

**Company:** Design Company Example  
**Statement:** Design Company Statement  
**Reference Industry:** 8711 - Engineering Services (10999 Companies)  
**Report ID** 2716

**Common Size Financial Statement Comparison in Percent**

<b>Income Statement</b>	<b>Company</b>	<b>Industry</b>	<b>Percent Variance</b>
<b>Net Sales</b>	100 %	100 %	
<b>Gross Profit</b>	56.43 %	62.29 %	-9.40 %
<b>EBITDA</b>	7.49 %	8.56 %	-12.51 %
<b>Operating Profit</b>	7.49 %	5.53 %	35.34 %
<b>Net Profit After Tax</b>	3.87 %	3.80 %	1.90 %
<b>Balance Sheet</b>			
<b>Cash</b>	0.57 %	8.80 %	-93.50 %
<b>Accounts Receivable</b>	74.34 %	68.92 %	7.87 %
<b>Inventory</b>	0.00 %	0.00 %	N / A
<b>Total Current Assets</b>	78.51 %	80.22 %	-2.13 %
<b>Fixed Assets</b>	15.77 %	9.59 %	64.41 %
<b>Total Assets</b>	100 %	100 %	
<b>Accounts Payable</b>	6.80 %	7.69 %	-11.56 %
<b>Bank Loan Payable</b>	0.00 %	3.30 %	N / A
<b>Notes Payable</b>	18.14 %	0.00 %	N / A
<b>Total Current Liabilities</b>	55.16 %	30.92 %	78.37 %
<b>Long-Term Debt</b>	11.40 %	24.92 %	-54.25 %
<b>Net Worth</b>	33.44 %	44.16 %	-24.27 %

**Common Size Financial Statement Comparison in Dollars**

<b>Income Statement</b>	<b>Company</b>	<b>Industry</b>	<b>Dollar Variance</b>
<b>Net Sales</b>	\$5,403,625	\$5,403,625	

<b>Gross Profit</b>	\$3,049,280	\$3,365,792	(\$316,512)
<b>EBITDA</b>	\$404,637	\$462,488	(\$57,851)
<b>Operating Profit</b>	\$404,637	\$298,986	\$105,651
<b>Net Profit After Tax</b>	\$209,381	\$205,482	\$3,899

### Balance Sheet

<b>Cash</b>	\$12,295	\$189,028	(\$176,733)
<b>Accounts Receivable</b>	\$1,596,436	\$1,480,024	\$116,412
<b>Inventory</b>	\$0	\$0	\$0
<b>Total Current Assets</b>	\$1,686,022	\$1,722,770	(\$36,748)
<b>Fixed Assets</b>	\$338,749	\$206,035	\$132,714
<b>Total Assets</b>	<b>\$2,147,556</b>	<b>\$2,147,556</b>	
<b>Accounts Payable</b>	\$146,028	\$165,113	(\$19,085)
<b>Bank Loan Payable</b>	\$0	\$70,841	(\$70,841)
<b>Notes Payable</b>	\$389,500	\$0	\$389,500
<b>Total Current Liabilities</b>	\$1,184,575	\$664,112	\$520,463
<b>Long-Term Debt</b>	\$244,792	\$535,076	(\$290,284)
<b>Net Worth</b>	\$718,189	\$948,368	(\$230,179)



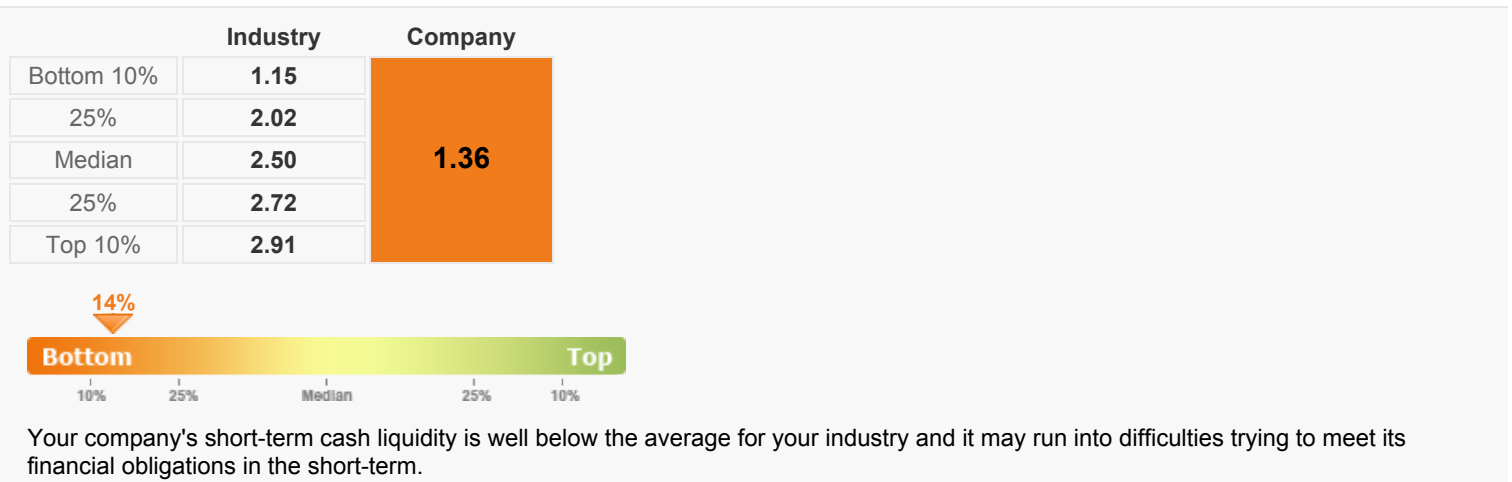
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## RATIO BENCHMARKING ANALYSIS

for your business

### Liquidity Financial Ratio Analysis

#### Quick Ratio



#### Current Ratio

	Industry	Company
Bottom 10%	1.50	<b>1.42</b>
25%	2.28	
Median	2.79	
25%	3.10	
Top 10%	3.34	

The medium-term cash liquidity of your company is significantly below the average for your industry and you should ask your accountant to project cash flow for the next operating period on a monthly or even weekly basis.

### Current Liabilities to Net Worth

	Industry	Company
Bottom 10%	256.95 %	<b>164.94 %</b>
25%	215.47 %	
Median	196.29 %	
25%	182.14 %	
Top 10%	110.76 %	

In comparison to other firms in your industry, your company has more equity investment than needed to provide the cushion to weather difficult business periods. You should review this ratio, as you may have more owner investment at risk in your business than may be required.

### Current Liabilities to Inventory

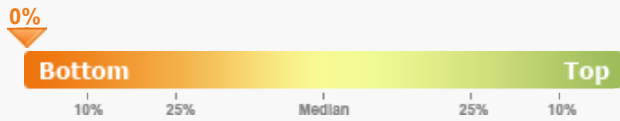
	Industry	Company
Bottom 10%	24,735.71 %	<b>NA</b>
25%	2,246.96 %	
Median	539.61 %	
25%	178.91 %	
Top 10%	94.97 %	

This ratio does not apply to your company.

### Total Liabilities to Net Worth

	Industry	Company
Bottom 10%	201.07 %	<b>199.02 %</b>
25%	146.36 %	
Median	123.68 %	

25%	<b>109.10 %</b>	
Top 10%	<b>41.24 %</b>	



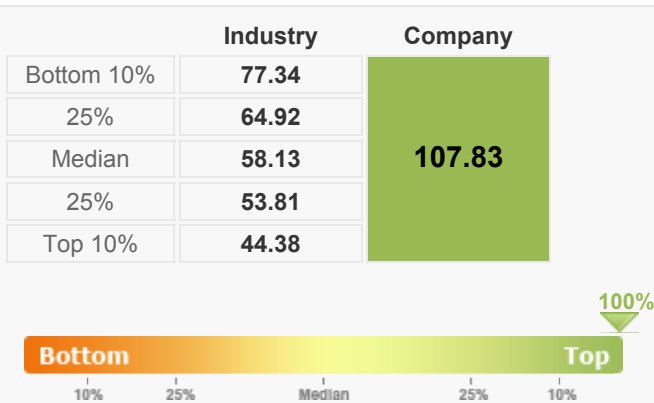
Your company uses more debt to finance assets than the average firm in your industry. As a consequence, your company may not be able to weather periods of business difficulty and you may need an equity investment to avoid this.



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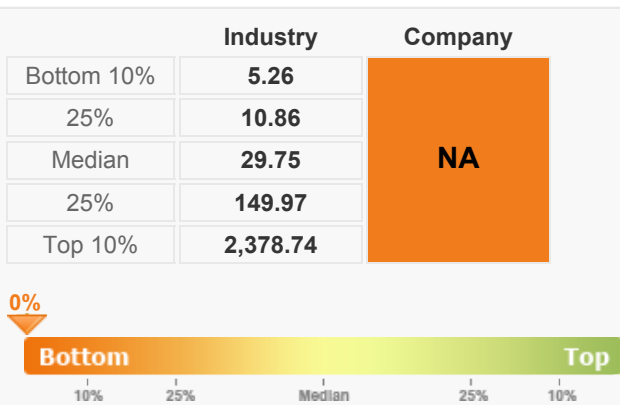
**Asset Efficiency Financial Ratio Analysis**

**Collection Period**



Your company is waiting considerably 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.

**Inventory Turnover**

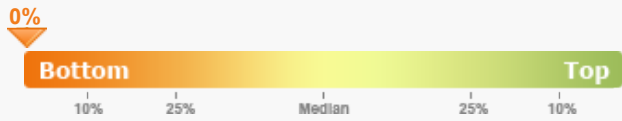


This ratio does not apply to your company.

**Assets to Sales**

	Industry	Company
Bottom 10%	<b>0.41</b>	
25%	<b>0.26</b>	

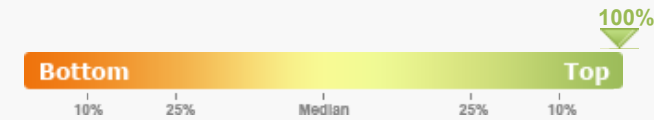
Median	0.24	0.40
25%	0.22	
Top 10%	0.21	



Your company is generating fewer sales on your investment in total assets than the average firm in your industry. You should determine if you may have unproductive assets or if you can generate additional sales on the assets you have.

### Sales to Net Working Capital

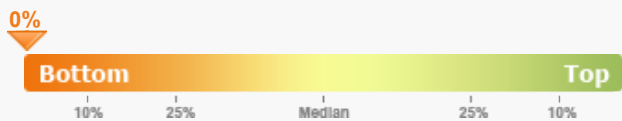
	Industry	Company
Bottom 10%	4.29	10.78
25%	6.85	
Median	7.61	
25%	8.35	
Top 10%	10.04	



Your company is generating considerably more sales dollars on the working capital in your business than the average firm in your industry. While this is a good indication, you should try to make sure that your company has adequate working assets, especially if it is growing.

### Accounts Payable to Sales

	Industry	Company
Bottom 10%	3.51 %	2.70 %
25%	2.25 %	
Median	1.77 %	
25%	1.47 %	
Top 10%	0.97 %	



Your company has considerably more accounts payable as a proportion of sales than the average business in your industry. This may indicate a lack of cash liquidity in your company.



## Profitability/Employment Financial Ratio Analysis

### Return on Sales

	Industry	Company

Bottom 10%	2.17 %	<b>3.87 %</b>
25%	3.51 %	
Median	3.80 %	
25%	4.17 %	
Top 10%	6.08 %	

55%

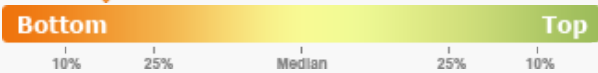


Your company is earning close to a typical profit on sales compared to the average company in your industry. You should pay particular attention to this ratio as it is a key measure of the operating success of a business.

### Return on Assets

	Industry	Company
Bottom 10%	5.77 %	<b>9.75 %</b>
25%	14.13 %	
Median	16.34 %	
25%	17.75 %	
Top 10%	21.73 %	

17%

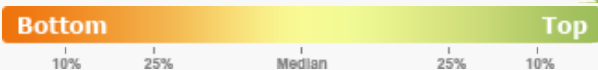


Your company is earning a smaller return on your assets compared to the average company in your industry. You should carefully review your investment in, and use of, assets to determine how this return can be improved.

### Return on Net Worth

	Industry	Company
Bottom 10%	3.61 %	<b>29.15 %</b>
25%	7.76 %	
Median	8.72 %	
25%	9.84 %	
Top 10%	14.05 %	

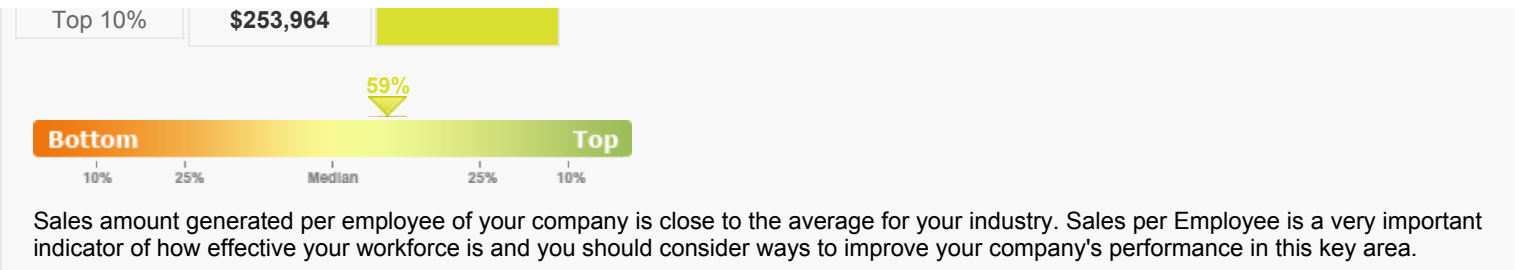
100%



Your company is providing its owners with a significantly higher return on their investment compared to the average company in your industry. You should frequently review this ratio as it provides you with a direct measure of the return on owners' investment in the company.

### Sales per Employee

	Industry	Company
Bottom 10%	\$77,255	<b>\$117,470</b>
25%	\$83,166	
Median	\$98,860	
25%	\$148,804	
Top 10%		



### Profit per Employee

