XYZ Company, Inc.

Loans / Debt Structure Summary

For any loans highlighted in red, the system was unable to reconcile the terms of the loan, and had to make some adjustments.

Borrower	Number	Description	Type	Financing	Balance	Monthly Payment	Interest Rate
Proposed Loans							
XYZ Company, Inc.		New Loan	Fixed Payment	Senior Debt	$3,000,000.00	$31,921.59	5.00%
Existing Loans							
XYZ Company, Inc.		Senior Debt	Fixed Payment	Senior Debt	$4,242,669.00	$80,994.83	8.36%

Key Metrics

See below for a summary of the key metrics; proposed loans are included in the "Proposed" column.

Note: All numbers in this section are expressed ANNUALLY.

Calculate the debt service for the "Current Period" below based on: Financial Statement Information

Key Metrics	Current Period 12/31/2013	Proposed
Businesses		
EBITDA:	**$11,147,159**	**$11,147,159**
*** Estimated Debt Service:**	**$2,174,000**	**$2,557,059**
Discretionary Cash Flow:	**$8,973,159**	**$8,590,100**
Debt Service Coverage Ratio:	**5.13**	**4.36**
Interest Coverage Ratio:	N/A	76.04
Total Sales (Income):	$115,163,954	$115,163,954
Gross Profit:	$11,332,742	$11,332,742
Gross Profit Margin:	9.84%	9.84%
Total Assets:	$47,080,186	$50,080,186
Total Liabilities:	$7,516,668	$10,516,668
Total Equity:	$39,563,518	$39,563,518
Debt to Equity Ratio:	**0.19**	**0.27**
Total Portfolio Loans and Prior Liens:	$4,242,669	$7,242,669
Total Net Collateral:	$60,000,000	$60,000,000
Combined Loan to Value Ratio:	**7%**	**12%**

Formula Key

Businesses

Estimated Debt Service* = Current Portion of Long Term Debt (prior period) + Interest Expense (current period)

Debt Service Coverage Ratio = EBITDA / Estimated Debt Service

Interest Coverage Ratio = EBITDA / Interest Expense

Debt to Equity Ratio = Total Business Liabilities / Total Business Equity

*** Estimated debt service for the period; if the debt is itemized, we will be able to provide a more accurate debt service.**

Collateral

Loan to Value Documentation

Borrower Name:	XYZ Company, Inc.	Loan Number:	111111	LTV: 7%	Balance: $4,242,669	Prior Liens: $0

Collateral Type	Description	Appraisal Date	Lien #	Appraisal Value	Current Value	Prior Liens	Equity
Real Estate	1st REM on plant located in KS	9/2/2012	1	$60,000,000	$60,000,000	$0	$60,000,000
			Totals:	$60,000,000	$60,000,000	$0	$60,000,000

Combined	LTV: 7%	Collateral Value: $60,000,000	Balance: $4,242,669	Prior Liens: $0

Enter net amount of proposed Collateral to go with any proposed/refinanced business loans here: $0

Collateral Notes:

XYZ Company, Inc.

Income Statement	Audit JJ AGH 12/31/2011	% Sales	Audit JJ AGH 12/31/2012	% Sales	Company Prepared JJ 12/31/2013	% Sales
Sales (Income)	$137,164,000	100.00%	$114,980,000	100.00%	$115,163,954	100.00%
Cost of Sales (COGS)	$121,531,000	88.60%	$110,958,000	96.50%	$103,831,212	90.16%
Gross Profit	**$15,633,000**	**11.40%**	**$4,022,000**	**3.50%**	**$11,332,742**	**9.84%**
Depreciation	$4,334,000	3.16%	$4,190,000	3.64%	$3,904,263	3.39%
Amortization	$86,000	0.06%	$0	0.00%	$0	0.00%
Overhead or S,G,& A Expenses	$2,106,000	1.54%	$2,258,000	1.96%	$2,374,882	2.06%
Other Operating Income	$0	0.00%	$0	0.00%	$1,239,711	1.08%
Total Operating Expenses	**$6,526,000**	**4.76%**	**$6,448,000**	**5.61%**	**$6,279,145**	**5.45%**
Operating Profit	**$9,107,000**	**6.64%**	**($2,426,000)**	**-2.11%**	**$6,293,308**	**5.46%**
Interest Expense	$753,000	0.55%	$463,000	0.40%	$0	0.00%
Other Income	$3,012,000	2.20%	$801,000	0.70%	$949,588	0.82%
Interest Income	$37,000	0.03%	$26,000	0.02%	$17,545	0.02%
Other Expenses	$21,000	0.02%	$183,000	0.16%	$0	0.00%
EBITDA	**$16,518,000**	**12.04%**	**$2,382,000**	**2.07%**	**$11,147,159**	**9.68%**
Net Profit Before Taxes	**$11,345,000**	**8.27%**	**($2,271,000)**	**-1.98%**	**$7,242,896**	**6.29%**
Adjusted Net Profit Before Taxes	**$11,345,000**	**8.27%**	**($2,271,000)**	**-1.98%**	**$7,242,896**	**6.29%**
Net Income	**$11,345,000**	**8.27%**	**($2,271,000)**	**-1.98%**	**$7,242,896**	**6.29%**

Comments

XYZ Company, Inc.

Balance Sheet	12/31/2011	% Assets	12/31/2012	% Assets	12/31/2013	% Assets
Cash (Bank Funds)	$11,158,000	21.06%	$4,080,000	9.53%	$9,206,466	19.55%
Accounts Receivable	$5,375,000	10.15%	$4,807,000	11.23%	$5,612,551	11.92%
Hedge Account	$248,000	0.47%	$118,000	0.28%	$3,881	0.01%
Inventory	$3,076,000	5.81%	$3,855,000	9.01%	$3,070,354	6.52%
Other Current Assets	$466,000	0.88%	$404,000	0.94%	$365,090	0.78%
Prepaids-Ins & Exp	$466,000	0.88%	$404,000	0.94%	$365,090	0.78%
Total Current Assets	**$20,075,000**	**37.89%**	**$13,146,000**	**30.72%**	**$18,254,461**	**38.77%**
Gross Fixed Assets	$60,798,000	114.76%	$61,942,000	144.74%	$62,399,946	132.54%
Accumulated Depreciation	$28,714,000	54.20%	$32,904,000	76.89%	$36,600,188	77.74%
Net Fixed Assets	**$32,084,000**	**60.56%**	**$29,038,000**	**67.86%**	**$25,799,758**	**54.80%**
Gross Intangible Assets	$876,000	1.65%	$876,000	2.05%	$875,855	1.86%
Accumulated Amortization	$489,000	0.92%	$715,000	1.67%	$804,309	1.71%
Net Intangible Assets	**$387,000**	**0.73%**	**$161,000**	**0.38%**	**$71,546**	**0.15%**
Other Assets	$432,000	0.82%	$449,000	1.05%	$2,954,421	6.28%
Total Assets	**$52,978,000**	**100.00%**	**$42,794,000**	**100.00%**	**$47,080,186**	**100.00%**
Accounts Payable	$1,947,000	3.68%	$2,516,000	5.88%	$2,708,104	5.75%
Current Portion of Long Term Debt	$5,744,000	10.84%	$2,174,000	5.08%	$971,938	2.06%
Other Current Liabilities	$319,000	0.60%	$310,000	0.72%	$565,895	1.20%
Total Current Liabilities	**$8,010,000**	**15.12%**	**$5,000,000**	**11.68%**	**$4,245,937**	**9.02%**
Notes Payable / Senior Debt	$5,673,000	10.71%	$4,176,000	9.76%	$3,270,731	6.95%
Total Long Term Liabilities	**$5,673,000**	**10.71%**	**$4,176,000**	**9.76%**	**$3,270,731**	**6.95%**
Total Liabilities	**$13,683,000**	**25.83%**	**$9,176,000**	**21.44%**	**$7,516,668**	**15.97%**
Ending Retained Earnings	$39,295,000	74.17%	$33,618,000	78.56%	$39,563,518	84.03%
Total Equity	**$39,295,000**	**74.17%**	**$33,618,000**	**78.56%**	**$39,563,518**	**84.03%**
Total Liabilities + Equity	**$52,978,000**	**100.00%**	**$42,794,000**	**100.00%**	**$47,080,186**	**100.00%**

Comments

XYZ Company, Inc.

Statement of Equity	12/31/2011	% Assets	12/31/2012	% Assets	12/31/2013	% Assets
Preferred Stock	$0	0.00%	$0	0.00%	$0	0.00%
Common Stock	$0	0.00%	$0	0.00%	$0	0.00%
Additional Paid-in Capital	$0	0.00%	$0	0.00%	$0	0.00%
Other Stock / Equity	$0	0.00%	$0	0.00%	$0	0.00%
Total Stock	**$0**	**0.00%**	**$0**	**0.00%**	**$0**	**0.00%**
Beginning Retained Earnings	**$30,902,097**	**58.33%**	**$39,295,000**	**91.82%**	**$33,618,000**	**71.41%**
Net Income	**$11,345,000**	**21.41%**	**($2,271,000)**	**-5.31%**	**$7,242,896**	**15.38%**
Dividends Paid / Withdrawals	$1,960,500	3.70%	$3,257,500	7.61%	$1,297,378	2.76%
Other Changes to Retained Earnings	($991,597)	-1.87%	($148,500)	-0.35%	$0	0.00%
Unexplained Changes to RE	**$0**	**0.00%**	**$0**	**0.00%**	**$0**	**0.00%**
Ending Retained Earnings	**$39,295,000**	**74.17%**	**$33,618,000**	**78.56%**	**$39,563,518**	**84.03%**
Ending Equity as Calculated Above	$39,295,000	74.17%	$33,618,000	78.56%	$39,563,518	84.03%
Actual Equity from Balance Sheet	$39,295,000	74.17%	$33,618,000	78.56%	$39,563,518	84.03%
Difference (Unexplained Change in Equity)	$0	0.00%	$0	0.00%	$0	0.00%

Comments

Need FY13 audited statements to confirm dividend amount.

XYZ Company, Inc.

UCA Cash Flow Statement	12/31/2012	12/31/2013
Sales (Income)	$114,980,000	$115,163,954
Decrease (Increase) in Accounts Receivable	$568,000	($805,551)
Cash Collected from Sales	$115,548,000	$114,358,403
Cost of Sales (COGS)	($110,958,000)	($103,831,212)
Depreciation (COGS-related)	$0	$0
Decrease (Increase) in Inventory	($779,000)	$784,646
Increase (Decrease) in Accounts Payable	$569,000	$192,104
Cash Paid to Suppliers	($111,168,000)	($102,854,462)
Cash from Trading Activities	**$4,380,000**	**$11,503,941**
Overhead or S,G,&A Expenses	($2,258,000)	($2,374,882)
Other Operating Expenses	$0	$0
Other Operating Income	$0	$1,239,711
Decrease (Increase) in Other Current Assets	$62,000	$38,910
Increase (Decrease) in Other Current Liabilities	($9,000)	$255,895
Cash Paid for Operating Costs	($2,205,000)	($840,366)
Cash after Operations	**$2,175,000**	**$10,663,575**
Other Income	$801,000	$949,588
Other Expenses	($183,000)	$0
Taxes Paid	$0	$0
Other Income (Expense) and Taxes Paid	$618,000	$949,588
Net Cash after Operations	**$2,793,000**	**$11,613,163**
Dividends Paid / Withdrawals	($3,257,500)	($1,297,378)
Interest Expense	($463,000)	$0
Cash Paid for Dividends and Interest	($3,720,500)	($1,297,378)
Net Cash Income	**($927,500)**	**$10,315,785**
Current Portion Long Term Debt	($5,744,000)	($2,174,000)
Cash after Debt Amortization	**($6,671,500)**	**$8,141,785**
Decrease (Increase) in Gross Fixed Assets	($1,144,000)	($457,946)
Increase (Decrease) in Accumulated Depreciation	$4,190,000	$3,696,188
Total Depreciation Expense	($4,190,000)	($3,904,263)
Change in Net Fixed Assets	($1,144,000)	($666,021)
Decrease (Increase) in Intangible Assets	$226,000	$89,454
Decrease (Increase) in Other Assets	($17,000)	($2,505,421)
Change in Investments	$209,000	($2,415,967)
Cash Paid for Plant and Investments	**($935,000)**	**($3,081,988)**
Extraordinary Gain	$0	$0
Extraordinary Loss	$0	$0
Extraordinary and Non-Cash Items	$0	$0
Financing Surplus (Requirements)	**($7,606,500)**	**$5,059,797**
Increase (Decrease) in Short Term Debt	$0	$0
Increase (Decrease) in Long Term Liabilities	$677,000	$66,669
Increase (Decrease) in Preferred Stock	$0	$0
Increase (Decrease) in Common Stock	$0	$0
Increase (Decrease) in Additional Paid-in Capital	$0	$0
Increase (Decrease) in Other Stock	$0	$0

XYZ Company, Inc.

Other Changes to Retained Earnings	($148,500)	$0
Unexplained Changes to Retained Earnings	$0	$0
Total External Financing	$528,500	$66,669
Cash after Financing	**($7,078,000)**	**$5,126,466**
Total Change in Cash & Equivalents	($7,078,000)	$5,126,466
Beginning Cash & Equivalents	$11,158,000	$4,080,000
Ending Cash & Equivalents	$4,080,000	$9,206,466
Unexplained Change in Cash on Balance Sheet	$0	$0

XYZ Company, Inc.

324110 - Petroleum Refineries

Calculate the debt service for the historical periods below based on:

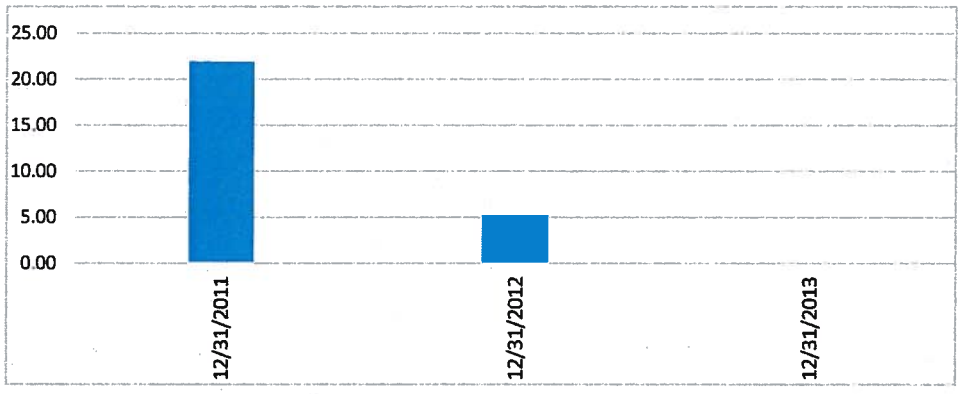
Financial Statement Information

	Sageworks Industry Averages (12 Statements)	XYZ Company, 12/31/2011	XYZ Company, 12/31/2012	XYZ Company, 12/31/2013
Liquidity Ratios				
Current Ratio	2.05	2.51	2.63	4.30
Quick Ratio	1.32	2.06	1.78	3.49
Working Capital	N/A	$12,065,000	$8,146,000	$14,008,524
Financial Leverage / Coverage Ratios				
Debt to Equity Ratio	2.17	0.35	0.27	0.19
Debt to Tangible Net W orth Ratio	N/A	0.35	0.27	0.19
Debt Service	N/A	$753,000	$6,207,000	$2,174,000
Debt Service Coverage Ratio	2.81	21.94	0.38	5.13
Interest Coverage Ratio	19.00	21.94	5.14	N/A
Senior Debt to Cash Flow	N/A	0.34	1.75	0.29
Debt to Cash Flow	N/A	0.83	3.85	0.67
Debt to Capitalization	N/A	25.83%	21.44%	15.97%
Profitability Ratios				
Operating Profit Margin	3.28%	6.64%	-2.11%	5.46%
Net Profit Margin	3.25%	8.27%	-1.98%	6.29%
Return on Equity	17.99%	28.87%	-6.76%	18.31%
Return on Assets	9.08%	21.41%	-5.31%	15.38%
Activity / Efficiency Ratios				
Accounts Receivable Days	21.59 Days	14.30 Days	15.26 Days	17.79 Days
Accounts Payable Days	15.92 Days	5.85 Days	8.28 Days	9.52 Days
Inventory Days	29.09 Days	9.24 Days	12.68 Days	10.79 Days
Fixed Asset Turnover	12.19	2.26	1.86	1.85
Performance Ratios				
Sales (Income) Growth Rate	14.09%	N/A	-16.17%	0.16%
Gross Profit Margin	14.73%	11.40%	3.50%	9.84%
Net Income Growth Rate	N/A	N/A	-120.02%	418.93%

XYZ Company, Inc.

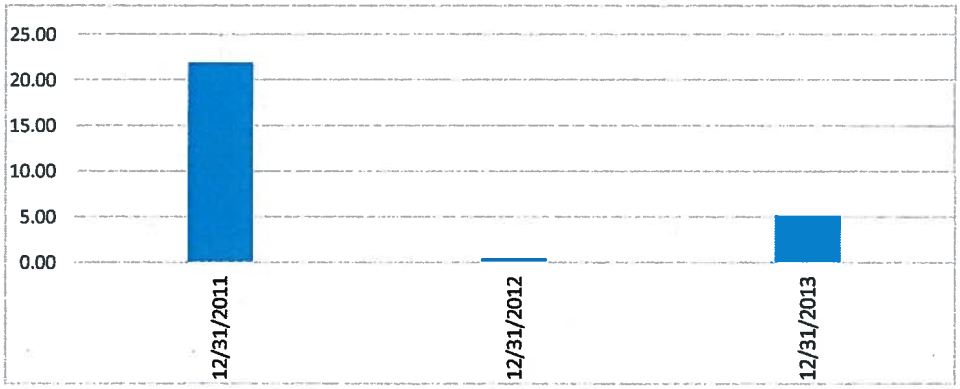
Note: The ratios displayed in the graphs are calculated based off of the Financial Statement liabilities and equity numbers.

Interest Coverage Ratio



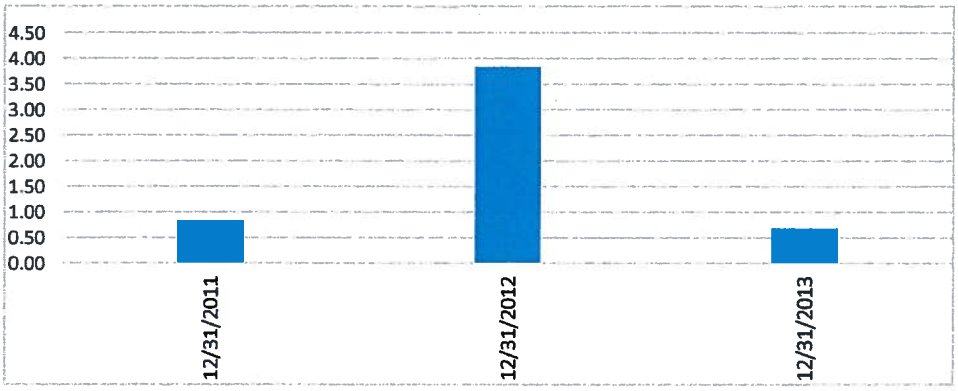
Interest Coverage Ratio = EBITDA / Interest Expense

Debt Service Coverage Ratio



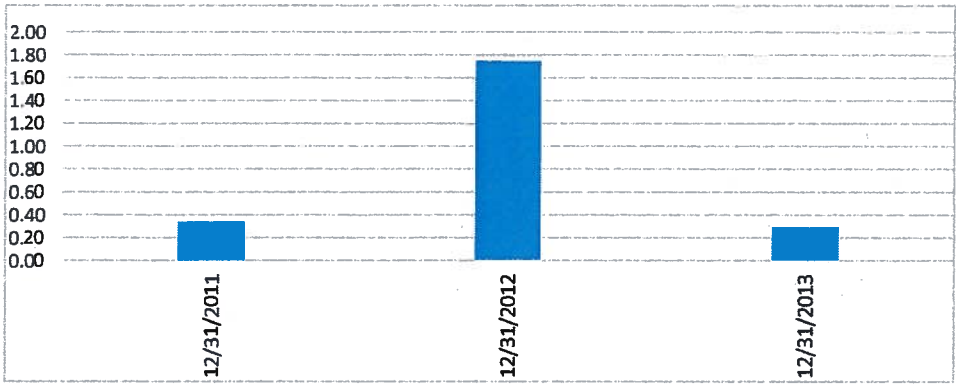
Debt Service Coverage Ratio = EBITDA / Debt Service

Debt to Cash Flow



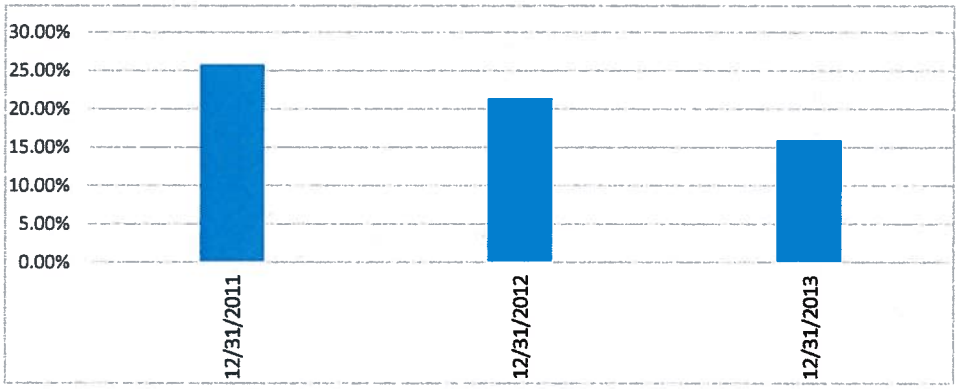
Debt to Cash Flow = Long Term Liabilities / EBITDA

Senior Debt to Cash Flow



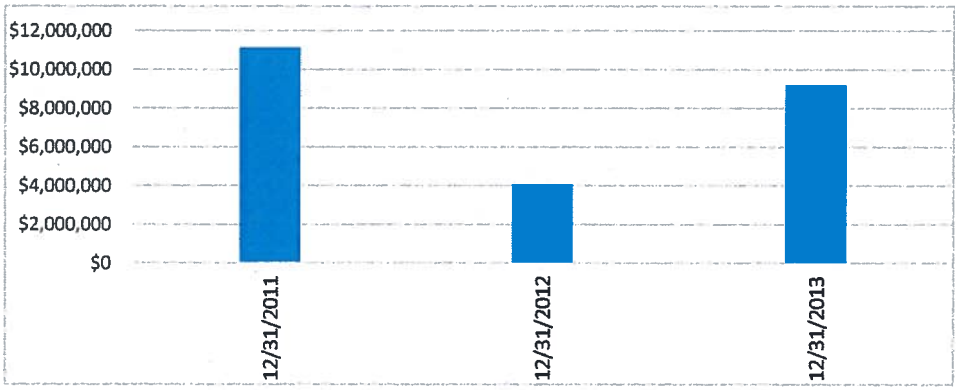
Senior Debt to Cash Flow = Senior Debt / EBITDA

Debt to Capitalization



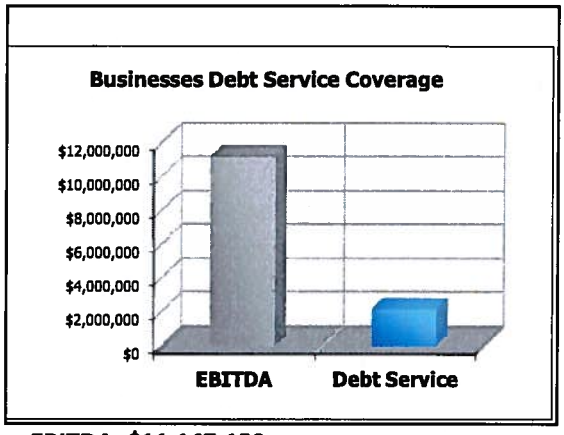
Debt to Capitalization = Total Liabilities / (Total Liabilities + Total Equity)

Cash

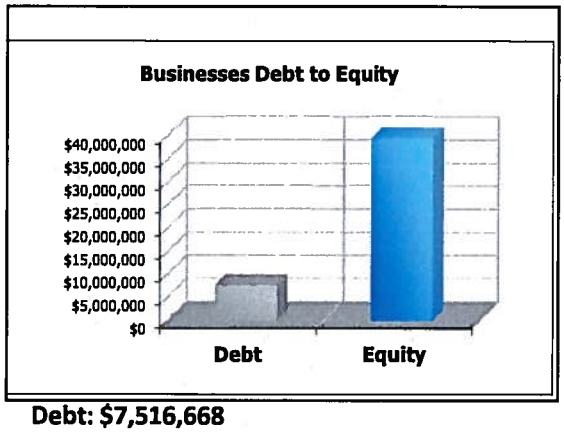


Key Ratios & Graphs

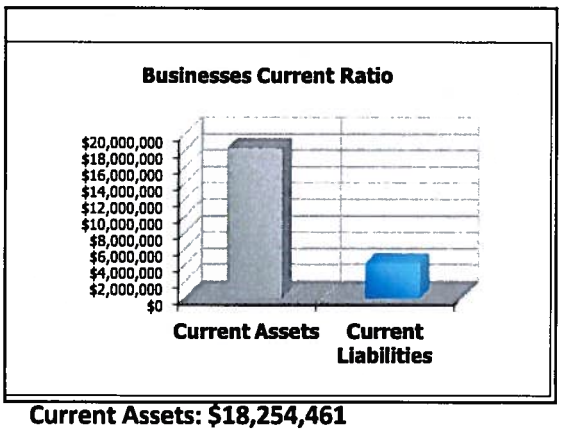
as of 12/31/2013



EBITDA: $11,147,159
Debt Service: $2,174,000



Debt: $7,516,668
Equity: $39,563,518

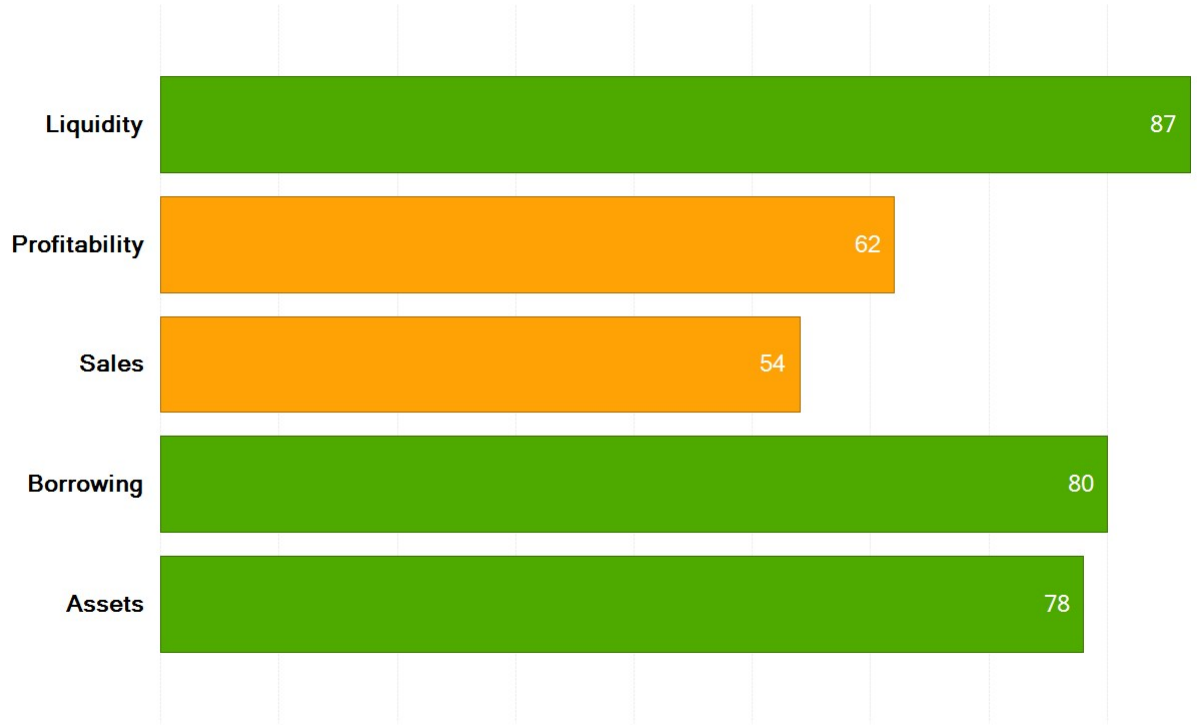


Current Assets: $18,254,461
Current Liabilities: $4,245,937

XYZ Company, Inc. Report

Industry:	324110 - Petroleum Refineries
Revenue:	$50M - $150M
Periods:	12 months against the same 12 months from the previous year
Prepared by:	Banker's Bank of Kansas

Report Summary



Liquidity 87 out of 100

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

Operating Cash Flow Results
Cash flow from operations appears to be strong in the business at this time, and it has even improved (relative to sales) from last period. It is good to see this, particularly in combination with the company's solid profitability results.

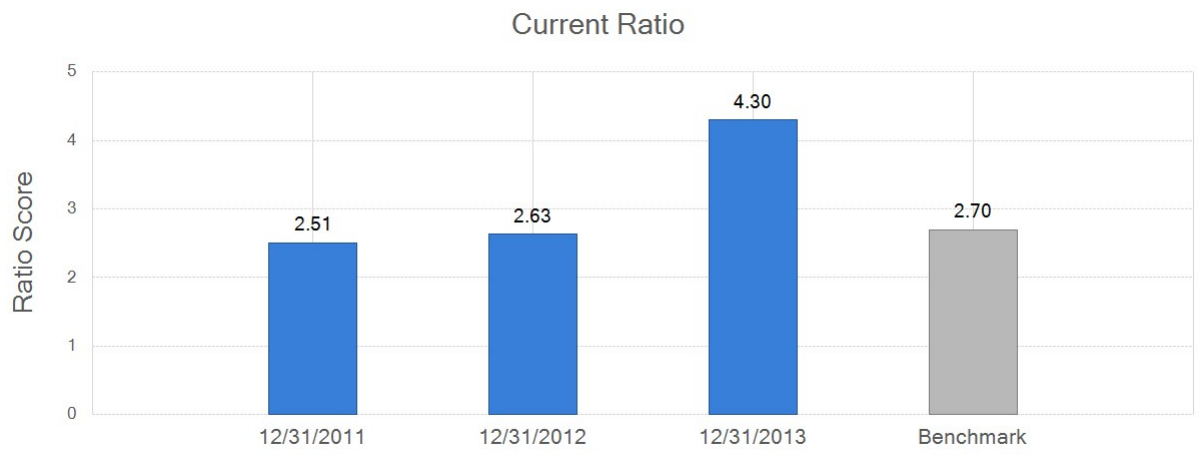
General Liquidity Conditions
This report helps identify key areas of financial analysis that are important to a company's overall operating performance. Often times, no area is more important than liquidity, which indicates the company's ability to pay bills. Liquidity is a company's overall cash position and it is crucial to business survival. Sometimes firms overlook liquidity because it is seemingly so basic.

At this time, the company is in a very good position in this area. In fact, the firm's liquidity position has improved according to several of the barometers used to evaluate liquidity. **The company's liquidity position is strong**. Even though it is impossible to solve the cash flow challenge completely, the firm is in solid **overall** condition at this time. Notice that the company is even strong relative to other similar firms in the industry. Furthermore, it is also positive that the company has improved profitability from last period. Generating good profits over the long run is generally the best way to ensure positive cash flow.

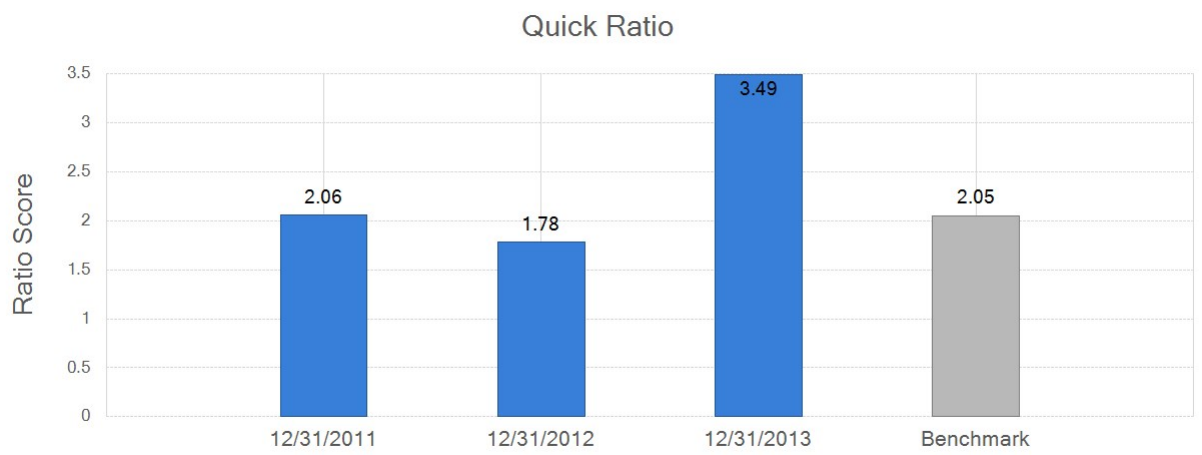
On a slightly cautionary note, keep in mind that good overall liquidity does not necessarily lead to a strong cash position. While the company's overall liquidity position is quite good, it is still important for the firm to convert the current assets that it has to the cash accounts over time. The company has done this effectively this period, but this area is still always a key managerial challenge.

It looks like the "turnover" components of liquidity may be adding to the company's good overall liquidity position (its high current ratio). The company's inventory days, accounts receivable days, and accounts payable days are all comparatively low within its industry, which is positive. Over time, this indicates great management of receivables (getting receivables collected), inventory (converting inventory to sales), and payables (paying vendors).

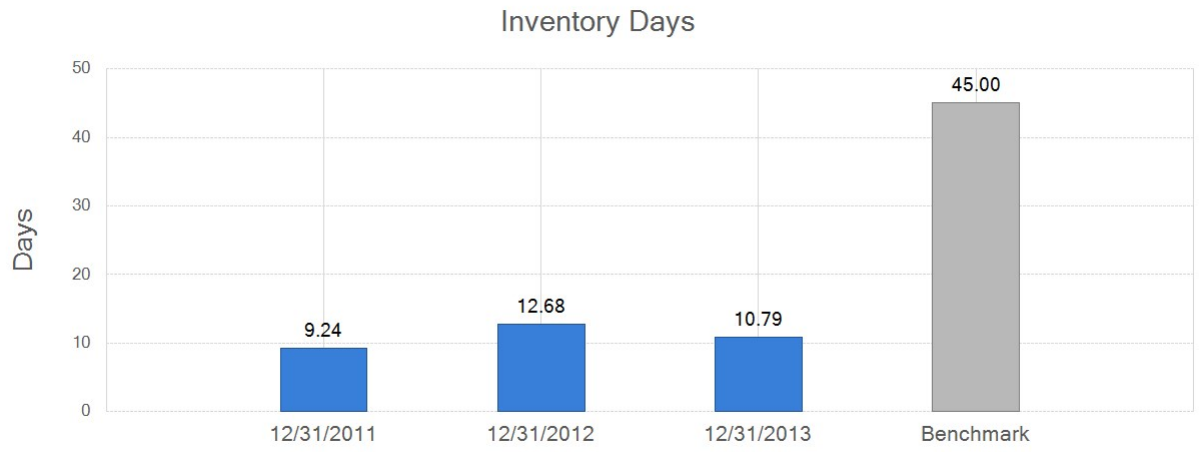
LIMITS TO LIQUIDITY ANALYSIS: Keep in mind that liquidity conditions are volatile, and this is a general analysis looking at a snapshot in time. Review this section, but do not overly rely on it.



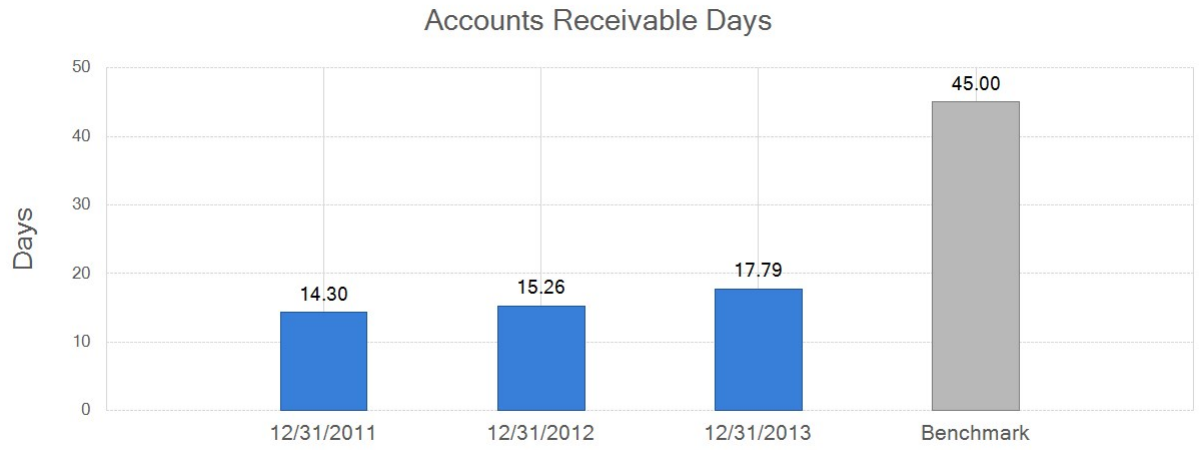
Generally, this metric measures the overall liquidity position of a company. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" are collectible. The higher the ratio, the more liquid the company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



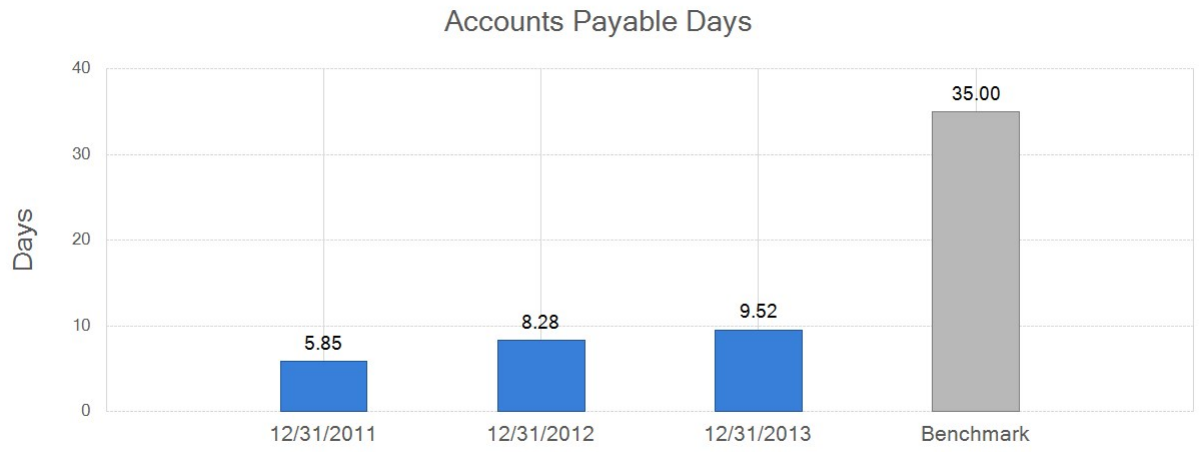
This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the company has to pay the amount listed in the denominator (current liabilities). The higher the 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 62 out of 100

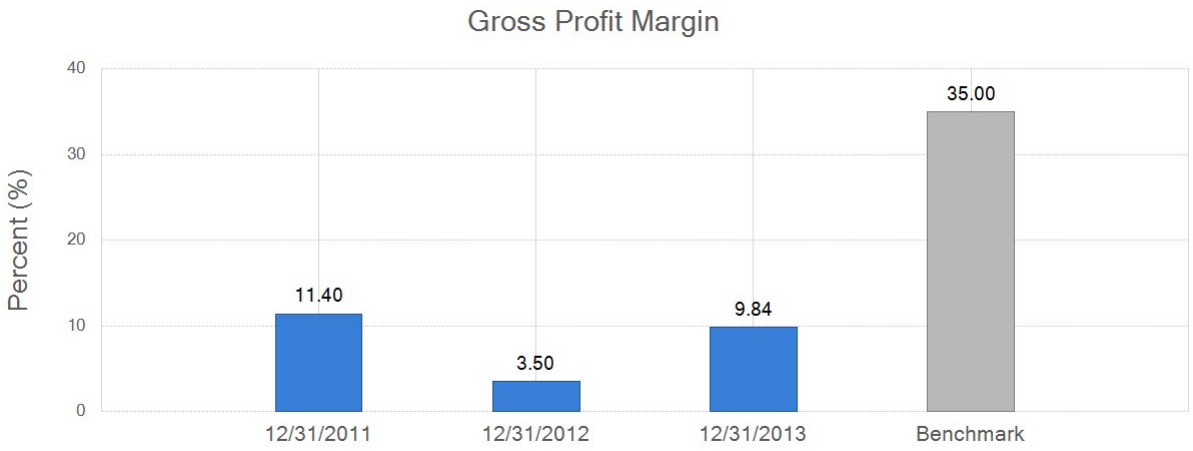
A measure of whether the trends in profit are favorable for the company.

The company has seen a solid profitability performance this period, as net profit margins and net profit dollars have both increased even though sales remained relatively flat. The

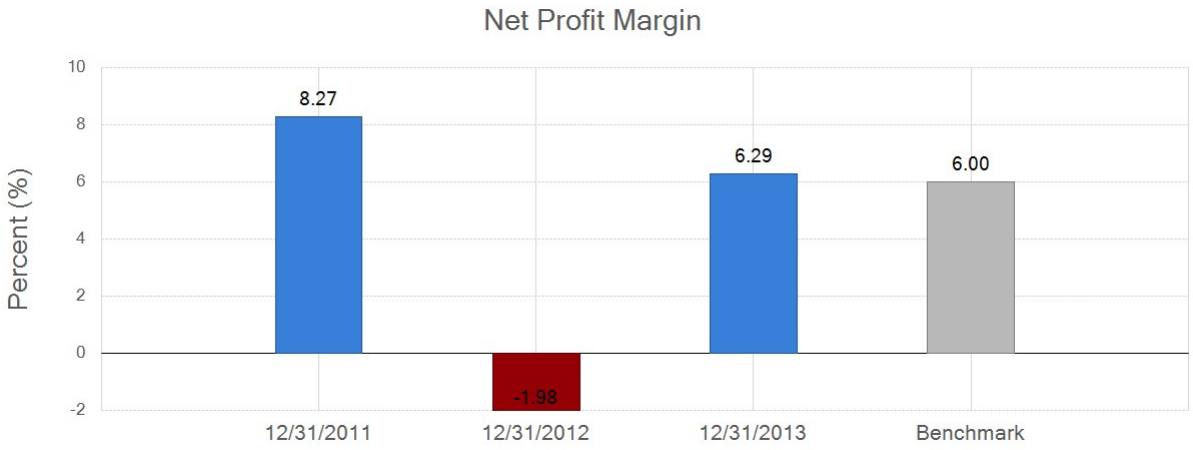
company is currently generating average net profits, both generally and compared to what other companies in this industry are earning. This means that its profitability may be considered to be relatively healthy. The company's net margin improvement of 418.42% this period has improved its overall profitability health and helped the company to keep in stride with the rest of this industry, which is positive.

If sales stayed relatively flat, how was the company able to achieve better profitability? At least one reason appears to be that **the company did excellent work in the gross profit area**. Gross margins rose by 181.32%, which is excellent. The gross profit margin measures the cents of gross profit that the company earns on every sales dollar it generates. Basically, the company found a way to pull out more pennies of gross profit per dollar of sales, which is good management. If this company can combine this kind of management of direct costs (costs of sales) with noticeably higher sales and operating cost control in the future, it should see net profitability rise considerably.

A good long-term goal for the company is to earn above-average net profits -- profits that are higher than what other firms in the industry are earning. This will provide the firm with a competitive advantage over time, and allow it to invest in resources for its growth. Keep in mind that, although the company is now performing better than it did last period, net profitability is still not excellent for the industry. Managers should focus on keeping the company moving forward.



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).

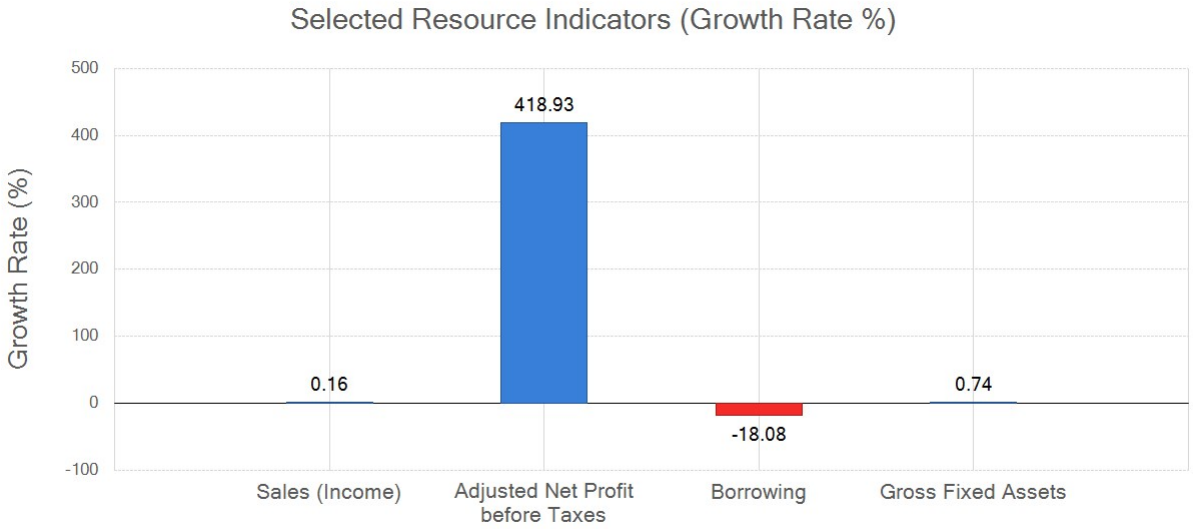


This is an important metric. In fact, over time, it is one of the more important barometers that we look at. It measures how many cents of profit the company is generating for every dollar it sells. Track it carefully against industry competitors. This is a very important number in preparing forecasts.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

Sales 54 out of 100

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

When there is little change in a company's sales management area, it is difficult to draw conclusive results. In this case, sales have been maintained on approximately the same fixed asset base. It is more important to focus on profitability results than on sales results, but as a general rule it is usually important to keep increasing sales over time. This is because expenses tend to increase over time, so for most companies, sales should always be growing at least moderately.



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

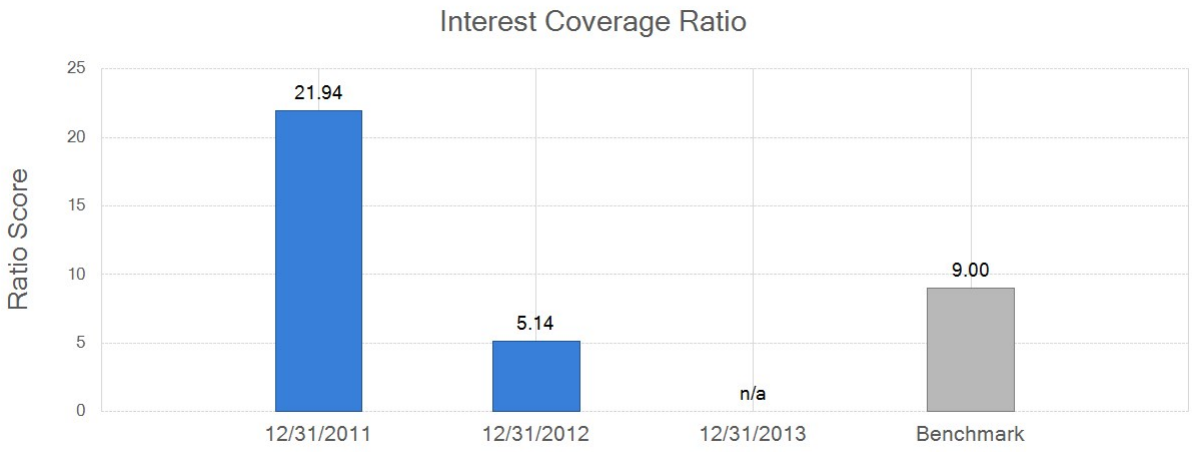
Borrowing 80 out of 100

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

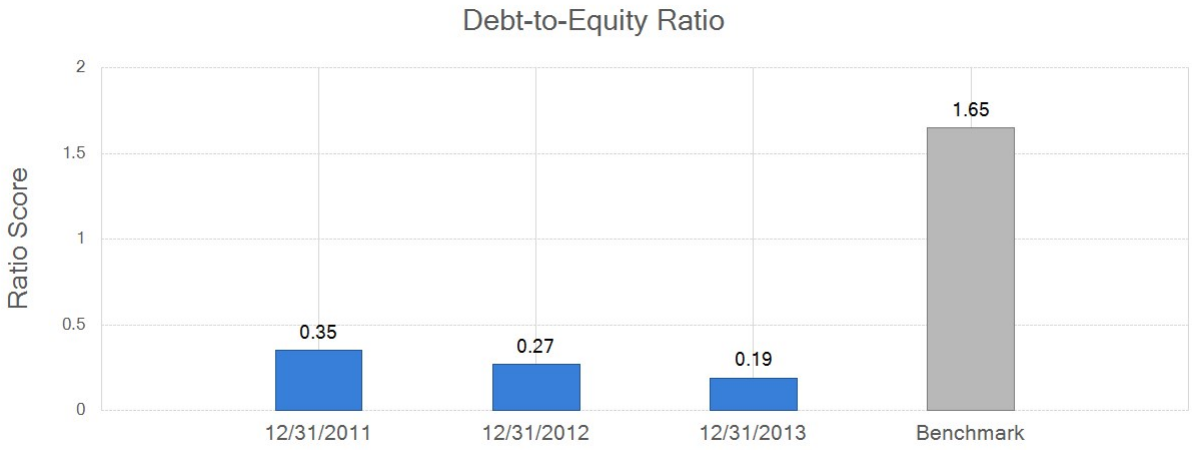
Net profitability improved by 418.93% while debt was lowered. In other words, a reduction in total debt coincided with improved profitability, at least for this period. Not only this, but the net profit margins and overall liquidity actually improved. This is a very good situation -- profitability was able to expand without additional debt. This dynamic should help long-term profitability, especially if it can be continued over multiple periods.

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.

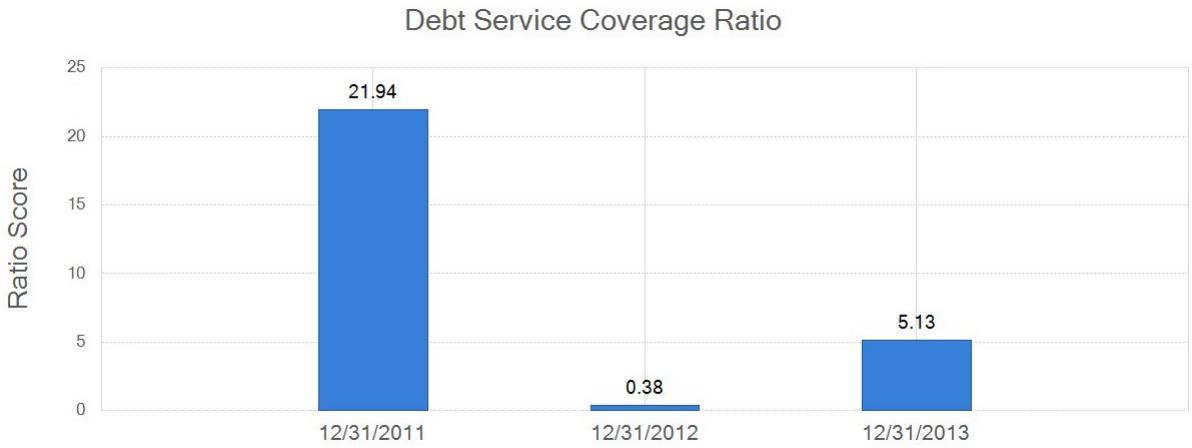
Capacity planning is a challenge here. This involves simply thinking out into the future: how long can profitability improve without increasing borrowing? Analyzing the relationship between investments in resources (such as assets) and profitability improvement, as well as effectively forecasting sales and cash flow, can help answer this question and lead to the best borrowing policies for the near future.



This ratio measures a company's ability to service debt payments from operating cash flow (EBITDA). An increasing ratio is a good indicator of improving credit quality. The higher the better.



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 is a measure of a company's ability to repay principal and interest obligations from earnings.

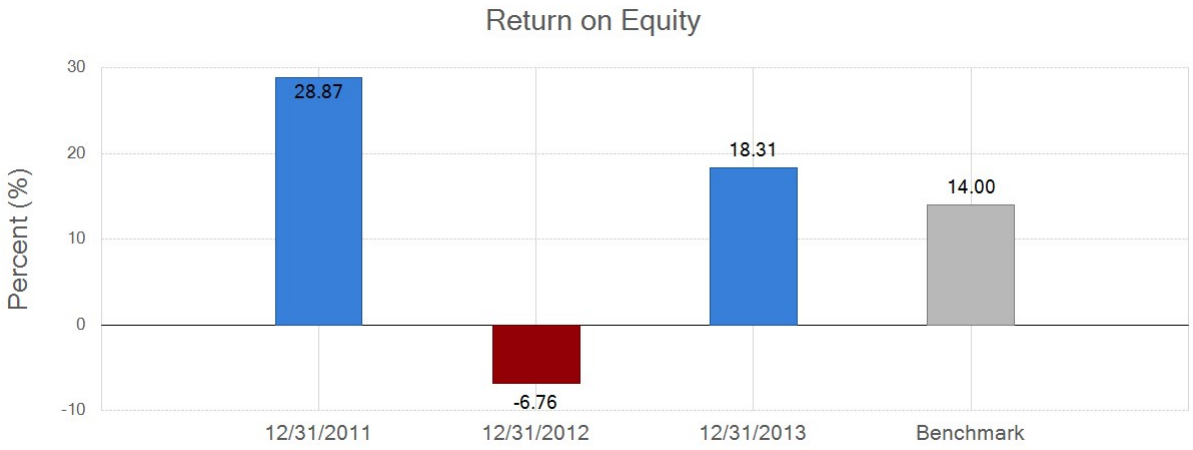
Assets 78 out of 100

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

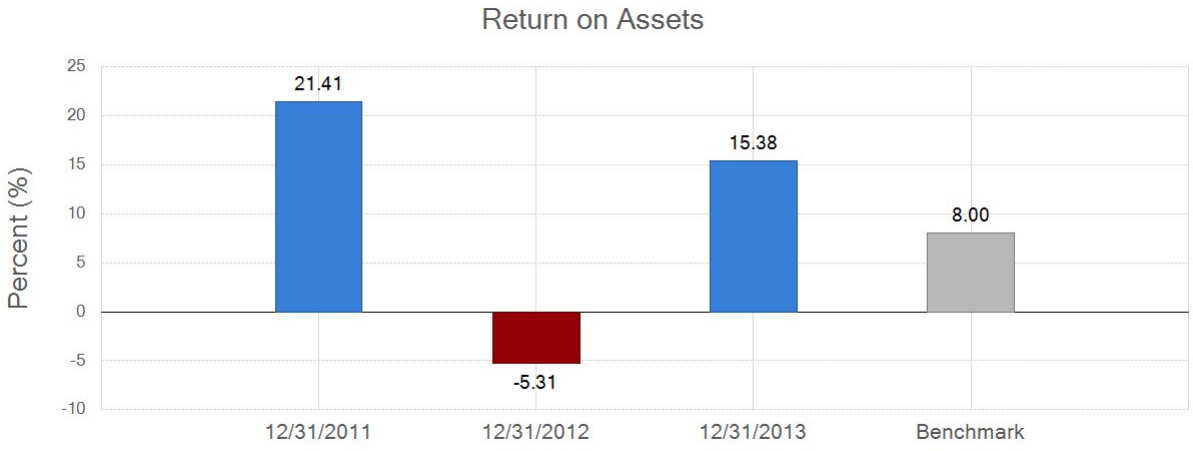
This period, profitability improved significantly but fixed asset levels stayed relatively flat.

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.

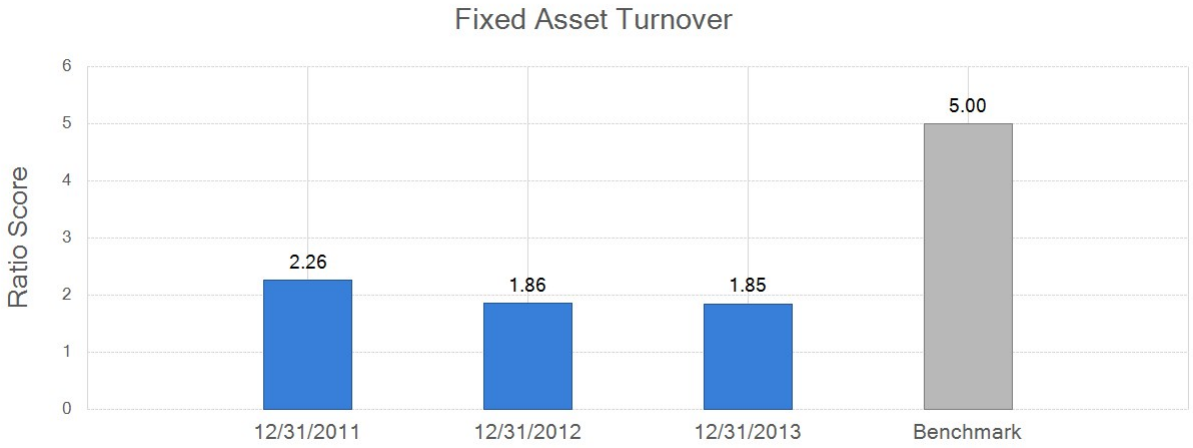
The company seems to be using its assets fairly well. It is producing relatively good returns on its asset base. However, the company does not seem to be generating sufficient sales revenue compared to its fixed assets, which may have a negative impact on long-run profitability, if this trend continues.



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 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 Scorecard

Financial Indicator	Current Period	Industry Range	Distance from Industry
Current Ratio = Total Current Assets / Total Current Liabilities	4.30	1.40 to 4.00	+7.50%
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.			
Quick Ratio = (Cash + Accounts Receivable) / Total Current Liabilities	3.49	1.10 to 3.00	+16.33%
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.			
Inventory Days = (Inventory / COGS) * 365	10.79 Days	30.00 to 60.00 Days	+64.03%
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.			
Accounts Receivable Days = (Accounts Receivable / Sales) * 365	17.79 Days	30.00 to 60.00 Days	+40.70%
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.			
Accounts Payable Days = (Accounts Payable / COGS) * 365	9.52 Days	20.00 to 50.00 Days	+52.40%
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.			
Gross Profit Margin = Gross Profit / Sales	9.84%	30.00% to 40.00%	-67.20%
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).			
Net Profit Margin = Adjusted Net Profit before Taxes / Sales	6.29%	2.00% to 10.00%	0.00%
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.			
Interest Coverage Ratio = EBITDA / Interest Expense	N/A	3.00 to 15.00	N/A
Explanation: This ratio measures a company's ability to service debt payments from operating cash flow (EBITDA). An increasing ratio is a good indicator of improving credit quality. The higher the better.			
Debt-to-Equity Ratio = Total Liabilities / Total Equity	0.19	0.90 to 2.40	+78.89%
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.			
Debt Service Coverage Ratio = EBITDA / (Prior Period CPLTD + Interest Expense)	5.13	N/A	N/A
Explanation: This is a measure of a company's ability to repay principal and interest obligations from earnings.			

Return on Equity = Net Income / Total Equity	18.31%	8.00% to 20.00%	0.00%

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.

Return on Assets = Net Income / Total Assets	15.38%	6.00% to 10.00%	+53.80%

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.

Fixed Asset Turnover = Sales / Gross Fixed Assets	1.85	2.00 to 8.00	-7.50%

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 more effective the company's investments in Net Property, Plant, and Equipment are.

Z-Score	6.05	1.23 to 2.90	+108.62%

= (0.717 * X1 + 0.847 * X2 + 3.107 * X3 + 0.42 * X4 + 0.998 * X5) X1 = (Current Assets - Current Liabilities) / Total Assets; X2 = Retained Earnings / Total Assets; X3 = EBIT / Total Assets; X4 = Total Equity / Total Liabilities; X5 = Sales / Total Assets;

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 business's probability of bankruptcy in the next year. How to interpret the Z-Score: a score of 2.90 or above implies a low risk of bankruptcy; a score between 1.23 and 2.90 is an average risk; a score of 1.23 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.).