

**RMA Annual
Statement Studies®
&
Valuation Edition**



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RMA Annual Statement Studies®

ValuSource's RMA Annual Statement Studies® database contains data from the Risk Management Association's *Annual Statement Studies*®, the industry standard for comparison of financial data for over 100 years. The Risk Management Association is the most respected source of objective, unbiased information on issues of importance to credit risk professionals.

The *Annual Statement Studies*® reports composite data on nearly 800 industries, derived directly from more than 250,000 statements. The statements used to produce the composites come directly from RMA member institutions and represent the financials from their commercial clients and prospects. Balance sheet and income statement information is shown in common size format, with each item a percentage of total assets and sales. Nineteen of the most widely used ratios in the financial services industry accompany the balance sheet information, including various types of liquidity, coverage, leverage, and operating ratios.

RMA Annual Statement Studies® Valuation Edition

The RMA Valuation Edition is exclusive to ValuSource. The advantage it provides is to compare the subject company to the industry sample and know the percent of population below and above the subject company. For instance, if operating expenses were examined and it was determined that the subject company is in the 38th percentile, it would mean that 38% of industry sample has a smaller operating expense and 62% of the industry sample has a higher operating expense. In the typical, annual study only an average is available and typically that average is skewed from the median. In the example, if the subject was near the average it might be concluded that the subject is neither better than nor worse than the industry. Clearly, this subject company is doing better than the industry and needs to be rewarded for that.

The way that ValuSource delivers this data is that RMA will run an algorithm against their data when it is processed. The results of that algorithm are only available to ValuSource. That algorithm cuts the population into ten equal parts. Then linear interpolation can be used to determine the percentile that the subject is at. This algorithm is transparent and powerful.

Using RMA Annual Statement Studies®

The web interface is easy to access, retrieve data and find help on the data. RMA Annual Statement Studies® allows you to view and print RMA data, export RMA data to Microsoft® Excel, and download RMA data into ValuSource applications. You start from the RMA Main Window as seen below (Help is on the upper right).

The screenshot shows the BVDDataWorld RMA web interface. The browser address bar displays 'https://www.bvdataworld.com'. The page header includes the BVDDataWorld logo, 'RMA', and navigation links for 'Applications', 'My Account', and 'Help'. The 'Expires: 1/1/2026' and 'Exports: unlimited' information is also visible. The main content area is divided into three sections: 1. Search, 2. Review, and 3. Export. The '1. Search' section is active and contains three columns of search criteria: A. Year(s) with 'Choose: 1 year' and 'Year: 2019 - v'; B. NAICS with 'Choose: from list' and 'Pick: 111110 Soybean Farming'; and C. Criteria with 'Sort by: Assets', 'Region: National', and 'Range: 0-500M'. A blue arrow points to the 'Help' link in the top right. The '2. Review' section is active and shows a 'Summary' tab with 'General Information' and 'Current Annual Data' sections. The '3. Export' section at the bottom has 'Data' and 'Analysis' buttons. A footer note states: 'Data © 2019 The Risk Management Association. Used under license from RMA. All rights reserved.'

Selecting the Year

If you have RMA data for multiple years, you can change the data year.

Selecting an Industry

RMA defines industries by the North American Industrial Classification System (NAICS). RMA provides two ways to select an industry. You can search by NAICS list or use a search to identify a keyword in the industry. An example would be typing “Tire” into the search and the industries with “Tire” will display so that a selection can be made.

The screenshot shows the BVDDataWorld RMA interface. At the top, the browser address bar displays 'https://www.bvdataworld.com'. The page header includes the BVDDataWorld logo, 'RMA', and subscription details: 'Expires: 1/1/2026' and 'Exports: unlimited'.

The main interface is divided into two sections: '1. Search' and '2. Review'. The '1. Search' section is currently active and contains three columns of search criteria:

- A. Year(s):** 'Choose:' is set to '1 year' and 'Year:' is set to '2019 - v'.
- B. NAICS:** 'Choose:' is set to 'from search', 'Enter:' is 'Tire', and 'Pick:' is '423130 Tire and Tube Merchant Wholesalers'.
- C. Criteria:** 'Sort by:' is 'Assets', 'Region:' is 'National', and 'Range:' is '2MM-10MM'.

A 'Search' button is located between the 'Enter:' and 'Pick:' fields. Below the 'Pick:' field, a dropdown menu is open, showing a list of industry categories: '423130 Tire and Tube Merchant Wholesalers' (highlighted), 'WHOLESALE', '423130 Tire and Tube Merchant Wholesalers', 'RETAIL', '441320 Tire Dealers', 'HEALTH CARE', and '623311 Continuing Care Retirement Communities'.

The '2. Review' section has three tabs: 'Summary', 'Income Statement', and 'Income Statement'. The 'Summary' tab is selected, and the word 'Summary' is displayed in large, bold text below the tabs.

Slicing the Industry Data – Criteria

There are five ways to present an industry's data:

1. You can sort the current year's data by assets.
2. You can view comparative historical data.
3. You can sort the current year's data by sales.
4. You can view data for multiple years grouped by asset range.
5. You can view data for multiple years grouped by sales range.

An example of multi-year data appears below.

Multi-Year Data

Multi-Year Data					
2. Review	Summary	Income Statement	Balance Sheet	Ratios	
Average Percentages					
Year End	3/31/14	3/31/13	3/31/12	3/31/11	3/31/10
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales (Calculated)	82.3%	80.2%	83.5%	82.7%	80.0%
Gross Profit	17.7%	19.8%	16.5%	17.3%	20.0%
Operating Expenses	15.0%	16.2%	15.1%	13.4%	14.0%
Operating Profit	2.7%	3.7%	1.4%	3.9%	6.0%
All Other Expenses (Net)	0.4%	1.0%	0.3%	1.5%	1.1%
Profit Before Taxes	2.3%	2.7%	1.1%	2.4%	4.8%

Using RMA Data in ValuSource Applications

You can download RMA data into ValuSource applications, including ValuSource Pro and Express Business Valuation. The downloaded data automatically appears in the correct lines on the appropriate schedules.

Multi-Year Comparison

The latest versions of ValuSource’s valuation applications support downloading multiple years of data from RMA, making your analysis of the subject company’s financials more robust.

Downloading the Data

When you’re done selecting the data options, click on the button labeled “Download” in the toolbar at the top of the RMA Main Window. RMA will close and you will return to the ValuSource application that you’re using. The downloaded data will automatically appear in the correct lines on the appropriate schedules. In the following examples, the blue numbers in the first column were downloaded from RMA.

Common Size Historic Balance Sheets Schedule (EBV Example)								
	2005	2005	2004	2003	2002	2001	2000	
Cash & Equivalents	9.00%	9.22%	9.23%	9.09%	8.79%	8.03%	7.96%	7.53%
Accounts Receivable	43.10%	5.37%	8.44%	8.54%	7.30%	6.68%	7.56%	12.63%
Inventory	4.60%	6.90%	6.60%	5.84%	5.55%	5.96%	7.78%	7.72%
Other Current Assets	8.10%	0.82%	0.82%	0.81%	0.78%	0.78%	0.84%	2.26%
Total Current Assets	64.80%	22.32%	25.09%	24.28%	22.41%	21.44%	24.14%	30.14%
Fixed Assets Net	23.80%	76.29%	73.27%	74.04%	75.98%	76.91%	73.72%	66.31%
Intangibles Net	0.90%	0.24%	0.43%	0.45%	0.48%	0.53%	0.75%	1.43%
Other Non-Current Assets	10.50%	1.14%	1.21%	1.22%	1.13%	1.12%	1.39%	2.12%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Accounts Payable	15.60%	10.53%	10.54%	10.33%	9.98%	9.73%	8.38%	7.54%
Short Term Notes Payable	10.60%	0.00%	0.00%	0.60%	1.19%	1.86%	3.35%	7.54%
Current Maturity LT Debt	2.70%	2.65%	2.65%	2.51%	2.36%	2.38%	3.07%	5.36%
Other Current Liabilities	7.80%	1.53%	1.53%	2.18%	2.12%	2.14%	2.69%	4.53%
Total Current Liabilities	36.70%	14.71%	14.72%	15.63%	15.66%	16.11%	17.49%	24.97%
Long Term Debt	14.20%	41.39%	41.44%	44.81%	50.21%	58.20%	61.48%	58.24%
Other Non-Current Liabilities	5.60%	1.37%	1.37%	1.41%	1.39%	1.43%	1.89%	3.40%
Total Liabilities	56.50%	57.47%	57.53%	61.85%	67.26%	75.74%	80.86%	86.61%
Total Equity	43.50%	42.53%	42.47%	38.15%	32.74%	24.26%	19.14%	13.39%
Total Liabilities & Equity	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Common Size Income Statements Schedule (EBV Example)							
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Goods	71.90%	41.17%	39.95%	36.99%	37.86%	38.89%	43.42%
Gross Profit	28.10%	58.83%	60.05%	63.01%	62.14%	61.11%	56.58%
Operating Expenses	26.00%	42.91%	44.05%	46.82%	46.52%	43.69%	40.63%
Operating Profit	2.10%	15.92%	16.00%	16.19%	15.61%	17.42%	15.95%
Other Income/(Expense) Net	0.90%	0.06%	0.12%	0.10%	0.09%	0.08%	0.06%
Pre-Tax Profit	3.00%	15.98%	16.12%	16.29%	15.71%	17.50%	16.01%

Financial Ratio Comparison Schedule (EBV Example)

	Lower RMA	Median RMA	Upper RMA	Adjusted 2005	Historic 2005	Historic 2004	Historic 2003	Historic 2002
LIQUIDITY RATIOS:								
Current Ratio	1.20	1.7	3.1	1.52	1.70	1.55	1.43	1.33
Quick (Acid-Test) Ratio	0.8	1.4	2.3	0.99	1.20	1.13	1.03	0.91
Revenue/Accounts Receivable	3.8	5.6	6.4	23.45	14.96	13.28	13.80	14.66
Average Collection Period	96	65	57	16	24	27	26	25
Inventory Turnover	24.2	640.7	999.9	7.52	7.87	7.76	6.71	6.22
Days Inventory	15	1	-	49	46	47	54	59
COGS/Payable	7.4	13.2	34.4	4.93	4.93	4.39	3.73	3.81
Days Payable	49	28	11	74	74	83	98	96
Revenue/Working Capital	13.9	8.8	5.1	16.55	12.17	13.12	14.90	18.36
COVERAGE RATIOS:								
Times Interest Earned	1.3	2.3	7.0	5.61	5.87	5.26	4.27	3.73
NI+Non-Cash Expenditures / Current LTD	-	-	-	6.50	6.76	6.61	6.50	6.21
LEVERAGE RATIOS:								
Fixed Assets/Tangible Worth	1.0	0.6	0.3	1.80	1.74	1.96	2.35	3.24
Debt/Tangible Net Worth	3.2	1.2	0.6	1.36	1.37	1.64	2.08	3.19
Debt/Equity	1.3	1.3	1.3	1.35	1.35	1.62	2.05	3.12
OPERATING RATIOS:								
EBT/Tangible Worth	0.90%	11.60%	25.90%	45.11%	47.97%	48.51%	50.84%	64.78%
EBT/Total Assets	0.50%	2.00%	8.80%	19.07%	20.17%	18.29%	16.40%	15.38%
Fixed Asset Turnover	7.2	9.9	27.0	1.65	1.72	1.53	1.33	1.27
Total Asset Turnover	1.5	2.2	2.8	1.26	1.26	1.13	1.01	0.98
EXPENSE TO REVENUE RATIOS:								
% Deprtn., Depltn., Amort./Revenue	4.20%	2.10%	1.40%	3.66%	3.66%	4.02%	4.47%	4.76%
% Officers' &/or Owners' Compensation/Revenue	0.00%	0.00%	0.00%	9.44%	9.20%	9.05%	9.47%	9.47%

Exporting RMA Data to Excel

You can export RMA data to an Excel workbook. There are two different modes for exporting data:

- You can create a worksheet that contains the data from the current data view.
- You can create a workbook that compares a company's financials to multi-year data.

Exporting the Current Data View

You can start Excel with data from the current view, or you can save the data directly to an Excel file for later use. An example of an exported worksheet follows.

Exporting Multi-Year Analysis

You can create a workbook that uses multi-year data to analyze a company's financial statements. Examples of the workbook's sheets and graphs follow. The schedules and charts produced by the workbook include:

Schedules

- Common Size Balance Sheets Year to Year
- Common Size Balance Sheets Industry Trend
- Common Size Balance Sheets Subject Company Trend
- Common Size Income Statement Year to Year
- Common Size Income Statement Industry Trend
- Common Size Income Statement Subject Company Trend
- Coverage and Leverage Ratios
- Operating & Expense Ratios

Charts

- Industry Working Capital
- Subject Company Working Capital
- Industry Common Size Income Statement
- Subject Company Common Size Income Statement
- Current Ratio
- Quick Ratio
- Sales to Receivables
- Average Collection Period (Days)
- Sales to Working Capital
- EBIT to interest
- Net Profit + Depr., Depletion, Amort./Current LTD
- Fixed to Worth
- Debt to Worth
- EBT to Tangible Worth
- EBT to Total Assets
- Sales to Net Fixed Assets
- Sales to Total Assets
- % Depreciation Depletion Amortization to Sales
- % Compensation to Revenue

Export of Current Data View

A	B	C	D	E	F	G	H	I
General Information								
Data Source	RMA Annual Statement Studies™ 2014-2015							
Industry Sector	Professional, Scientific, and Technical Services							
Industry Title	Offices of Certified Public Accountants							
Industry Code	541211							
Region	National							
Industry Subset	Sales 1MM-3MM							
Current Annual Data								
	Avg \$	Avg %	10th	20th	30th	40th		
Net Sales	1,874,480	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales (Calculated)	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross Profit	1,874,480	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses	1,619,551	86.4%	67.2%	74.1%	80.5%	86.1%	86.1%	86.1%
Operating Profit	254,929	13.6%	-0.6%	1.7%	3.9%	5.5%	5.5%	5.5%
All Other Expenses (Net)	20,619	1.1%	-1.4%	-0.2%	0.0%	0.1%	0.1%	0.1%
Profit Before Taxes	234,310	12.5%	-0.6%	0.6%	3.3%	5.2%	5.2%	5.2%
▶ Summary Income Statement Balance Sheet Ratios ⊕								

Multi-Year Analysis – Setup Worksheet

	A	B	C	D	E	F	G	H	I
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Subject Data

Analysis for:

Subject Company Name Sample Accounts & Associates

NAICS/SIC 541211

Performed by:

Appraiser Name Mr. Valuation Professional

Appraiser Firm Professional Valuers

As of:

Analysis Date 5/20/2005

Setup / BS / IS / Common Size BS Yr to Yr / Common Size BS Ind
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Multi-Year Analysis – Common Size Balance Sheets

	A	B	C	D	E	F	G	H	I	J	K	L
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Common Size Balance Sheets Year to Year

	Subject 2004	Subject 2004	RMA 2004	Subject 2003
ASSETS				
Cash & equivalents	11,599	7.6%	17.0%	20,940
Trade receivables - (net)	71,425	46.8%	23.7%	73,875
Inventory	8,699	5.7%	1.8%	9,381
All other current assets	12,362	8.1%	4.9%	11,056
Total current assets	104,085	68.3%	47.3%	115,252
Fixed assets (net)	25,792	16.9%	25.8%	29,818
Intangibles (net)	5,342	3.5%	14.8%	5,361
All other non-current assets	17,246	11.3%	12.2%	17,087
Total assets	152,465	100.0%	100.0%	167,518
LIABILITIES & NET WORTH				
Notes payable-short term	17,398	11.4%	25.0%	26,133
Trade payables	5,189	3.4%	2.9%	7,706
Income taxes payable	1,221	0.8%	0.2%	1,508
Cur.mat. - L/T/D	6,410	4.2%	4.4%	7,203
All other current liabilities	15,109	9.9%	23.1%	22,950
Total current liabilities	45,327	29.7%	55.6%	65,500

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Worksheet

