Financial Score

Savage Pharma Narrative Report

Industry: 446110 - Pharmacies and Drug Stores
Sales Range: Yearly sales $10 Million to $50 Million
Periods: 12 months against the same 12 months from the previous year
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Report Summary

Liquidity 92 out of 100

A measure of the company's ability to meet obligations as they come due.

Operating Cash Flow Results
The company is generating solid, positive cash flow from operations at this time, and cash flow relative to sales has even improved from the prior period, which is excellent to see. These are very good results. It is particularly nice to see parallels between cash flow and profits: both appear to be quite strong, currently. Typically, results such as these demonstrate effective management of both the Balance Sheet and Income Statement, at least with regard to cash.

General Liquidity Conditions
There have been very good results in this area. The company's income has risen and liquidity has improved. Better, the company's overall liquidity position looks quite good, even when measured against competitors. This **does not** necessarily mean that the company will never have problems with highly liquid asset accounts, since all financial analysis is limited to capturing results at a particular point in time. But at this point, the

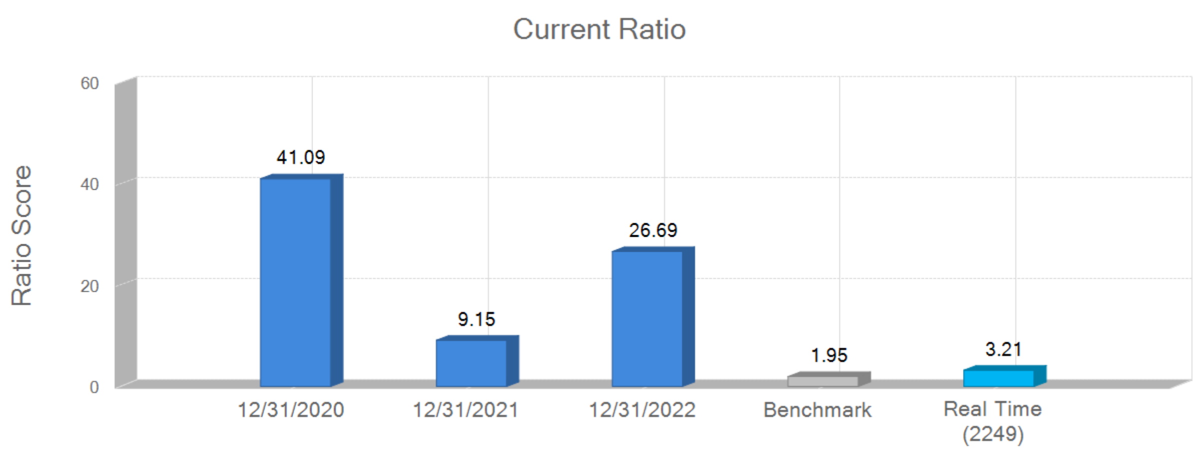
basic foundation seems strong. For example, notice that the "key" liquidity indicators as depicted in the graph area of the report are very strong. Indeed, both the **composition** of the company's liquidity base and the **scope** of it are quite good. If management can maintain this strength over time, the company should be able to invest in the things that are important to profit growth. The real advantage to strong liquidity is the ability to push future profits higher. Notice how the positive movements in the profitability section help to drive the liquidity barometers.

The "turnover" components of liquidity look favorable as measured by the company's inventory days, accounts receivable days, and accounts payable days. These metrics are all low compared to the industry, which may be an indicator of good management of receivables (getting receivables collected), inventory (converting inventory to sales), and payables (paying vendors).

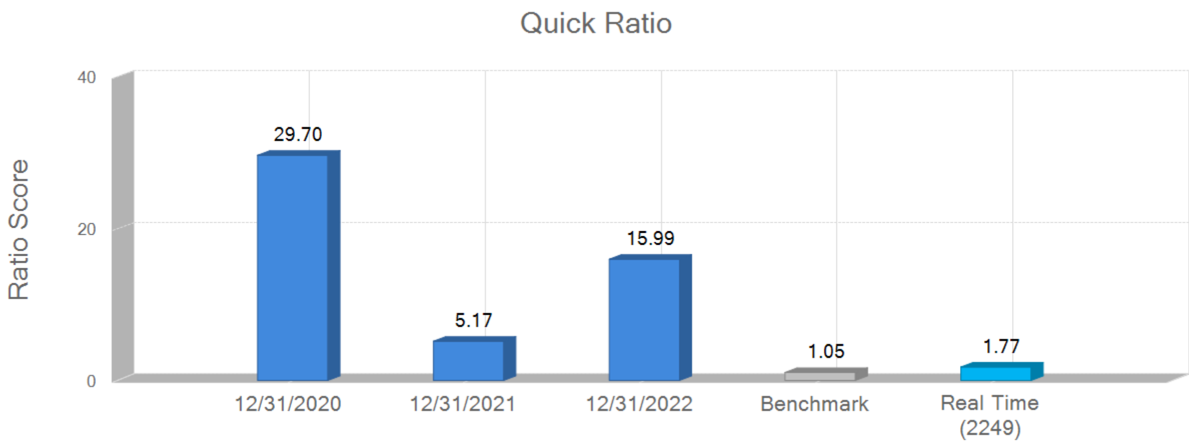
Tips For Improvement
It is imperative to keep working on liquidity, because the game to stay liquid never ends. Here are some actions managers might consider:

- Plan time lags during claim collections. For example, it is possible that multiple months could pass before receiving payment from insurance companies.
- Carefully manage order points for inventory. Utilize a system that allows the business to order when needed so cash is not tied up in merchandise.
- Monitor the impact tax payments may have on cash. Keep enough money aside to be able to meet future tax obligations based on earnings.
- Watch the payment terms of credit cards, if they are accepted by the business. For example, some credit cards have payment terms of ten days as opposed to the one day terms of others. Longer terms prevent the business from collecting actual payments until much later.

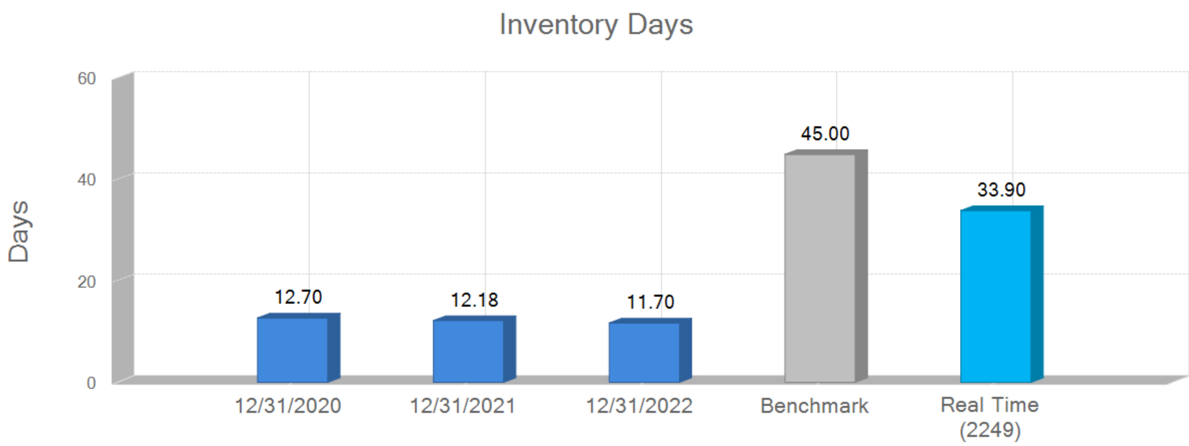
LIMITS TO LIQUIDITY ANALYSIS: Keep in mind that liquidity conditions are volatile, and this is a general analysis looking at a snapshot in time. Review this section, but do not overly rely on it.



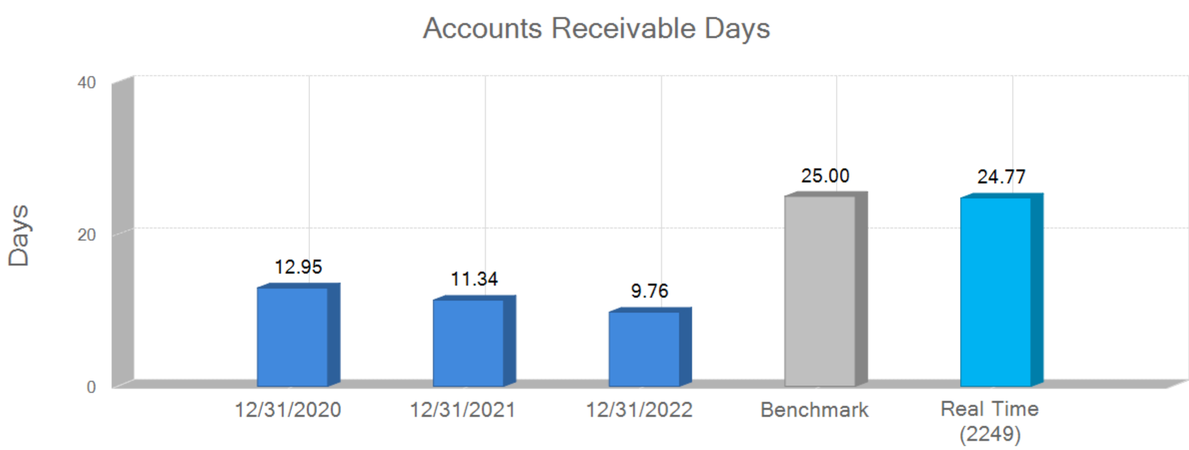
Generally, this metric measures the overall liquidity position of a company. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" are collectible. The higher the ratio, the more liquid the company is.



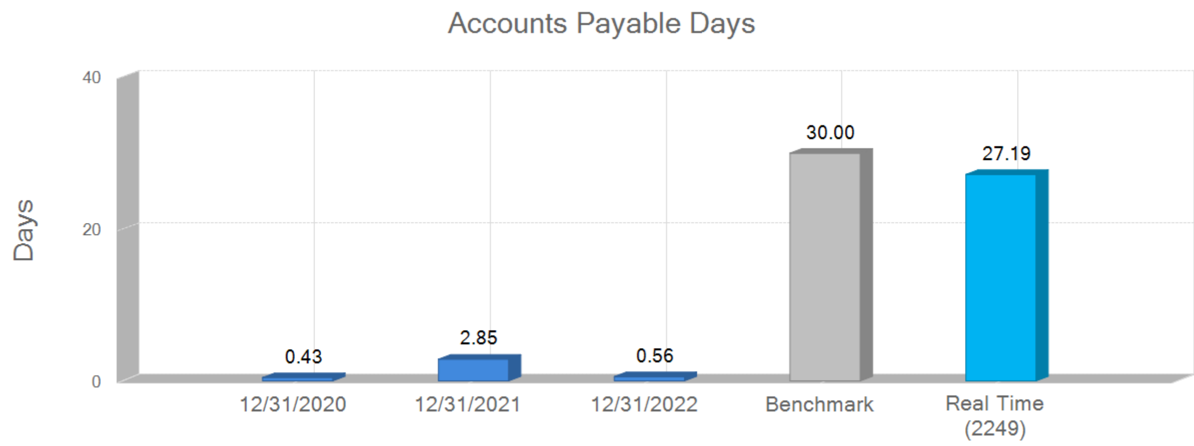
This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the company has to pay the amount listed in the denominator (current liabilities). The higher the number, the stronger the company.



This metric shows how much inventory (in days) is on hand. It indicates how quickly a company can respond to market and/or product changes. Not all companies have inventory for this metric. The lower the better.



This number reflects the average length of time between credit sales and payment receipts. It is crucial to maintaining positive liquidity. The lower the better.



This ratio shows the average number of days that lapse between the purchase of material and labor, and payment for them. It is a rough measure of how timely a company is in meeting payment obligations. Lower is normally better.

Profits & Profit Margin 90 out of 100

A measure of whether the trends in profit are favorable for the company.

This section of the report will examine the company's profits from several different angles. The company's net profit dollars have increased this period, and net profit margins rose by 48,065.55%, which is quite good. This means that the company has substantially more net profit dollars **and** is retaining as profit more cents of each dollar earned in sales. This is a positive combination that should increase the profit health of the company over time. It may also indicate that the company is growing profitably within the relevant range of the business. Keep in mind that these results are relative to the industry that the company operates in, so this firm is doing well even relative to the profits similar firms are earning at this time.

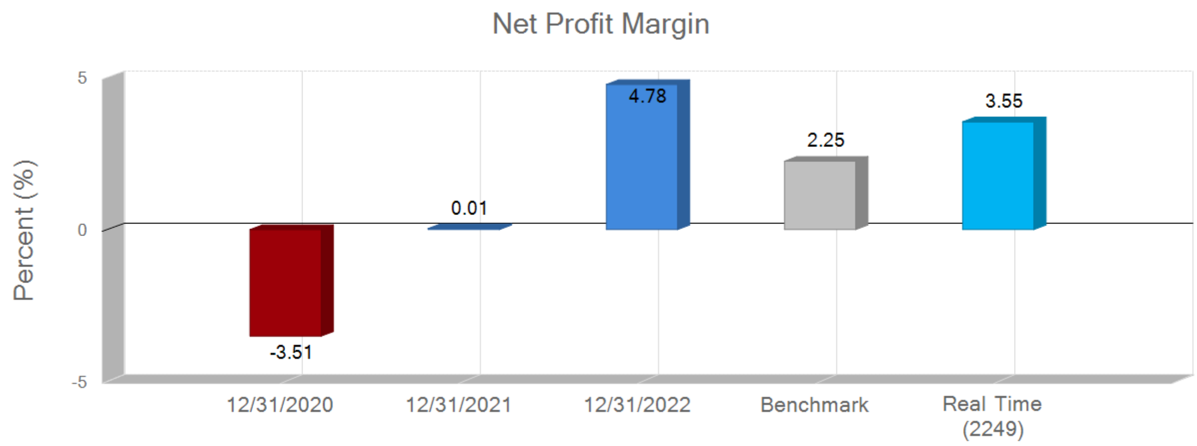
Gross profits have increased too, which is another positive result. This means that more gross dollars of profit can be pushed down through the company. Furthermore, the company has also improved gross margins, which are the cents of gross profit earned on each dollar of sales. It is particularly encouraging to see both gross and net margins improving concurrently. This indicates that the company is managing both its direct costs (costs of sales) and its indirect costs (general and administrative costs) very effectively, and is becoming more efficient even while growing and increasing sales.

Key management read: If the company increases gross profits over time, it should see **relatively** larger increases in the bottom line net profits. The rate of net profit increases will rise. Gross profits are another form of leverage because fixed costs will tend to decrease as a percentage of revenue as sales increase.

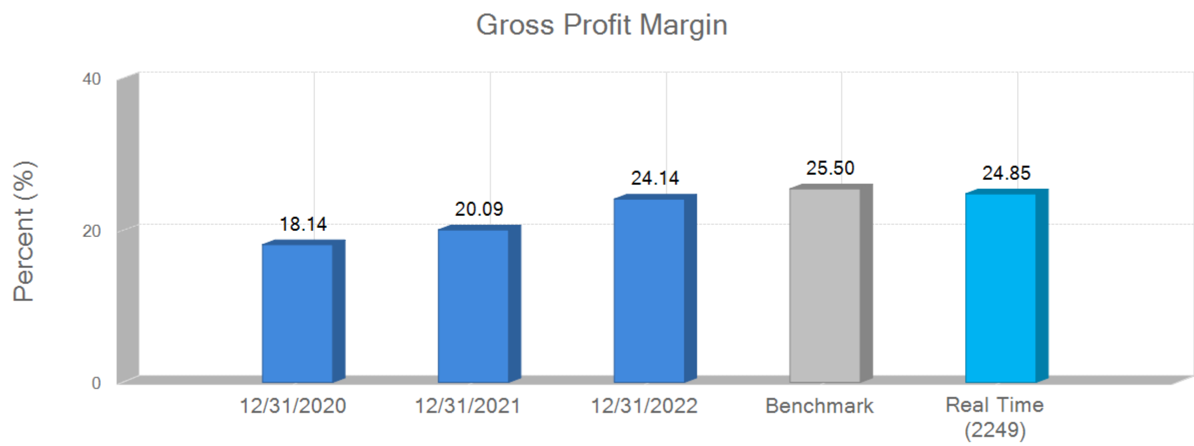
Tips For Improvement
The following ideas to improve profitability might be useful and can be thought-through by managers:

- Provide more personal services to customers such as consulting on generic drug replacements or drug interactions. Many times, a customer will have a number of different doctors prescribing medications for separate ailments. Providing the customers with knowledge of how those drugs will react together can be a great way to bring customers back to the business.
- Find ways to take advantage of changing technology, such as digital photography. For example, enable customers to send in their digital photos from home allowing

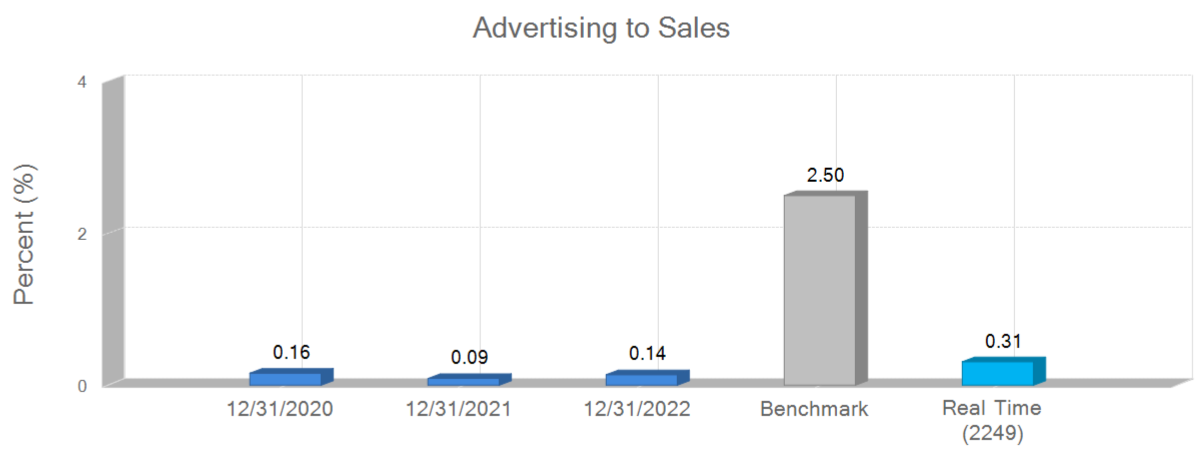
them to create customized cards and gifts.
- Take advantage of/negotiate for volume discounts or other concessions with current suppliers.
- Monitor the costs going into all office supplies. With more important costs being monitored closely, many businesses forget to look at this smaller cost, and often allow it to be higher than necessary.



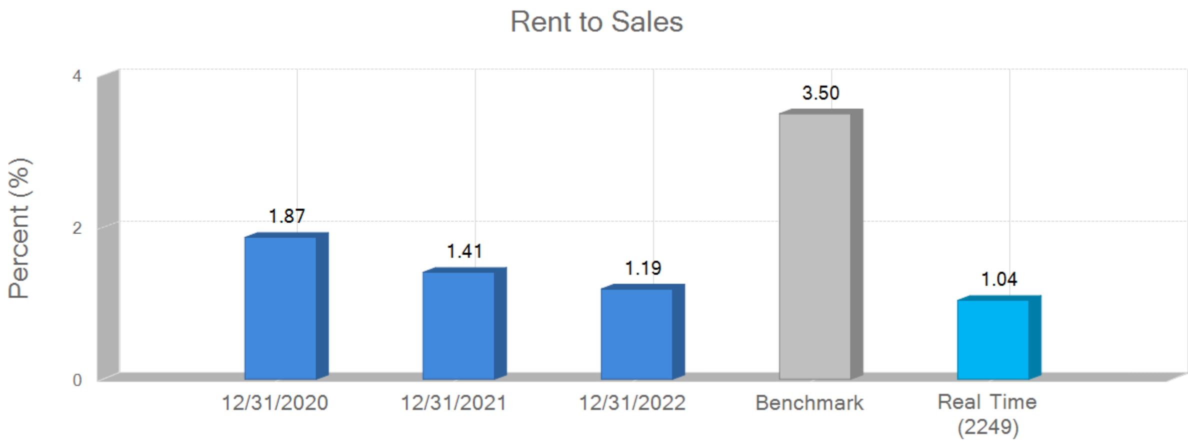
This is an important metric. In fact, over time, it is one of the more important barometers that we look at. It measures how many cents of profit the company is generating for every dollar it sells. Track it carefully against industry competitors. This is a very important number in preparing forecasts. The higher the better.



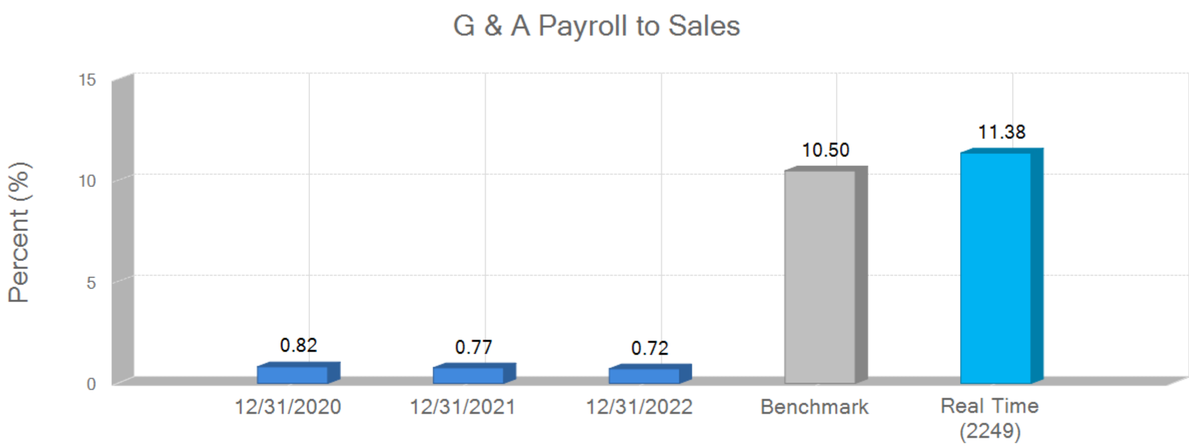
This number indicates the percentage of sales revenue that is not paid out in direct costs (costs of sales). It is an important statistic that can be used in business planning because it indicates how many cents of gross profit can be generated by each dollar of future sales. Higher is normally better (the company is more efficient).



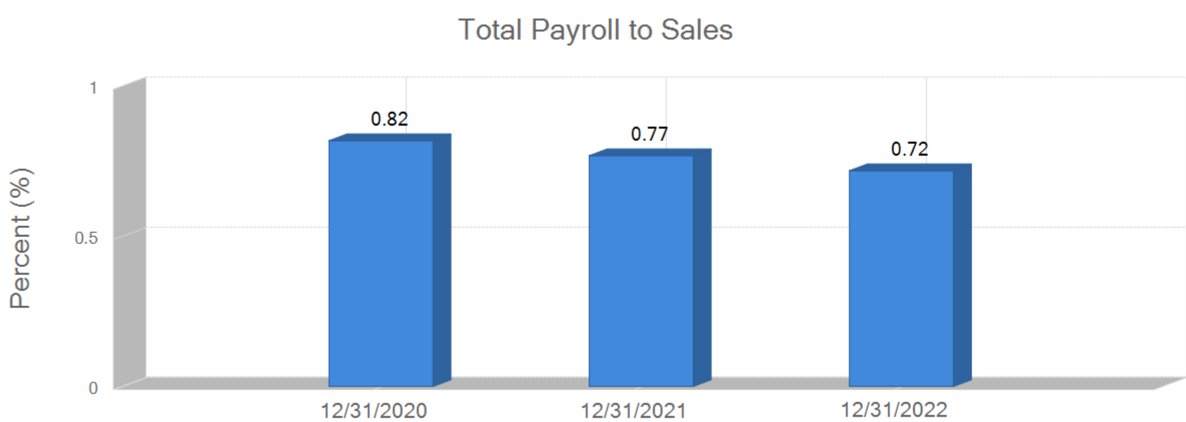
This metric shows advertising expense for the company as a percentage of sales.



This metric shows rent expense for the company as a percentage of sales.



This metric shows G & A payroll expense for the company as a percentage of sales.

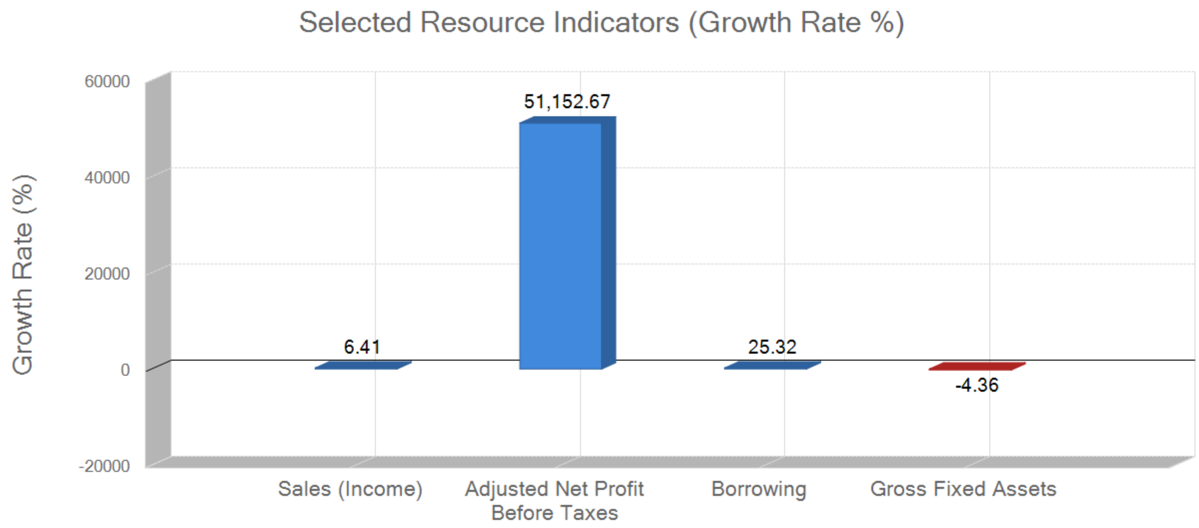


This metric shows total payroll expense for the company as a percentage of sales.

Sales 79 out of 100

A measure of how sales are growing and whether the sales are satisfactory for the company.

Sales increases by themselves do not mean much; companies are typically more interested in net profitability results. Sales changes are also relatively easy to interpret -- sales are either up or down. However, this company's sales results for this period are a bit deeper and more intriguing. The company has increased sales with about the same amount of fixed assets. Basically, the company is "driving" more sales through relatively the same level of resources. This is a good dynamic in the sales area that will **potentially** yield higher net profitability in the long run.



This data is based on the two most recent available periods.

Borrowing 80 out of 100

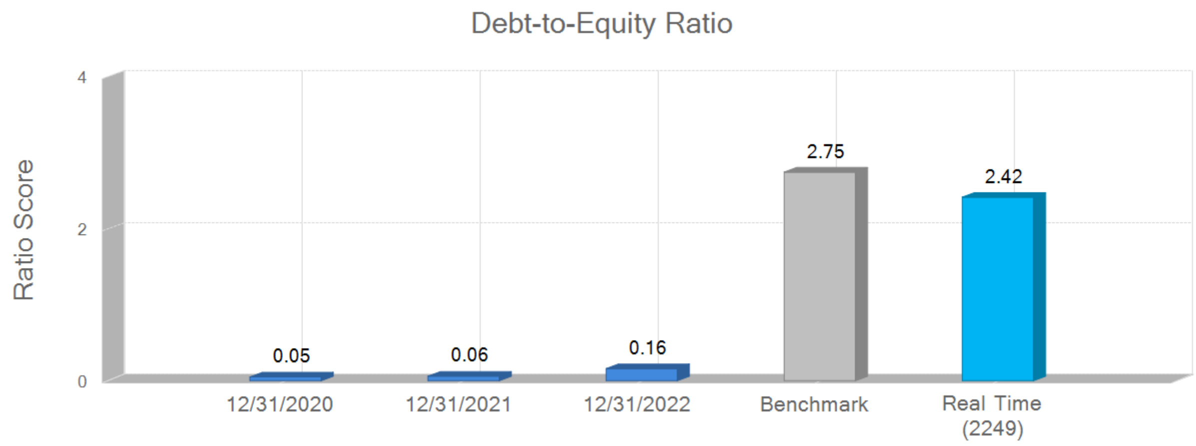
A measure of how responsibly the company is borrowing and how effectively it is managing debt.

Just like any other tool or resource, borrowing is used to improve profitability. There is a common misconception that debt is always bad. The truth is that using debt effectively is often a prerequisite for success, because borrowing uses the power of leverage -- using borrowed money to improve profitability.

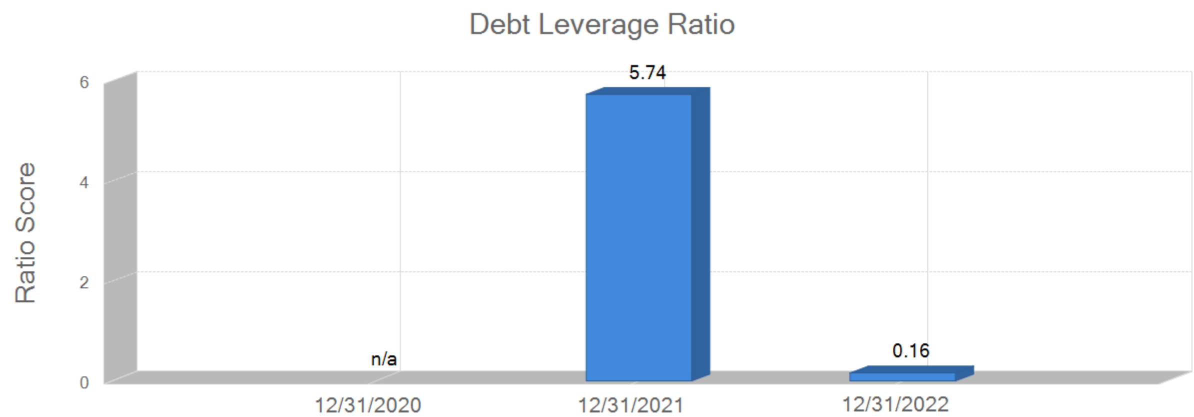
The company is performing well here. Borrowing increased by a significant amount, profitability was improved, and even the overall liquidity position improved. In short, everything in this particular category looks good. Profit margins have even improved by 48,065.55% -- that is, the company is now more efficient. Perhaps the most positive point is that profitability improved at a faster rate than total debt, which is a favorable trend.

Even though the company received a good score in this area, it is still quite important to evaluate real returns. For example, the trend here is good but the company will still want to determine the rates of return on assets and borrowed money. This report only indicates trends, not acceptable rates of return on borrowed funds.

Note: Although the overall score is high in this area, the company does not have much debt relative to equity. Consequently, we should not put too much emphasis on this section of the report. Debt does not seem to be a significant part of the Balance Sheet at this time.



This Balance Sheet leverage ratio indicates the composition of a company's total capitalization -- the balance between money or assets owed versus the money or assets owned. Generally, creditors prefer a lower ratio to decrease financial risk while investors prefer a higher ratio to realize the return benefits of financial leverage.



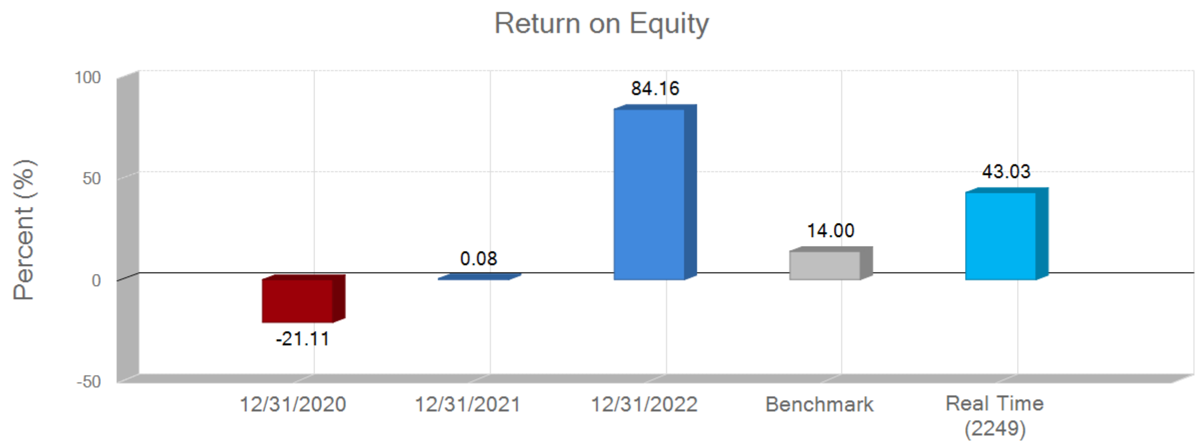
This ratio measures a company's ability to repay debt obligations from annualized operating cash flow (EBITDA).

Assets 92 out of 100

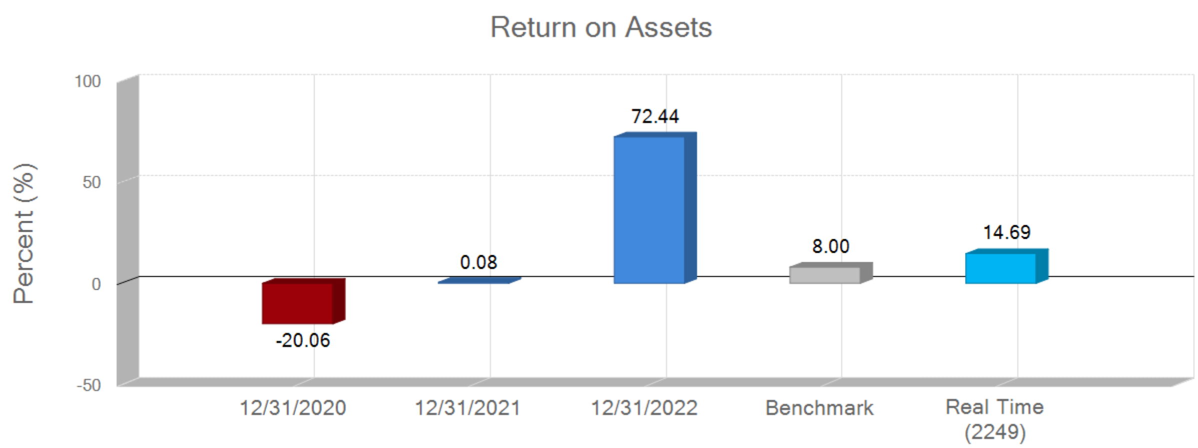
A measure of how effectively the company is utilizing its gross fixed assets.

This period, profitability improved significantly but fixed asset levels stayed relatively flat. This means: 1) profitability was able to improve without adding assets, and 2) the company **may** not need additional assets to continue to improve profitability at this specific time. In other words, the company may be able to grow profitability a bit more with the level of assets currently in place. This should also continue to help improve net margins, which also improved this period. An improvement in net margins is an indication of improved efficiency as the company has a relatively stable asset base.

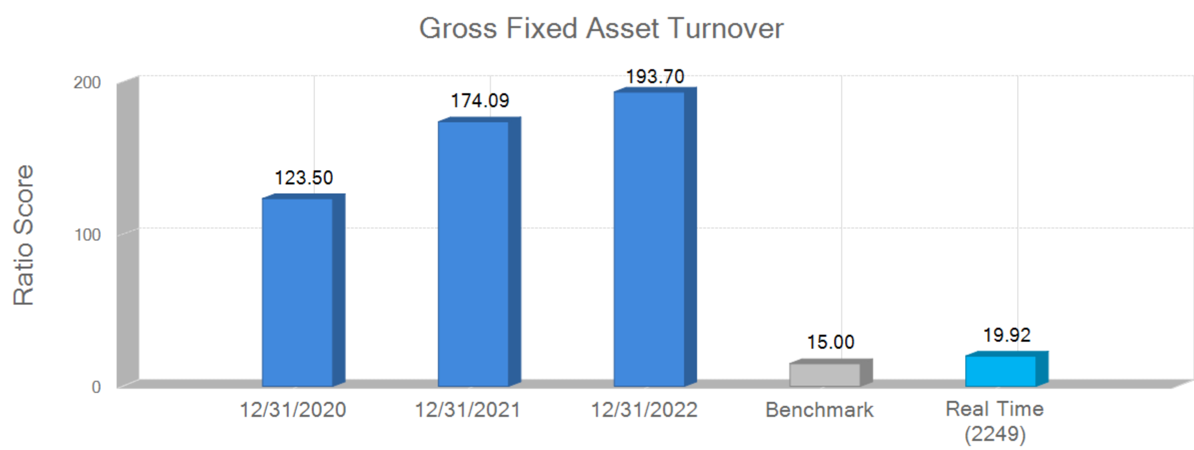
It is also positive to see above average returns on assets and equity, since these metrics are of critical importance to external and internal investors. The fixed asset ratio of the company is high as well, which means that the company is driving an adequate amount of revenue through each dollar invested in fixed assets.



This measure shows how much profit is being returned on the shareholders' equity each year. It is a vital statistic from the perspective of equity holders in a company. The higher the better.



This calculation measures the company's ability to use its assets to create profits. Basically, ROA indicates how many cents of profit each dollar of asset is producing per year. It is quite important since managers can only be evaluated by looking at how they use the assets available to them. The higher the better.



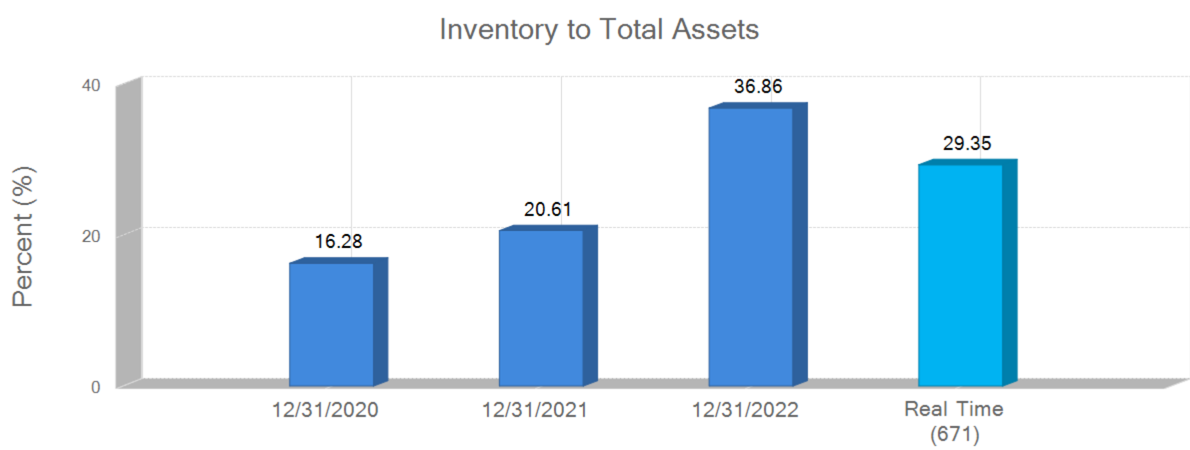
This asset management ratio shows the multiple of annualized sales that each dollar of gross fixed assets is producing. This indicator measures how well fixed assets are "throwing off" sales and is very important to businesses that require significant investments in such assets. Readers should not emphasize this metric when looking at companies that do not possess or require significant gross fixed assets. The higher the ratio, the more effective the company's investments in Net Property, Plant, and Equipment are.

A NOTE ON SCORING: Each section of this report (Liquidity, Profits & Profit Margin, etc.) contains a numerical score/grade, which is a rough measure of overall performance in the area. Each grade represents a score from 1 to 100, with 1 being the lowest score and 100 being the highest. Generally, a score above 50 would be a "good" score and a score below 50 would be a "poor" score. The scores are derived by evaluating the company's trends, either positive or negative, over time and by comparing the company to industry averages for different metrics.

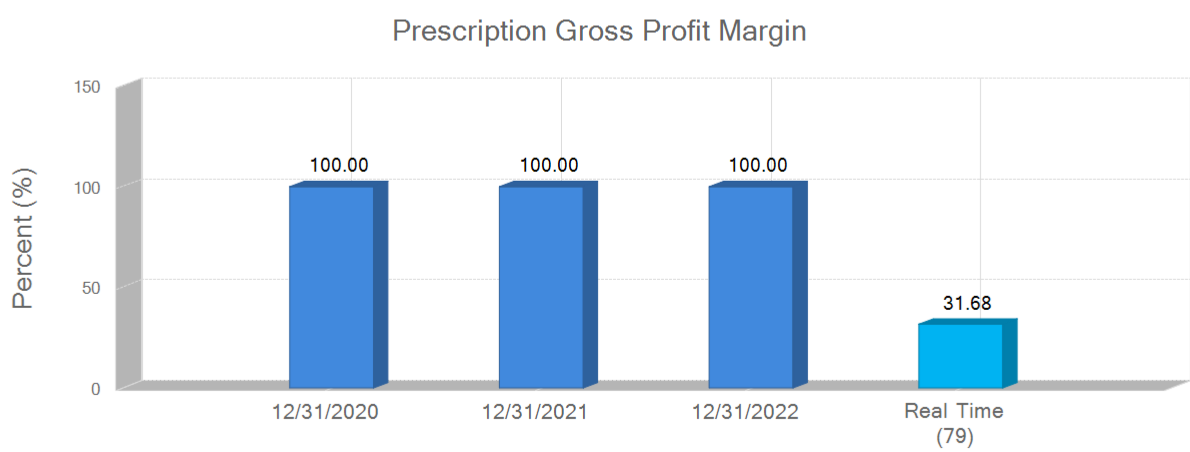
Industry-Specific Performance Ratios

What are the Key Performance Indicators for the business?

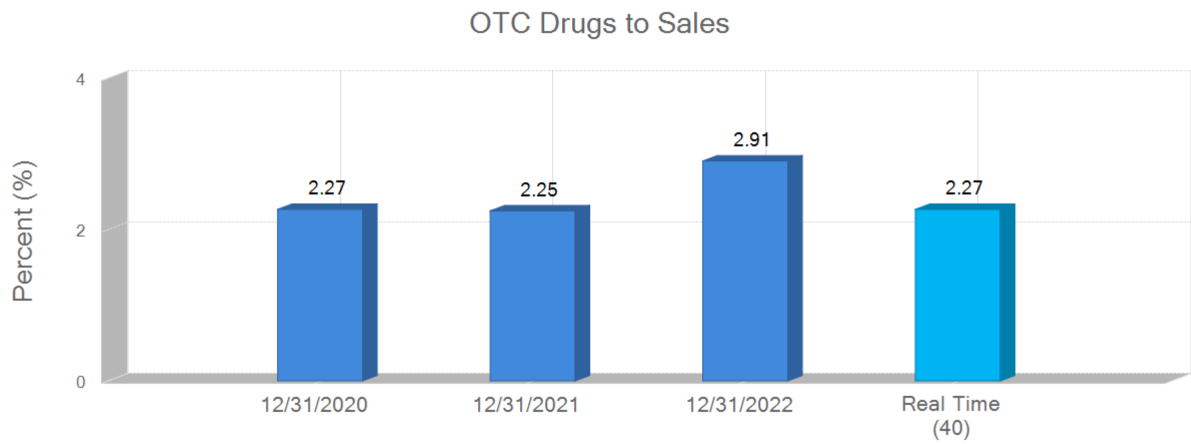
This section of the report provides **Key Performance Indicators** (or KPIs) for the business being analyzed, and they are specific to the business's industry and revenue. Track these KPIs over time and compare them to the industry averages to identify areas where the business might be able to improve operations.



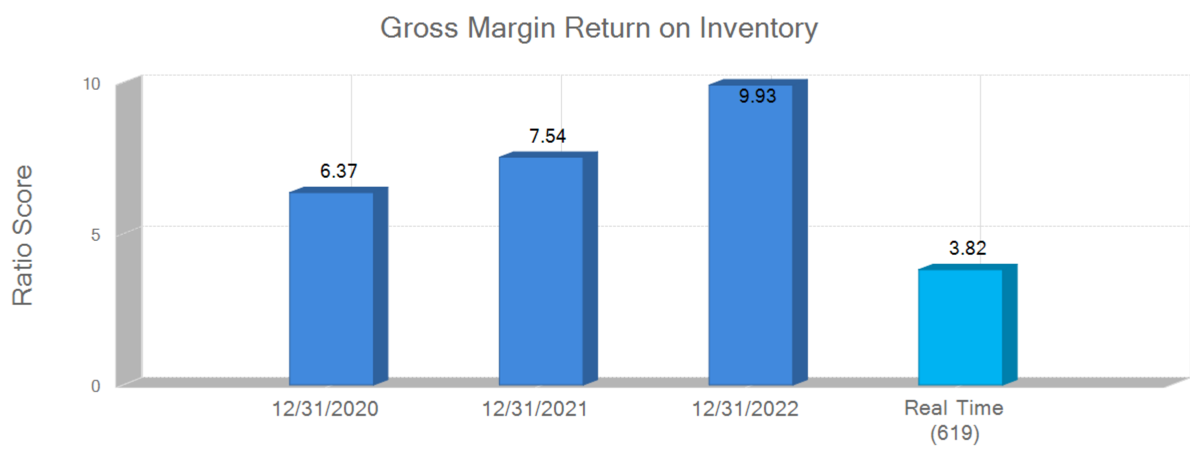
Inventory to Total Assets = Inventory / Total Assets



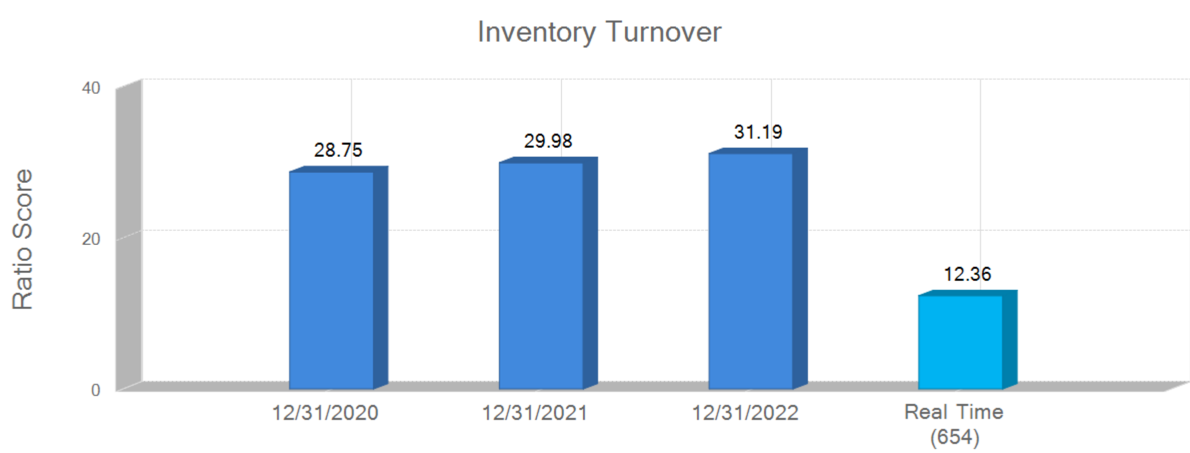
Prescription Gross Profit Margin = (Prescription Drug Revenue - Prescription Drug Purchases) / Prescription Drug Revenue



OTC Drugs to Sales = Over-the-Counter Drugs / Sales



Gross Margin Return on Inventory = Gross Profit / Inventory



Inventory Turnover = Cost of Sales / Inventory

Raw Data

Income Statement Data	12/31/2020	12/31/2021	12/31/2022
Sales (Income)	$13,117,611	$13,603,540	$14,475,444
Personal Health Goods Revenue	$34,634	$43,634	$34,534
Prescription Drug Revenue	$12,785,415	$13,254,254	$14,020,048
Over-the-Counter Drug Revenue	$297,562	$305,652	$420,862
Grocery	$0	$0	$0
Cost of Sales (COGS)	$10,738,412	$10,870,080	$10,981,142
Depreciation (COGS-related)	$0	$0	$0
Direct Materials	$0	$0	$0
Direct Labor	$0	$0	$0
Cost of Sales	$10,933,190	$10,901,914	$11,032,961
Rebates	($194,778)	($31,834)	($51,819)
Aveda Retail COGS	$0	$0	$0
Other Retail COGS	$0	$0	$0
Officer Salary	$0	$0	$0
Staff Bonus	$0	$0	$0
Gross Profit	$2,379,199	$2,733,460	$3,494,302
Gross Profit Margin	18.14%	20.09%	24.14%
Depreciation	$73,391	$17,122	$114,688
Depletion Expense	$0	$0	$0
Amortization	$0	$0	$0
Accretion Expense	$0	$0	$0
Overhead or S,G,& A Expenses	$2,754,441	$2,716,675	$2,688,317
Rent	$245,600	$191,200	$172,800
Advertising	$20,501	$12,456	$20,031
G & A Payroll Expense	$107,618	$105,233	$103,628
Officer’s Salaries	$501,442	$500,000	$500,000
Salaries & Wages	$1,295,015	$1,303,574	$1,260,333
Auto	$24,293	$28,592	$24,910
Bank & Credit Card Fees	$31,357	$24,292	$25,402
Contributions	$12,515	$3,100	$32,126
Director’s Fees	$0	$0	$0
Dues & Subscriptions	$10,136	$8,339	$7,074
Insurance	$183,134	$198,492	$160,977
License	$17,072	$17,421	$11,746
Office Supplies	$4,133	$994	$4,109
Postage	$36,348	$36,523	$33,953
Professional Fees	$74,751	$56,454	$89,349
Repairs & Maintenance	$30,323	$40,186	$57,397
Computer Maintenance	$38,402	$56,258	$54,203
Supplies	$26,961	$37,610	$42,518
Telephone	$16,271	$17,531	$17,345
Utilities	$30,805	$30,619	$27,221
Taxes	$47,764	$47,801	$43,195
Back Bar	$0	$0	$0
Cash Over/Short	$0	$0	$0
Merchant Fees	$0	$0	$0
Savings Acct Interest	$0	$0	$0
Bank & Merchant Fees - Other	$0	$0	$0
Dues Licenses Subscriptions	$0	$0	$0
Liability Insurance	$0	$0	$0
Work Comp	$0	$0	$0

Insurance - Other	$0	$0	$0
Marketing & Promotions	$0	$0	$0
Office	$0	$0	$0
Salon	$0	$0	$0
Front Desk Payroll	$0	$0	$0
Gifts	$0	$0	$0
Staff Development	$0	$0	$0
Accounting & Tax Prep	$0	$0	$0
Legal Fees	$0	$0	$0
Professional Fees - Other	$0	$0	$0
Rent - DeVargas	$0	$0	$0
Computer Expenses	$0	$0	$0
Repair and Maintenance - Other	$0	$0	$0
Corp	$0	$0	$0
FUTA	$0	$0	$0
Soc Sec/Med	$0	$0	$0
SUTA Taxes	$0	$0	$0
WC1	$0	$0	$0
Telephone & Internet	$0	$0	$0
Meals	$0	$0	$0
Travel	$0	$0	$0
Maureen Test	$0	$0	$0
Other Operating Income	$0	$0	$0
Other Operating Expenses	$0	$0	$0
Operating Profit	($448,633)	($337)	$691,297
Interest Expense	$0	$0	$0
Other Income	($11,705)	$1,687	$614
Other Expenses	$0	$0	$0
Net Profit Before Taxes	($460,338)	$1,350	$691,911
Adjusted Owner's Compensation	$0	$0	$0
Adjusted Net Profit Before Taxes	($460,338)	$1,350	$691,911
Net Profit Margin	-3.51%	0.01%	4.78%
EBITDA	($386,947)	$18,472	$806,599
Taxes Paid	$0	$0	$0
Extraordinary Gain	$0	$0	$0
Extraordinary Loss	$0	$0	$0
Net Income	($460,338)	$1,350	$691,911

Balance Sheet Data	**12/31/2020**	**12/31/2021**	**12/31/2022**
Cash (Bank Funds)	$510,010	$126,375	$140,358
BofA Checking -2475	$0	$0	$0
BofA SAVINGS	$0	$0	$0
Accounts Receivable	$465,401	$422,583	$387,025
Inventory	$373,503	$362,625	$352,062
Other Current Assets	$360	$59,230	$950
Retail Inventory	$0	$0	$0
Security Deposit - Lease	$0	$0	$0
Undeposited Funds	$0	$0	$0
Note Receivable MFLP	$360	$58,180	$0
Employee Loan	$0	$1,050	$950
Total Current Assets	$1,349,274	$970,813	$880,395
Gross Fixed Assets	$106,213	$78,141	$74,732
Depletable Assets	$0	$0	$0
Accumulated Depreciation	$0	$0	$0
Net Fixed Assets	$106,213	$78,141	$74,732
Gross Intangible Assets	$0	$0	$0

Accumulated Amortization	$0	$0	$0
Net Intangible Assets	$0	$0	$0
Other Assets	$838,878	$710,544	$0
2011 Start-up Costs	$0	$0	$0
DeVargas Improvements	$0	$0	$0
Total Assets	$2,294,365	$1,759,498	$955,127
Accounts Payable	$12,587	$85,013	$16,717
Short Term Debt	$0	$0	$0
Notes Payable / Current Portion of Long Term Debt	$0	$0	$0
Other Current Liabilities	$20,251	$21,100	$16,265
BoA MC - 5224	$0	$0	$0
Gift Cards Redeemed	$0	$0	$0
FUTA Payable	$0	$0	$0
FWT Payable	$0	$0	$0
SS/Med Payable	$0	$0	$0
SUTA Payable	$0	$0	$0
SWT Payable	$0	$0	$0
WC1 Payable	$0	$0	$0
Sales Tax Payable	$0	$0	$0
Tips Payable	$0	$0	$0
Payroll Liabilities	$12,557	$12,616	$12,435
Sales Tax Liabilities	$7,694	$8,484	$3,830
Total Current Liabilities	$32,838	$106,113	$32,982
Notes Payable / Senior Debt	$0	$0	$100,000
Notes Payable / Subordinated Debt	$0	$0	$0
Other Long Term Liabilities	$81,294	$0	$0
Asset Retirement Obligation	$0	$0	$0
Total Long Term Liabilities	$81,294	$0	$100,000
Total Liabilities	$114,132	$106,113	$132,982
Preferred Stock	$0	$0	$0
Common Stock	$5,000	$5,000	$5,000
Additional Paid-in Capital	$0	$0	$0
Other Stock / Equity	($675,700)	($637,933)	($1,281,629)
Owners Taxes	$0	$0	$0
Owners Draws - Other	$0	$0	$0
Opening Bal Equity	$0	$0	$0
Owners Contributions	$0	$0	$0
Ending Retained Earnings	$2,850,933	$2,286,318	$2,098,774
Retained Earnings	$2,850,933	$2,286,318	$2,098,774
Total Equity	$2,180,233	$1,653,385	$822,145
Total Liabilities + Equity	$2,294,365	$1,759,498	$955,127

Common Size Statements

Income Statement Data	12/31/2020	12/31/2021	12/31/2022	Industry* (2249)
Sales (Income)	100%	100%	100%	100%
Personal Health Goods Revenue	0%	0%	0%	--
Prescription Drug Revenue	97%	97%	97%	--
Over-the-Counter Drug Revenue	2%	2%	3%	--
Grocery	0%	0%	0%	--
Cost of Sales (COGS)	82%	80%	76%	75%
Depreciation (COGS-related)	0%	0%	0%	1%

				(10)
Direct Materials	0%	0%	0%	75% (26)
Direct Labor	0%	0%	0%	10% (15)
Cost of Sales	83%	80%	76%	--
Rebates	N/A	N/A	N/A	--
Aveda Retail COGS	0%	0%	0%	--
Other Retail COGS	0%	0%	0%	--
Officer Salary	0%	0%	0%	--
Staff Bonus	0%	0%	0%	--
Gross Profit	18%	20%	24%	25%
Depreciation	1%	0%	1%	0%
Depletion Expense	0%	0%	0%	40% (7)
Amortization	0%	0%	0%	0%
Accretion Expense	0%	0%	0%	4% (8)
Overhead or S,G,& A Expenses	21%	20%	19%	18%
Rent	2%	1%	1%	1% (1593)
Advertising	0%	0%	0%	0% (1352)
G & A Payroll Expense	1%	1%	1%	12% (1327)
Officer’s Salaries	4%	4%	3%	--
Salaries & Wages	10%	10%	9%	--
Auto	0%	0%	0%	--
Bank & Credit Card Fees	0%	0%	0%	--
Contributions	0%	0%	0%	--
Director’s Fees	0%	0%	0%	--
Dues & Subscriptions	0%	0%	0%	--
Insurance	1%	1%	1%	--
License	0%	0%	0%	--
Office Supplies	0%	0%	0%	--
Postage	0%	0%	0%	--
Professional Fees	1%	0%	1%	--
Repairs & Maintenance	0%	0%	0%	--
Computer Maintenance	0%	0%	0%	--
Supplies	0%	0%	0%	--
Telephone	0%	0%	0%	--
Utilities	0%	0%	0%	--
Taxes	0%	0%	0%	--
Back Bar	0%	0%	0%	--
Cash Over/Short	0%	0%	0%	--
Merchant Fees	0%	0%	0%	--
Savings Acct Interest	0%	0%	0%	--
Bank & Merchant Fees - Other	0%	0%	0%	--
Dues Licenses Subscriptions	0%	0%	0%	--

Liability Insurance	0%	0%	0%	--
Work Comp	0%	0%	0%	--
Insurance - Other	0%	0%	0%	--
Marketing & Promotions	0%	0%	0%	--
Office	0%	0%	0%	--
Salon	0%	0%	0%	--
Front Desk Payroll	0%	0%	0%	--
Gifts	0%	0%	0%	--
Staff Development	0%	0%	0%	--
Accounting & Tax Prep	0%	0%	0%	--
Legal Fees	0%	0%	0%	--
Professional Fees - Other	0%	0%	0%	--
Rent - DeVargas	0%	0%	0%	--
Computer Expenses	0%	0%	0%	--
Repair and Maintenance - Other	0%	0%	0%	--
Corp	0%	0%	0%	--
FUTA	0%	0%	0%	--
Soc Sec/Med	0%	0%	0%	--
SUTA Taxes	0%	0%	0%	--
WC1	0%	0%	0%	--
Telephone & Internet	0%	0%	0%	--
Meals	0%	0%	0%	--
Travel	0%	0%	0%	--
Maureen Test	0%	0%	0%	--
Other Operating Income	0%	0%	0%	0%
Other Operating Expenses	0%	0%	0%	2%
Operating Profit	-3%	0%	5%	4%
Interest Expense	0%	0%	0%	0%
Other Income	0%	0%	0%	0%
Other Expenses	0%	0%	0%	0%
Net Profit Before Taxes	-4%	0%	5%	4%
Adjusted Owner's Compensation	0%	0%	0%	0%
Adjusted Net Profit Before Taxes	-4%	0%	5%	4%
EBITDA	-3%	0%	6%	4%
Taxes Paid	0%	0%	0%	1%
Extraordinary Gain	0%	0%	0%	0%
Extraordinary Loss	0%	0%	0%	0%
Net Income	-4%	0%	5%	2%

Balance Sheet Data	**12/31/2020**	**12/31/2021**	**12/31/2022**	**Industry* (2249)**
Cash (Bank Funds)	22%	7%	15%	12%
BofA Checking -2475	0%	0%	0%	--
BofA SAVINGS	0%	0%	0%	--
Accounts Receivable	20%	24%	41%	31%
Inventory	16%	21%	37%	32%
Other Current Assets	0%	3%	0%	1%
Retail Inventory	0%	0%	0%	--

Security Deposit - Lease	0%	0%	0%	--
Undeposited Funds	0%	0%	0%	--
Note Receivable MFLP	0%	3%	0%	--
Employee Loan	0%	0%	0%	--
Total Current Assets	59%	55%	92%	80%
Gross Fixed Assets	5%	4%	8%	39%
Depletable Assets	0%	0%	0%	165% (6)
Accumulated Depreciation	0%	0%	0%	25%
Net Fixed Assets	5%	4%	8%	14%
Gross Intangible Assets	0%	0%	0%	0%
Accumulated Amortization	0%	0%	0%	0%
Net Intangible Assets	0%	0%	0%	0%
Other Assets	37%	40%	0%	5%
2011 Start-up Costs	0%	0%	0%	--
DeVargas Improvements	0%	0%	0%	--
Total Assets	100%	100%	100%	100%
Accounts Payable	1%	5%	2%	28%
Short Term Debt	0%	0%	0%	0%
Notes Payable / Current Portion of Long Term Debt	0%	0%	0%	1%
Other Current Liabilities	1%	1%	2%	7%
BoA MC - 5224	0%	0%	0%	--
Gift Cards Redeemed	0%	0%	0%	--
FUTA Payable	0%	0%	0%	--
FWT Payable	0%	0%	0%	--
SS/Med Payable	0%	0%	0%	--
SUTA Payable	0%	0%	0%	--
SWT Payable	0%	0%	0%	--
WC1 Payable	0%	0%	0%	--
Sales Tax Payable	0%	0%	0%	--
Tips Payable	0%	0%	0%	--
Payroll Liabilities	1%	1%	1%	--
Sales Tax Liabilities	0%	0%	0%	--
Total Current Liabilities	1%	6%	3%	43%
Notes Payable / Senior Debt	0%	0%	10%	17%
Notes Payable / Subordinated Debt	0%	0%	0%	0%
Other Long Term Liabilities	4%	0%	0%	1%
Asset Retirement Obligation	0%	0%	0%	6% (8)
Total Long Term Liabilities	4%	0%	10%	25%
Total Liabilities	5%	6%	14%	69%
Preferred Stock	0%	0%	0%	0%
Common Stock	0%	0%	1%	1%
Additional Paid-in Capital	0%	0%	0%	1%
Other Stock / Equity	-29%	-36%	-134%	2%
Owners Taxes	0%	0%	0%	--
Owners Draws - Other	0%	0%	0%	--
Opening Bal Equity	0%	0%	0%	--

Owners Contributions	0%	0%	0%	--
Ending Retained Earnings	124%	130%	220%	28%
Retained Earnings	124%	130%	220%	--
Total Equity	95%	94%	86%	31%
Total Liabilities + Equity	100%	100%	100%	100%

*The industry common size figures shown above were taken from all private company data for companies with industry code 446110 for all years in all areas with yearly sales $10 million to $50 million.

Industry Scorecard

Financial Indicator	Current Period	Industry Range	Distance from Industry
Current Ratio = Total Current Assets / Total Current Liabilities	26.69	1.50 to 2.40	+1,012.08%

Explanation: Generally, this metric measures the overall liquidity position of a company. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" are collectible. The higher the ratio, the more liquid the company is.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Quick Ratio = (Cash + Accounts Receivable) / Total Current Liabilities	15.99	0.80 to 1.30	+1,130.00%

Explanation: This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the company has to pay the amount listed in the denominator (current liabilities). The higher the number, the stronger the company.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Net Profit Margin = Adjusted Net Profit before Taxes / Sales	4.78%	0.50% to 4.00%	+19.50%

Explanation: This is an important metric. In fact, over time, it is one of the more important barometers that we look at. It measures how many cents of profit the company is generating for every dollar it sells. Track it carefully against industry competitors. This is a very important number in preparing forecasts. The higher the better.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Inventory Days = (Inventory / COGS) * 365	11.70 Days	30.00 to 60.00 Days	+61.00%

Explanation: This metric shows how much inventory (in days) is on hand. It indicates how quickly a company can respond to market and/or product changes. Not all companies have inventory for this metric. The lower the better.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Accounts Receivable Days = (Accounts Receivable / Sales) * 365	9.76 Days	10.00 to 40.00 Days	+2.40%

Explanation: This number reflects the average length of time between credit sales and payment receipts. It is crucial to maintaining positive liquidity. The lower the better.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Accounts Payable Days = (Accounts Payable / COGS) * 365	0.56 Days	15.00 to 45.00 Days	+96.27%

Explanation: This ratio shows the average number of days that lapse between the purchase of material and labor, and payment for them. It is a rough measure of how timely a company is in meeting payment obligations. Lower is normally better.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Debt-to-Equity Ratio = Total Liabilities / Total Equity	0.16	1.50 to 4.00	+89.33%

Explanation: This Balance Sheet leverage ratio indicates the composition of a company's total capitalization -- the balance between money or assets owed versus the money or assets owned. Generally, creditors prefer a lower ratio to decrease financial risk while investors prefer a higher ratio to realize the return benefits of financial leverage.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Return on Equity = Net Income / Total Equity	84.16%	8.00% to 20.00%	+320.80%

Explanation: This measure shows how much profit is being returned on the shareholders' equity each year. It is a vital statistic from the perspective of equity holders in a company. The higher the better.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Return on Assets = Net Income / Total Assets	72.44%	6.00% to 10.00%	+624.40%

Explanation: This calculation measures the company's ability to use its assets to create profits. Basically, ROA indicates how many cents of profit each dollar of asset is producing per year. It is quite important since managers can only be evaluated by looking at how they use the assets available to them. The higher the better.

Financial Indicator	Current Period	Industry Range	Distance from Industry
Gross Fixed Asset Turnover = Sales / Gross Fixed Assets	193.70	10.00 to 20.00	+868.50%

Explanation: This asset management ratio shows the multiple of annualized sales that each dollar of gross fixed assets is producing. This indicator measures how well fixed assets are "throwing off" sales and is very important to businesses that require significant investments in such assets. Readers should not emphasize this metric when looking at companies that do not possess or require significant gross fixed assets. The higher the ratio, the more effective the company's investments in Net Property, Plant, and Equipment are.

Gross Profit Margin = Gross Profit / Sales	24.14%	20.00% to 31.00%	0.00%

Explanation: This number indicates the percentage of sales revenue that is not paid out in direct costs (costs of sales). It is an important statistic that can be used in business planning because it indicates how many cents of gross profit can be generated by each dollar of future sales. Higher is normally better (the company is more efficient).

Debt Leverage Ratio = Total Liabilities / EBITDA	0.16	--	--

Explanation: This ratio measures a company's ability to repay debt obligations from annualized operating cash flow (EBITDA).

Advertising to Sales = Advertising / Sales	0.14%	1.00% to 4.00%	+86.00%

Explanation: This metric shows advertising expense for the company as a percentage of sales.

Rent to Sales = Rent / Sales	1.19%	1.00% to 6.00%	0.00%

Explanation: This metric shows rent expense for the company as a percentage of sales.

G & A Payroll to Sales = G & A Payroll Expense / Sales	0.72%	5.00% to 16.00%	+85.60%

Explanation: This metric shows G & A payroll expense for the company as a percentage of sales.

Total Payroll to Sales = (Direct Labor + G & A Payroll Expense) / Sales	0.72%	--	--

Explanation: This metric shows total payroll expense for the company as a percentage of sales.

Z-Score	24.34	1.10 to 2.60	+836.15%

= (6.56 * X1 + 3.26 * X2 + 6.72 * X3 + 1.05 * X4) X1 = (Current Assets - Current Liabilities) / Total Assets; X2 = Retained Earnings / Total Assets; X3 = EBIT / Total Assets; X4 = Total Equity / Total Liabilities;

Explanation: The Z-Score is a ratio which measures the overall health of a business. In some cases, it can be used as an early predictor of a firm's probability of bankruptcy in the next year. How to interpret the Z-Score: a score of 2.60 or above implies a low risk of bankruptcy; a score between 1.10 and 2.60 is an average risk; a score of 1.10 or lower signals a high risk of bankruptcy.

NOTE: Exceptions are sometimes applied when calculating the Financial Indicators. Generally, this occurs when the inputs used to calculate the ratios are zero and/or negative.

READER: Financial analysis is not a science; it is about interpretation and evaluation of financial events. Therefore, some judgment will always be part of our reports and analyses. Before making any financial decision, always consult an experienced and knowledgeable professional (accountant, banker, financial planner, attorney, etc.).

PROOFING DATA

The analysis and recommendations in this report are based on the following:

Section Keystrings

C-01s-03g-49g-05g-73r
L-01s-02r-03g-04r-06r-07f-10r
LEC-01s-17l-18l-19l
I-05g-06r-07f-08r-09r-10r
S-10r-14m-16m
B-11g-12f-02r-06r-07f
BEC-11g-20z-21l
A-13s-14m-02r-06r-07f
AEC-13s-22g-23g-24g
C-01s-03g-49g-05g-73r
L-01s-02r-03g-04r-06r-07f-10r
LEC-01s-17l-18l-19l
I-05g-06r-07f-08r-09r-10r
S-10r-14m-16m
B-11g-12f-02r-06r-07f
BEC-11g-20z-21l
A-13s-14m-02r-06r-07f
AEC-13s-22g-23g-24g

	Formula	Value	Score	Low	Medium	High	LBound	MBound	HBound
01: CurrentRatio	26.69	s	1.50	2.40	3.20				
02: CurrentRatioPctChange	191.77%	r	-12.00%	12.00%		-6.00%	6.00%		
03: QuickRatio	15.99	g	0.80	1.30					
04: QuickRatioPctChange	209.09%	r	-12.00%	12.00%		-6.00%	6.00%		
05: NetProfitMargin	4.78%	g	0.50%	4.00%					
06: NetProfitMarginPctChange	48,065.55%	r	-9.00%	9.00%		-4.50%	4.50%		
07: AdjNPBTPctChange	51,152.67%	f	-6.00%	6.00%	20.00%	-3.00%	3.00%	10.00%	
08: GrossProfitMarginPctChange	20.13%	r	-5.50%	5.50%		-2.75%	2.75%		
09: GrossProfitPctChange	27.83%	r	-5.00%	5.00%		-2.50%	2.50%		
10: SalesPctChange	6.41%	r	-4.00%	4.00%	20.00%	-2.00%	2.00%	10.00%	
11: BorrowingUse	2,020.16	g	0.80	1.00					
12: TotalLiabilitiesPctChange	25.32%	f	-6.00%	6.00%	20.00%	-3.00%	3.00%	10.00%	
13: AssetUse	51,157.03	s	0.80	1.00	1.20				
14: GrossFixedAssetsPctChange	-4.36%	m	-6.00%	6.00%	20.00%	-3.00%	3.00%	10.00%	
15: EmployeeUse	51,152.67	g	0.80	1.00					
16: EmployeePctChange	0.00%	m	-6.00%	6.00%	20.00%	-3.00%	3.00%	10.00%	
17: InventoryDays	11.70 Days	l	30.00 Days	60.00 Days					
18:	9.76 Days	l	10.00	40.00					

AccountsReceivableDays			Days	Days			
19: AccountsPayableDays	0.56 Days	l	15.00 Days	45.00 Days			
20: InterestCoverage	806,599.00	z	3.00	10.00			
21: DebtToEquity	0.16	l	1.50	4.00			
22: ReturnOnEquity	84.16%	g	8.00%	20.00%			
23: ReturnOnAssets	72.44%	g	6.00%	10.00%			
24: FixedAssetTurnover	193.70	g	10.00	20.00			
49: CashFlowMargin	5.79%	g	0.00%	3.00%			
50: GrossProfitMargin	24.14%	a	20.00%	31.00%			
57: DebtLeverageRatio	0.16	dvBenchmarks : n/a :: 0 :: 1					
61: ZScoreManufacturing	22.47	dvBenchmarks : n/a :: 0 :: 1					
62: ZScoreNonManufacturing	24.34	dvBenchmarks : n/a :: 0 :: 1					
63: AdvertisingToSales	0.14%	l	1.00%	4.00%	0.00%		
64: RentToSales	1.19%	m	1.00%	6.00%	0.00%		
65: PayrollToSales	0.72%	l	5.00%	16.00%	0.00%		
73: CashFlowMarginPctChange	809.52%	r	-9.00%	9.00%		-4.50%	4.50%
74: TotalPayrollToSales	0.72%	h					