



RATIO BENCHMARKING ANALYSIS



Company: Manufacturing Company Example
Statement: Manufacturing Company Statement
Reference Industry: 3086 - Plastics Foam Products (40 companies)

Common Size Financial Statement Comparison in Percent

Income Statement	<u>Company</u>	<u>Industry</u>	<u>Percent Variance</u>
NetSales	100 %	100 %	
Gross Profit	44.00 %	17.94 %	145.20 %
Operating Profit	6.57 %	3.22 %	103.98 %
Net Profit After Tax	2.21 %	1.58 %	40.08 %
Balance Sheet			
Cash	0.19 %	2.32 %	-91.79 %
Accounts Receivable	25.30 %	34.95 %	-27.62 %
Inventory	36.55 %	13.93 %	162.40 %
Other Current Assets	5.92 %	9.65 %	-38.70 %
Total Current Assets	67.95 %	60.85 %	11.67 %
Fixed Assets	32.05 %	20.99 %	52.68 %
Other Assets	0.00 %	1.61 %	NA
Total Assets	100 %	100 %	
Accounts Payable	11.86 %	16.37 %	-27.56 %
Bank Loan Payable	2.52 %	0.00 %	NA
Notes Payable	0.00 %	0.00 %	NA
Other Current Liabilities	6.16 %	14.11 %	-56.35 %
Total Current Liabilities	20.54 %	30.49 %	-32.62 %
Long-Term Debt	49.95 %	10.56 %	373.11 %
Net Worth	29.51 %	34.34 %	-14.08 %



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Common Size Financial Statement Comparison in Dollars

Income Statement	<u>Company</u>	<u>Industry</u>	<u>Dollar Variance</u>
NetSales	\$22,380,026	\$22,380,026	
Gross Profit	\$9,847,226	\$4,016,018	\$5,831,208
Operating Profit	\$1,471,095	\$721,186	\$749,909
Net Profit After Tax	\$494,301	\$352,867	\$141,434
Balance Sheet			
Cash	\$23,638	\$287,908	(\$264,270)
Accounts Receivable	\$3,137,287	\$4,334,392	(\$1,197,105)
Inventory	\$4,532,640	\$1,727,349	\$2,805,291
Other Current Assets	\$733,942	\$1,197,325	(\$463,383)
Total Current Assets	\$8,427,507	\$7,546,974	\$880,533
Fixed Assets	\$3,974,180	\$2,602,985	\$1,371,195
Other Assets	\$0	\$199,558	(\$199,558)
Total Assets	\$12,401,687	\$12,401,687	
Accounts Payable	\$1,470,687	\$2,030,239	(\$559,552)
Bank Loan Payable	\$312,881	\$0	\$312,881
Notes Payable	\$0	\$0	\$0
Other Current Liabilities	\$764,004	\$1,750,482	(\$986,478)
Total Current Liabilities	\$2,547,572	\$3,780,721	(\$1,233,149)
Long-Term Debt	\$6,194,886	\$1,309,404	\$4,885,482
Net Worth	\$3,659,229	\$4,258,697	(\$599,468)

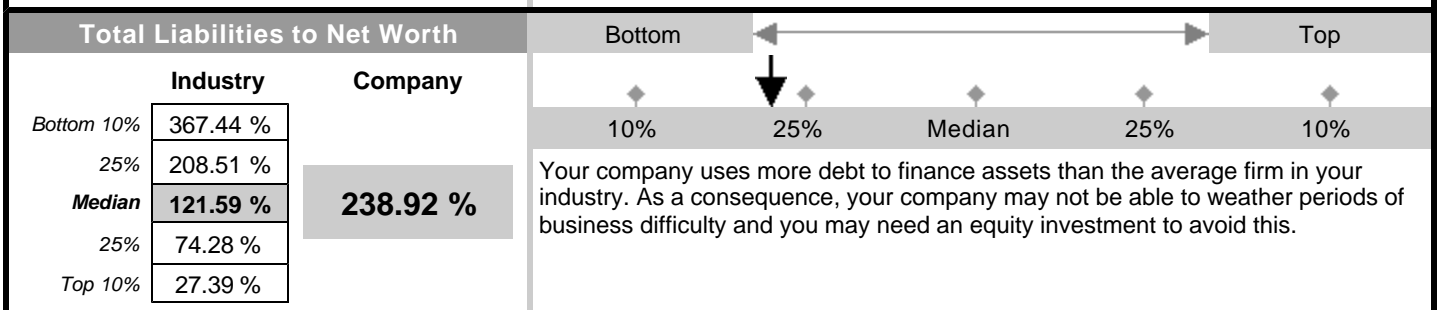
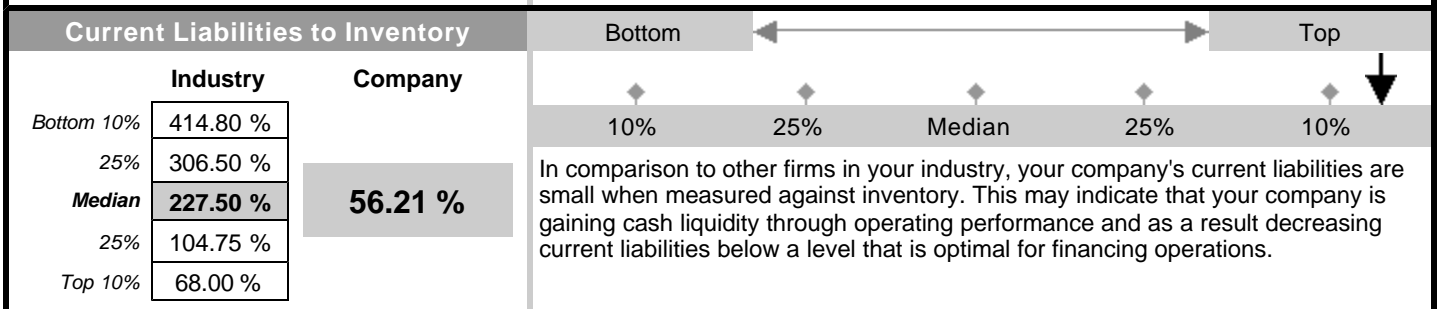
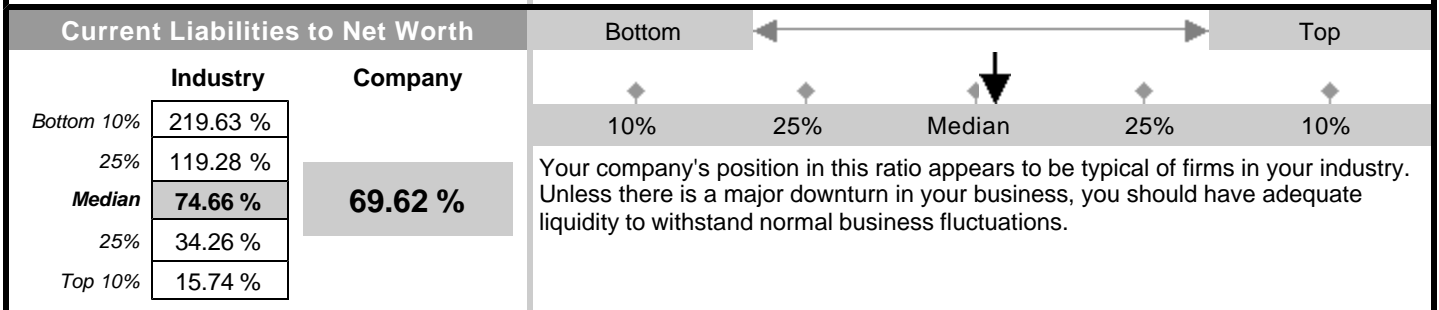
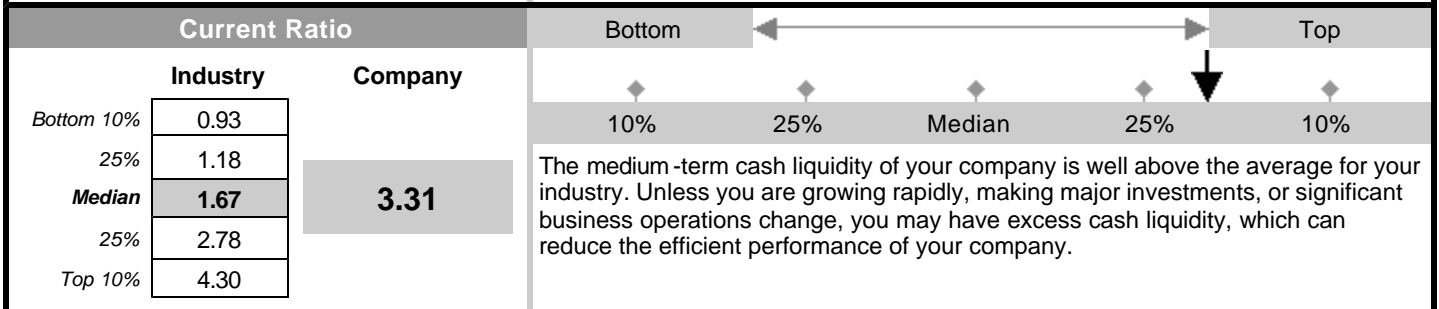
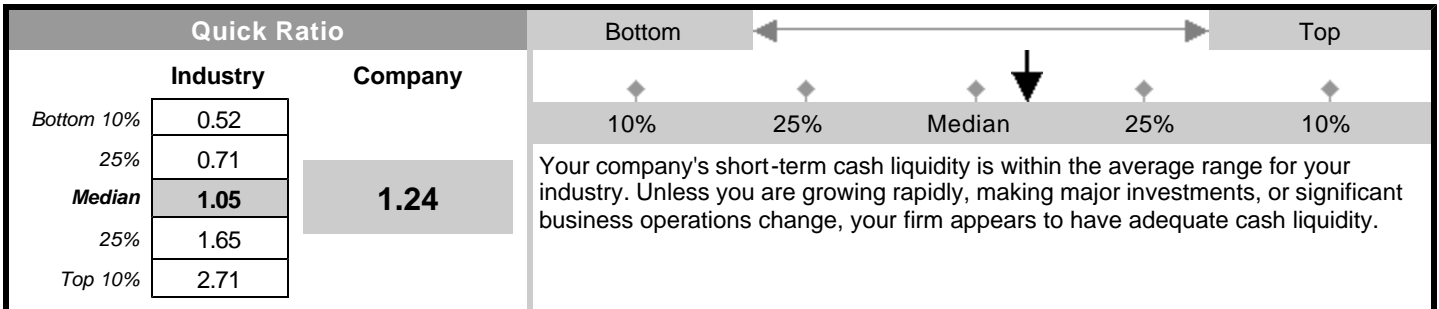
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Asset Efficiency Financial Ratio Analysis

Collection Period			Bottom	← →			Top
	Industry	Company					
Bottom 10%	71.81	51.17	10%	25%	Median	25%	10%
25%	51.16		Your company is waiting longer to collect payment after sales have been made than the average firm in your industry. You should determine if you can collect faster through better invoicing and collections as you may be tying up cash needlessly in your accounts receivable balance.				
Median	43.19						
25%	35.54						
Top 10%	5.24						
Inventory Turnover			Bottom	← →			Top
	Industry	Company					
Bottom 10%	8.78	4.94	10%	25%	Median	25%	10%
25%	10.40		Your company is generating significantly fewer sales dollars on your investment in inventory than the average firm in your industry. You should determine if steps can be taken to decrease your company's inventory as you may have excessive cash tied up in your inventory investment.				
Median	17.81						
25%	22.57						
Top 10%	44.54						
Assets to Sales			Bottom	← →			Top
	Industry	Company					
Bottom 10%	0.75	0.55	10%	25%	Median	25%	10%
25%	0.56		Your company is generating about as many sales dollars on your investment in total assets as the average firm in your industry. You should try to determine if even additional sales can be generated on your asset investment.				
Median	0.43						
25%	0.30						
Top 10%	0.21						
Sales to Net Working Capital			Bottom	← →			Top
	Industry	Company					
Bottom 10%	3.64	2.27	10%	25%	Median	25%	10%
25%	5.16		Your company is generating considerably fewer sales dollars on the working capital in your business than the average firm in your industry. You should carefully review your capital structure (debt to equity proportion) and consider ways to use your investment in working capital more efficiently.				
Median	11.10						
25%	21.09						
Top 10%	120.73						
Accounts Payable to Sales			Bottom	← →			Top
	Industry	Company					
Bottom 10%	11.53 %	6.57 %	10%	25%	Median	25%	10%
25%	8.21 %		Your company has close to the average accounts payable as a proportion of sales within your industry. You should try to determine if accounts payable can provide your company with more cash liquidity.				
Median	6.28 %						
25%	2.91 %						
Top 10%	0.81 %						

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Liquidity Financial Ratio Analysis



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Profitability/Employment Financial Ratio Analysis

Return on Sales			Bottom	←————→			Top
	Industry	Company	◆	◆	◆	◆	◆
Bottom 10%	-3.74 %	2.21 %	10%	25%	Median	25%	10%
25%	-1.28 %		Your company is earning close to a typical profit on sales compared to the average company in your industry. You should pay particular attention to this ratio as it is a key measure of the operating success of a business.				
Median	2.17 %						
25%	5.56 %						
Top 10%	8.78 %						

Return on Assets			Bottom	←————→			Top
	Industry	Company	◆	◆	◆	◆	◆
Bottom 10%	-6.25 %	3.99 %	10%	25%	Median	25%	10%
25%	-1.66 %		Your company is earning close to a typical profit on your asset investment compared to the average company in your industry. You should pay particular attention to this ratio as it is an important measure of the earning power of your company.				
Median	5.89 %						
25%	15.70 %						
Top 10%	23.09 %						

Return on Net Worth			Bottom	←————→			Top
	Industry	Company	◆	◆	◆	◆	◆
Bottom 10%	-30.95 %	13.51 %	10%	25%	Median	25%	10%
25%	-2.06 %		Your company is providing owners with about an average return on their investment compared to the average company in your industry. You should review this ratio periodically as it provides you with a direct measure of the return on owners' investment in the company.				
Median	15.01 %						
25%	27.08 %						
Top 10%	42.52 %						

Sales per Employee			Bottom	←————→			Top
	Industry	Company	◆	◆	◆	◆	◆
Bottom 10%	\$73,351	\$199,822	10%	25%	Median	25%	10%
25%	\$99,223		Sales amount generated for each employee of your company is well above the average for your industry. You should carefully watch sales per employee as it is a very important indicator of how effective your workforce is.				
Median	\$127,783						
25%	\$155,041						
Top 10%	\$273,084						

Profit per Employee			Bottom	←————→			Top
	Industry	Company	◆	◆	◆	◆	◆
Bottom 10%	(\$2,554)	\$4,413	10%	25%	Median	25%	10%
25%	(\$299)		Profit generated for each employee of your company is about average for your industry. You should consider actions that might be taken that will place earnings per employee among the top firms in your industry.				
Median	\$2,524						
25%	\$8,083						
Top 10%	\$11,052						