

Developed By: Main Street Accounting

Developed For: Foundation Plumbing



Industry Financial Report

NAICS 238220

Plumbing, Heating, and Air-Conditioning Contractors

\$1m - \$2.49m

Harrisburg Metro Area

Release Date: December 2019

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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	
2014	43
2015	37
2016	34
2017	33
2018	36
2019q2	43

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 23: Construction
- NAICS 238: Specialty Trade Contractors
- NAICS 2382: Building Equipment Contractors
- NAICS 238220: Plumbing, Heating, and Air-Conditioning Contractors

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.

SUMMARY SCORES

SUMMARY PERFORMANCE SCORES

Based on your inputs, the Industry Financial Report calculates the percentage difference (variance) between client ratios and the industry average for the selected industry peer group. Your firm performance on each ratio is scored on a 1-5 scale (5 being best) for each year displayed in the report. The scoring approach depends on the specific scored ratio. You can find a detailed explanation for each at the end of this report.

The value of peer comparisons with your business depends on the accuracy and completeness of the firm financial information that is being entered. The more detail that you provide, the more comprehensive and meaningful the benchmark.

For each ratio, the score for those years selected from the most recent three calendar years is averaged and integrated into a Ratio Category Score. The Score for each of the four categories (Cash Flow/Solvency; Profitability; Efficiency; Debt-Risk) are then averaged to produce an Overall Score.

Summary Scores (2015-2016-2017-2018) (Scale 1-5)

OVERALL TOTAL SCORE:		3.37
RATIO CATEGORY SCORES		
CASH FLOW/ SOLVENCY:		3.40
PROFITABILITY:		4.33
EFFICIENCY:		3.52
DEBT-RISK:		2.24

RATIO CATEGORIES

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WORTH YOUR FOCUS:

Ratio Category scores are simply a reflection of the more focused individual ratios that they include. Any ratios that score below 3.0 should be examined closely for weaknesses in management or performance that could be improved with reasonable effort and expense. While you should work with a qualified advisor to obtain specific guidance, we've flagged these areas for attention:

 Current Liabilities: Net Worth	1.00
 Long-Term Liabilities: Net Worth	1.00
 Total Liabilities: Net Worth	1.00

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

	Industry					
	2014	2015	2016	2017	2018	2019q2
Business Revenue	1,475,287	1,696,498	1,442,023	1,658,327	1,757,376	1,595,734
Cost of Sales	876,911	990,585	843,872	964,649	1,008,734	879,249
Cost of Sales - Labor Portion	539,994	581,320	514,198	570,581	597,382	522,849
Gross Margin	598,376	705,913	598,151	693,678	748,642	716,485
Officers Comp.	95,451	119,603	102,452	120,560	127,058	127,180
Salary-Wages	142,513	158,792	135,995	160,029	168,532	167,393
Rent	27,440	33,082	28,374	33,498	35,323	38,298
Taxes Paid	43,226	54,967	47,154	55,388	57,993	49,787
Advertising	19,179	15,099	12,935	15,257	16,168	15,798
Benefits-Pensions	28,030	44,109	37,753	44,277	46,746	45,638
Repairs	5,016	9,161	7,789	9,121	9,666	9,574
Bad Debt	1,770	1,188	974	1,161	1,230	1,596
Sales, General, Admin & Misc.	125,842	156,587	131,746	154,722	162,557	150,956
EBITDA	109,909	113,325	92,979	99,665	123,369	110,265
Amortization Depreciation Depletion	15,343	20,019	17,108	20,066	21,264	21,542
Operating Expenses	503,810	612,607	522,280	614,079	646,537	627,762
Operating Income	94,566	93,306	75,871	79,599	102,105	88,723
Interest Income	295	339	278	332	351	319
Interest Expense	5,164	6,107	5,285	6,302	6,678	6,862
Other Income	3,393	4,241	3,749	4,146	4,745	4,468
Pre-Tax Net Profit	93,090	91,779	74,613	77,775	100,523	86,648
Income Tax	19,901	19,455	13,602	14,694	21,110	18,196
After Tax Net Profit	73,189	72,324	61,011	63,081	79,413	68,452
Discretionary Owner Earnings	203,884	231,401	194,173	218,401	248,845	235,370

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 (\$): INCOME & EXPENSE - Foundation Plumbing

Foundation Plumbing						
	2014	2015	2016	2017	2018	2019q2
Business Revenue	1,599,085	1,718,455	1,736,918	1,749,451	1,612,441	1,599,085
Cost of Sales	1,007,518	1,013,071	1,016,144	1,007,072	928,251	1,007,518
Cost of Sales - Labor Portion	492,732	534,937	572,026	580,916	569,529	492,732
Gross Margin	591,567	705,384	720,774	742,379	684,190	591,567
Officers Comp.	80,661	106,289	110,225	116,091	98,334	80,661
Salary-Wages	130,815	147,964	153,195	160,814	158,955	130,815
Rent	27,157	33,167	34,324	35,928	34,635	27,157
Taxes Paid	42,448	54,620	56,438	59,117	48,163	42,448
Advertising	18,289	13,824	14,367	15,130	22,990	18,289
Benefits-Pensions	27,463	44,597	46,010	48,075	39,258	27,463
Repairs	2,998	7,493	7,714	8,137	10,147	2,998
Bad Debt	4,169	3,565	3,593	3,622	7,471	4,169
Sales, General, Admin & Misc.	129,912	162,061	164,133	171,385	138,237	129,912
EBITDA	127,655	131,804	130,775	124,080	126,000	127,655
Amortization Depreciation Depletion	14,160	19,099	19,760	20,652	24,189	14,160
Operating Expenses	478,072	592,679	609,759	638,951	582,379	478,072
Operating Income	113,495	112,705	111,015	103,428	101,811	113,495
Interest Income	529	575	583	591	565	529
Interest Expense	5,728	6,729	7,055	7,401	6,902	5,728
Other Income	3,740	4,619	4,898	4,824	8,956	3,740
Pre-Tax Net Profit	112,036	111,170	109,441	101,442	104,430	112,036
Income Tax	25,575	25,306	24,563	21,575	22,609	25,575
After Tax Net Profit	86,461	85,864	84,878	79,867	81,821	86,461
Discretionary Owner Earnings	206,857	236,558	239,426	238,185	226,953	206,857

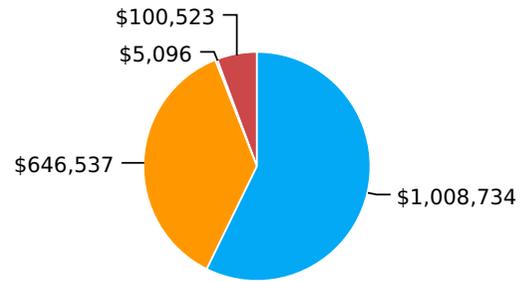
PROFIT LOSS (\$): VARIANCE FROM INDUSTRY

	2014	2015	2016	2017	2018	2019q2
Business Revenue	0%	8.39%	20.45%	5.49%	-8.25%	0.21%
Cost of Sales	0%	14.89%	20.41%	4.40%	-7.98%	14.59%
Cost of Sales - Labor Portion	0%	-8.75%	11.25%	1.81%	-4.66%	-5.76%
Gross Margin	0%	-1.14%	20.50%	7.02%	-8.61%	-17.43%
Officers Comp.	0%	-15.49%	7.59%	-3.71%	-22.61%	-36.58%
Salary-Wages	0%	-8.21%	12.65%	0.49%	-5.68%	-21.85%
Rent	0%	-1.03%	20.97%	7.25%	-1.95%	-29.09%
Taxes Paid	0%	-1.80%	19.69%	6.73%	-16.95%	-14.74%
Advertising	0%	-4.64%	11.07%	-0.83%	42.19%	15.77%
Benefits-Pensions	0%	-2.02%	21.87%	8.58%	-16.02%	-39.82%
Repairs	0%	-40.23%	-0.96%	-10.79%	4.98%	-68.69%
Bad Debt	0%	135.54%	268.89%	211.97%	507.40%	161.22%
Sales, General, Admin & Misc.	0%	3.23%	24.58%	10.77%	-14.96%	-13.94%
EBITDA	0%	16.15%	40.65%	24.50%	2.13%	15.77%
Amortization Depreciation Depletion	0%	-7.71%	15.50%	2.92%	13.76%	-34.27%
Operating Expenses	0%	-5.11%	16.75%	4.05%	-9.92%	-23.85%
Operating Income	0%	20.02%	46.32%	29.94%	-0.29%	27.92%
Interest Income	0%	79.32%	109.71%	78.01%	60.97%	65.83%
Interest Expense	0%	10.92%	33.49%	17.44%	3.35%	-16.53%
Other Income	0%	10.23%	30.65%	16.35%	88.75%	-16.29%
Pre-Tax Net Profit	0%	20.35%	46.68%	30.43%	3.89%	29.30%
Income Tax	0%	28.51%	80.58%	46.83%	7.10%	40.55%
After Tax Net Profit	0%	18.13%	39.12%	26.61%	3.03%	26.31%
Discretionary Owner Earnings	0%	1.46%	23.31%	9.06%	-8.80%	-12.11%

PROFIT LOSS (\$): EXPENSES

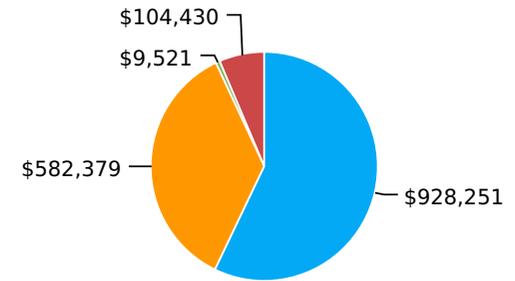
Industry Expenses: Sales 2018

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



Foundation Plumbing Expenses: Sales 2018

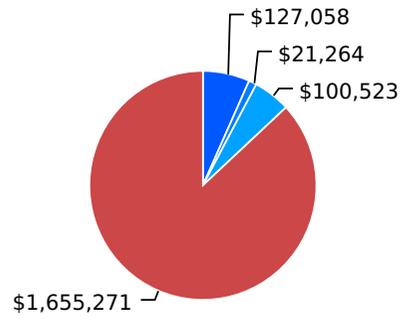
■ Cost of Sales ■ Operating Expenses ■ Other Income-Interest
■ Pre-Tax Net Profit



PROFIT LOSS (\$): OWNER EARNINGS

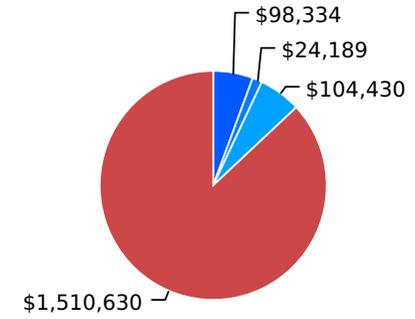
Industry Owner Earnings: Sales 2018

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



Foundation Plumbing Owner Earnings: Sales 2018

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



PROFIT LOSS (%): INCOME & EXPENSE - INDUSTRY

	Industry					
	2014	2015	2016	2017	2018	2019q2
Business Revenue	100%	100%	100%	100%	100%	100%
Cost of Sales	59.44%	58.39%	58.52%	58.17%	57.40%	55.10%
Cost of Sales - Labor Portion	36.60%	34.27%	35.66%	34.41%	33.99%	32.77%
Gross Margin	40.56%	41.61%	41.48%	41.83%	42.60%	44.90%
Officers Comp.	6.47%	7.05%	7.10%	7.27%	7.23%	7.97%
Salary-Wages	9.66%	9.36%	9.43%	9.65%	9.59%	10.49%
Rent	1.86%	1.95%	1.97%	2.02%	2.01%	2.40%
Taxes Paid	2.93%	3.24%	3.27%	3.34%	3.30%	3.12%
Advertising	1.30%	0.89%	0.90%	0.92%	0.92%	0.99%
Benefits-Pensions	1.90%	2.60%	2.62%	2.67%	2.66%	2.86%
Repairs	0.34%	0.54%	0.54%	0.55%	0.55%	0.60%
Bad Debt	0.12%	0.07%	0.07%	0.07%	0.07%	0.10%
Sales, General, Admin & Misc.	8.53%	9.23%	9.14%	9.33%	9.25%	9.46%
EBITDA	7.45%	6.68%	6.44%	6.01%	7.02%	6.91%
Amortization Depreciation Depletion	1.04%	1.18%	1.19%	1.21%	1.21%	1.35%
Operating Expenses	34.15%	36.11%	36.23%	37.03%	36.79%	39.34%
Operating Income	6.41%	5.50%	5.25%	4.80%	5.81%	5.56%
Interest Income	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Interest Expense	0.35%	0.36%	0.37%	0.38%	0.38%	0.43%
Other Income	0.23%	0.25%	0.26%	0.25%	0.27%	0.28%
Pre-Tax Net Profit	6.31%	5.41%	5.17%	4.69%	5.72%	5.43%
Income Tax	1.35%	1.15%	0.94%	0.89%	1.20%	1.14%
After Tax Net Profit	4.96%	4.26%	4.22%	3.80%	4.52%	4.29%
Discretionary Owner Earnings	13.82%	13.64%	13.47%	13.17%	14.16%	14.75%

PROFIT LOSS (%): INCOME & EXPENSE - Foundation Plumbing

Foundation Plumbing						
	2014	2015	2016	2017	2018	2019q2
Business Revenue	100%	100%	100%	100%	100%	100%
Cost of Sales	63.01%	58.95%	58.50%	57.57%	57.57%	63.01%
Cost of Sales - Labor Portion	30.81%	31.13%	32.93%	33.21%	35.32%	30.81%
Gross Margin	36.99%	41.05%	41.50%	42.43%	42.43%	36.99%
Officers Comp.	5.04%	6.19%	6.35%	6.64%	6.10%	5.04%
Salary-Wages	8.18%	8.61%	8.82%	9.19%	9.86%	8.18%
Rent	1.70%	1.93%	1.98%	2.05%	2.15%	1.70%
Taxes Paid	2.65%	3.18%	3.25%	3.38%	2.99%	2.65%
Advertising	1.14%	0.80%	0.83%	0.86%	1.43%	1.14%
Benefits-Pensions	1.72%	2.60%	2.65%	2.75%	2.43%	1.72%
Repairs	0.19%	0.44%	0.44%	0.47%	0.63%	0.19%
Bad Debt	0.26%	0.21%	0.21%	0.21%	0.46%	0.26%
Sales, General, Admin & Misc.	8.12%	9.43%	9.45%	9.80%	8.57%	8.12%
EBITDA	7.98%	7.67%	7.53%	7.09%	7.81%	7.98%
Amortization Depreciation Depletion	0.89%	1.11%	1.14%	1.18%	1.50%	0.89%
Operating Expenses	29.90%	34.49%	35.11%	36.52%	36.12%	29.90%
Operating Income	7.10%	6.56%	6.39%	5.91%	6.31%	7.10%
Interest Income	0.03%	0.03%	0.03%	0.03%	0.04%	0.03%
Interest Expense	0.36%	0.39%	0.41%	0.42%	0.43%	0.36%
Other Income	0.23%	0.27%	0.28%	0.28%	0.56%	0.23%
Pre-Tax Net Profit	7.01%	6.47%	6.30%	5.80%	6.48%	7.01%
Income Tax	1.60%	1.47%	1.41%	1.23%	1.40%	1.60%
After Tax Net Profit	5.41%	5.00%	4.89%	4.57%	5.07%	5.41%
Discretionary Owner Earnings	12.94%	13.77%	13.78%	13.61%	14.08%	12.94%

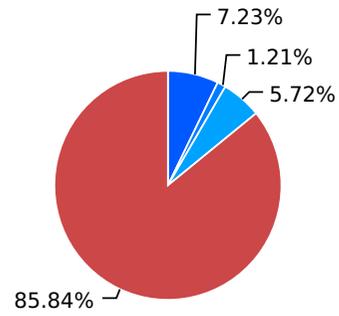
PROFIT LOSS (%): VARIANCE FROM INDUSTRY

	2014	2015	2016	2017	2018	2019q2
Business Revenue	0%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of Sales	0%	6.01%	-0.03%	-1.03%	0.30%	14.36%
Cost of Sales - Labor Portion	0%	-15.82%	-7.66%	-3.49%	3.91%	-5.98%
Gross Margin	0%	-8.80%	0.05%	1.43%	-0.40%	-17.62%
Officers Comp.	0%	-22.10%	-10.56%	-8.67%	-15.63%	-36.76%
Salary-Wages	0%	-15.32%	-6.47%	-4.77%	2.82%	-22.02%
Rent	0%	-8.60%	0.51%	1.49%	6.97%	-29.17%
Taxes Paid	0%	-9.56%	-0.61%	1.20%	-9.39%	-15.06%
Advertising	0%	-12.31%	-7.78%	-6.52%	55.43%	15.15%
Benefits-Pensions	0%	-9.47%	1.15%	3.00%	-8.65%	-39.86%
Repairs	0%	-44.12%	-18.52%	-14.55%	14.55%	-68.33%
Bad Debt	0%	116.67%	200.00%	200.00%	557.14%	160.00%
Sales, General, Admin & Misc.	0%	-4.81%	3.39%	5.04%	-7.35%	-14.16%
EBITDA	0%	7.11%	16.93%	17.97%	11.25%	15.48%
Amortization Depreciation Depletion	0%	-14.42%	-4.20%	-2.48%	23.97%	-34.07%
Operating Expenses	0%	-12.45%	-3.09%	-1.38%	-1.82%	-24.00%
Operating Income	0%	10.76%	21.71%	23.13%	8.61%	27.70%
Interest Income	0%	50.00%	50.00%	50.00%	100.00%	50.00%
Interest Expense	0%	2.86%	10.81%	10.53%	13.16%	-16.28%
Other Income	0%	0.00%	7.69%	12.00%	107.41%	-17.86%
Pre-Tax Net Profit	0%	11.09%	21.86%	23.67%	13.29%	29.10%
Income Tax	0%	18.52%	50.00%	38.20%	16.67%	40.35%
After Tax Net Profit	0%	9.07%	15.88%	20.26%	12.17%	26.11%
Discretionary Owner Earnings	0%	-6.37%	2.30%	3.34%	-0.56%	-12.27%

PROFIT LOSS (%): EXPENSES

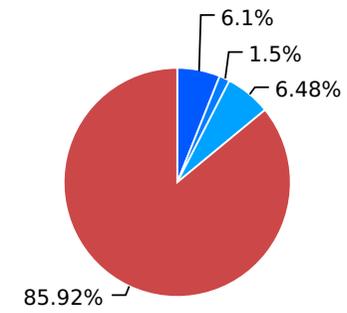
Industry Owner Earnings: Sales 2018

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



Foundation Plumbing Owner Earnings: Sales 2018

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



BALANCE SHEET (\$): INDUSTRY

	Industry					
	2014	2015	2016	2017	2018	2019q2
Cash	101,765	106,657	82,263	111,230	117,220	92,130
Receivables	105,574	116,515	89,724	122,001	130,188	113,952
Inventory	22,195	27,246	20,988	28,531	30,428	25,165
Other Current Assets	9,446	13,919	10,737	14,555	15,422	13,255
Total Current Assets	238,980	264,337	203,712	276,317	293,258	244,502
Gross Fixed Assets	459,161	470,171	357,494	498,932	520,654	408,415
Accum. Depreciation-Amortization- Depltn.	361,372	370,037	281,358	392,673	414,179	321,433
Net Fixed Assets	97,789	100,134	76,137	106,259	106,458	86,979
Other Non-Current Assets	51,943	58,604	44,533	62,522	63,421	52,714
Total Assets	388,712	423,075	324,382	445,098	463,137	384,195
Accounts Payable	56,674	61,642	46,808	63,649	64,515	57,015
Loans/Notes Payable	19,630	23,650	17,873	23,724	26,167	24,742
Other Current Liabilities	41,592	49,119	36,980	51,275	53,492	47,909
Total Current Liabilities	117,896	134,411	101,661	138,648	144,174	129,666
Total Long Term Liabilities	76,460	79,453	60,854	83,678	78,918	70,116
Total Liabilities	194,356	213,864	162,515	222,326	223,092	199,782
Net Worth	194,356	209,211	161,867	222,772	240,045	184,413
Total Liabilities & Net Worth	388,712	423,075	324,382	445,098	463,137	384,195

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 (\$): Foundation Plumbing

Foundation Plumbing						
	2014	2015	2016	2017	2018	2019q2
Cash	89,801	94,771	87,043	107,535	85,349	89,801
Receivables	99,257	110,587	101,697	125,244	96,277	99,257
Inventory	24,285	29,507	27,448	32,955	23,224	24,285
Other Current Assets	10,787	15,316	14,291	17,032	11,646	10,787
Total Current Assets	224,130	250,181	230,479	282,766	216,496	224,130
Gross Fixed Assets	518,455	470,095	428,411	537,382	502,101	518,455
Accum. Depreciation-Amortization- Depltn.	422,327	371,506	338,377	424,833	408,946	422,327
Net Fixed Assets	85,877	88,338	79,783	102,298	82,904	85,877
Other Non-Current Assets	43,856	50,424	45,145	58,972	44,198	43,856
Total Assets	353,863	388,943	355,407	444,036	343,598	353,863
Accounts Payable	58,045	63,165	57,646	69,943	55,898	58,045
Loans/Notes Payable	19,672	23,840	21,604	25,646	18,682	19,672
Other Current Liabilities	42,429	50,213	45,435	56,239	43,900	42,429
Total Current Liabilities	120,146	137,218	124,685	151,828	118,480	120,146
Total Long Term Liabilities	79,830	82,892	76,479	93,491	76,001	79,830
Total Liabilities	199,976	220,110	201,164	245,319	194,481	199,976
Net Worth	153,887	168,833	154,243	198,717	149,117	153,887
Total Liabilities & Net Worth	353,863	388,943	355,407	444,036	343,598	353,863

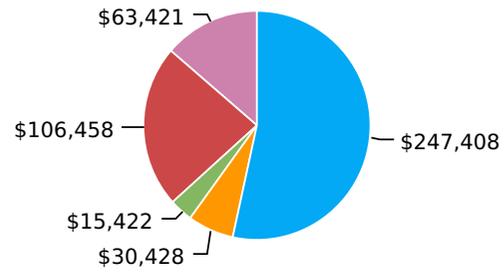
BALANCE SHEET (\$): VARIANCE FROM INDUSTRY

	2014	2015	2016	2017	2018	2019q2
Cash	0%	-11.76%	5.81%	-3.32%	-27.19%	-2.53%
Receivables	0%	-5.98%	13.34%	2.66%	-26.05%	-12.90%
Inventory	0%	9.42%	30.78%	15.51%	-23.68%	-3.50%
Other Current Assets	0%	14.20%	33.10%	17.02%	-24.48%	-18.62%
Total Current Assets	0%	-6.21%	13.14%	2.33%	-26.18%	-8.33%
Gross Fixed Assets	0%	12.91%	19.84%	7.71%	-3.56%	26.94%
Accum. Depreciation-Amortization- Depltn.	0%	16.87%	20.27%	8.19%	-1.26%	31.39%
Net Fixed Assets	0%	-12.18%	4.79%	-3.73%	-22.13%	-1.27%
Other Non-Current Assets	0%	-15.57%	1.37%	-5.68%	-30.31%	-16.80%
Total Assets	0%	-8.97%	9.56%	-0.24%	-25.81%	-7.89%
Accounts Payable	0%	2.42%	23.15%	9.89%	-13.36%	1.81%
Loans/Notes Payable	0%	0.21%	20.88%	8.10%	-28.60%	-20.49%
Other Current Liabilities	0%	2.01%	22.86%	9.68%	-17.93%	-11.44%
Total Current Liabilities	0%	1.91%	22.65%	9.51%	-17.82%	-7.34%
Total Long Term Liabilities	0%	4.41%	25.68%	11.73%	-3.70%	13.85%
Total Liabilities	0%	2.89%	23.78%	10.34%	-12.82%	0.10%
Net Worth	0%	-20.82%	-4.71%	-10.80%	-37.88%	-16.55%
Total Liabilities & Net Worth	0%	-8.97%	9.56%	-0.24%	-25.81%	-7.89%

BALANCE SHEET (\$): ASSETS

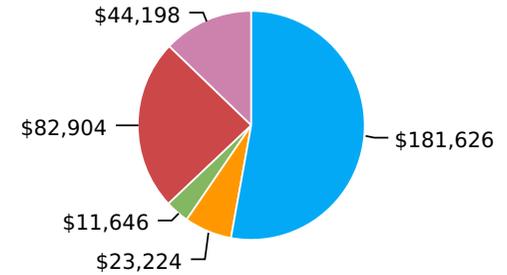
Industry Assets 2018

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



Foundation Plumbing Assets 2018

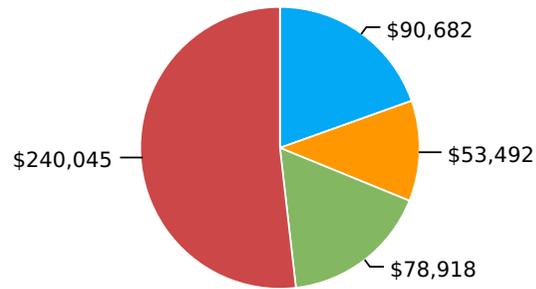
Cash-Receivables Inventory Other Current Net Fixed
Other Non-Current



BALANCE SHEET (\$): LIABILITIES

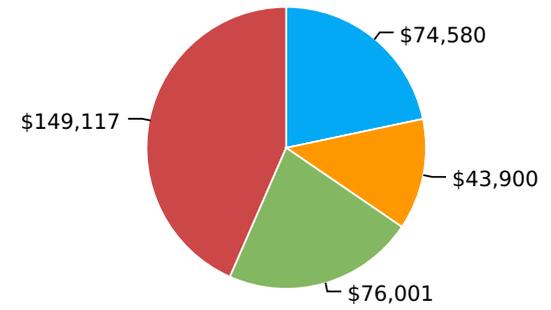
Industry Liabilities 2018

Payables Other Current Long Term Net Worth



Foundation Plumbing Liabilities 2018

Payables Other Current Long Term Net Worth



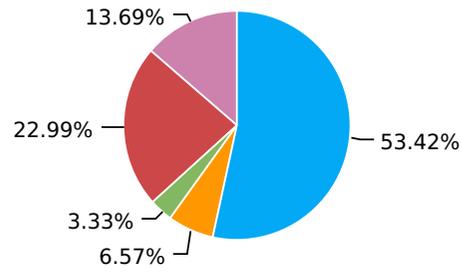
BALANCE SHEET (%): VARIANCE FROM INDUSTRY

	2014	2015	2016	2017	2018	2019q2
Cash	0%	-3.06%	-3.43%	-3.08%	-1.86%	5.84%
Receivables	0%	3.28%	3.43%	2.92%	-0.32%	-5.43%
Inventory	0%	20.14%	19.32%	15.76%	2.89%	4.73%
Other Current Assets	0%	25.51%	21.45%	17.43%	1.80%	-11.59%
Total Current Assets	0%	3.03%	3.26%	2.58%	-0.49%	-0.47%
Gross Fixed Assets	0%	24.03%	9.37%	7.97%	29.99%	37.83%
Accum. Depreciation-Amortization- Depltn.	0%	28.37%	9.76%	8.46%	33.09%	42.66%
Net Fixed Assets	0%	-3.54%	-4.35%	-3.48%	4.96%	7.20%
Other Non-Current Assets	0%	-7.26%	-7.50%	-5.48%	-6.06%	-9.69%
Total Assets	0%	0.00%	0.00%	0.00%	0.00%	0.00%
Accounts Payable	0%	12.48%	12.40%	10.14%	16.80%	10.51%
Loans/Notes Payable	0%	10.10%	10.34%	8.44%	-3.72%	-13.66%
Other Current Liabilities	0%	12.06%	12.11%	9.98%	10.65%	-3.85%
Total Current Liabilities	0%	11.94%	11.93%	9.76%	10.76%	0.59%
Total Long Term Liabilities	0%	14.69%	14.71%	11.97%	29.81%	23.62%
Total Liabilities	0%	13.02%	12.97%	10.61%	17.50%	8.67%
Net Worth	0%	-13.02%	-13.03%	-10.59%	-16.26%	-9.40%
Total Liabilities & Net Worth	0%	0.00%	0.00%	0.00%	0.00%	0.00%

BALANCE SHEET (%): ASSETS

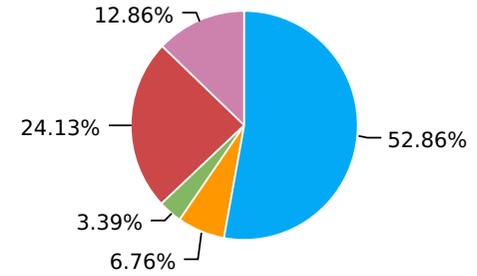
Industry Assets 2018

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



Foundation Plumbing Assets 2018

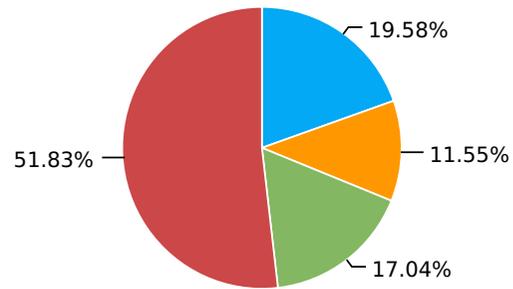
Cash-Receivables Inventory Other Current Net Fixed
Other Non-Current



BALANCE SHEET (%): LIABILITIES

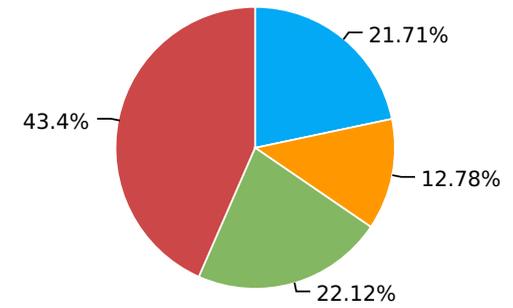
Industry Liabilities 2018

Payables Other Current Long Term Net Worth



Foundation Plumbing Liabilities 2018

Payables Other Current Long Term Net Worth



FINANCIAL RATIOS: CASH FLOW-SOLVENCY

Financial Ratios: Cash Flow-Solvency	Industry					
	2014	2015	2016	2017	2018	2019q2
Accounts Payable: Business Revenue	3.84	3.63	3.25	3.84	3.67	3.57
Current Ratio	2.03	1.97	2.00	1.99	2.03	1.89
Quick Ratio	1.76	1.66	1.69	1.68	1.72	1.59
Days Payable	23.59	22.71	20.25	24.08	23.34	23.67
Current Liabilities: Inventory	5.31	4.93	4.84	4.86	4.74	5.15
Net Working Capital: Business Revenue	0.08	0.08	0.07	0.08	0.08	0.07
Cost of Sales: Accounts Payable	15.47	16.07	18.03	15.16	15.64	15.42
Cost of Sales: Inventory	39.51	36.36	40.21	33.81	33.15	34.94

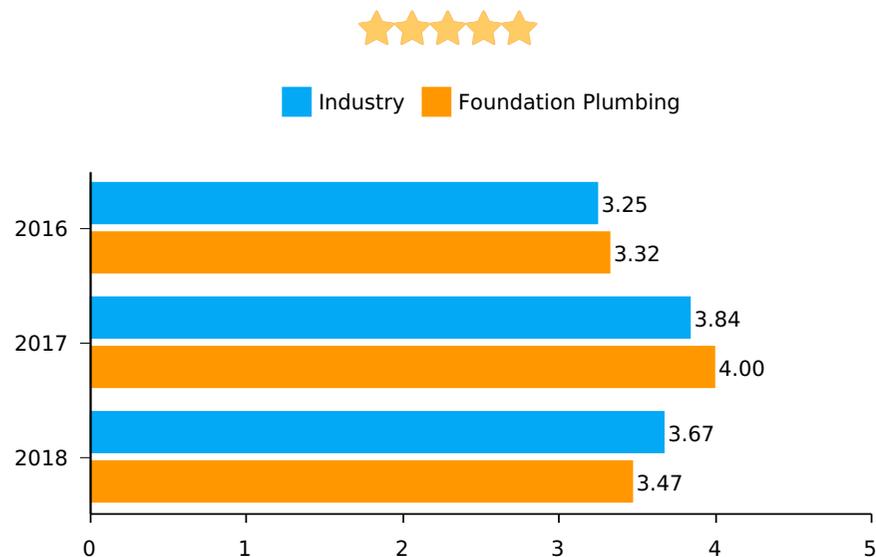
Financial Ratios: Cash Flow-Solvency	Foundation Plumbing					
	2014	2015	2016	2017	2018	2019q2
Accounts Payable: Business Revenue	3.63	3.68	3.32	4.00	3.47	3.63
Current Ratio	1.87	1.82	1.85	1.86	1.83	1.87
Quick Ratio	1.57	1.50	1.51	1.53	1.53	1.57
Days Payable	21.03	22.76	20.71	25.35	21.98	21.03
Current Liabilities: Inventory	4.95	4.65	4.54	4.61	5.10	4.95
Net Working Capital: Business Revenue	0.07	0.07	0.06	0.07	0.06	0.07
Cost of Sales: Accounts Payable	17.36	16.04	17.63	14.40	16.61	17.36
Cost of Sales: Inventory	41.49	34.33	37.02	30.56	39.97	41.49

FINANCIAL RATIOS: CASH FLOW-SOLVENCY - VARIANCE FROM INDUSTRY

Financial Ratios: Cash Flow-Solvency						
	2014	2015	2016	2017	2018	2019q2
Accounts Payable: Business Revenue	n/a	-5.47%	2.15%	4.17%	-5.45%	1.68%
Current Ratio	n/a	-7.88%	-7.50%	-6.53%	-9.85%	-1.06%
Quick Ratio	n/a	-10.80%	-10.65%	-8.93%	-11.05%	-1.26%
Days Payable	n/a	-10.85%	2.27%	5.27%	-5.83%	-11.15%
Current Liabilities: Inventory	n/a	-6.78%	-6.20%	-5.14%	7.59%	-3.88%
Net Working Capital: Business Revenue	n/a	-12.50%	-14.29%	-12.50%	-25.00%	n/a
Cost of Sales: Accounts Payable	12.22%	-0.19%	-2.22%	-5.01%	6.20%	12.58%
Cost of Sales: Inventory	5.01%	-5.58%	-7.93%	-9.61%	20.57%	18.75%

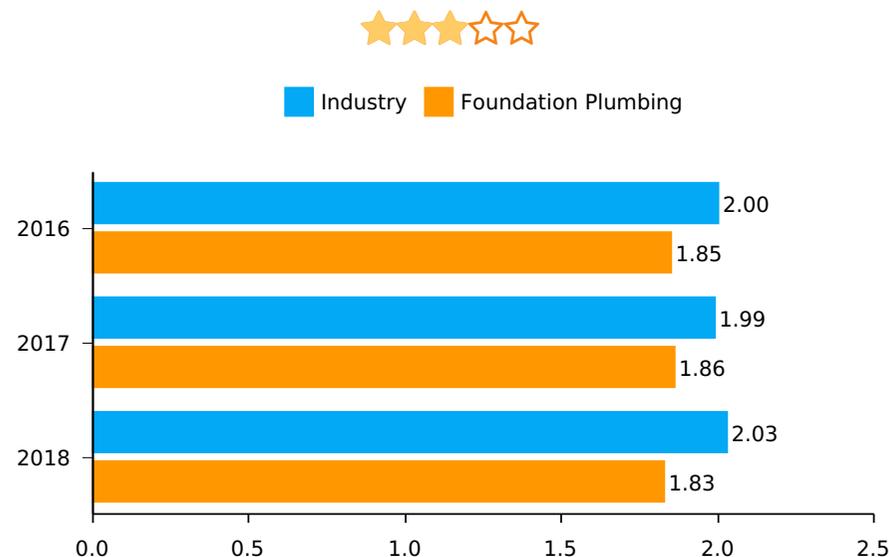
FINANCIAL RATIOS: CASH FLOW-SOLVENCY

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



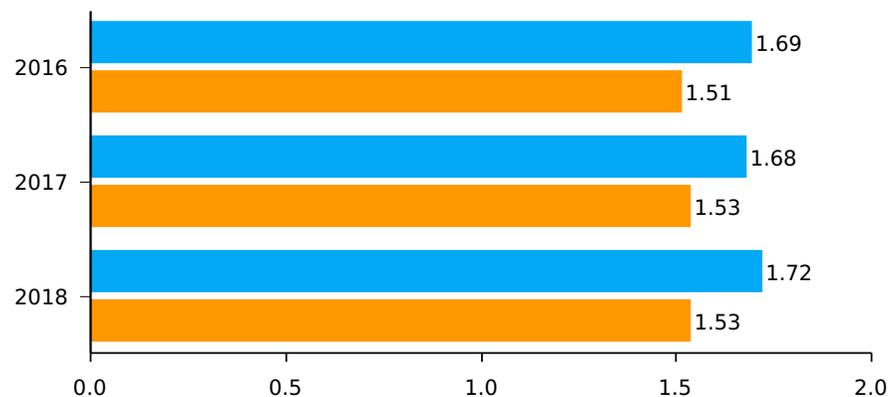
Notes: Current Assets/Current Liabilities: Measures current assets available to cover current liabilities, a test of near-term solvency. The Current Ratio indicates the extent to which cash on hand and disposable assets can pay off near term liabilities. Higher is better unless it constrains necessary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

FINANCIAL RATIOS: CASH FLOW-SOLVENCY

Quick Ratio



Industry Foundation Plumbing

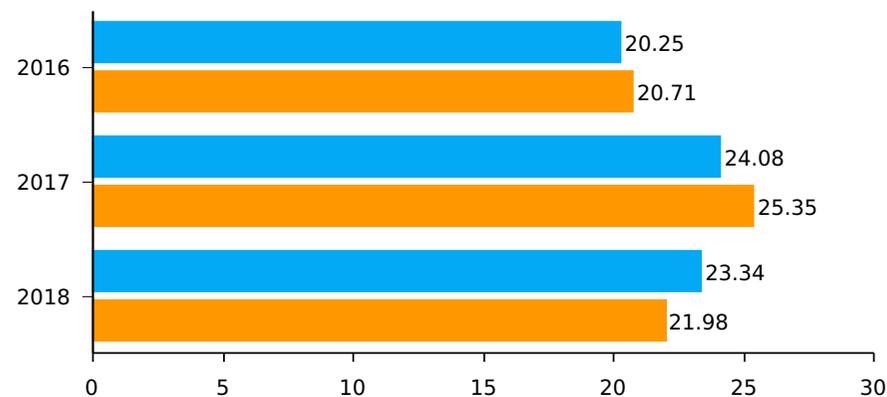


Notes: Cash plus Accounts Receivable/Current Liabilities. A more stringent version of the Current Ratio, indicating liquid assets available to cover current debt. This is a harsher version of the Current Ratio. Higher is better unless it constrains necessary investment. Your score suggests that the business should undertake a significant review of cash access capabilities.

Days Payable



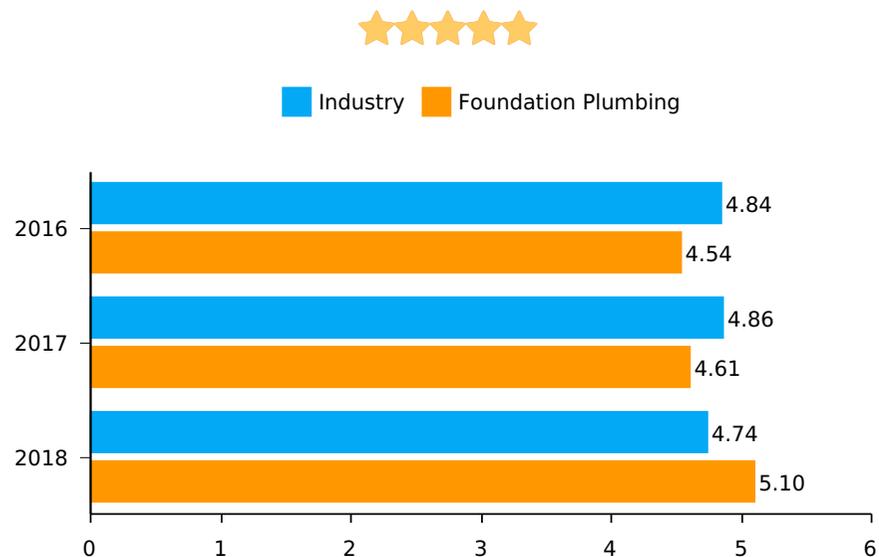
Industry Foundation Plumbing



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. Your score suggests that the business is generally on target with industry peers.

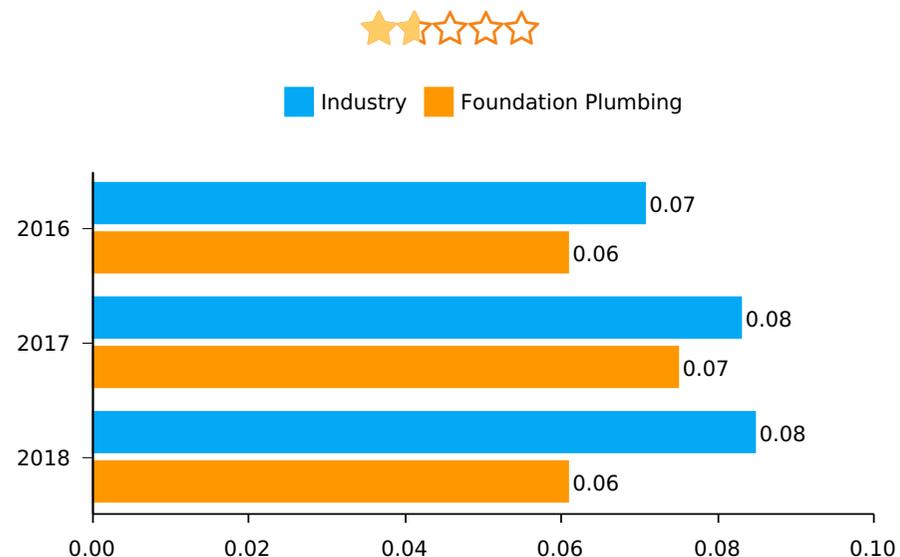
FINANCIAL RATIOS: CASH FLOW-SOLVENCY

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. Your score suggests that the business is generally on target with industry peers.

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. Your score suggests that the business should undertake a significant review of liquidity practices.

FINANCIAL RATIOS: PROFITABILITY

Financial Ratios: Profitability	Industry					
	2014	2015	2016	2017	2018	2019q2
EBITDA: Business Revenue (%)	7.45	6.68	6.44	6.01	7.02	6.91
Pre-Tax Return On Assets (%)	23.95	21.69	23.00	17.47	21.70	22.55
Pre-Tax Return on Net Worth (%)	47.90	43.87	46.10	34.91	41.88	46.99
Pre-Tax Return on Business Revenue (%)	6.31	5.41	5.17	4.69	5.72	5.43
Discretionary Owner Earnings	13.82	13.64	13.47	13.17	14.16	14.75
After-Tax Return On Assets (%)	18.83	17.09	18.75	14.17	17.15	17.82
After-Tax Return On Net Worth (%)	37.66	34.57	37.57	28.32	33.08	37.12
After-Tax Return On Business Revenue (%)	4.96	4.26	4.22	3.80	4.52	4.29
Profit/Employee	12,016	10,235	9,705	8,972	11,436	11,086
Owner Earnings/Employee	26,317	25,806	25,257	25,194	28,309	30,115

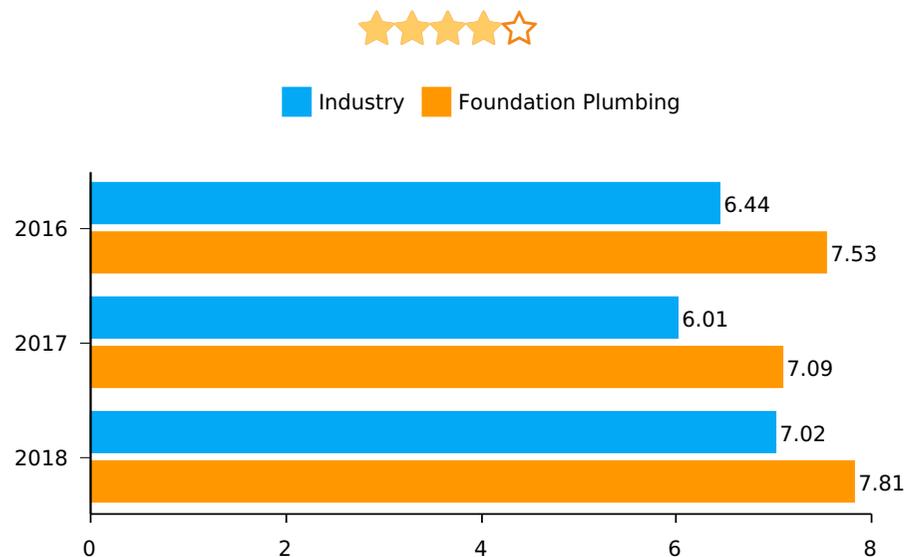
Financial Ratios: Profitability	Foundation Plumbing					
	2014	2015	2016	2017	2018	2019q2
EBITDA: Business Revenue (%)	7.98	7.67	7.53	7.09	7.81	7.98
Pre-Tax Return On Assets (%)	31.66	28.58	30.79	22.85	30.39	31.66
Pre-Tax Return on Net Worth (%)	72.80	65.85	70.95	51.05	70.03	72.80
Pre-Tax Return on Business Revenue (%)	7.01	6.47	6.30	5.80	6.48	7.01
Discretionary Owner Earnings	12.94	13.77	13.78	13.61	14.08	12.94
After-Tax Return On Assets (%)	24.43	22.08	23.88	17.99	23.81	24.43
After-Tax Return On Net Worth (%)	56.18	50.86	55.03	40.19	54.87	56.18
After-Tax Return On Business Revenue (%)	5.41	5.00	4.89	4.57	5.07	5.41
Profit/Employee	11,204	11,117	10,944	10,144	10,443	11,204
Owner Earnings/Employee	20,686	23,656	23,943	23,819	22,695	20,686

FINANCIAL RATIOS: PROFITABILITY - VARIANCE FROM INDUSTRY

Financial Ratios: Profitability						
	2014	2015	2016	2017	2018	2019q2
EBITDA: Business Revenue (%)	n/a	7.11%	16.93%	17.97%	11.25%	15.48%
Pre-Tax Return On Assets (%)	n/a	32.19%	33.87%	30.80%	40.05%	40.40%
Pre-Tax Return on Net Worth (%)	n/a	51.98%	53.90%	46.23%	67.22%	54.93%
Pre-Tax Return on Business Revenue (%)	n/a	11.09%	21.86%	23.67%	13.29%	29.10%
Discretionary Owner Earnings	n/a	-6.37%	2.30%	3.34%	-0.56%	-12.27%
After-Tax Return On Assets (%)	29.74%	29.20%	27.36%	26.96%	38.83%	37.09%
After-Tax Return On Net Worth (%)	49.18%	47.12%	46.47%	41.91%	65.87%	51.35%
After-Tax Return On Business Revenue (%)	9.07%	17.37%	15.88%	20.26%	12.17%	26.11%
Profit/Employee	-6.76%	8.62%	12.77%	13.07%	-8.68%	1.06%
Owner Earnings/Employee	-21.40%	-8.33%	-5.20%	-5.46%	-19.83%	-31.31%

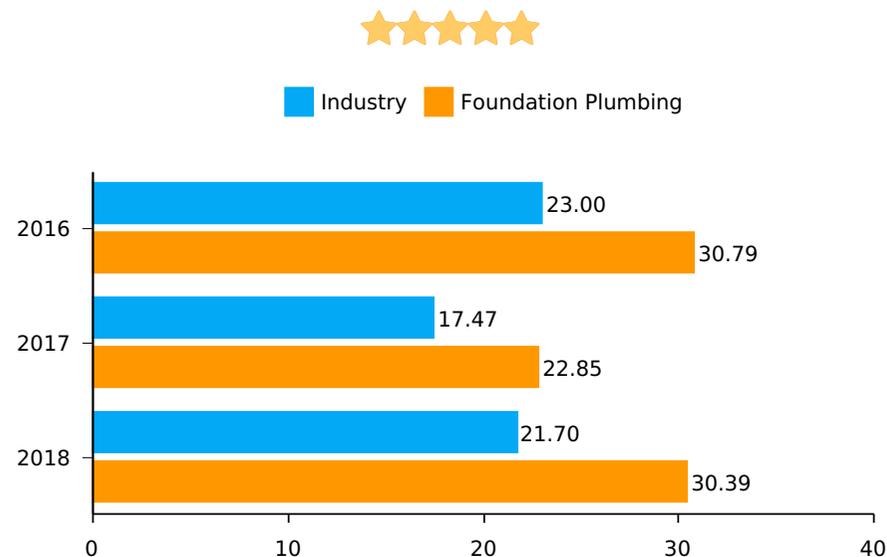
FINANCIAL RATIOS: PROFITABILITY

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. Your score suggests that the business reflects higher operating profit levels than industry peers.

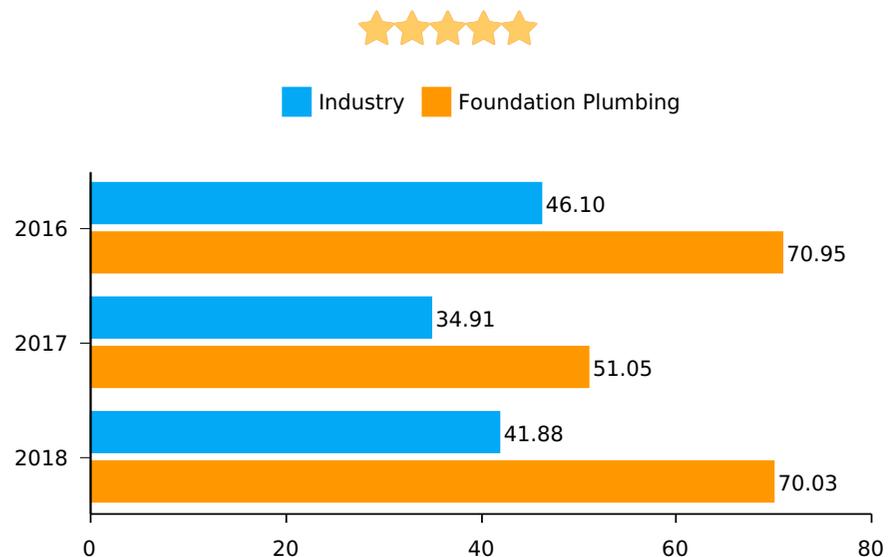
Pre-Tax Return On Assets (%)



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. Your score suggests that the business indicates superior ability to withstand adverse market conditions than industry peers.

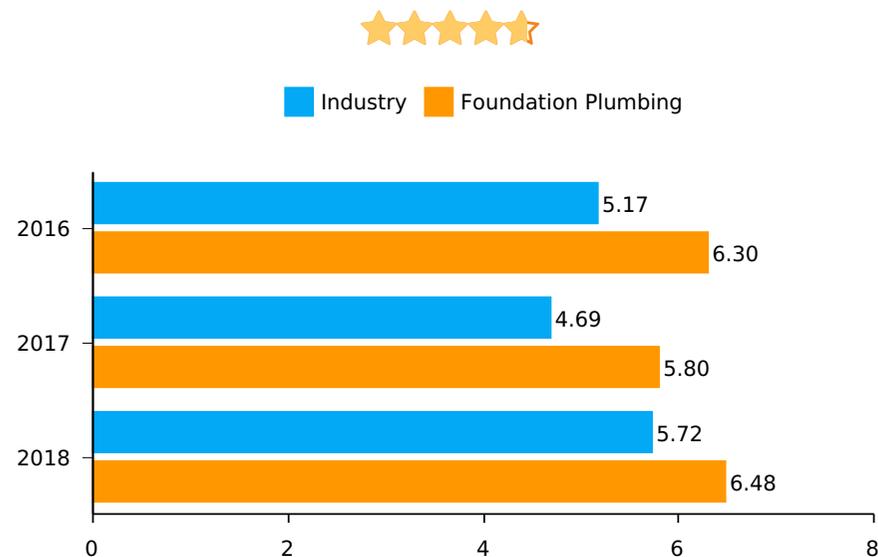
FINANCIAL RATIOS: PROFITABILITY

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. Your score suggests that the business indicates superior return on investment than industry peers.

Pre-Tax Return on Business Revenue (%)



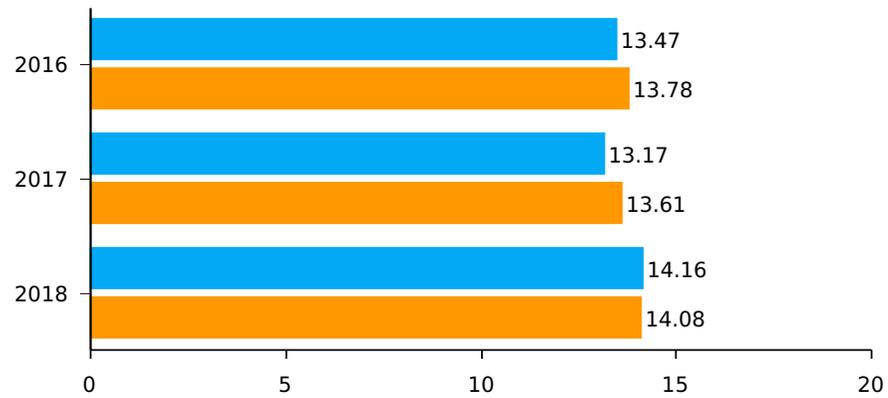
Notes: Pre-Tax Net Profit/Business Revenue. Indicates the level of profit from each dollar of Business Revenue. This ratio can be used as a predictor of the company's ability to withstand changes in prices or market conditions. May appear higher for small businesses due to owner compensation draws accounted as net profit. Your score suggests that the business indicates superior profitability than industry peers.

FINANCIAL RATIOS: PROFITABILITY

Discretionary Owner Earnings



Industry Foundation Plumbing



Notes: (Officer Compensation+Depreciation+Pre-Tax Net Profit)/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. Your score suggests that the business is generally on target with industry peers.

FINANCIAL RATIOS: EFFICIENCY

Financial Ratios: Efficiency	Industry					
	2014	2015	2016	2017	2018	2019q2
Assets: Business Revenue	0.26	0.25	0.22	0.27	0.26	0.24
Days Inventory	9.24	10.04	9.08	10.80	11.01	10.45
Days Receivables	26.12	25.07	22.71	26.85	27.04	26.06
Current Asset Turnover	6.17	6.42	7.08	6.00	5.99	6.53
Fixed Asset Turnover (Business Revenue/Fixed Assets)	15.09	16.94	18.94	15.61	16.51	18.35
Gross Margin: Business Revenue	40.56	41.61	41.48	41.83	42.60	44.90
Sales Per Employee	190,429	189,197	187,568	191,301	199,922	204,168
Inventory Turnover	66.47	62.27	68.71	58.12	57.76	63.41
Receivables Turnover	13.97	14.56	16.07	13.59	13.50	14.00
Total Asset Turnover	3.80	4.01	4.45	3.73	3.79	4.15
Working Capital Turnover	12.18	13.06	14.13	12.05	11.79	13.90
Days Working Capital	29.96	27.95	25.83	30.30	30.96	26.27
Cash Turnover	14.50	15.91	17.53	14.91	14.99	17.32
Efficiency Index	2.87	2.87	2.78	2.93	3.01	3.28

FINANCIAL RATIOS: EFFICIENCY

Financial Ratios: Efficiency	Foundation Plumbing					
	2014	2015	2016	2017	2018	2019q2
Assets: Business Revenue	0.22	0.23	0.20	0.25	0.21	0.22
Days Inventory	8.80	10.63	9.86	11.94	9.13	8.80
Days Receivables	22.66	23.49	21.37	26.13	21.79	22.66
Current Asset Turnover	7.13	6.87	7.54	6.19	7.45	7.13
Fixed Asset Turnover (Business Revenue/Fixed Assets)	18.62	19.45	21.77	17.10	19.45	18.62
Gross Margin: Business Revenue	36.99	41.05	41.50	42.43	42.43	36.99
Sales Per Employee	159,909	171,846	173,692	174,945	161,244	159,909
Inventory Turnover	65.85	58.24	63.28	53.09	69.43	65.85
Receivables Turnover	16.11	15.54	17.08	13.97	16.75	16.11
Total Asset Turnover	4.52	4.42	4.89	3.94	4.69	4.52
Working Capital Turnover	15.38	15.21	16.42	13.36	16.45	15.38
Days Working Capital	23.73	23.99	22.23	27.32	22.19	23.73
Cash Turnover	17.81	18.13	19.95	16.27	18.89	17.81
Efficiency Index	3.08	3.30	3.31	3.26	2.91	3.08

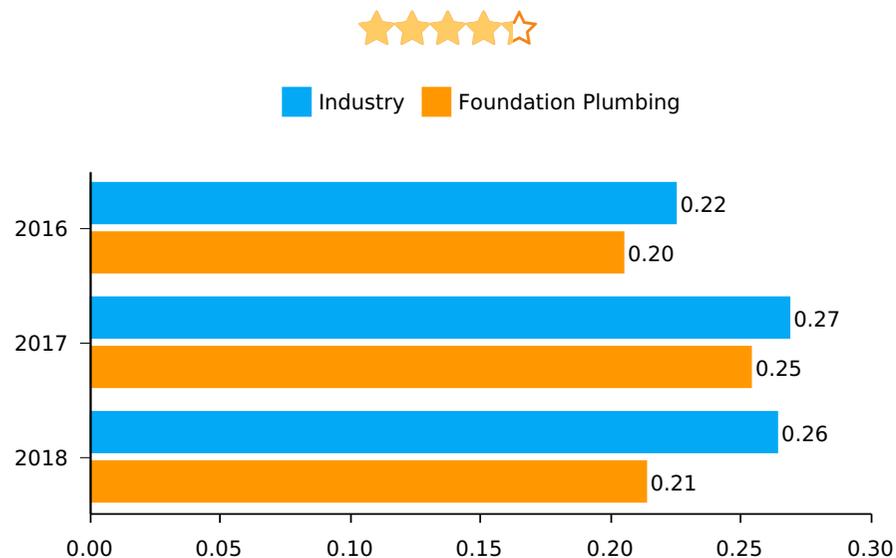
FINANCIAL RATIOS: EFFICIENCY - VARIANCE FROM INDUSTRY

Financial Ratios: Efficiency

	2014	2015	2016	2017	2018	2019q2
Assets: Business Revenue	n/a	-15.38%	-9.09%	-7.41%	-19.23%	-8.33%
Days Inventory	n/a	-4.76%	8.59%	10.56%	-17.08%	-15.79%
Days Receivables	n/a	-13.25%	-5.90%	-2.68%	-19.42%	-13.05%
Current Asset Turnover	n/a	15.56%	6.50%	3.17%	24.37%	9.19%
Fixed Asset Turnover (Business Revenue/Fixed Assets)	n/a	23.39%	14.94%	9.55%	17.81%	1.47%
Gross Margin: Business Revenue	n/a	-8.80%	0.05%	1.43%	-0.40%	-17.62%
Sales Per Employee	n/a	-16.03%	-7.40%	-8.55%	-19.35%	-21.68%
Inventory Turnover	-0.93%	-6.47%	-7.90%	-8.65%	20.20%	3.85%
Receivables Turnover	15.32%	6.73%	6.29%	2.80%	24.07%	15.07%
Total Asset Turnover	18.95%	10.22%	9.89%	5.63%	23.75%	8.92%
Working Capital Turnover	26.27%	16.46%	16.21%	10.87%	39.53%	10.65%
Days Working Capital	-20.79%	-14.17%	-13.94%	-9.83%	-28.33%	-9.67%
Cash Turnover	22.83%	13.95%	13.80%	9.12%	26.02%	2.83%
Efficiency Index	6.99%	14.92%	19.09%	11.25%	-3.48%	-6.22%

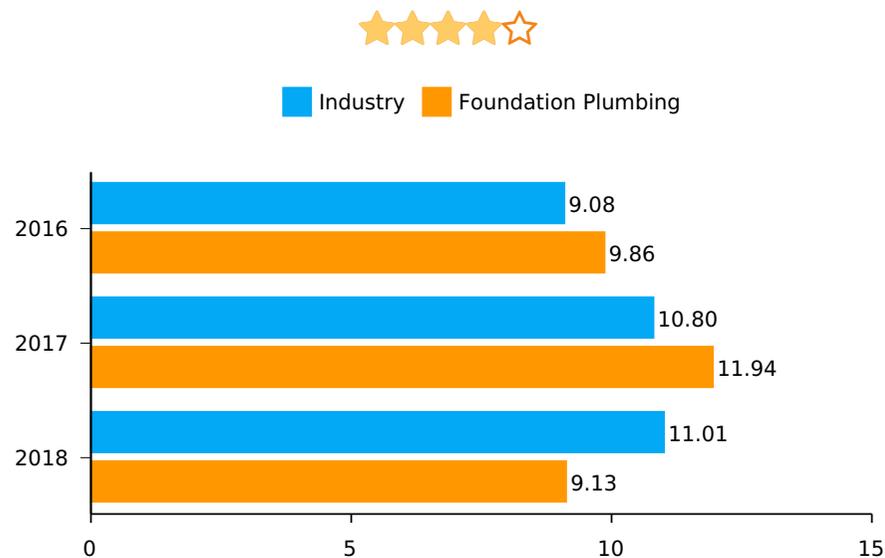
FINANCIAL RATIOS: EFFICIENCY

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. Your score suggests that the business generates a red flag around weak business resource investment practices.

Days Inventory



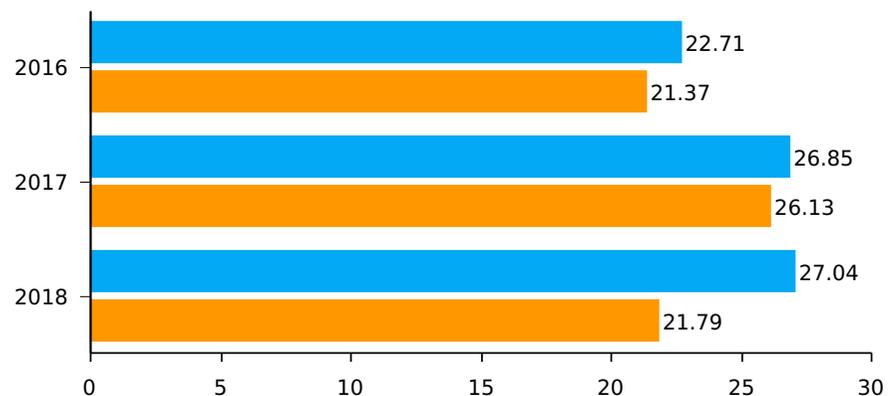
Notes: $365 / (\text{Cost of Sales} / \text{Inventory})$ Reflects the number of times inventory is turned over during the course of the year. High levels can mean shortages in the ability to deliver on a timely basis. Low levels may be a sign of poor cash flow or overstocking. Your score suggests that the business is generally on target with industry peers.

FINANCIAL RATIOS: EFFICIENCY

Days Receivables



Industry Foundation Plumbing

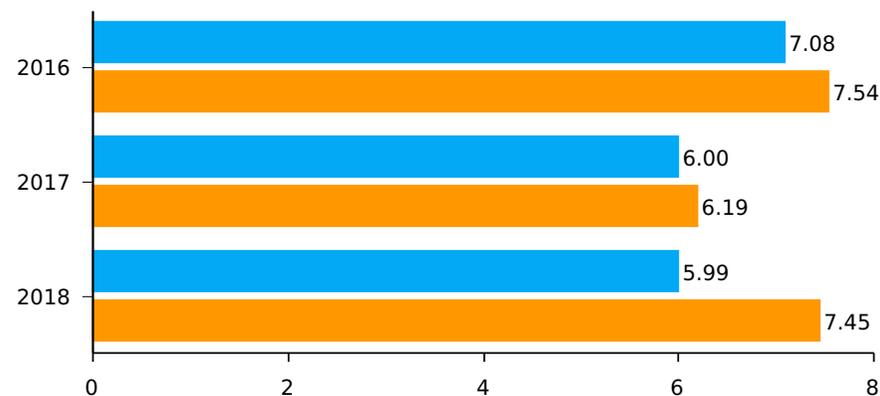


Notes: $365 / (\text{Business Revenue} / \text{Receivables})$. Reflects the number of days that receivables are outstanding. Higher than average ratios may indicate a problem in the collection process. Target average or lower. Your score suggests that the business reflects significantly higher collection efficiency than the industry peer group.

Current Asset Turnover



Industry Foundation Plumbing



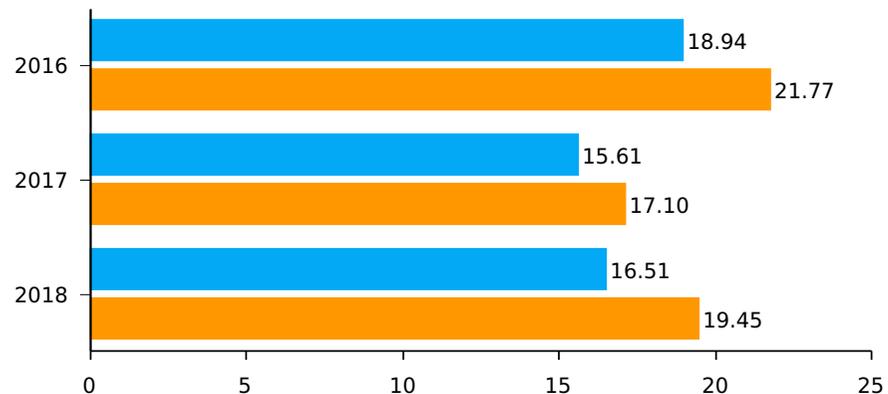
Notes: $\text{Business Revenue} / \text{Current Assets}$. An indicator of the efficiency of short-term asset use. In general, higher is better. Your score suggests that the business reflects higher short-term asset efficiency level than industry peers.

FINANCIAL RATIOS: EFFICIENCY

Fixed Asset Turnover (Business Revenue/Fixed Assets)



Industry Foundation Plumbing

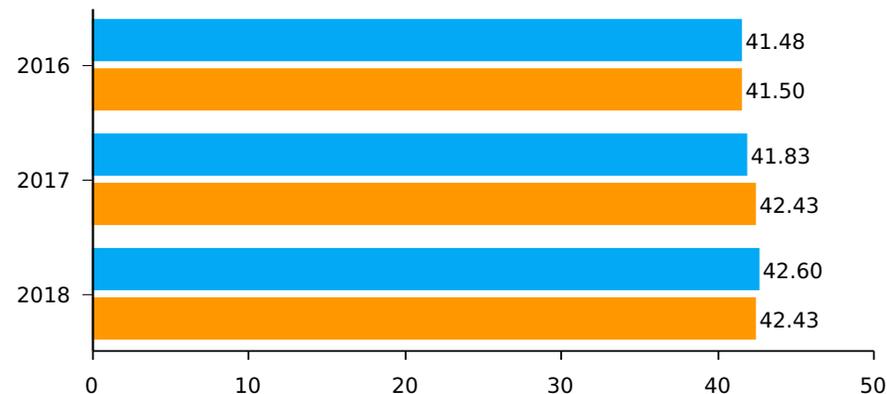


Notes: Business Revenue/Fixed Assets. An indicator of the efficiency of investment in fixed assets such as plant and equipment as a sales generator. Higher (but non-extreme) ratios indicate more efficiency while lower ratios suggest over-investment in fixed assets. Your score suggests that the business reflects higher fixed asset efficiency than industry peers.

Gross Margin: Business Revenue



Industry Foundation Plumbing



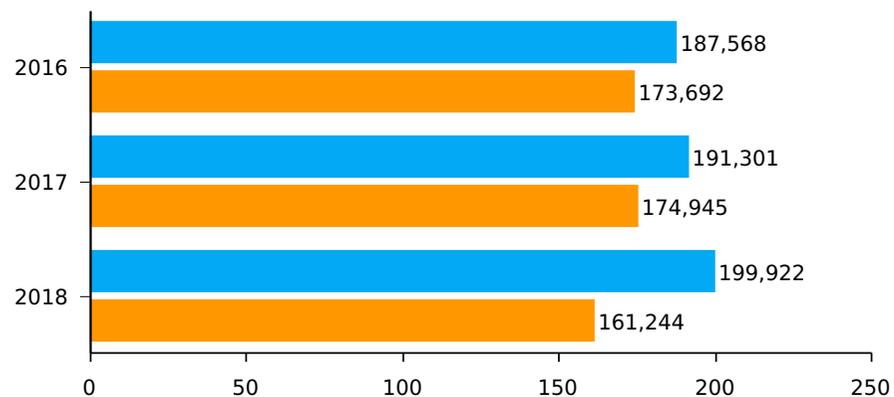
Notes: Gross Margin/Business Revenue. This is the profit ratio before discretionary expenses and taxes. This ratio indicates the "play" in discretionary expenses which could be adjusted to increase the Net Profit margin. It also suggests whether the costs of product or service delivery are line with industry norms. Your score suggests that the business is generally on target with industry peers.

FINANCIAL RATIOS: EFFICIENCY

Sales Per Employee (\$000)



Industry Foundation Plumbing



Notes: Business Revenue/FTE Employees. A basic efficiency measure developed outside the formal financial statement, often reflecting relative value-added. Higher is usually better. Your score suggests that the business should undertake a significant review of both value-added and employee efficiency.

FINANCIAL RATIOS: DEBT-RISK

Financial Ratios: Debt-Risk	Industry					
	2014	2015	2016	2017	2018	2019q2
Interest Coverage	21.28	18.56	17.59	15.81	18.47	16.07
Current Liabilities: Net Worth	0.61	0.64	0.63	0.62	0.60	0.70
Long-Term Liabilities: Net Worth	0.39	0.38	0.38	0.38	0.33	0.38
Loans-Notes Payable/Net Worth	0.10	0.11	0.11	0.11	0.11	0.13
Modified Z-Score	6.42	6.29	6.61	5.86	6.46	6.46
Total Liabilities: Net Worth	1.00	1.02	1.00	1.00	0.93	1.08
Fixed Assets: Net Worth	0.50	0.48	0.47	0.48	0.44	0.47

Financial Ratios: Debt-Risk	Foundation Plumbing					
	2014	2015	2016	2017	2018	2019q2
Interest Coverage	22.29	19.59	18.54	16.77	18.26	22.29
Current Liabilities: Net Worth	0.78	0.81	0.81	0.76	0.79	0.78
Long-Term Liabilities: Net Worth	0.52	0.49	0.50	0.47	0.51	0.52
Loans-Notes Payable/Net Worth	0.13	0.14	0.14	0.13	0.13	0.13
Modified Z-Score	6.78	6.62	7.04	6.08	6.80	6.78
Total Liabilities: Net Worth	1.30	1.30	1.30	1.23	1.30	1.30
Fixed Assets: Net Worth	0.56	0.52	0.52	0.51	0.56	0.56

FINANCIAL RATIOS: DEBT-RISK - VARIANCE FROM INDUSTRY

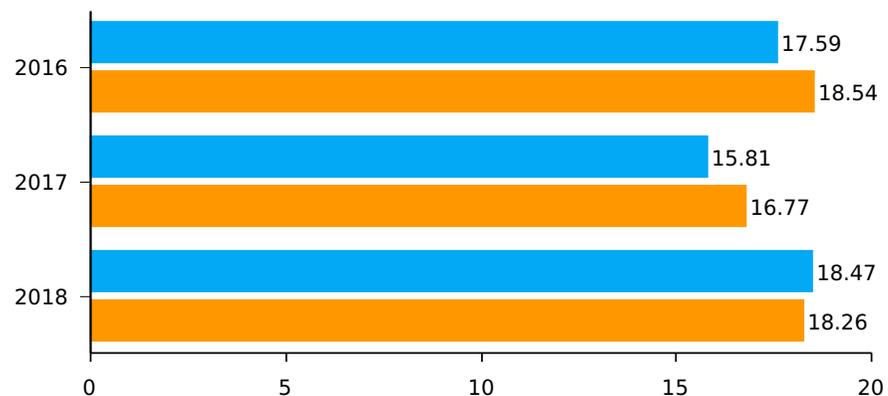
Financial Ratios: Debt-Risk						
	2014	2015	2016	2017	2018	2019q2
Interest Coverage	n/a	4.75%	5.40%	6.07%	-1.14%	38.71%
Current Liabilities: Net Worth	n/a	27.87%	28.57%	22.58%	31.67%	11.43%
Long-Term Liabilities: Net Worth	n/a	33.33%	31.58%	23.68%	54.55%	36.84%
Loans-Notes Payable/Net Worth	n/a	30.00%	27.27%	18.18%	18.18%	n/a
Modified Z-Score	n/a	5.61%	6.51%	3.75%	5.26%	4.95%
Total Liabilities: Net Worth	n/a	30.00%	30.00%	23.00%	39.78%	20.37%
Fixed Assets: Net Worth	12.00%	8.33%	10.64%	6.25%	27.27%	19.15%

FINANCIAL RATIOS: DEBT-RISK

Interest Coverage



Industry Foundation Plumbing

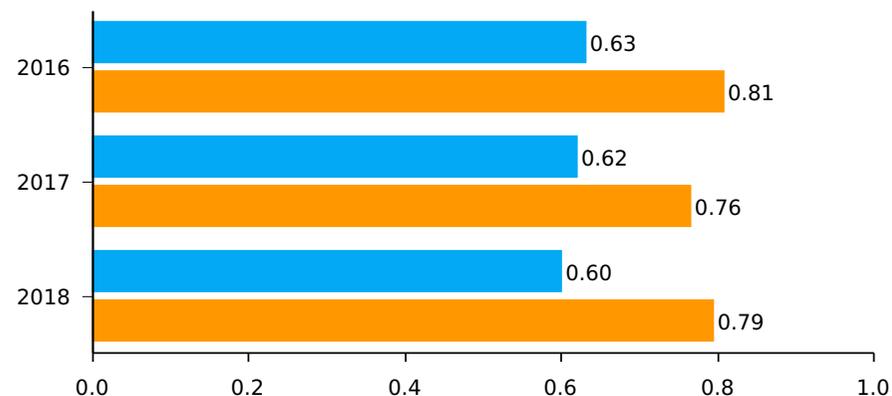


Notes: [Earnings before Interest, Income Taxes due, Depreciation-Amortization]/Interest expense. Assesses financial stability by examining whether a company is profitable enough to pay interest expense. A ratio >1.00 is desirable. Your score suggests that the business reflects less debt risk than industry peers.

Current Liabilities: Net Worth



Industry Foundation Plumbing



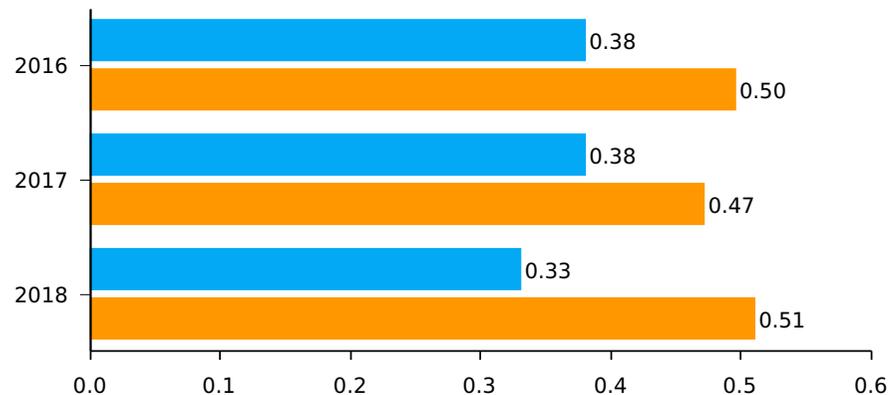
Notes: Current Liabilities/Net Worth. Reflects a level of capability to satisfy short-term debt. The larger the ratio relative to industry norms, the higher the risk and the less security there is for creditors. Your score suggests that the business indicates significantly higher short-term debt risk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

FINANCIAL RATIOS: DEBT-RISK

Long-Term Liabilities: Net Worth



Industry Foundation Plumbing

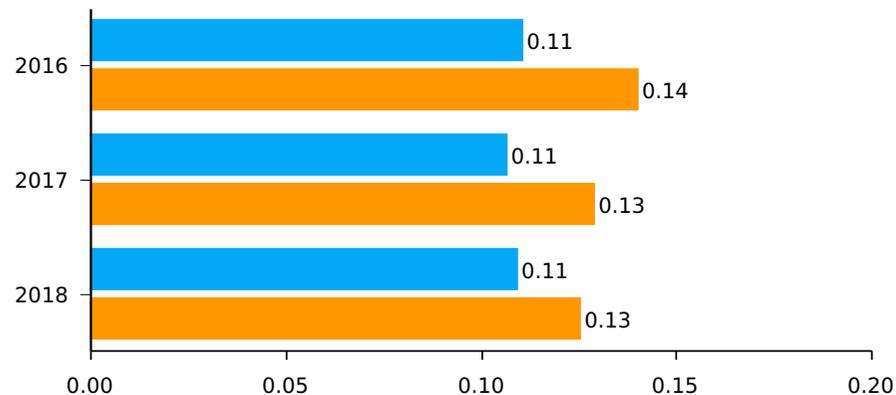


Notes: Long-Term Liabilities/Net Worth, a measure of debt coverage. Indicates the business capability to satisfy long term debt. The larger the ratio relative to industry norms, the higher the risk. Your score suggests that the business indicates significantly higher long-term debt risk relative to industry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

Loans-Notes Payable/Net Worth



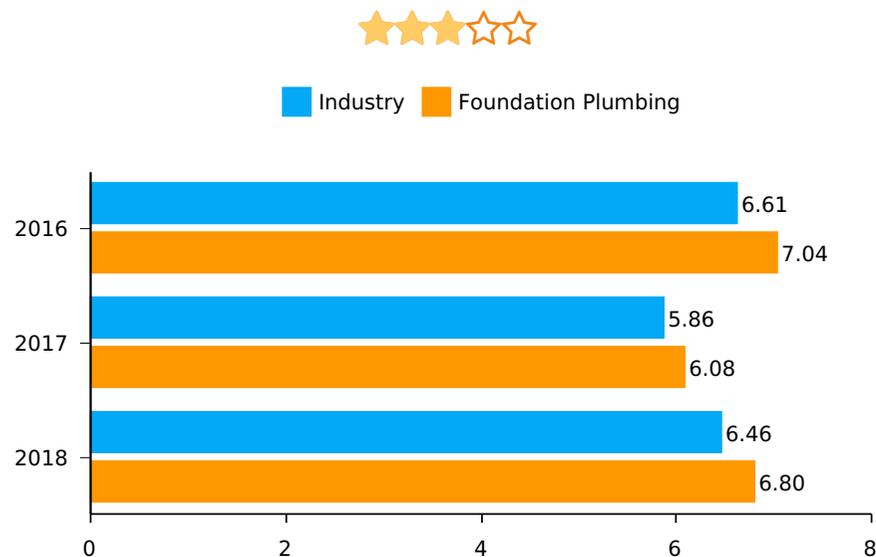
Industry Foundation Plumbing



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. Your score suggests that the business indicates significantly higher overall debt risk relative to industry peers.

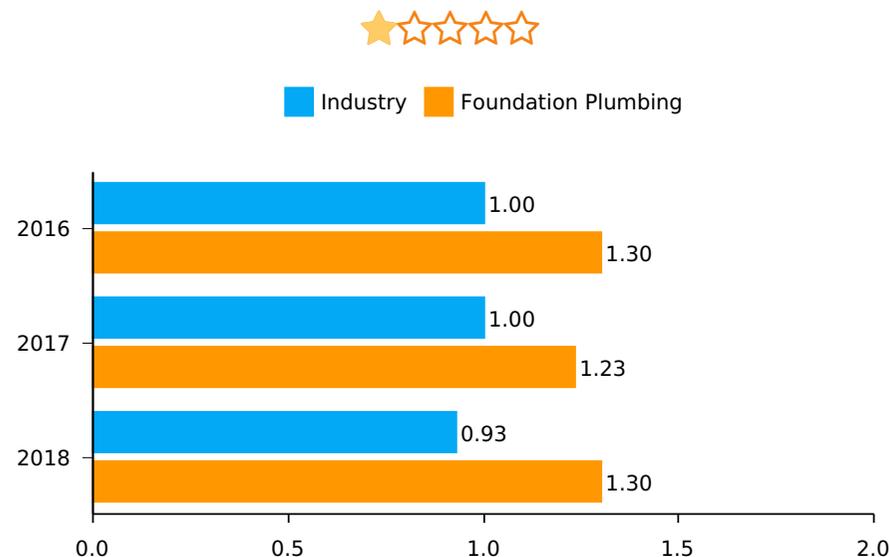
FINANCIAL RATIOS: DEBT-RISK

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: $(\text{[Operating Income/Total Assets]} \times 6.72) + (\text{[Net Worth/Total Liabilities]} \times 1.05) + (\text{[Working Capital/Total Assets]} \times 6.5) + (\text{[Discretionary Owner Earnings/Total Assets]} \times 3.26)$ Your score suggests that the business indicates default risk on par with industry peers.

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. Your score suggests that the business indicates significantly higher overall debt risk relative to industry peer group standards.

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: $\text{Assets}/\text{Business Revenue}$.

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

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

Current Asset Turnover: $\text{Business Revenue}/\text{Current Assets}$.

Fixed Asset Turnover (Business Revenue/Fixed Assets): $\text{Business Revenue}/\text{Fixed Assets}$.

Gross Margin: Business Revenue: $\text{Gross Margin}/\text{Business Revenue}$.

Sales Per Employee: $\text{Business Revenue}/\text{FTE Equivalent}$.

Inventory Turnover: $\text{Business Revenue}/\text{Inventory}$.

Receivables Turnover: $\text{Business Revenue}/\text{Receivables}$.

Total Asset Turnover: $\text{Business Revenue}/\text{Total Assets}$.

Working Capital Turnover: $\text{Business Revenue}/\text{Net Working Capital}$ (current assets minus current liabilities).

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

Cash Turnover: $\text{Business Revenue}/\text{Cash}$.

Efficiency Index: $\text{Sales per Employee}/\text{Average Annual Employee Wage}$.

Debt-Risk

Interest Coverage: $\text{EBITDA}/\text{Interest Expense}$.

Current Liabilities: Net Worth : $\text{Current Liabilities}/\text{Net Worth}$.

Long-Term Liabilities: Net Worth : $\text{Long-Term Liabilities}/\text{Net Worth}$.

Loans-Notes Payable/Net Worth : $(\text{Loans-Notes Payable})/\text{Net Worth}$.

Modified Z-Score: $([\text{Operating Income}/\text{Total Assets}] * 6.72) + ([\text{Net Worth}/\text{Total Liabilities}] * 1.05) + ([\text{Working Capital}/\text{Total Assets}] * 6.5) + ([\text{Discretionary Owner Earnings}/\text{Total Assets}] * 3.26)$.

Total Liabilities: Net Worth: $\text{Total Liabilities}/\text{Net Worth}$.

Fixed Assets: Net Worth: $\text{Fixed Assets}/\text{Net Worth}$.

SOURCES & USES OF FUNDS

Change In:	14-15	15-16	16-17	17-18
Cash & cash equivalents	-24,394	28,967	5,990	-25,090
Worksheet:				
Accounts Receivable	26,791	-32,277	-8,187	16,236
Inventory	6,258	-7,543	-1,897	5,263
Other Curr Assets	3,182	-3,818	-867	2,167
Net Fixed Assets	23,997	-30,122	-199	19,479
Other Non-Curr Assets	14,071	-17,989	-899	10,707
Accounts Payable	-14,834	16,841	866	-7,500
Loans/Notes Payable	-5,777	5,851	2,443	-1,425
Other current Liabilities	-12,139	14,295	2,217	-5,583
Long-term debt	-18,599	22,824	-4,760	-8,802
Net Worth	-47,344	60,905	17,273	-55,632
Total Sources & Uses	-24,394	28,967	5,990	-25,090
Cash: Beginning Period	106,657	82,263	111,230	117,220
Cash: End Period	82,263	111,230	117,220	92,130
Change in Cash & Cash Equivalents	-24,394	28,967	5,990	-25,090

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