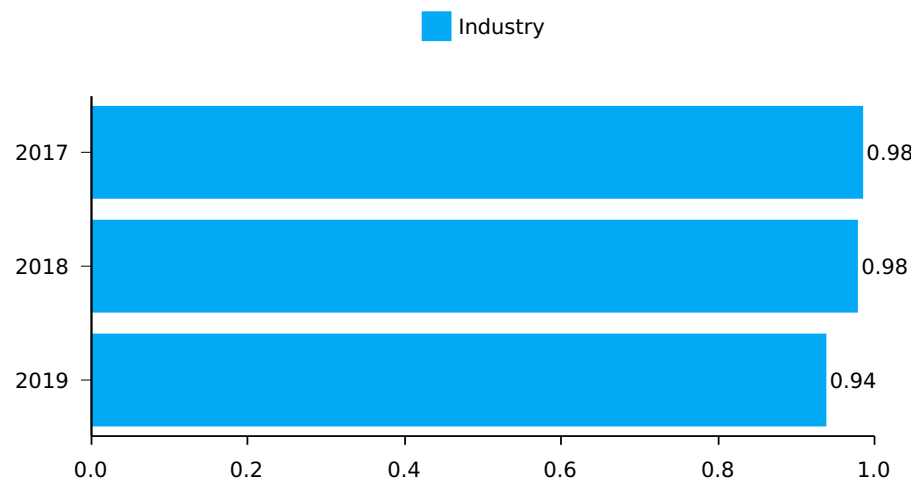
Days Payable



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

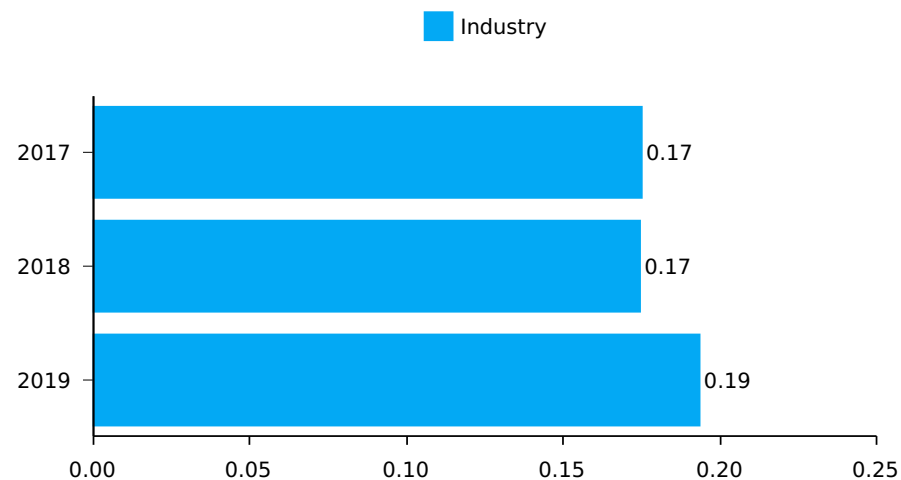
FINANCIAL RATIOS: CASH FLOW-SOLVENCY

Current Liabilities: Inventory



Notes: Current Liabilities/Inventory. A high ratio relative to the industry average may indicate over-reliance on unsold goods to finance operations.

Net Working Capital: Business Revenue



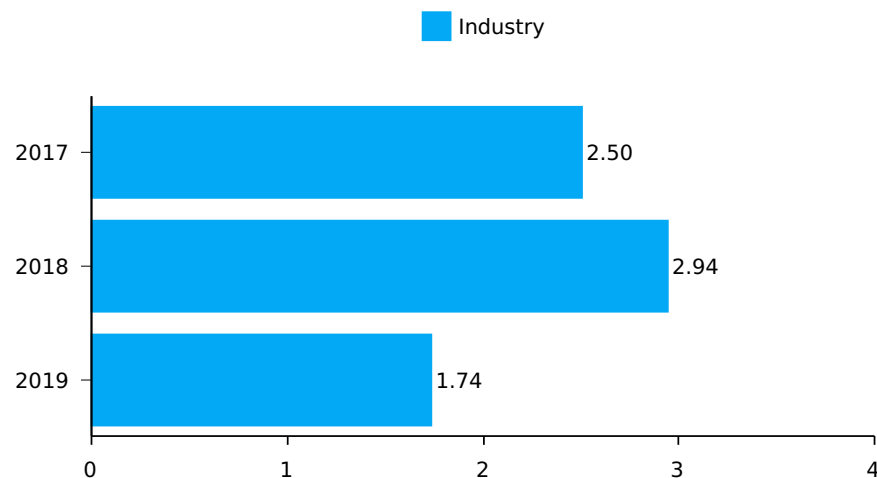
Notes: Net Working Capital (Current Assets-Current Liabilities)/Business Revenue. Indicates if a company is maintaining a reasonable level of liquidity relative to its Business Revenue volume. Higher is generally better, but very high ratios may indicate an overly conservative reliance on liquid assets, while low ratios suggest the opposite.

FINANCIAL RATIOS: PROFITABILITY

Financial Ratios: Profitability	Industry				
	2015	2016	2017	2018	2019
EBITDA: Business Revenue (%)	3.18	2.26	2.50	2.94	1.74
Pre-Tax Return On Assets (%)	4.99	3.06	3.19	4.39	n/a
Pre-Tax Return on Net Worth (%)	7.46	4.62	4.78	6.43	n/a
Pre-Tax Return on Business Revenue (%)	2.22	1.24	1.42	1.87	-0.29
Discretionary Owner Earnings	8.61	8.20	8.28	8.56	7.13
After-Tax Return On Assets (%)	4.20	2.58	2.69	3.43	n/a
After-Tax Return On Net Worth (%)	6.26	3.87	4.00	5.01	n/a
After-Tax Return On Business Revenue (%)	1.88	1.03	1.22	1.47	-0.27
Profit/Employee	7,856	4,503	5,265	7,539	n/a
Owner Earnings/Employee	30,536	29,817	30,763	34,436	26,397

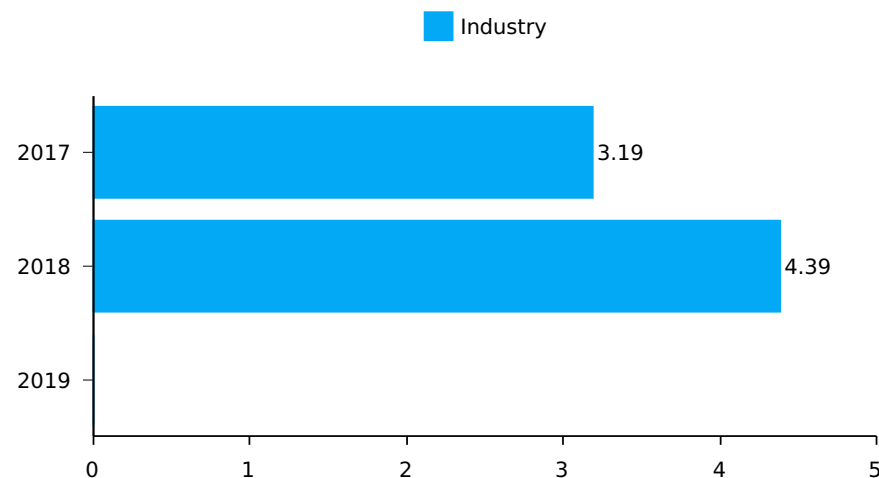
FINANCIAL RATIOS: PROFITABILITY

EBITDA: Business Revenue (%)



Notes: (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 and deferral procedures, non-cash expenditures (Amortization and Depreciation) and interest expenditures are not deducted from the profit equation.

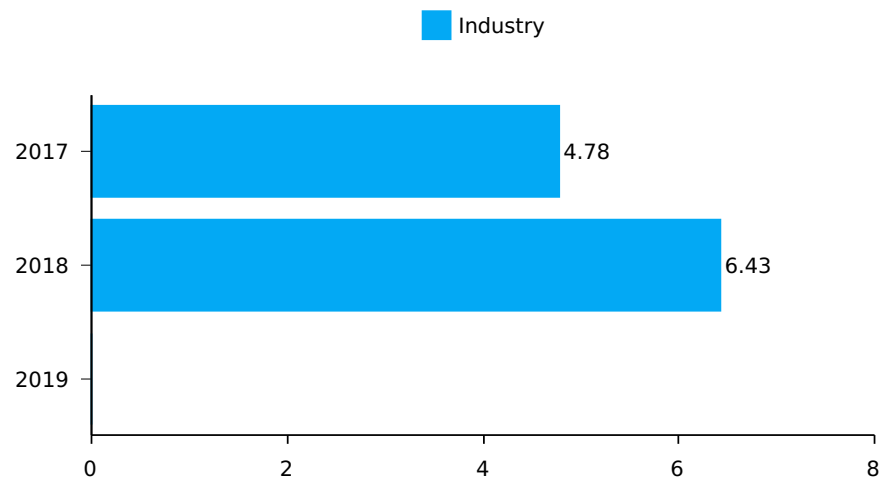
Pre-Tax Return On Assets (%)



Notes: 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. This ratio can be used as a predictor of the company's ability to withstand changes in prices or market conditions. The ratio may appear higher for small businesses due to owner compensation draws accounted as net profit.

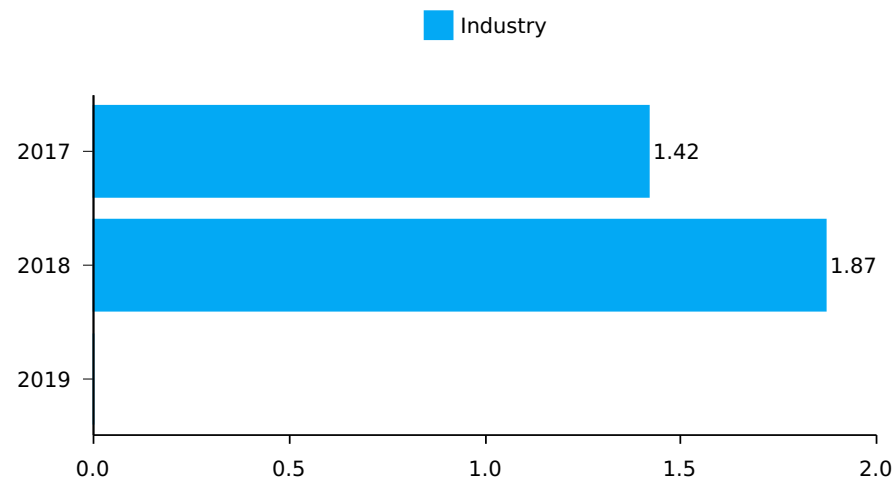
FINANCIAL RATIOS: PROFITABILITY

Pre-Tax Return on Net Worth (%)



Notes: Pre-Tax Net Profit/Net Worth. This ratio measures return relative to investment and how well a company leverages the investment in it. May appear higher for small businesses due to owner compensation draws accounted as net profit.

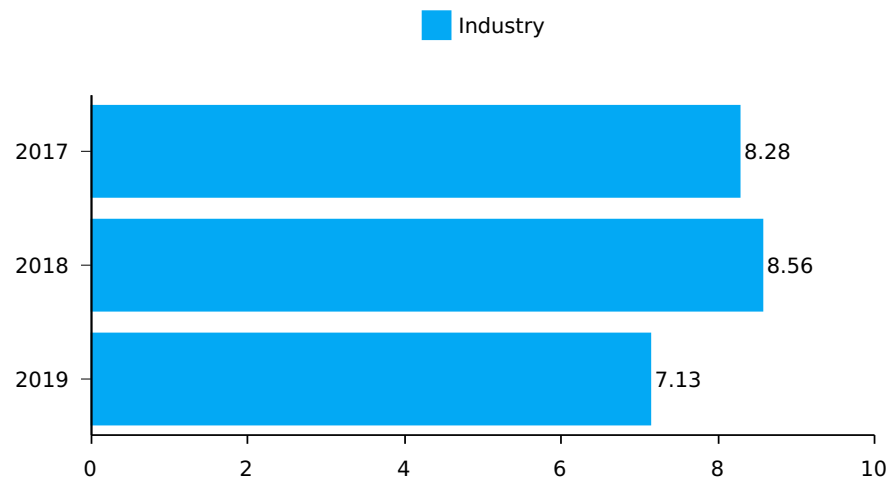
Pre-Tax Return on Business Revenue (%)



Notes: 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.

FINANCIAL RATIOS: PROFITABILITY

Discretionary Owner Earnings



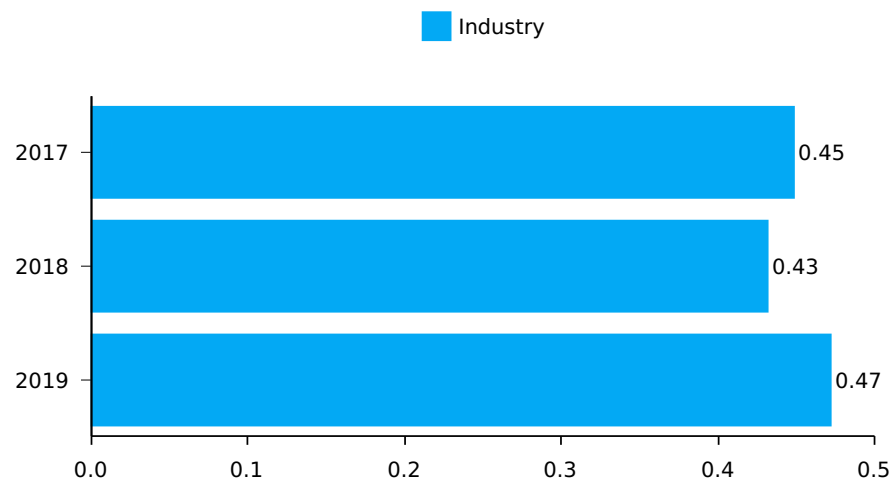
Notes: $(\text{Officer Compensation} + \text{Depreciation} + \text{Pre-Tax Net Profit}) / \text{Business Revenue}$.
This ratio measures the in-pocket return to owner(s) of privately held companies.
Most useful for small company measurement and rule-of-thumb valuation.

FINANCIAL RATIOS: EFFICIENCY

Financial Ratios: Efficiency	Industry				
	2015	2016	2017	2018	2019
Assets: Business Revenue	0.45	0.41	0.45	0.43	0.47
Days Inventory	48.88	45.22	51.33	48.69	52.42
Days Receivables	35.22	31.96	35.14	34.46	37.29
Current Asset Turnover	3.73	4.09	3.71	3.80	3.50
Fixed Asset Turnover (Business Revenue/Fixed Assets)	10.44	11.64	10.98	11.35	10.13
Gross Margin: Business Revenue	32.32	31.83	31.53	32.02	31.27
Sales Per Employee	354,536	363,602	371,541	402,389	370,182
Inventory Turnover	11.03	11.84	10.38	11.03	10.13
Receivables Turnover	10.36	11.42	10.39	10.59	9.79
Total Asset Turnover	2.25	2.47	2.25	2.34	2.15
Working Capital Turnover	5.73	6.37	5.72	5.73	5.17
Days Working Capital	63.65	57.32	63.82	63.71	70.58
Cash Turnover	13.98	15.77	14.83	14.60	13.22
Efficiency Index	5.46	5.61	5.50	5.58	4.99

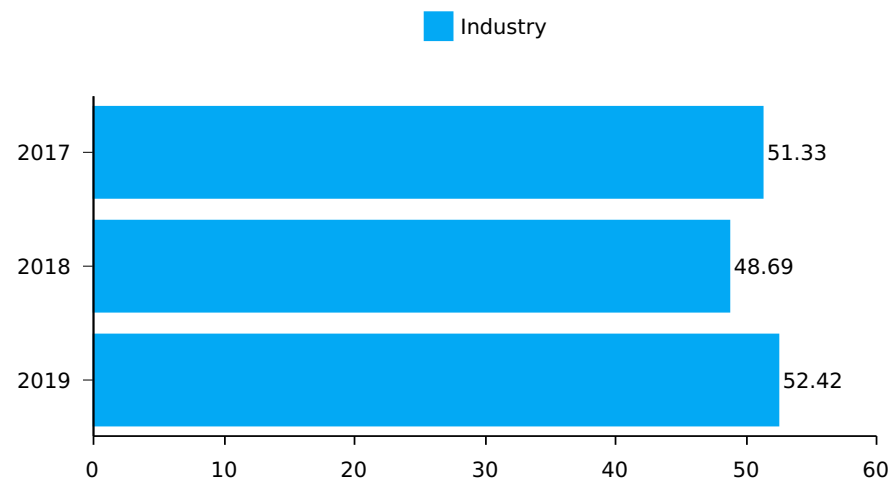
FINANCIAL RATIOS: EFFICIENCY

Assets: Business Revenue



Notes: 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.

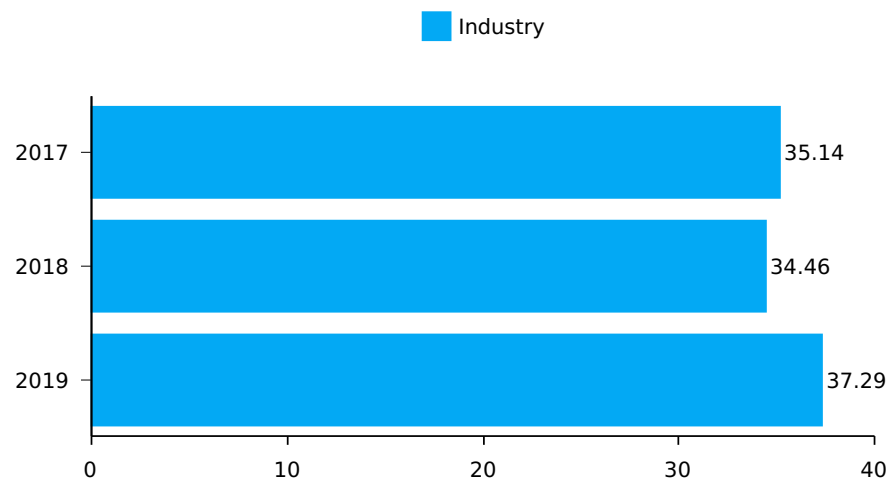
Days Inventory



Notes: $365 / (\text{Cost of Sales} / \text{Inventory})$ 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.

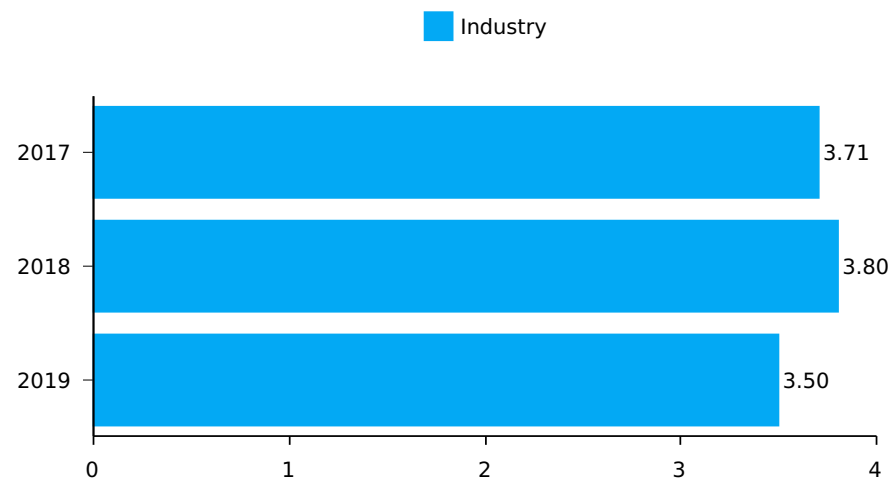
FINANCIAL RATIOS: EFFICIENCY

Days Receivables



Notes: $365 / (\text{Business Revenue} / \text{Receivables})$. Reflects the number of days that receivables are outstanding. Higher than average ratios may indicate a problem in the collection process. Target average or lower.

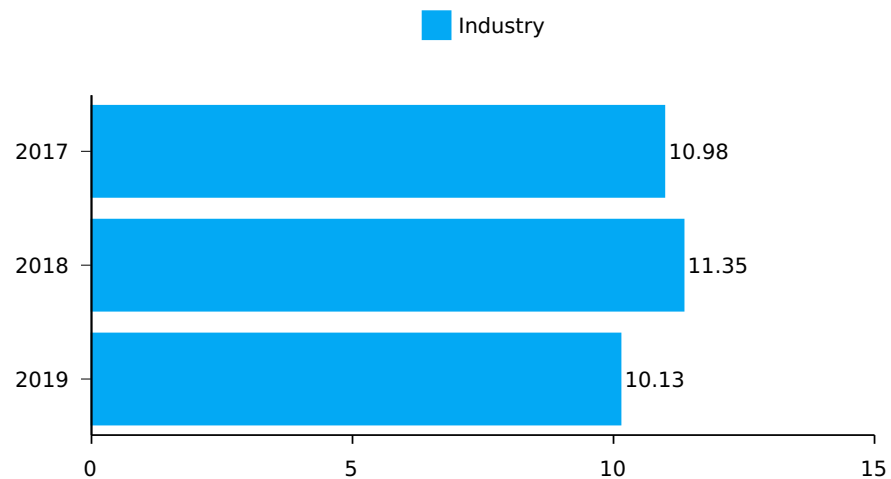
Current Asset Turnover



Notes: $\text{Business Revenue} / \text{Current Assets}$. An indicator of the efficiency of short-term asset use. In general, higher is better.

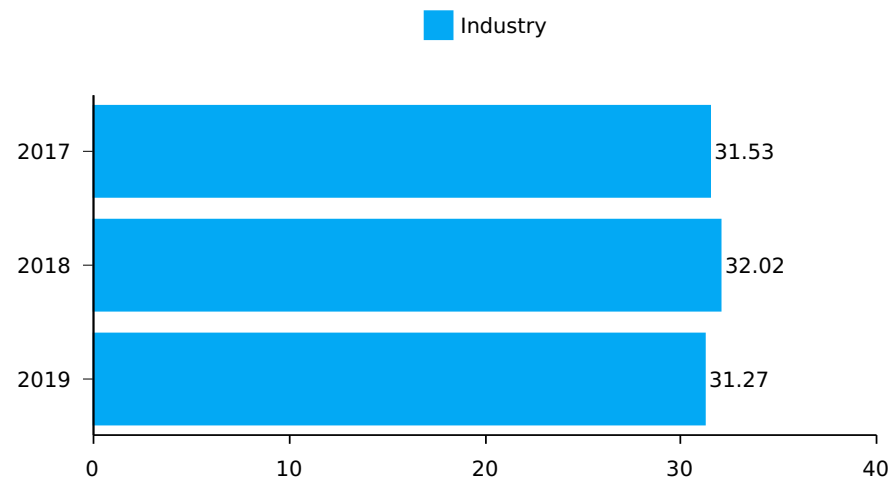
FINANCIAL RATIOS: EFFICIENCY

Fixed Asset Turnover (Business Revenue/Fixed Assets)



Notes: Business Revenue/Fixed Assets. An indicator of the efficiency of investment in fixed assets such as plant and equipment as a sales generator. Higher (but non-extreme) ratios indicate more efficiency while lower ratios suggest over-investment in fixed assets.

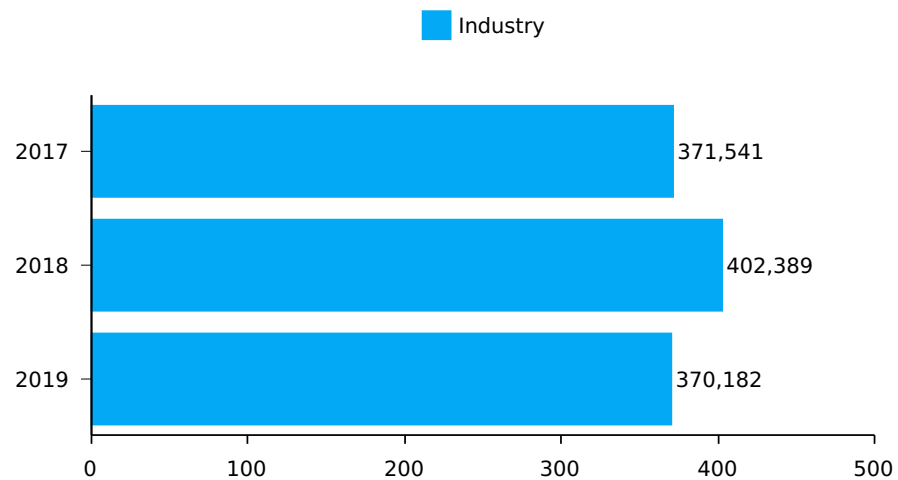
Gross Margin: Business Revenue



Notes: 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.

FINANCIAL RATIOS: EFFICIENCY

Sales Per Employee (\$000)



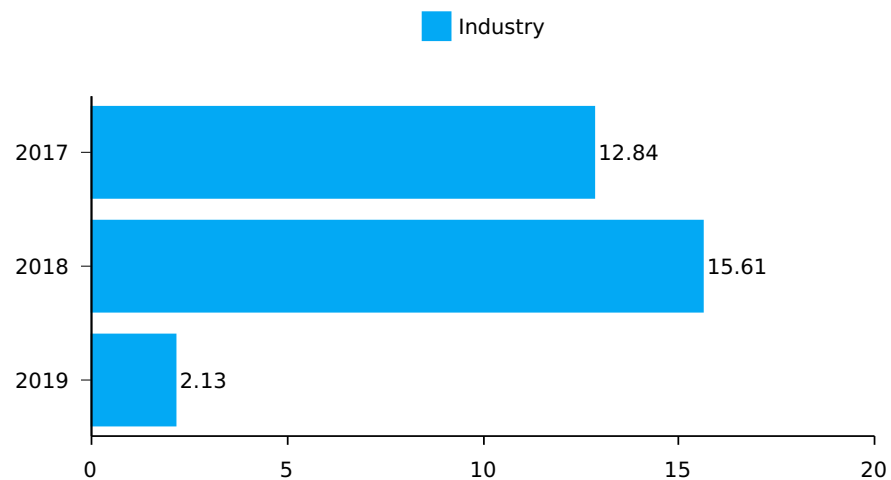
Notes: Business Revenue/FTE Employees. A basic efficiency measure developed outside the formal financial statement, often reflecting relative value-added. Higher is usually better.

FINANCIAL RATIOS: DEBT-RISK

Financial Ratios: Debt-Risk	Industry				
	2015	2016	2017	2018	2019
Interest Coverage	17.12	12.01	12.84	15.61	2.13
Current Liabilities: Net Worth	0.32	0.33	0.32	0.30	0.29
Long-Term Liabilities: Net Worth	0.18	0.18	0.18	0.16	0.16
Loans-Notes Payable/Net Worth	0.09	0.10	0.09	0.09	0.08
Modified Z-Score	3.68	3.83	3.63	3.82	3.49
Total Liabilities: Net Worth	0.50	0.51	0.50	0.47	0.45
Fixed Assets: Net Worth	0.32	0.32	0.31	0.30	0.31

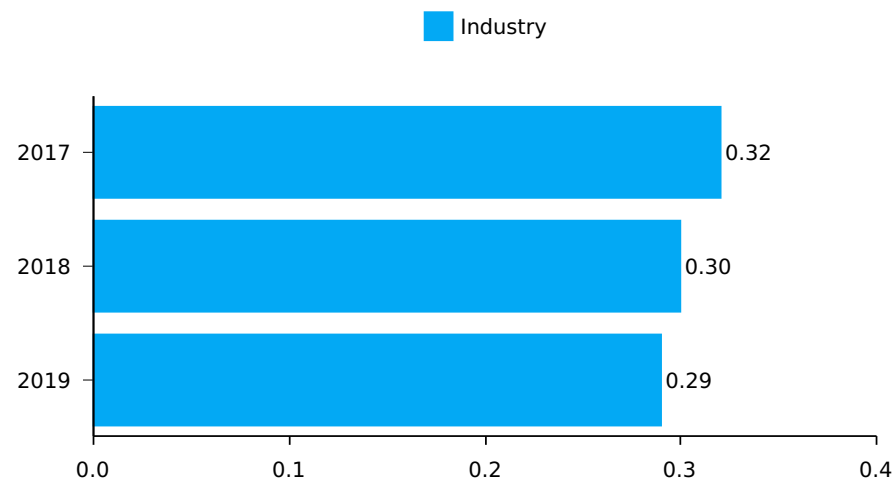
FINANCIAL RATIOS: DEBT-RISK

Interest Coverage



Notes: [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.

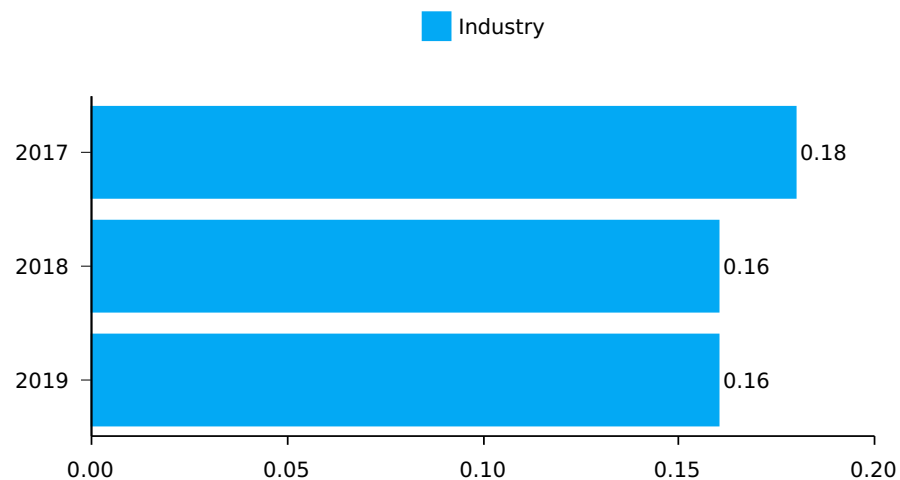
Current Liabilities: Net Worth



Notes: Current Liabilities/Net Worth. Reflects a level of capability to satisfy short-term debt. The larger the ratio relative to industry norms, the higher the risk and the less security there is for creditors.

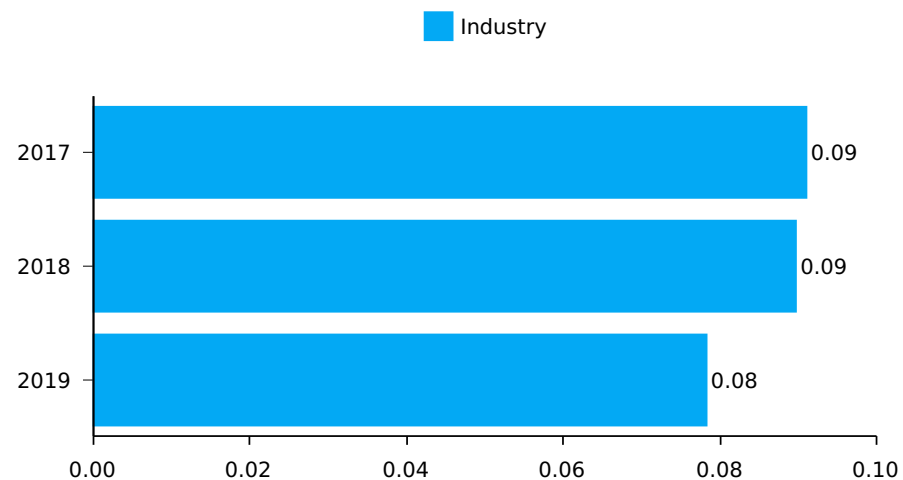
FINANCIAL RATIOS: DEBT-RISK

Long-Term Liabilities: Net Worth



Notes: Long-Term Liabilities/Net Worth, a measure of debt coverage. Indicates the business capability to satisfy long term debt. The larger the ratio relative to industry norms, the higher the risk.

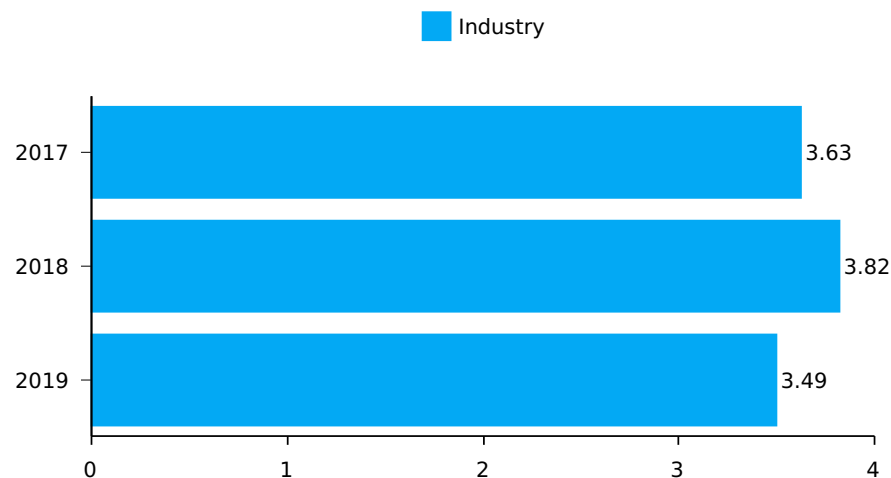
Loans-Notes Payable/Net Worth



Notes: Loans-Notes Payable/Net Worth. The Loans plus notes payable portion of current liabilities, a measure of short-term debt coverage. In general, lower is better.

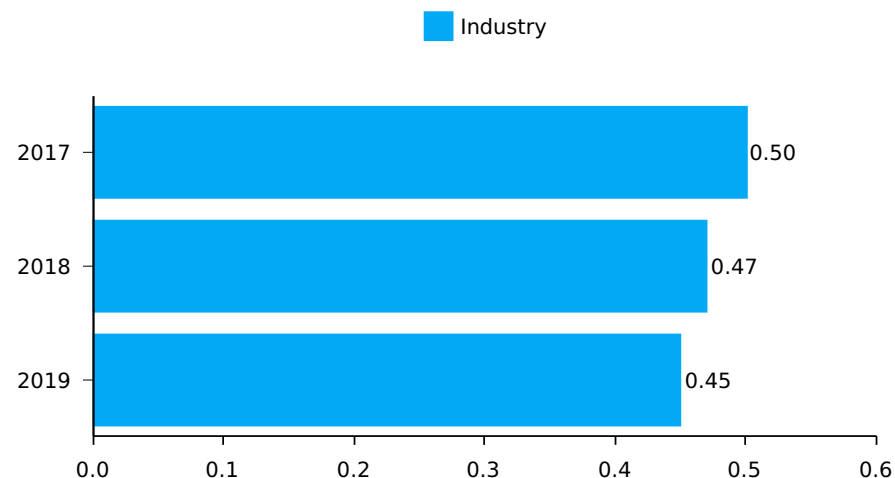
FINANCIAL RATIOS: DEBT-RISK

Modified Z-Score



Notes: A modified form of the Altman Z-Score which evaluates default risk. The modified Z-Score substitutes Discretionary Owner Earnings for Net Profit and Net Worth for Retained Earnings to better capture small business operations. In all cases higher (at or above the industry level) is desired. Modified Z-Score calculations for this industry are: $(\text{Working Capital}/\text{Total Assets}) \times 0.717 + (\text{Discretionary Owner Earnings}/\text{Total Assets}) \times 0.847 + (\text{Operating Income}/\text{Total Assets}) \times 3.107 + (\text{Net Worth}/\text{Total Liabilities}) \times 0.420 + (\text{Sales}/\text{Total Assets}) \times .998$

Total Liabilities: Net Worth



Notes: Total liabilities/Net Worth. This ratio helps to clarify the total risk impact of debt. Total liability levels should be comfortably less than Net Worth except in special circumstances. The most advantageous ratios are around or somewhat below industry norms, balancing current and long term liability values.

RATIO DEFINITIONS

Cash Flow/Solvency

Accounts Payable: Business Revenue:Accounts Payable/Business Revenue.

Current Ratio: Current Assets/Current Liabilities.

Quick Ratio: (Cash+Accounts Receivable)/Current Liabilities.

Days Payable: 365/(Cost of Sales: Accounts Payable).

Current Liabilities: Inventory : Current Liabilities/Inventory.

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

Cost of Sales: Accounts Payable:Cost of Sales/Accounts Payable.

Cost of Sales: Inventory:Cost of Sales/Inventory.

Profitability

EBITDA: Business Revenue (%):EBITDA/Business Revenue.

Pre-Tax Return On Assets (%):Net Profit/Total Assets.

Pre-Tax Return on Net Worth (%):Net Profit/Net Worth.

Pre-Tax Return on Business Revenue (%):Net Profit/Business Revenue.

Discretionary Owner Earnings: Owner's Comp.+Net Profit+Non-Cash Expenses.

After-Tax Return On Assets (%):After-Tax Net Profit/Total Assets.

After-Tax Return On Net Worth (%):After-Tax Net Profit/Net Worth.

After-Tax Return On Business Revenue (%):After-Tax Net Profit/Business Revenue.

Profit/Employee: Pre-Tax Net Profit/Full-time Employees.

Owner Earnings/Employee: Discretionary Owner Earnings (Officers' Compensation+Depreciation+Pre-Tax Net Profit)/Full-time Employees.

RATIO DEFINITIONS (CONTINUED)

Efficiency

Assets: Business Revenue: Assets/Business Revenue.

Days Inventory: $365/(\text{Cost of Sales}/\text{Inventory})$.

Days Receivables: $365/(\text{Business Revenue}/\text{Receivables})$.

Current Asset Turnover: Business Revenue/Current Assets.

Fixed Asset Turnover (Business Revenue/Fixed Assets): Business Revenue/Fixed Assets.

Gross Margin: Business Revenue: Gross Margin/Business Revenue.

Sales Per Employee: Business Revenue/FTE Equivalent.

Inventory Turnover: Business Revenue/Inventory.

Receivables Turnover: Business Revenue/Receivables.

Total Asset Turnover: Business Revenue/Total Assets.

Working Capital Turnover: Business Revenue/Net Working Capital (current assets minus current liabilities).

Days Working Capital: $365/(\text{Working Capital Turnover})$.

Cash Turnover: Business Revenue/Cash.

Efficiency Index: Sales per Employee/Average Annual Employee Wage.

Debt-Risk

Interest Coverage: EBITDA/Interest Expense.

Current Liabilities: Net Worth : Current Liabilities/Net Worth.

Long-Term Liabilities: Net Worth : Long-Term Liabilities/Net Worth.

Loans-Notes Payable/Net Worth : (Loans-Notes Payable)/Net Worth.

Modified Z-Score: $([\text{Working Capital}/\text{Total Assets}] * 0.717) + ([\text{Discretionary Owner Earnings}/\text{Total Assets}] * 0.847) + ([\text{Operating Income}/\text{Total Assets}] * 3.107) + ([\text{Net Worth}/\text{Total Liabilities}] * 0.420) + ([\text{Sales}/\text{Total Assets}] * 0.998)$.

Total Liabilities: Net Worth: Total Liabilities/Net Worth.

Fixed Assets: Net Worth: Fixed Assets/Net Worth.

SOURCES & USES OF FUNDS

Change In:	15-16	16-17	17-18	18-19
Cash & cash equivalents	-25,365	10,973	13,833	2,420
Worksheet:				
Accounts Receivable	30,121	-21,617	-12,186	917
Inventory	23,944	-27,893	-3,944	-244
Other Curr Assets	3,059	-2,015	-1,413	1,835
Net Fixed Assets	31,829	-14,249	-8,865	-6,093
Other Non-Curr Assets	21,662	-20,747	1,358	3,648
Accounts Payable	-5,944	7,749	955	3,295
Loans/Notes Payable	-7,988	3,216	2,601	-6,684
Other current Liabilities	-11,655	8,276	-1,167	-4,125
Long-term debt	-15,148	8,302	-1,826	2,550
Net Worth	-95,244	69,948	38,320	7,321
Total Sources & Uses	-25,365	10,973	13,833	2,420
Cash: Beginning Period	152,169	126,804	137,776	151,609
Cash: End Period	126,804	137,776	151,609	154,029
Change in Cash & Cash Equivalents	-25,365	10,973	13,833	2,420

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.

ABOUT THE DATA: DATA-SOURCES

ABOUT THE DATA

BizMiner data is widely accepted for industry analytical work, benchmarking, valuations, forensics and litigation. BizMiner content is accepted in US Tax Court (Bauer vs. IRS: T.C. Memo. 2012-156) and is utilized by state, provincial and national taxing agencies in the US and Canada.

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.

ABOUT THE DATA: SCORING

OUR APPROACH TO SCORING

Industry Financial 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 Industry Financial 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. (P1 also provides Category Scores for each year as well as the average of all selected years.) The Overall Total Score on P1 of the Industry Financial 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

See the next page for Ratio Scoring details.

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
- **Modified Z-Score:** STANDARD SCORING