



## INDUSTRY FINANCIAL PROFILE

[511210] Software Publishers

Market Area: ALL US

Sales Class: \$25m - \$49.99m

Release Date: July 2022

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Profitability

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Sales Group: < \$2.5m

Sales Group: \$2.5m - \$24.9m

Sales Group: > \$25m

Sales Group: All

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# About the Data

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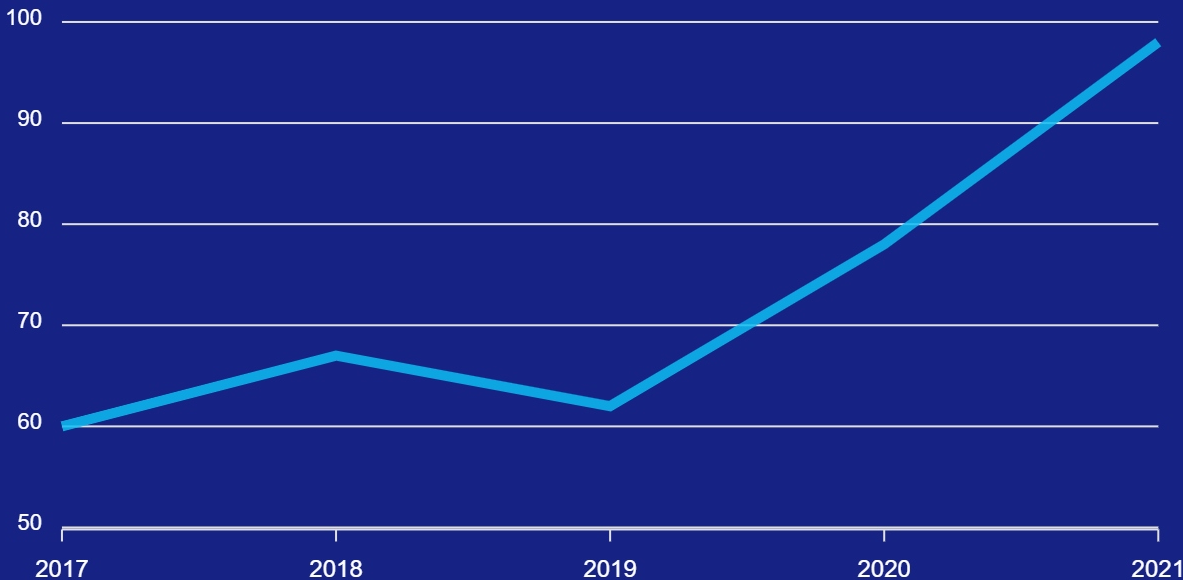
**Bizminer** Data Is Widely Accepted For Industry Analytical Work, Benchmarking, Valuations, Forensics And Litigation. Bizminer Content Is Accepted In US Tax Court (Bauer Vs. IRS: T.C. Memo. 2012-156) And Is Utilized By State, Provincial And National Taxing Agencies In The US And Canada.

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:

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.

- ✓ IRS SOI Corporation Tax Book
- ✓ US Economic Census
- ✓ US Census County Business Patterns
- ✓ Bureau of Labor Statistics Monthly Unemployment Reports
- ✓ Bureau of Labor Statistics Industry Productivity
- ✓ Bureau of Labor Statistics Price Indices
- ✓ US Census Quarterly Financial Reports
- ✓ Data Axle
- ✓ Credit Reporting Agencies
- ✓ American Community Survey
- ✓ IRS Statistics of Income
- ✓ US Census Quarterly Financial Reports
- ✓ Bureau of Labor Statistics Monthly Employment Reports
- ✓ Bureau of Labor Statistics Annual Wage Survey
- ✓ Reports
- ✓ National Agricultural Statistical Service
- ✓ US Census Retail Trade Report
- ✓ Business Valuation Resources (BVR)
- ✓ Business Directories

| Industry Peer Group |       |
|---------------------|-------|
| PROFILE YEAR        | FIRMS |
| 2017                | 60    |
| 2018                | 67    |
| 2019                | 62    |
| 2020                | 78    |
| 2021                | 98    |



### 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: 51 - Information
- NAICS: 511 - Publishing Industries (Except Internet)
- NAICS: 5112 - Software Publishers
- NAICS: 511210 - Software Publishers

## Ratio Categories

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

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Cash Flow/Solvency:</b><br><br>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. | <b>Profitability:</b><br><br>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. | <b>Efficiency:</b><br><br>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. |
| <b>Debt-Risk:</b><br><br>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.                                                         | <b>Profitability:</b><br><br>If you submit corresponding inputs, ratios will be scored against industry values for the most recent three calendar years.                                                                                          |                                                                                                                                                                                                                                                                            |

# Industry Financials

## Income Statement

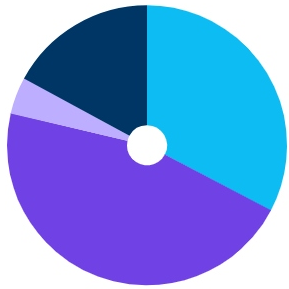
| Percentages                         |        |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|--------|
|                                     | 2017   | 2018   | 2019   | 2020   | 2021   |
| Business Revenue                    | 100%   | 100%   | 100%   | 100%   | 100%   |
| Cost of Sales                       | 34.89% | 34.91% | 35.13% | 35.05% | 35.10% |
| Cost of Sales - Labor Portion       | 3.11%  | 3.06%  | 3.02%  | 2.56%  | 2.56%  |
| Gross Margin                        | 65.11% | 65.09% | 64.87% | 64.95% | 64.90% |
| Officers Comp.                      | 2.37%  | 2.39%  | 2.36%  | 2.35%  | 1.98%  |
| Salary-Wages                        | 21.51% | 21.65% | 22.06% | 22.01% | 21.71% |
| Rent                                | 1.90%  | 1.92%  | 1.99%  | 1.99%  | 1.28%  |
| Taxes Paid                          | 2.19%  | 2.20%  | 2.44%  | 2.43%  | 1.91%  |
| Advertising                         | 2.47%  | 2.48%  | 2.74%  | 2.73%  | 2.58%  |
| Benefits-Pensions                   | 3.04%  | 3.06%  | 3.19%  | 3.18%  | 3.56%  |
| Repairs                             | 0.29%  | 0.29%  | 0.46%  | 0.46%  | 0.32%  |
| Bad Debt                            | 0.06%  | 0.06%  | 0.07%  | 0.07%  | 0.03%  |
| Sales General Admin & Misc.         | 13.18% | 13.27% | 13.66% | 13.63% | 12.93% |
| EBITDA                              | 18.10% | 17.77% | 15.90% | 16.10% | 18.60% |
| Amortization Depreciation Depletion | 3.24%  | 3.11%  | 3.24%  | 3.26%  | 2.99%  |
| Operating Expenses                  | 50.25% | 50.43% | 52.21% | 52.11% | 49.29% |
| Operating Income                    | 14.86% | 14.66% | 12.66% | 12.84% | 15.61% |
| Interest Income                     | 0.30%  | 0.31%  | 0.34%  | 0.35%  | 0.49%  |
| Interest Expense                    | 1.39%  | 1.45%  | 1.67%  | 1.72%  | 1.93%  |
| Other Income                        | 4.23%  | 4.44%  | 4.69%  | 4.79%  | 4.09%  |
| Pre-Tax Net Profit                  | 18.00% | 17.96% | 16.02% | 16.26% | 18.26% |
| Income Tax                          | 6.12%  | 3.77%  | 4.41%  | 4.47%  | 3.83%  |
| After Tax Net Profit                | 11.88% | 14.19% | 11.61% | 11.79% | 14.43% |
| Discretionary Owner Earnings        | 23.61% | 23.46% | 21.62% | 21.87% | 23.23% |

| Dollars ( All Figures In USD )      |              |              |              |              |              |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                     | 2017         | 2018         | 2019         | 2020         | 2021         |
| Business Revenue                    | \$43,304,246 | \$42,581,838 | \$37,415,294 | \$35,105,843 | \$35,396,534 |
| Cost of Sales                       | \$15,108,852 | \$14,865,320 | \$13,143,993 | \$12,304,598 | \$12,424,183 |
| Cost of Sales - Labor Portion       | \$1,347,306  | \$1,301,089  | \$1,128,709  | \$898,134    | \$906,862    |
| Gross Margin                        | \$28,195,394 | \$27,716,518 | \$24,271,301 | \$22,801,245 | \$22,972,351 |
| Officers Comp.                      | \$1,026,311  | \$1,017,706  | \$883,001    | \$824,987    | \$700,851    |
| Salary-Wages                        | \$9,314,743  | \$9,218,968  | \$8,253,814  | \$7,726,796  | \$7,684,588  |
| Rent                                | \$822,781    | \$817,571    | \$744,564    | \$698,606    | \$453,076    |
| Taxes Paid                          | \$948,363    | \$936,800    | \$912,933    | \$853,072    | \$676,074    |
| Advertising                         | \$1,069,615  | \$1,056,030  | \$1,025,179  | \$958,390    | \$913,231    |
| Benefits-Pensions                   | \$1,316,449  | \$1,303,004  | \$1,193,548  | \$1,116,366  | \$1,260,117  |
| Repairs                             | \$125,582    | \$123,487    | \$172,110    | \$161,487    | \$113,269    |
| Bad Debt                            | \$25,983     | \$25,549     | \$26,191     | \$24,574     | \$10,619     |
| Sales General Admin & Misc.         | \$5,707,500  | \$5,650,610  | \$5,110,929  | \$4,784,926  | \$4,576,772  |
| EBITDA                              | \$7,838,067  | \$7,566,793  | \$5,949,032  | \$5,652,041  | \$6,583,754  |
| Amortization Depreciation Depletion | \$1,403,058  | \$1,324,295  | \$1,212,256  | \$1,144,450  | \$1,058,356  |
| Operating Expenses                  | \$21,760,385 | \$21,474,020 | \$19,534,525 | \$18,293,654 | \$17,446,953 |
| Operating Income                    | \$6,435,009  | \$6,242,498  | \$4,736,776  | \$4,507,591  | \$5,525,398  |
| Interest Income                     | \$129,913    | \$132,004    | \$127,212    | \$122,870    | \$173,443    |
| Interest Expense                    | \$601,929    | \$617,437    | \$624,835    | \$603,821    | \$683,153    |
| Other Income                        | \$1,831,770  | \$1,890,634  | \$1,754,777  | \$1,681,570  | \$1,447,718  |
| Pre-Tax Net Profit                  | \$7,794,763  | \$7,647,699  | \$5,993,930  | \$5,708,210  | \$6,463,406  |
| Income Tax                          | \$2,650,220  | \$1,606,017  | \$1,648,331  | \$1,569,758  | \$1,357,315  |
| After Tax Net Profit                | \$5,144,543  | \$6,041,682  | \$4,345,599  | \$4,138,452  | \$5,106,091  |
| Discretionary Owner Earnings        | \$10,224,132 | \$9,989,700  | \$8,089,187  | \$7,677,647  | \$8,222,613  |

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## Charts ( All Figures In USD )

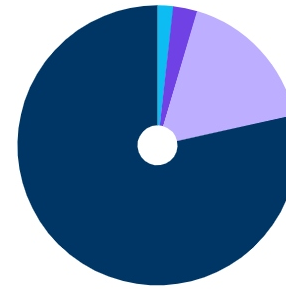
Industry Expenses: Sales 2021



### LEGEND

● Cost of Sales (\$12,424,183) ● Operating Expenses (\$17,446,953) ● Other Income-Interest (\$1,621,161) ● Pre-Tax Net Profit (\$6,463,406)

Industry Owner Earnings: Sales 2021



### LEGEND

● Officer Compensation (\$700,851) ● Non-Cash Expenses (\$1,058,356) ● Pre-Tax Net Profit (\$6,463,406) ● All Cash Expenses (\$29,871,136)

# 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 percent 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.

# Balance Sheet

## Income Statement

| Percentages                                   |         |         |         |         |         |
|-----------------------------------------------|---------|---------|---------|---------|---------|
|                                               | 2017    | 2018    | 2019    | 2020    | 2021    |
| Cash                                          | 21.66%  | 23.17%  | 23.50%  | 23.98%  | 23.90%  |
| Receivables                                   | 20.82%  | 22.27%  | 22.01%  | 22.40%  | 23.28%  |
| Inventory                                     | 1.07%   | 1.14%   | 1.25%   | 1.33%   | 0.74%   |
| Other Current Assets                          | 6.25%   | 6.69%   | 6.40%   | 6.80%   | 7.90%   |
| Total Current Assets                          | 49.80%  | 53.27%  | 53.16%  | 54.51%  | 55.82%  |
| Gross Fixed Assets                            | 50.26%  | 44.74%  | 42.70%  | 39.56%  | 39.32%  |
| Accum.&nbsp;Depreciation-Amortization-Depltn. | 30.51%  | 26.35%  | 24.05%  | 21.25%  | 20.75%  |
| Net Fixed Assets                              | 19.76%  | 18.39%  | 18.65%  | 18.31%  | 18.57%  |
| Other Non-Current Assets                      | 30.44%  | 28.34%  | 28.19%  | 27.18%  | 25.61%  |
| Total Assets                                  | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Accounts Payable                              | 8.91%   | 8.95%   | 8.75%   | 9.04%   | 9.63%   |
| Loans/Notes Payable                           | 3.20%   | 2.89%   | 2.00%   | 2.00%   | 2.00%   |
| Other Current Liabilities                     | 31.04%  | 34.10%  | 34.77%  | 34.97%  | 35.69%  |
| Total Current Liabilities                     | 43.15%  | 45.94%  | 45.52%  | 46.01%  | 47.32%  |
| Total Long Term Liabilities                   | 25.02%  | 26.63%  | 27.05%  | 27.14%  | 28.63%  |
| Total Liabilities                             | 68.17%  | 72.57%  | 72.57%  | 73.15%  | 75.95%  |
| Net Worth                                     | 31.83%  | 27.43%  | 27.43%  | 26.85%  | 24.05%  |
| Total Liabilities & Net Worth                 | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

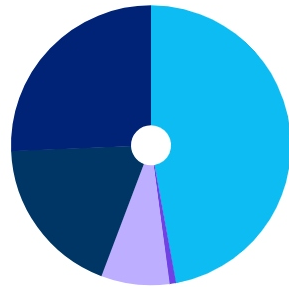
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| Dollars ( All Figures In USD )                |              |              |              |              |              |
|-----------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                               | 2017         | 2018         | 2019         | 2020         | 2021         |
| Cash                                          | \$9,025,443  | \$9,277,767  | \$9,095,000  | \$8,923,484  | \$8,713,565  |
| Receivables                                   | \$8,675,426  | \$8,917,387  | \$8,518,339  | \$8,335,531  | \$8,487,523  |
| Inventory                                     | \$445,855    | \$456,481    | \$483,777    | \$494,922    | \$269,792    |
| Other Current Assets                          | \$2,604,294  | \$2,678,820  | \$2,476,936  | \$2,530,429  | \$2,880,216  |
| Total Current Assets                          | \$20,751,018 | \$21,330,455 | \$20,574,052 | \$20,284,366 | \$20,351,096 |
| Gross Fixed Assets                            | \$20,944,080 | \$17,915,420 | \$16,526,415 | \$14,721,807 | \$14,334,812 |
| Accum.&nbsp;Depreciation-Amortization-Depltn. | \$12,711,678 | \$10,551,668 | \$9,308,468  | \$7,908,254  | \$7,564,481  |
| Net Fixed Assets                              | \$8,232,402  | \$7,365,062  | \$7,217,947  | \$6,813,553  | \$6,770,330  |
| Other Non-Current Assets                      | \$12,685,291 | \$11,346,635 | \$10,910,131 | \$10,114,275 | \$9,337,004  |
| Total Assets                                  | \$41,668,711 | \$40,042,152 | \$38,702,130 | \$37,212,194 | \$36,458,430 |
| Accounts Payable                              | \$3,712,682  | \$3,583,773  | \$3,386,436  | \$3,363,982  | \$3,510,947  |
| Loans/Notes Payable                           | \$1,333,399  | \$1,157,218  | \$774,043    | \$744,244    | \$729,169    |
| Other Current Liabilities                     | \$12,933,968 | \$13,654,374 | \$13,456,730 | \$13,013,104 | \$13,012,014 |
| Total Current Liabilities                     | \$17,980,049 | \$18,395,365 | \$17,617,209 | \$17,121,330 | \$17,252,130 |
| Total Long Term Liabilities                   | \$10,425,512 | \$10,663,225 | \$10,468,926 | \$10,099,389 | \$10,438,049 |
| Total Liabilities                             | \$28,405,561 | \$29,058,590 | \$28,086,135 | \$27,220,719 | \$27,690,179 |
| Net Worth                                     | \$13,263,150 | \$10,983,562 | \$10,615,995 | \$9,991,475  | \$8,768,251  |
| Total Liabilities & Net Worth                 | \$41,668,711 | \$40,042,152 | \$38,702,130 | \$37,212,194 | \$36,458,430 |

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## Charts ( All Figures In USD )

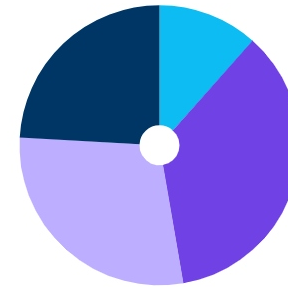
Industry Assets 2021



### LEGEND

● Cash-Receivables (\$17,201,088) ● Inventory (\$269,792) ● Other Current (\$2,880,216) ● Net Fixed (\$6,770,330) ● Other Non-Current (\$9,337,004)

Industry Liabilities 2021



### LEGEND

● Payables (\$4,240,116) ● Other Current (\$13,012,014) ● Long Term (\$10,438,049) ● Net Worth (\$8,768,251)

# 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:** 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.

# Source & Uses of Funds

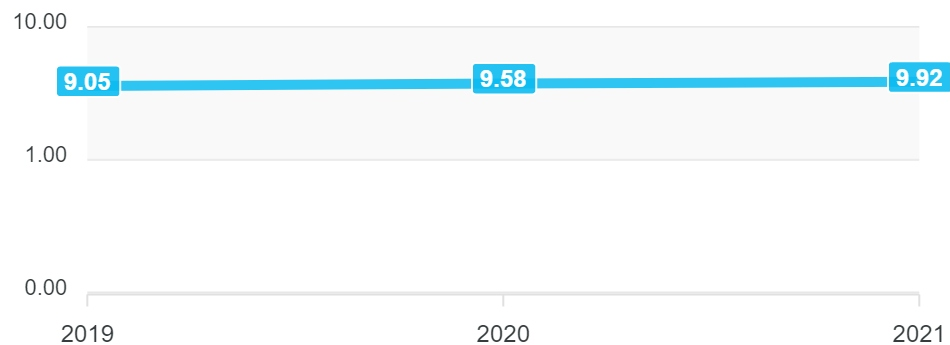
| CHANGE IN:                        | 17-18      | 18-19     | 19-20     | 20-21      |
|-----------------------------------|------------|-----------|-----------|------------|
| Cash & cash equivalents           | 252,324    | -182,767  | -171,516  | -209,919   |
| Accounts Receivable               | -241,961   | 399,048   | 182,808   | -151,992   |
| Inventory                         | -10,626    | -27,296   | -11,145   | 225,130    |
| Other Curr Assets                 | -74,526    | 201,884   | -53,493   | -349,787   |
| Net Fixed Assets                  | 867,340    | 147,115   | 404,394   | 43,222     |
| Other Non-Curr Assets             | 1,338,656  | 436,504   | 795,856   | 777,272    |
| Accounts Payable                  | -128,909   | -197,337  | -22,454   | 146,965    |
| Loans/Notes Payable               | -176,181   | -383,175  | -29,799   | -15,075    |
| Other current Liabilities         | 720,406    | -197,644  | -443,626  | -1,090     |
| Long-term debt                    | 237,713    | -194,299  | -369,537  | 338,660    |
| Net Worth                         | -2,279,588 | -367,567  | -624,520  | -1,223,224 |
| Total Sources & Uses              | 252,324    | -182,767  | -171,516  | -209,919   |
| Cash: Beginning Period            | 9,025,443  | 9,277,767 | 9,095,000 | 8,923,484  |
| Cash: End Period                  | 9,277,767  | 9,095,000 | 8,923,484 | 8,713,565  |
| Change in Cash & Cash Equivalents | 252,324    | -182,767  | -171,516  | -209,919   |

# Financial Ratios

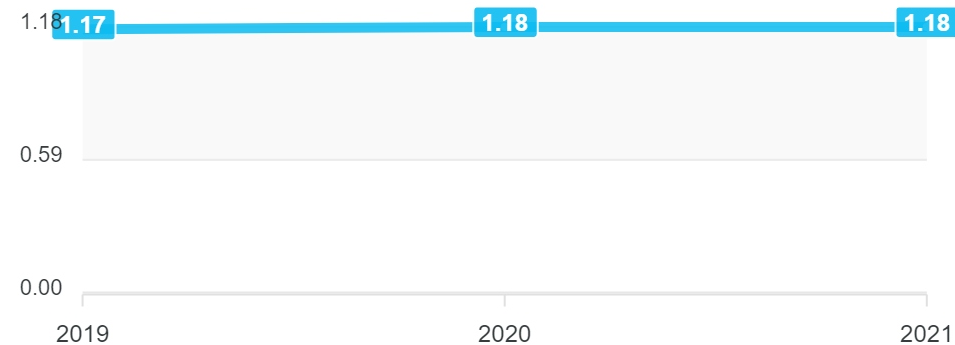
## Cash flow-Solvency

| Cash Flow-Solvency                    |       |       |       |       |        |
|---------------------------------------|-------|-------|-------|-------|--------|
|                                       | 2017  | 2018  | 2019  | 2020  | 2021   |
| Accounts Payable: Business Revenue    | 8.57  | 8.42  | 9.05  | 9.58  | 9.92   |
| Current Ratio                         | 1.15  | 1.16  | 1.17  | 1.18  | 1.18   |
| Quick Ratio                           | 0.98  | 0.99  | 1.00  | 1.01  | 1.00   |
| Days Payable                          | 89.69 | 88.00 | 94.04 | 99.79 | 103.15 |
| Current Liabilities: Inventory        | 40.33 | 40.30 | 36.42 | 34.59 | 63.95  |
| Net Working Capital: Business Revenue | 0.06  | 0.07  | 0.08  | 0.09  | 0.09   |
| Cost of Sales: Accounts Payable       | 4.07  | 4.15  | 3.88  | 3.66  | 3.54   |
| Cost of Sales: Inventory              | 33.89 | 32.57 | 27.17 | 24.86 | 46.05  |

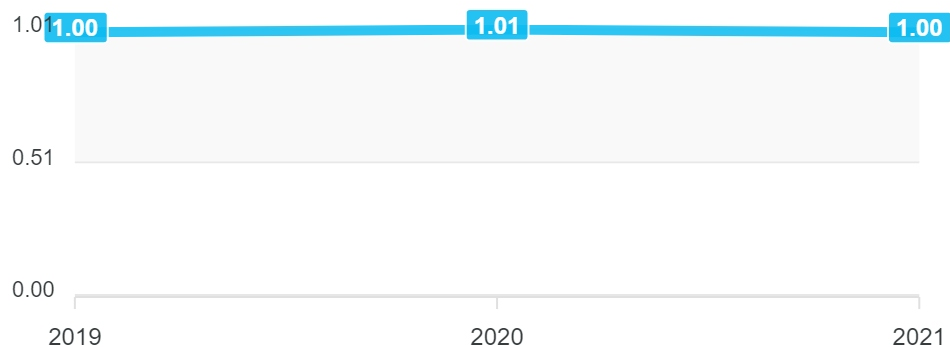
Accounts Payable: Business Revenue



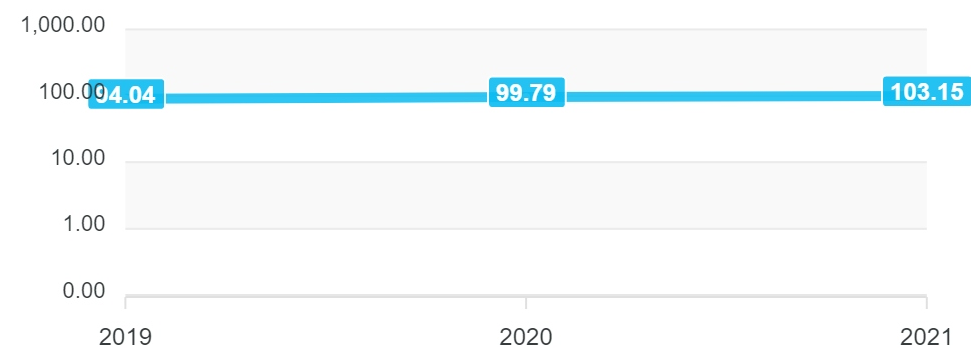
Current Ratio



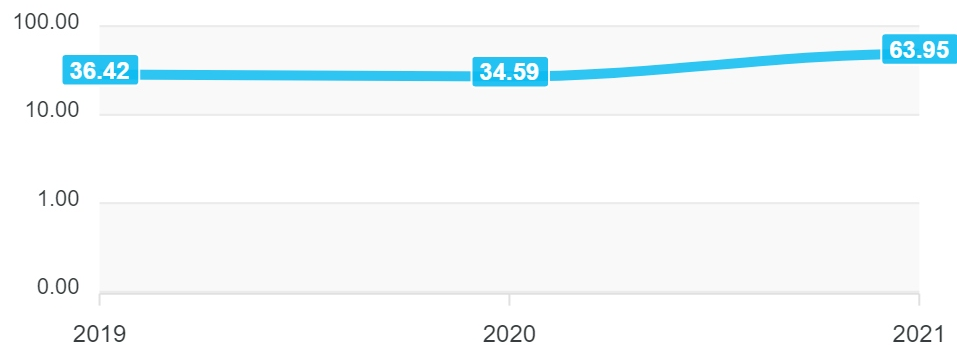
Quick Ratio



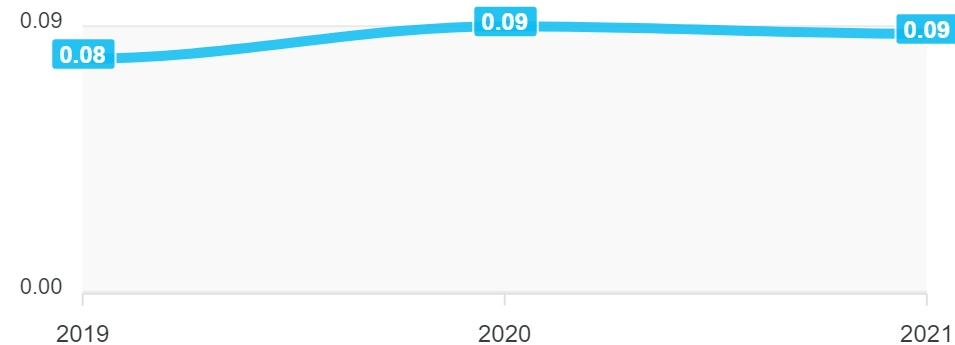
Days Payable



Current Liabilities: Inventory



Net Working Capital: Business Revenue



# Cash flow-Solvency Definitions

**Accounts Payable: Business Revenue:** 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:** 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.

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

**Current Liabilities: Inventory :** 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:** 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.

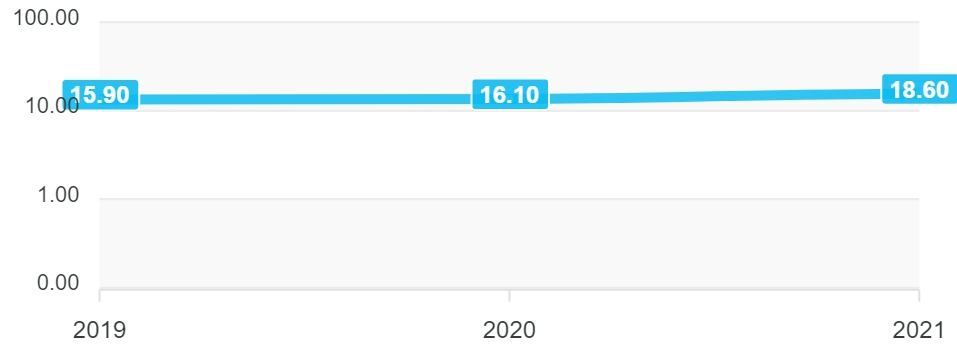
**Cost of Sales: Accounts Payable:** Cost of Sales/Accounts Payable: Measures the number of times payables turn over in the course of the year. High measures may indicate cash flow concerns.

**Cost of Sales: Inventory:** 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.

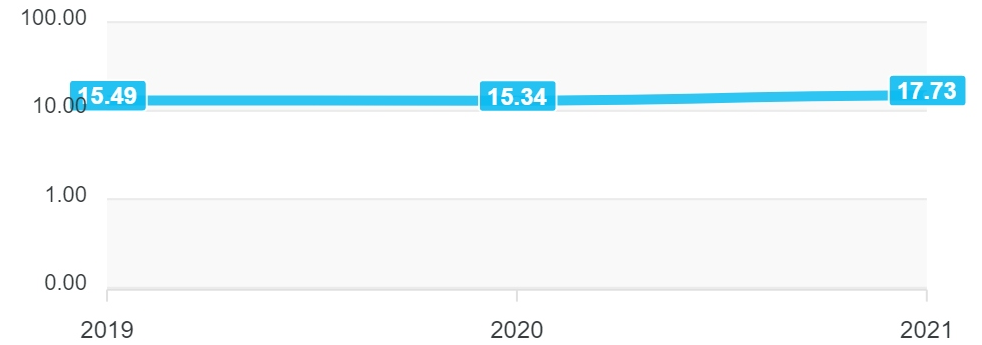
Profitability

| Profitability                            |        |        |        |        |        |
|------------------------------------------|--------|--------|--------|--------|--------|
|                                          | 2017   | 2018   | 2019   | 2020   | 2021   |
| EBITDA: Business Revenue (%)             | 18.10  | 17.77  | 15.90  | 16.10  | 18.60  |
| Pre-Tax Return On Assets (%)             | 18.71  | 19.10  | 15.49  | 15.34  | 17.73  |
| Pre-Tax Return on Net Worth (%)          | 58.77  | 69.63  | 56.46  | 57.13  | 73.71  |
| Pre-Tax Return on Business Revenue (%)   | 18.00  | 17.96  | 16.02  | 16.26  | 18.26  |
| Discretionary Owner Earnings             | 23.61  | 23.46  | 21.62  | 21.87  | 23.23  |
| After-Tax Return On Assets (%)           | 12.35  | 15.09  | 11.23  | 11.12  | 14.01  |
| After-Tax Return On Net Worth (%)        | 38.79  | 55.01  | 40.93  | 41.42  | 58.23  |
| After-Tax Return On Business Revenue (%) | 11.88  | 14.19  | 11.61  | 11.79  | 14.43  |
| Profit/Employee                          | 73,051 | 71,245 | 50,219 | 56,451 | 63,769 |
| Owner Earnings/Employee                  | 95,819 | 93,063 | 67,774 | 75,927 | 81,126 |

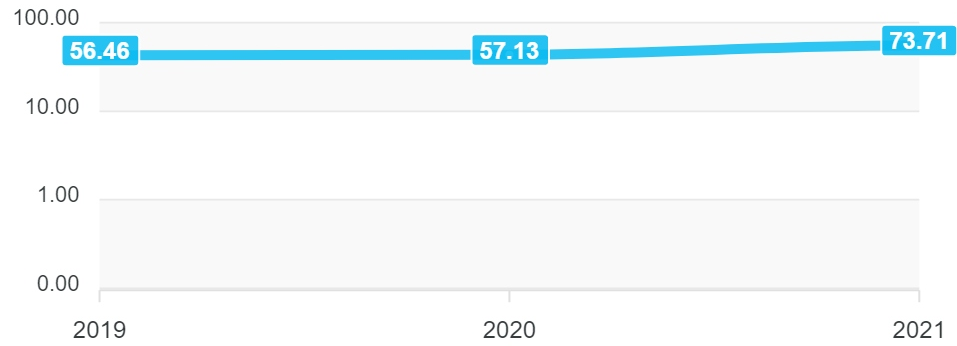
EBITDA: Business Revenue (%)



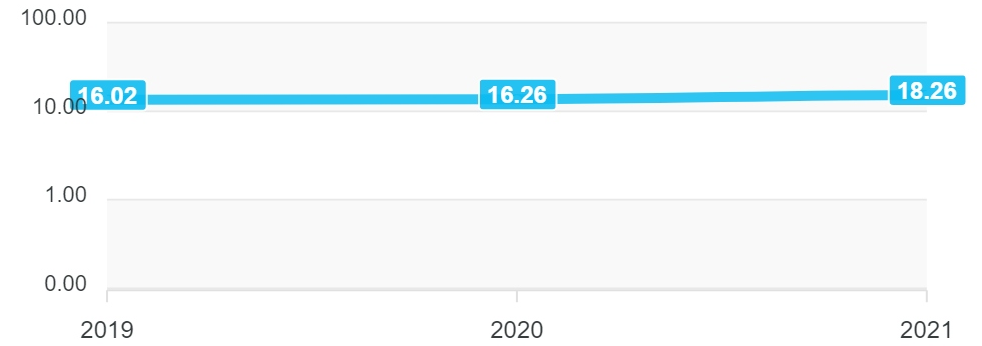
Pre-Tax Return On Assets (%)



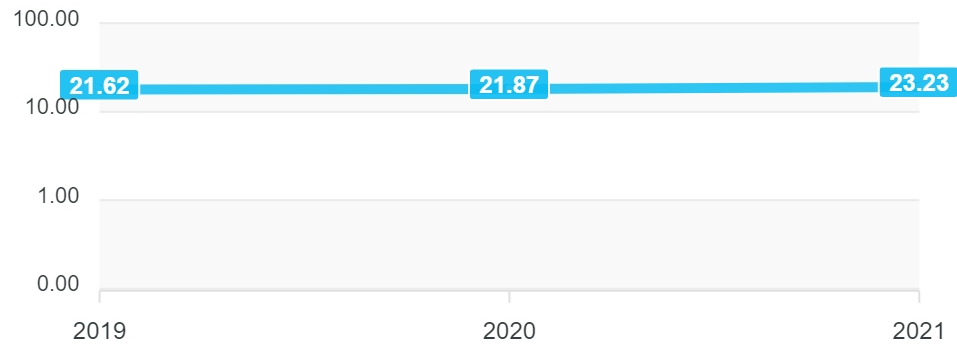
Pre-Tax Return on Net Worth (%)



Pre-Tax Return on Business Revenue (%)



Discretionary Owner Earnings



# Profitability Definitions

**EBITDA: Business Revenue (%):**  $(\text{Earnings Before Interest, Income Taxes Due, Depreciation and Amortization}) / \text{Business Revenue}$ . 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 (%):**  $\text{Pre-Tax Net Profit} / \text{Total Assets}$ . 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.

**Pre-Tax Return on Net Worth (%):**  $\text{Pre-Tax Net Profit} / \text{Net Worth}$ . 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 (%):**  $\text{Pre-Tax Net Profit} / \text{Business Revenue}$ . Indicates the level of profit from each dollar of Business Revenue. This ratio can be used as a predictor of the company's ability to withstand changes in prices or market conditions. May appear higher for small businesses due to owner compensation draws accounted as net profit.

**Discretionary Owner Earnings:**  $(\text{Officer Compensation} + \text{Depreciation} + \text{Pre-Tax Net Profit}) / \text{Business Revenue}$ . 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.

**After-Tax Return On Assets (%):**  $\text{After-Tax Net Profit} / \text{Total Assets}$ . 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.

**After-Tax Return On Net Worth (%):**  $\text{After-Tax Net Profit} / \text{Net Worth}$ . 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.

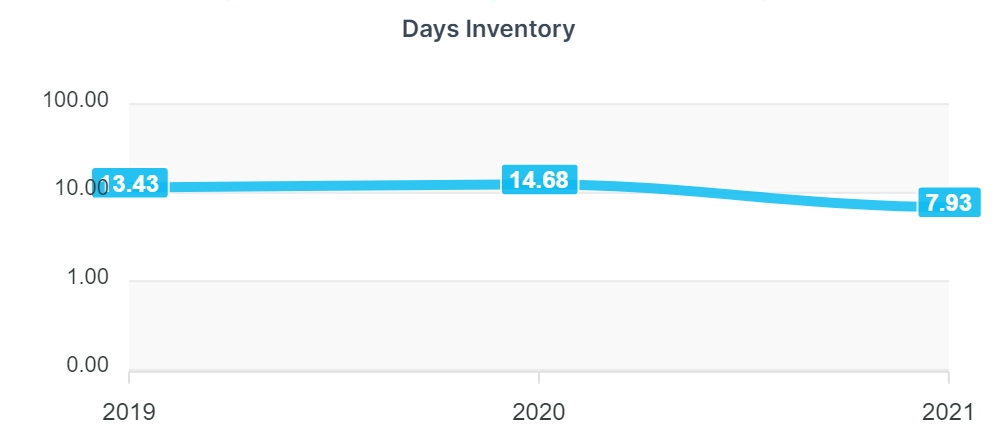
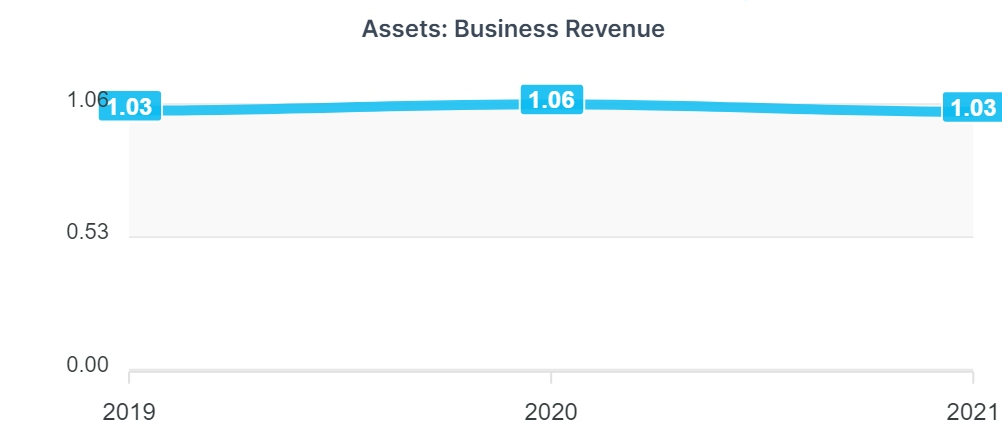
**After-Tax Return On Business Revenue (%):**  $\text{After-Tax Net Profit} / \text{Business Revenue}$ . Indicates the level of profit from each dollar of Business Revenue. This ratio can be used as a predictor of the company's ability to withstand changes in prices or market conditions. May appear higher for small businesses due to owner compensation draws accounted as net profit.

**Profit/Employee:**  $\text{Pre-Tax Net Profit} / \text{Full-time Employees}$

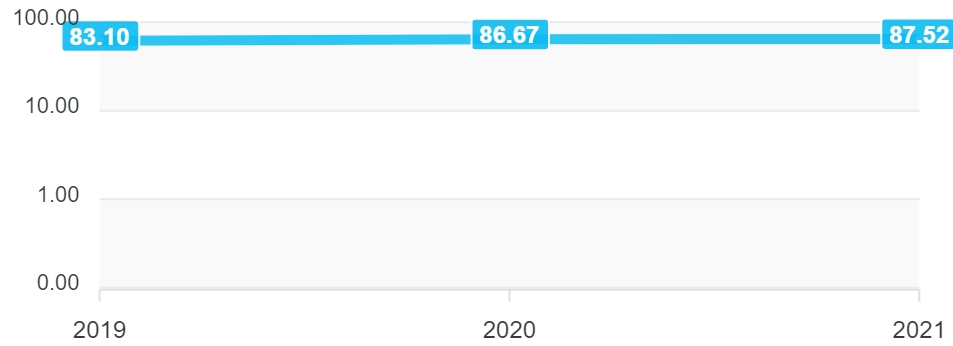
**Owner Earnings/Employee:**  $(\text{Discretionary Owner Earnings (Officers' Compensation} + \text{Depreciation} + \text{Pre-Tax Net Profit})} / \text{Full-time Employees}$

Efficiency

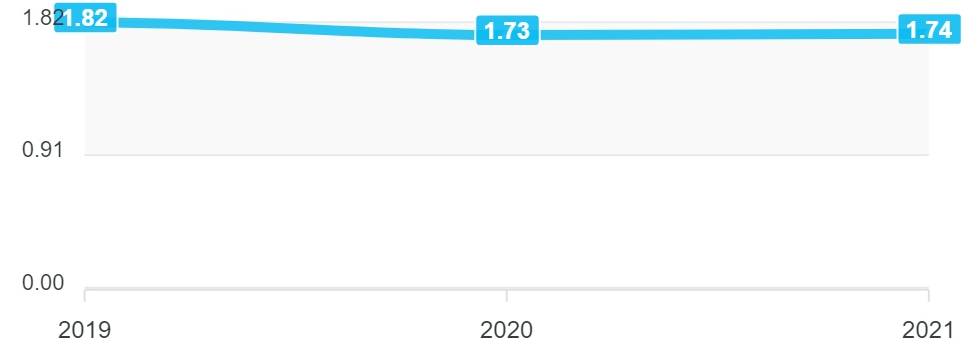
| Efficiency                                           |         |         |         |         |         |
|------------------------------------------------------|---------|---------|---------|---------|---------|
|                                                      | 2017    | 2018    | 2019    | 2020    | 2021    |
| Assets: Business Revenue                             | 0.96    | 0.94    | 1.03    | 1.06    | 1.03    |
| Days Inventory                                       | 10.77   | 11.21   | 13.43   | 14.68   | 7.93    |
| Days Receivables                                     | 73.12   | 76.44   | 83.10   | 86.67   | 87.52   |
| Current Asset Turnover                               | 2.09    | 2.00    | 1.82    | 1.73    | 1.74    |
| Fixed Asset Turnover (Business Revenue/Fixed Assets) | 5.26    | 5.78    | 5.18    | 5.15    | 5.23    |
| Gross Margin: Business Revenue                       | 65.11   | 65.09   | 64.87   | 64.95   | 64.90   |
| Sales Per Employee                                   | 405,839 | 396,688 | 313,479 | 347,176 | 349,228 |
| Inventory Turnover                                   | 97.13   | 93.28   | 77.34   | 70.93   | 131.20  |
| Receivables Turnover                                 | 4.99    | 4.78    | 4.39    | 4.21    | 4.17    |
| Total Asset Turnover                                 | 1.04    | 1.06    | 0.97    | 0.94    | 0.97    |
| Working Capital Turnover                             | 15.63   | 14.51   | 12.65   | 11.10   | 11.42   |
| Days Working Capital                                 | 23.36   | 25.16   | 28.85   | 32.89   | 31.96   |
| Cash Turnover                                        | 4.80    | 4.59    | 4.11    | 3.93    | 4.06    |
| Efficiency Index                                     | 2.60    | 2.53    | 1.89    | 2.08    | 2.26    |



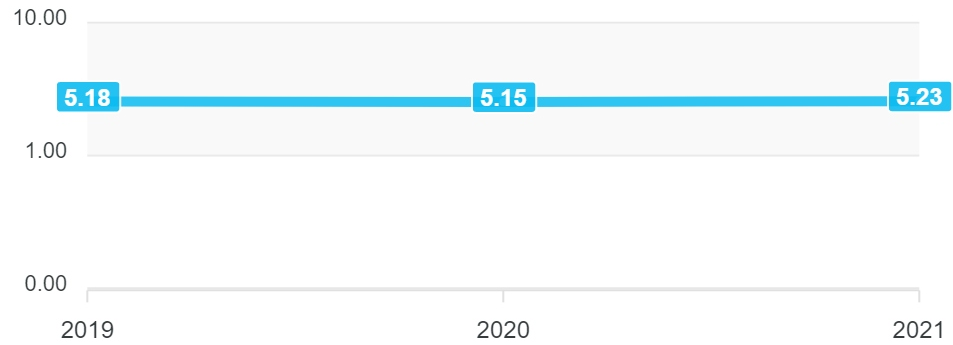
Days Receivables



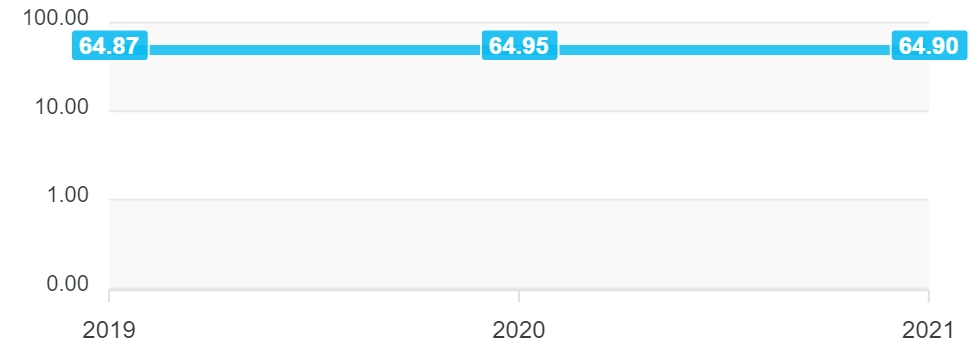
Current Asset Turnover



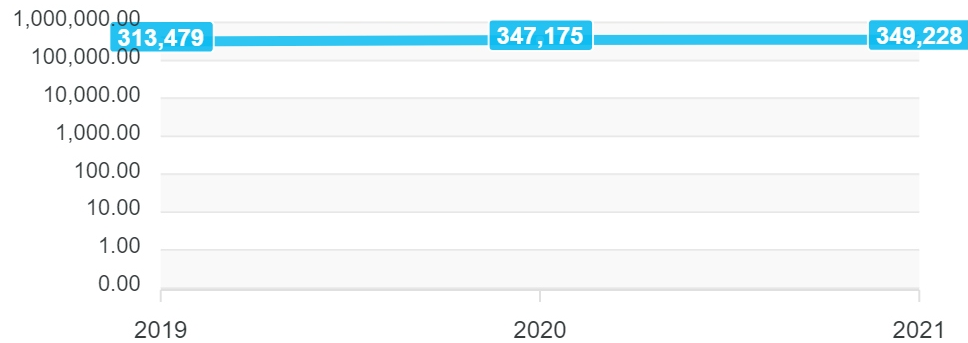
Fixed Asset Turnover (Business Revenue/Fixed Assets)



Gross Margin: Business Revenue



Sales Per Employee



# Efficiency Definitions

**Assets: Business Revenue:** Money on hand in checking, savings or redeemable certificate accounts.

**Days Inventory:** Money on hand in checking, savings or redeemable certificate accounts.

**Days Receivables:** Money on hand in checking, savings or redeemable certificate accounts.

**Current Asset Turnover:** Money on hand in checking, savings or redeemable certificate accounts.

**Fixed Asset Turnover (Business Revenue/Fixed Assets):** Money on hand in checking, savings or redeemable certificate accounts.

**Gross Margin: Business Revenue:** Money on hand in checking, savings or redeemable certificate accounts.

**Sales Per Employee:** Money on hand in checking, savings or redeemable certificate accounts.

**Inventory Turnover:** Money on hand in checking, savings or redeemable certificate accounts.

**Receivables Turnover:** Money on hand in checking, savings or redeemable certificate accounts.

**Total Asset Turnover:** Money on hand in checking, savings or redeemable certificate accounts.

**Working Capital Turnover:** Money on hand in checking, savings or redeemable certificate accounts.

**Days Working Capital:** Money on hand in checking, savings or redeemable certificate accounts.

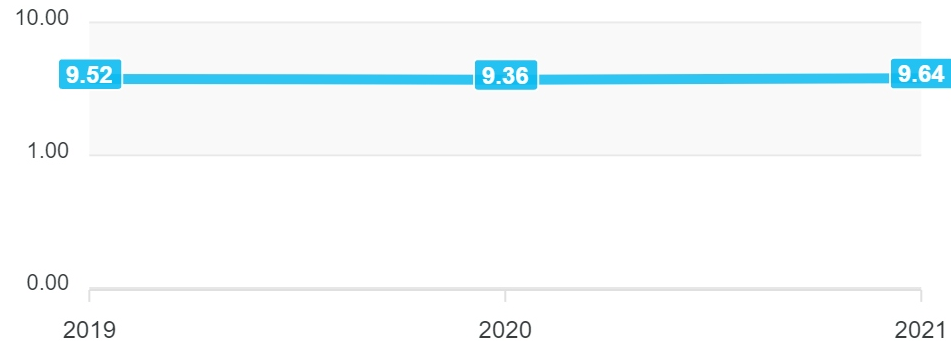
**Cash Turnover:** Money on hand in checking, savings or redeemable certificate accounts.

**Efficiency Index:** Money on hand in checking, savings or redeemable certificate accounts.

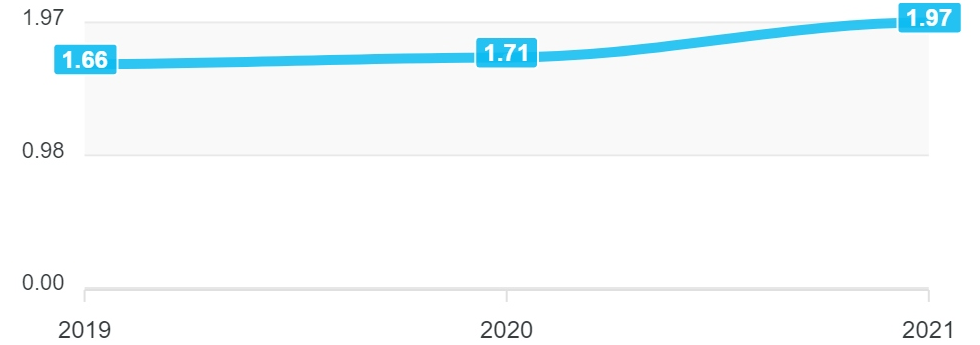
# Debt-Risk

| Debt-Risk                        |       |       |      |      |      |
|----------------------------------|-------|-------|------|------|------|
|                                  | 2017  | 2018  | 2019 | 2020 | 2021 |
| Interest Coverage                | 13.02 | 12.26 | 9.52 | 9.36 | 9.64 |
| Current Liabilities: Net Worth   | 1.36  | 1.67  | 1.66 | 1.71 | 1.97 |
| Long-Term Liabilities: Net Worth | 0.79  | 0.97  | 0.99 | 1.01 | 1.19 |
| Loans-Notes Payable/Net Worth    | 0.10  | 0.11  | 0.07 | 0.07 | 0.08 |
| Modified Z-Score                 | 2.76  | 2.73  | 2.40 | 2.42 | 2.64 |
| Total Liabilities: Net Worth     | 2.14  | 2.65  | 2.65 | 2.72 | 3.16 |
| Fixed Assets: Net Worth          | 0.62  | 0.67  | 0.68 | 0.68 | 0.77 |

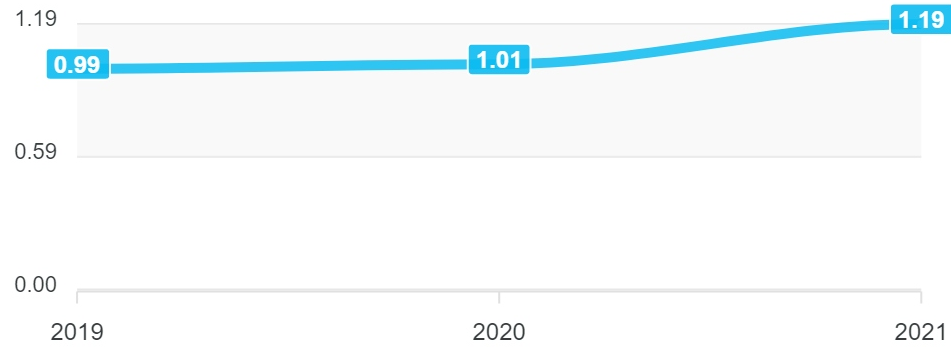
Interest Coverage



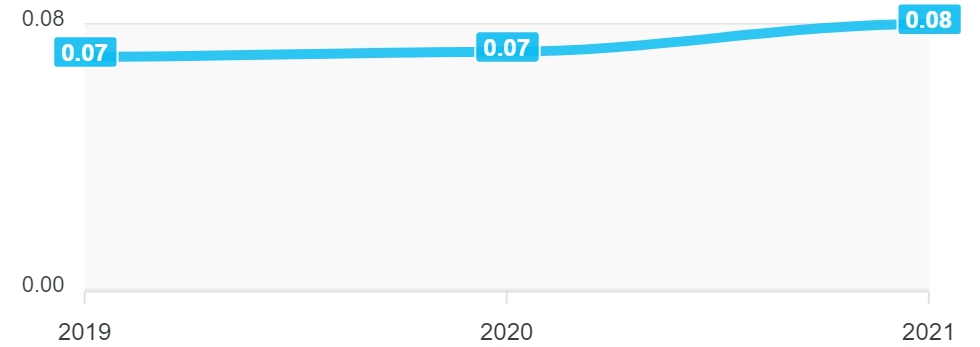
Current Liabilities: Net Worth



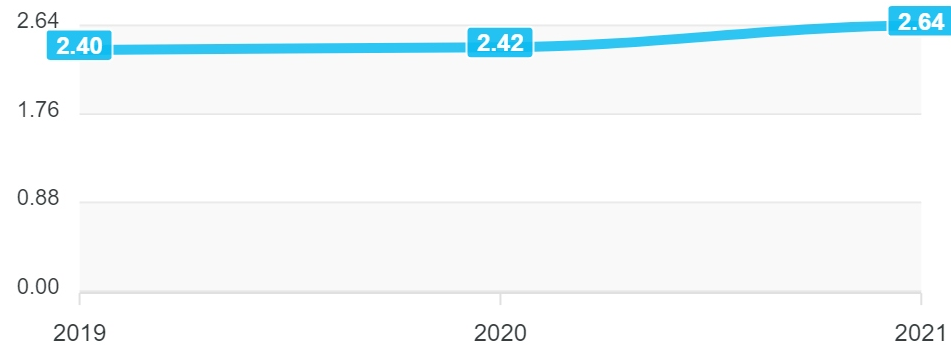
Long-Term Liabilities: Net Worth



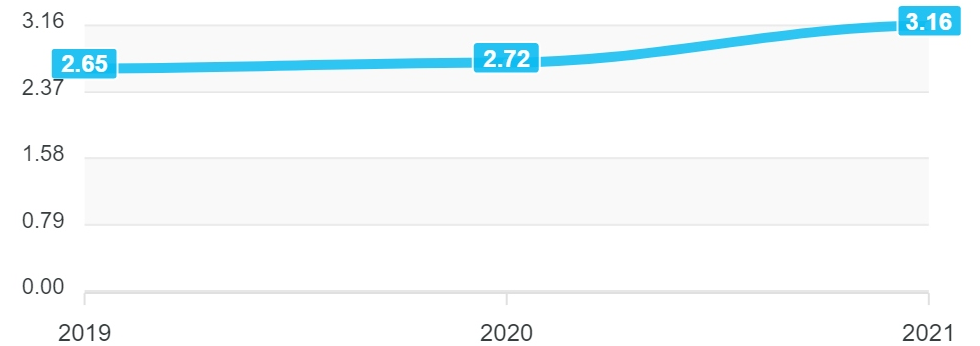
Loans-Notes Payable/Net Worth



Modified Z-Score



Total Liabilities: Net Worth



# Debt-Risk Definitions

**Interest Coverage:** Money on hand in checking, savings or redeemable certificate accounts.

**Current Liabilities: Net Worth :** Money on hand in checking, savings or redeemable certificate accounts.

**Long-Term Liabilities: Net Worth :** Money on hand in checking, savings or redeemable certificate accounts.

**Loans-Notes Payable/Net Worth :** Money on hand in checking, savings or redeemable certificate accounts.

**Modified Z-Score:** Money on hand in checking, savings or redeemable certificate accounts.

**Total Liabilities: Net Worth:** Money on hand in checking, savings or redeemable certificate accounts.

**Fixed Assets: Net Worth:** Money on hand in checking, savings or redeemable certificate accounts.

# Valuation Multiples

SEP 1ST 2022

## About Valuation Multiples

**Business Value Insight Terms:** The Bizminer Valuations Value basis is 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 Valuations 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

**Note:** Median is 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.

### Sales Group: < \$2.5m

|        | SALES MULTIPLES | EARNINGS MULTIPLES |
|--------|-----------------|--------------------|
| Q1     | 1.35            | 2.21               |
| Median | 2.3             | 2.85               |
| Q3     | 5.04            | 4.68               |

### Sales Group: \$2.5m - \$24.9m

|        | SALES MULTIPLES | EARNINGS MULTIPLES |
|--------|-----------------|--------------------|
| Q1     | 1.26            | 4.38               |
| Median | 2.14            | 6.1                |
| Q3     | 4.35            | 8.02               |

### Sales Group: > \$25m

|        | SALES MULTIPLES | EARNINGS MULTIPLES |
|--------|-----------------|--------------------|
| Q1     | 1.24            | 2.38               |
| Median | 3.08            | 3.33               |
| Q3     | 5.77            | 5.77               |

### Sales Group: All

|        | SALES MULTIPLES | EARNINGS MULTIPLES |
|--------|-----------------|--------------------|
| Q1     | 1.42            | 2.38               |
| Median | 2.93            | 3.33               |
| Q3     | 7.11            | 5.77               |