

Printing Industries of America



2016–2017

Lessons from Industry Profit Leaders

Vol. 2

All Printers by Sales Volume
and Geographic Area

2016-17 Printing Industries of America Dynamic Ratios
Volume 2 — All Printers by Sales Volume and Geographic Area

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Volume 2 — All Printers by Sales Volume and Geographic Area
The Printer's Guide to Strategic Management, Productivity and Profits

Information compiled from the
2016 Printing Industries of America
Dynamic Ratio Survey

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Welcome to the 2016 Dynamic Ratios!

2016 is the 95th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provides a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn above-average profits. Dynamic Ratio results are published annually. They are summarized as follows:

- Management Guide to the Dynamic Ratios
- All Printers by Sales Volume and Geographic Area
- All Printers by Product Specialty
- Sheetfed Printers by Sales Volume and Geographic Area
- Web Offset Printers and Combination Offset Web/Sheetfed Printers
- Printers with Sales Over \$22,000,000
- Printers with Sales Under \$4,000,000
- Digital Printers
- Commercial and Advertising Printers
- Binders

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g. **All Printers by Sales Volume and Geographic Area**, and one that addresses your particular business segment or production process, e.g. **Commercial and Advertising Printers or Digital Printers**, respectively. Additionally, such analysis is facilitated by participating in the Dynamic Ratio Study each year and ordering a **Customized Financial Analysis** that compares a participant's ratios to those of companies which are similar in sales volume, produce the same products, and use the same manufacturing process.

New this year, we have added section 3 which contains median and quartile values and graphs. A median is defined as the middle number in a series of numbers. Therefore, at least half the reporting firms are as small as or smaller than the median, and at least half are as large as or larger than the median. Identifying and reporting the median eliminates the skewing in the values reported when the distribution is asymmetric.

A quartile is essentially a division of data into four defined intervals based upon the values of the data and how they compare to the entire set. These sections would each contain 25% of the entire population. We have identified the value of the end of the first and the third quartiles. The use of these quartiles identifies 50% of the survey participants who fall in the center of the item's distribution. By using this data, management can get a better understanding of where their company stands among their competitors.

MARGOLIS PARTNERS LLC

Dear Member of the Graphic Arts Community:

Margolis Partners LLC is pleased to have participated with Printing Industries of America, Inc. and the graphic arts community in compiling these dynamic ratios for our 55th consecutive year. This longevity is an unprecedented alliance between two entities whose purpose is to serve the printing industry. Margolis Partners is proud of this affiliation and its reputation as an expert in the industry.

The importance of sharing this type of information among members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms utilize these ratios in making effective and profitable financial decisions.

One of the best tools available in the dynamic ratio study arsenal is the CFA (Customized Financial Analysis). The CFA is a customized report that compares your firm's financial data and ratios to the published, and sometimes unpublished, dynamic ratios results for that year. This is an important assessment of your firm's overall positioning with firms of comparative size in the industry. This tool may be separately ordered through Printing Industries of America, Inc. or Margolis Partners LLC.

Margolis Partners LLC is known as a premier source of profit-enhancing consulting services for the U.S. graphic arts industry. Our firm publishes articles, white papers and studies offering unique insight that can make a difference for graphic arts businesses. With topics ranging from profit planning, MIS system analyses and value added concepts, the firm provides printers with the tools needed to shape their future.

We are here to lend our expertise. We understand industry changes. We stay in tune with you. We take our responsibility seriously to help you produce and orchestrate top-notch performance and profitability.

A partial list of our services is noted below:

<i>Mergers and Acquisitions</i>	<i>Value Added Principal Management</i>	<i>Tax Services</i>
<i>Profit Planning</i>	<i>Financial Consulting</i>	<i>Auditing and Accounting</i>
<i>Company Valuation</i>	<i>Sales Compensation</i>	<i>Training and Education</i>
<i>Succession Planning</i>	<i>Cost Accounting Systems</i>	<i>Accounting and Bookkeeping Services</i>

We help build strong printing companies. Contact us today!



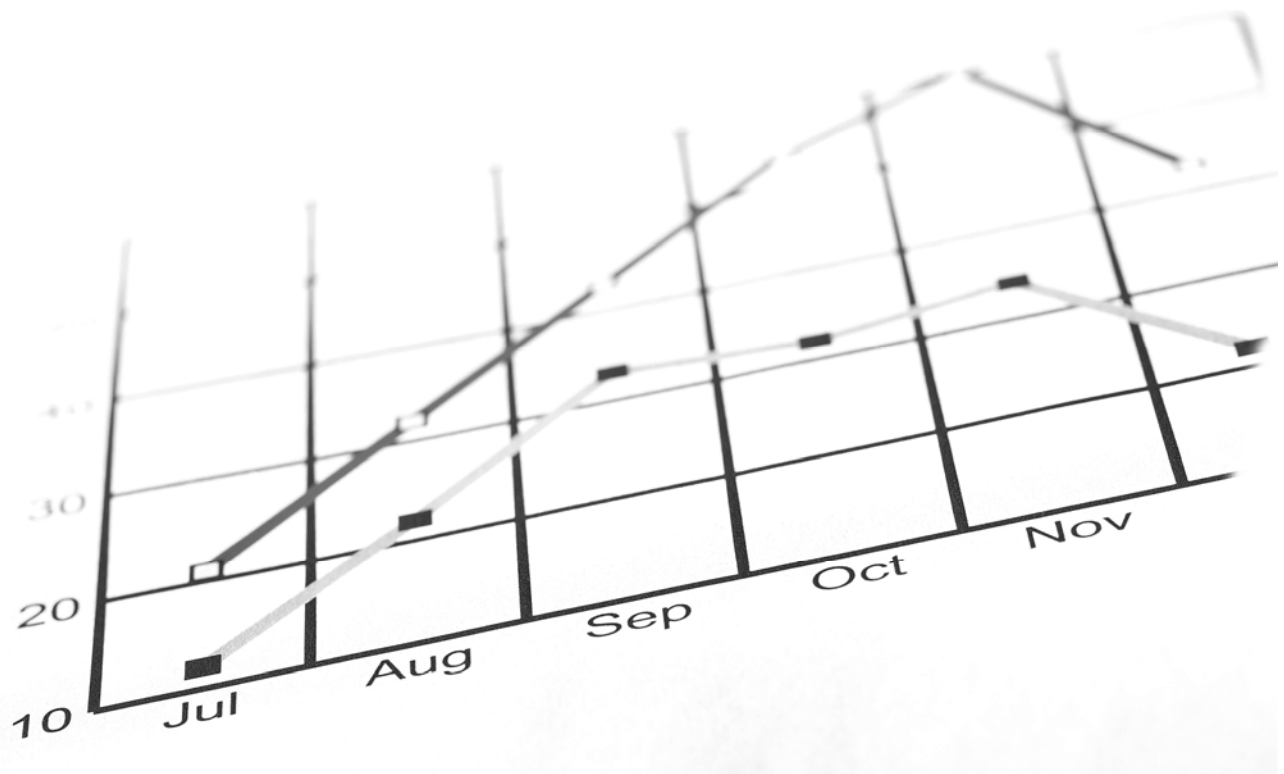
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Section 1

Lessons from Industry Profit Leaders



Lessons from Industry Profit Leaders

Welcome to the Printing Industries of America Dynamic Ratios—Lessons from Industry Profit Leaders. The objective of the manager is to make good, reasoned business decisions; the goal is to increase the company's profit. Analysis of a firm's financial ratios is a vital management tool that gives management the ability to understand their company. It gives management the opportunity to learn more about the company's past, present, and projected future operations. Comparing your financial ratios to industry profit leaders can add even more insight.

There are different types of ratio analyses. The following is a brief description of the various types of analysis:

1. Trend Analysis

This method examines the change in a firm's ratios over a period of time. The purpose would be to discover any patterns that may suggest problems and allow time for changes to correct the problem.

2. Industry Comparisons

This method is the one proposed by the Dynamic Ratio Studies. It suggests that a company's ratios be compared to the industry standards, which represent your competition.

3. Common-Size Analysis

This method, used in the Dynamic Ratio Studies, turns your basis for comparison into a common size. For example, total sales would be set at 100%, and all other items would be calculated and categorized as a percentage of sales. In the Dynamic Ratio Studies, we do this with Sales, Value Added, Total Assets, and other less common items, so we can compare them easily. This conversion from dollars to common size ratios allows companies to monitor the relationship of the numbers, even when they are constantly changing.

4. Integrated Analysis

This method involves an analytical review of the ratios. The result of the review is to obtain a complete evaluation of the company's operations and financial position.

Using ratio analysis is a process one must work through systematically to obtain the most informative results. The basic steps in ratio analysis and the Dynamic Ratio Study are:

1. **Set-up**
2. **Comparison**
3. **Analysis**

Each of these steps is discussed in detail.

1. **Set-Up**

The first step in ratio analysis is building a framework to collect and record your data. The accumulation of financial data is usually done with a general ledger accounting system. Designing a proper chart of accounts to work within your General Ledger is of the utmost importance. If your Chart of Accounts is well designed, you can easily extract all the information necessary to compare your firm's performance with that of the industry's profit leaders.

A Chart of Accounts is a set of account headings that is designed specifically for each firm. It is patterned after each firm's organizational structure and, when collecting cost information for cost control and hourly cost rates, the Chart of Accounts will reflect the cost or profit centers.

A proper Chart of Accounts for a graphic arts company is similar to the makeready of a printing job. When one has the proper Chart of Accounts, business transactions are recorded and accumulated in a way that simplifies the preparation of meaningful financial information. Often the operating statements of a printer cannot be properly evaluated. Simple financial data such as the cost of Paper, Other Chargeable Materials, Outside Services, Production Payroll or Expenses cannot be determined from the operating statement. Administrative and Selling Expenses cannot be isolated. This critical information is missing because these printers do not have a Chart of Accounts that separates and accumulates transactions according to management needs.

A Chart of Accounts need not be vast and complex; the makeready involved depends on the size and structure of your individual company. Three major objectives should be accomplished by a printer's chart of accounts.

- Make it easy for your company to prepare proper and accurate financial statements.
- Enhance your company's ability to compare your financial information to industry standards—The Printing Industries of America Dynamic Ratio Study.
- Set up financial data in a way that will allow you to calculate accurate cost rates.

Charts of Accounts are not like shirts or suits that can be purchased off the rack and fit with only a little adjusting. If your Chart of Accounts is not designed for a printing firm, and specifically your printing firm, it will not be particularly useful. The more "tailor-made" your chart of accounts is—designed for your firm and your needs—the more value it will provide.

A Chart of Accounts controls every company's financial system. Each account should be broken down into detailed headings so as much information as is necessary or relevant can be recorded. In broad terms, Charts of Accounts have similar formats listing assets owned (cash, etc.), debts owed, income received (sales), and expenses. Specific accounts, however, are determined by the specific business or industry that the company is in.

The basic principles involved in setting up a proper and useful Chart of Accounts are:

- A. Your Chart of Accounts should define and measure those categories of transactions that need to be monitored and tracked. For example, most printers should have materials broken down into Paper, Ink, Plates, Other Chargeable Materials, and Outside Services.
- B. Base your Chart of Accounts on your company's organizational structure. Organize the Chart of Accounts according to your company's major operations (production, administrative, selling) by department (prepress, press, bindery) and by cost center (prepress, digital press four-color press, six-color press, folder, stitcher, hand bindery, etc.).
- C. How complex your Chart of Accounts is depends on the size of your company and the products and processes involved.

The Printing Industries of America Dynamic Ratio Study's Chart of Accounts is used in the Dynamic Ratios Studies and is an excellent chart of accounts for most printers.

Let us work through the process by following the basic principles in setting up a good Chart of Accounts.

A. Define and measure those categories of transactions that need to be monitored and tracked. You would start, for example, by asking yourself "I want to know..."

- How much cash do I have on hand?
- What do my customers owe me?
- How much machinery and equipment do I own?
- How much do I owe my bankers?
- How much do I owe my vendors?
- What were my sales for the year?
- Can I get the detail of my "cost of goods sold"?
(Materials, Production Payroll, Production Expenses)
- What is the cost of my company's profession fees?
- What are my sales expenses?

The result of your defining exercise could be the following major groups or classifications:

- Assets
- Liabilities
- Shareholders/owners' equity
- Sales
- Materials
- Production payroll
- Production expenses
- Administrative expenses
- Selling expenses
- Other income and expense

Following through with a more detailed analysis, let us examine material costs, a component of production overhead. An account called Materials would satisfy some printers. If our objective is to be able to analyze, we need to do more. The Dynamic Ratio Study divides Materials into three major categories:

Materials	
Paper	\$ XXX
Other chargeable materials	XXX
Outside services	XXX
Total Materials	\$ XXX

These categories can be broken down further to the types of Other Chargeable Materials (raw materials) and Outside Services. Your Chart of Accounts could be broken down as follows:

Materials:

- Purchases—Paper
- Purchases—Ink
- Purchases—Plates
- Purchases—Other chargeable materials
- Outside services—Prepress
- Outside services—Printing
- Outside services—Bindery and finishing
- Outside services—Other

B. List Account Classifications

Listing your account classifications is the next step in developing your Chart of Accounts. Since one of our objectives is to be able to compare your operation to the Dynamic Ratio Studies, we will use the Printing Industries of America Dynamic Ratio Study's Standard Classification of Accounts as a guide. Simultaneously we will want a Chart of Accounts that meets your other needs and whose structure is similar to your organizational chart. The following page has a sample Chart of Accounts that could be used by many printing firms, and if modified, by almost all graphic arts firms.

Sample Chart of Accounts

Current Assets

Cash in Bank
 Cash on Hand
 Accounts Receivable
 Allowance for Doubtful Accounts
 Other Receivables
 Inventory
 Work in Process
 Paper
 Other Chargeable Materials and
 Departmental Supplies
 Prepaid Expenses
 Insurance
 Interest
 Officers' Life Insurance
 Taxes and Other
 Loans and Exchanges

Fixed Assets

Land
 Building and Improvements
 Machinery and Equipment
 Furniture and Fixtures
 Vehicles
 Accumulated Depreciation and
 Amortization

Liabilities

Notes Payable
 Accounts Payable
 Employees' Federal Withholding Tax
 Employees' and Accrued FICA
 and Medicare
 Employees' Local Tax Withheld
 Accrued State Unemployment Tax
 Accrued Federal Unemployment Tax
 Sales Tax Collected
 Estimated State and Federal
 Income Taxes Payable
 Accrued Expenses
 Business Taxes
 Interest
 Payroll
 Vacation Payroll
 Other

Shareholders' Equity

Common Stock
 Preferred Stock
 Paid-In Capital
 Retained Earnings
 Dividends Paid
 Treasury Stock

Income

Sales
 Sales Returns and Allowances
 Sales Discounts

Cost of Product Produced

Materials
 Purchases
 Paper
 Ink
 Toner
 Plates
 Click Charges
 Other Materials
 Outside Services
 Prepress
 Printing Services
 Bindery
 Other
 Purchase Discounts
 Scrap Income

Production Payroll

Direct Wages
 Indirect Labor
 Packing, Shipping and Delivery
 Supervision
 Employees' Benefits—Factory
 Payroll Taxes—Factory

Production Expenses

Equipment Rentals
 Factory Depreciation
 Factory Supplies and Expenses
 Heat, Light, and Power
 Postage and Freight
 Real Estate Taxes
 Rent
 Repairs and Maintenance
 Building
 Equipment
 Vehicle Expenses

Administrative Expenses

Bad Debts
 Collection Expenses
 Contributions
 Data Processing Expense
 Depreciation—Administrative
 Dues and Subscriptions
 Employees' Benefits—Administrative
 Office Salaries
 Office Supplies and Expenses
 Officer's Life Insurance
 Officers' Salaries
 Payroll Taxes—Administrative
 Postage
 Professional Fees
 Taxes—Business
 Telephone

Selling Expenses

Advertising
 Commissions—Outside
 Depreciation—Selling
 Employees' Benefits—Selling
 Gifts and Flowers
 Payroll Taxes—Selling
 Sales Office Salaries
 Sales Salaries—Executive
 Sales Salaries and Commissions
 Sales Expenses
 Travel and Entertainment
 Vehicle Expenses

Interest Expense

Interest Expense

Other Income—Expense

Interest Income
 Gain or Loss on Sale of Fixed Assets
 Other Income
 Other Expense
 Provision for State and Federal
 Income Taxes

As an example, we will use an expense—Payroll—to illustrate the process. Start by identifying each employee's job function. Then organize the job functions, based on your organizational chart, into production employees, administrative employees and selling employees. Organize payroll related expenses, such as payroll taxes and employee benefits, in the same manner.

Identifying the job functions of production employees is not difficult, but it does take some planning. Let us assume that your payroll records have identified 14 production employees. The positions used here do not necessarily reflect the proportions of indirect to direct wages as would be found in a standard operation and are for illustration purposes only. These job functions are:

Job Position of Production Employees

1. Plant Manager
2. Shipping Clerk
3. Digital Press Operator
4. Graphic Designer
5. Estimator
6. First Pressman
7. Second Pressman
8. Prepress Operator
9. Truck Driver
10. Customer Service Representative
11. Cutter Operator
12. Stitcher/Folder Operator
13. Hand Binder
14. Hand Binder

Now, match each job with the corresponding cost center in the organizational chart. Please note that estimators and customer service representatives should be charged to indirect labor as their work cannot be directly charged to a particular job. The same applies to shipping clerks or truck drivers. Their proper classification is indirect labor since they are responsible for general production duties. The Dynamic Ratio Study's Standard Classification of Accounts itemizes these wages as:

- a. General Production Salaries and Wages
- b. Packing, Shipping, and Delivery Wages

Based on our identification of functions and segregation of duties as well as our requirement to be able to compare the data to the industry standards, the following is our illustrative result.

Production Jobs Matched with Corresponding Cost Center		
<u>Executive Salaries</u>	<u>Direct Wages</u>	<u>Indirect Wages</u>
Plant Manager	Prepress Graphic Designer Prepress Operator	General Factory Wages Estimator Customer Service Representative
	Digital Press Digital Press Operator	Packing, Shipping, and Delivery Wages Shipping Clerk Truck Driver
	Offset Press First Pressman Second Pressman	
	Bindery Cutter Operator Stitcher/Folder Operator Hand Binder (2)	

Accumulating individual employee's wages by department for the Production Payroll section of the statement of income would result in:

Production Payroll	
Executive salaries	\$ XXX
Direct wages	XXX
General production wages	XXX
Packing, shipping and delivery wages	XXX
Payroll taxes	XXX
Employee benefits	XXX
Total Factory Payroll	\$ XXX

This concludes our example of production payroll. Other expenses and revenues should be similarly identified, separated, and charted according to the proper cost centers in your organizational chart. The result will be an organized Chart of Accounts from which you can draw information for meaningful financial statements.

2. Comparison

There must be some common denominator that will enable us to compare the financial information in your Chart of Accounts with the Dynamic Ratio Studies. When dollars are converted into percentages, you have a common denominator called "common size" statements. While dollar amounts will be different for each firm, "common size" statements or percentages are comparable. This is because each company's percentage base for comparison is identical—100% of Sales, 100% of Value Added, or 100% of Total Assets.

The next step in effectively analyzing your firm's financial information is the comparison phase. Since there is no method for dollar comparison, you must convert the dollar amounts identified by your accounting system to percentages. The percentages or ratios will then have a common denominator (i.e., sales = 100%). When your financial information is converted using a single common denominator, it is called a "common size" statement (dollars to percentages).

You are then ready to compare your costs and profits with industry standards. Since your firm's objective is high profits, we suggest you compare your firm with the Dynamic Ratio Studies Profit Leaders.

In Example 1, there is an excellent comparison of a company to the Industry Profit Leaders. We can see that the company's cost of Outside Services was \$346,300, but we are unable to conclude whether these costs are high, low or average. However, when Outside Services are converted to the "common size" percentage, of 8.66% based on sales, it becomes very meaningful. Comparing this to the target range set by the Dynamic Ratio Study's Profit Leaders, which is 7.60% of sales, we can calculate that the difference is 1.06%.

Example 1—Report on Operations

	<u>Your Company</u>		<u>Industry Profit Leaders</u> <i>(From \$4,000,000 to \$7,500,000)</i>	
	<u>Dollars</u>	<u>Common Size or %</u>	<u>Common Size or %</u>	<u>Difference More or (Less)</u>
Sales or Value of Product Produced	\$ 4,000,000	100.00 %	100.00 %	
Factory Cost of Product				
Materials				
Paper	885,500	22.14	19.43	2.71 %
Other chargeable materials	214,500	5.36	5.09	0.27
Outside services	346,300	8.66	7.60	1.06
Total Materials	1,446,300	36.16	32.12	4.04
Factory Payroll	1,040,200	26.01	23.72	2.29
Factory Expenses	511,200	12.78	13.71	(0.93)
Total Factory Cost of Product	2,997,700	74.95	69.55	5.40
Gross Profit	1,002,300	25.05	30.45	(5.40)
Administrative and Selling Expenses				
Administrative expenses	515,200	12.88	11.16	1.72
Selling expenses	297,200	7.43	10.80	(3.37)
Total Administrative and Selling Expenses	812,400	20.31	21.96	(1.65)
Income Before Interest Expense	189,900	4.74	8.49	(3.75)
Interest expense	79,600	1.99	0.60	1.39
Operating Income	110,300	2.75	7.89	(5.14)
Other income (expense)	28,000	0.70	0.09	0.61
Income Before Income Taxes	\$ 138,300	3.45 %	7.98 %	(4.53)%

Pick Your Categories for Comparison

Your "common size" statements or percentages can be compared with other firms in many different ways. You may compare your percentages with those of "All Firms" in a particular category such as sales volume or product specialty, or only with the "Profit Leaders" in those categories. The illustration on the following page, "Categories for Comparison," lists the possible categories of comparison. Keep in mind that there may be other outside factors influencing your firm's position in the industry. The Dynamic Ratio Studies suggest what these other relevant factors may be, to help you refine your analysis.

Identify which of the categories listed on the next page reflects your company's operations and compare your results with theirs. You will then be ready for the next, most important, step in the meaningful use of the ratios: ANALYSIS. Analysis will help you identify the problem areas and the profitable areas in your company's operations.

3. Analysis

One reason for analyzing the financial status of your printing business is to determine its overall position in the printing industry. Comparing your company with similar companies enables you to decide which financial operations should be maintained at their current level and which should be improved to reach your profit objectives.

Comparative financial analysis should be broad. It is important to evaluate all the ratios together, not just individually. Your financial analysis should also include an examination of ratios over a period of time, and a comparison of your results with trends in the printing industry.

Evaluate Ratios Collectively, Not Individually

Individual ratio results may pinpoint a problem area in your printing operation or they may highlight a very profitable cost center, but individual ratio results do not provide in-depth financial information. Each ratio should be analyzed with other ratios and facts concerning your company.

For example, in examining your firm's income statement, you may find increases in your percentages for depreciation expense and interest expense, increases that may seem alarming at first. An analysis of the balance sheet, however, may show that such alarm is unwarranted.

Top management may have long-range profit planning goals that should be factored into the analysis. There may have been a plant expansion (increase in assets) funded through debt financing (increase in liabilities). A slow, outdated press may have been replaced by a new, more efficient one. Deeper analysis of the income statement may show that the company's income taxes are lower due to increased depreciation on the new press. Do not take one ratio out of context. Make your analysis broad enough to consider all financial results.

Categories for Comparison

Sales Volume—Ratios and statistics are presented in five categories:

Sales to \$4,000,000*
From \$4,000,000 to 7,500,000
From \$7,500,000 to 11,000,000
From \$11,000,000 to 22,000,000
Sales over \$22,000,000**

* A separate Ratio Book, "Volume 7—Printers With Sales Under \$4,000,000" divides this sales category as follows:

Sales to \$2,000,000
From \$2,000,000 to \$4,000,000

** A separate Ratio Book, "Volume 6—Printers With Sales Over \$22,000,000" divides this sales category as follows:

From \$22,000,000 to \$27,000,000
From \$27,000,000 to \$40,000,000
Sales over \$40,000,000

Product Specialty—The Ratio Studies carry "common size" or percentages for firms with sales in these key market areas:

Commercial Advertising ***	Converters and Label Printers
Magazine and Periodical	Signs and Signage
Direct Mail	Packaging
Book Manufacturers	Binders ***

*** Separate Ratio Books are provided for each of these.

Process—The Ratio Studies provide comparisons of firms primarily using these processes:

Sheetfed	Web Offset and Combination
Digital Printers	Offset Web/Sheetfed

Separate Ratio Books are provided for each of these processes.

Geographic Area—Significant financial information for comparison can be drawn from companies working in the same economic environment. The Ratio Studies break down geographic areas as follow:

New England and Upstate New York	Chicago
Eastern Pennsylvania, South New Jersey, Maryland and District of Columbia	West North Central
Southeast Atlantic	Plains and Mountain States
East North Central	Pacific Southwest
South Central	Pacific Northwest

Observe, Assess, Monitor

Your firm and its operations are not static. Analyzing your ratios over a period may show trends and movements in your expense and profit picture that require some action. If action is taken, monitoring ratios on a regular basis will help show if the action was effective or appropriate.

Trend Analysis

If one of your company's ratios is "out of line," it is possible that there is nothing you can do to improve it. This is especially true if the entire printing industry is suffering a slump in a particular area. Furthermore, if industry trends are showing improvement, any action on your part might be counter-effective.

Trends that are evident in the industry are an increase in depreciation and a corresponding decrease in production payroll. Further trend changes have been increased interest expense and a decrease in sales per dollar of assets employed. Many changes have occurred in your company and in the industry over a range of time.

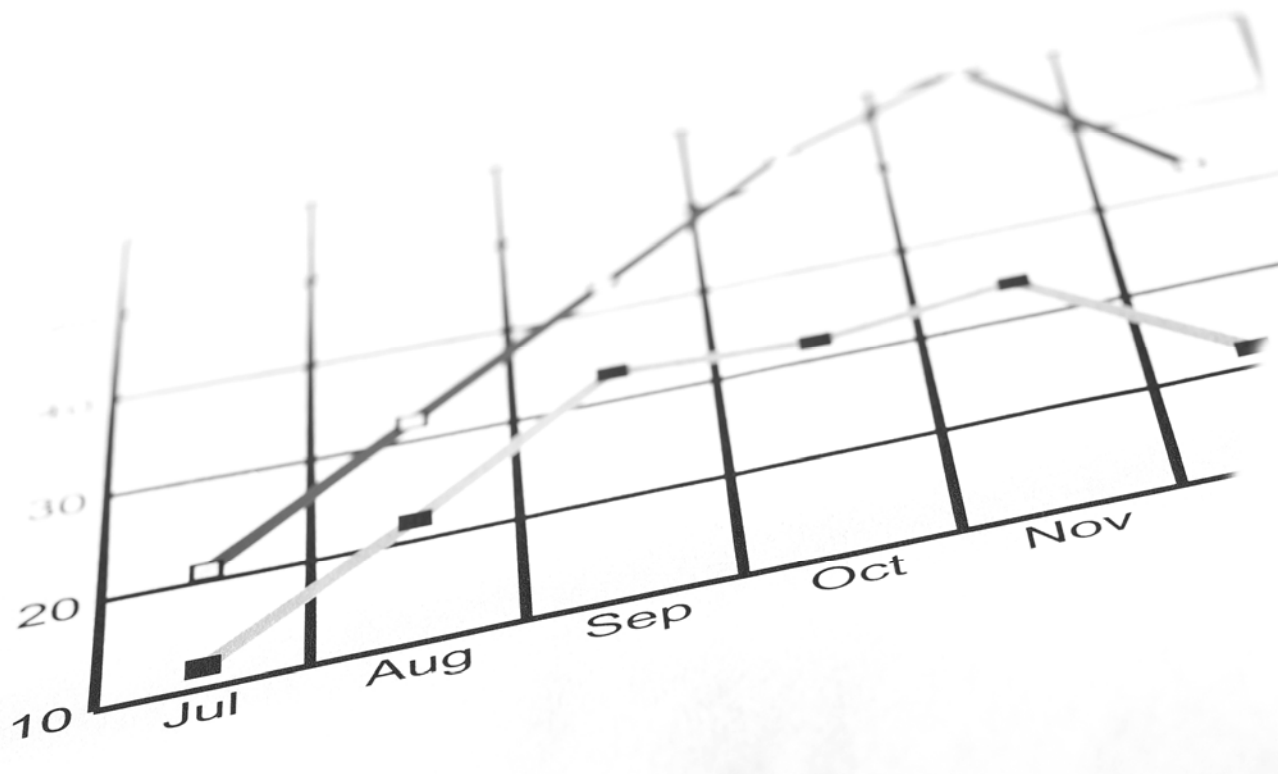
Remember that trends are only clues and should be considered with other concrete facts. Keep in mind that factors out of your control, or the industry's, may cause trends to reverse themselves at any time.

Consistency and Focus

Participate in the Printing Industry of America Dynamic Ratio Study program each year. Get the current year's results and have general and detailed discussions and analysis with your management team. General business studies have shown that those companies that spend countless hours trying to understand their company, its position in the market place, their value proposition, and its profit making formula are those that exceed the pack in profits and longevity.

Section 2

Dynamic Ratios Overview



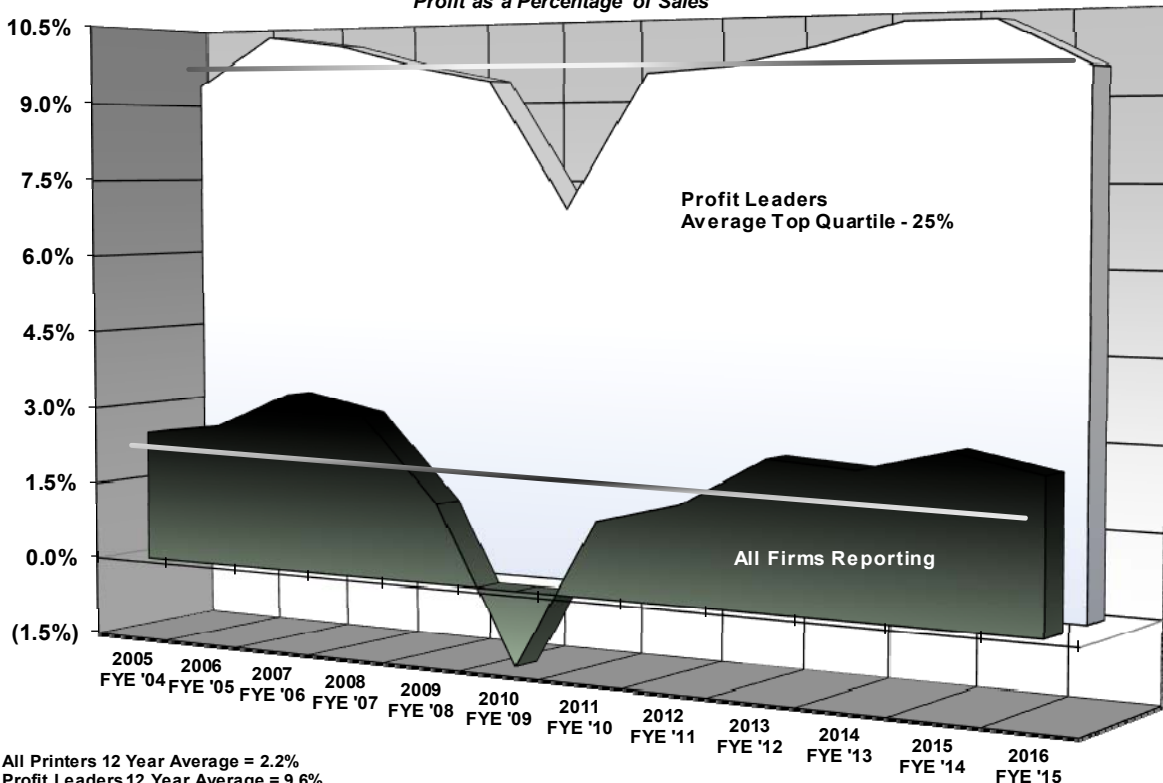
2016 Dynamic Ratios Overview

These Dynamic Ratios present the financial results for the 2015 fiscal year ending (“FYE”) of graphic arts companies (reported in this 2016 publication) and are chronologically 5½ to 6½ years after the end of The Great Recession (June 2009). The recession resulted in three years of consecutive declines in profits (FYE 2007-09) for the industry. The 2010 fiscal year was the first full recovery year for the print market. Profits continued to increase for three consecutive years through the FYE 2012, providing a profit of 2.7% on sales before taxes, and then with a minor drop to 2.6% in 2013. As reported in last year’s survey, the 2014 FYE results rose to 3.0%, a good increase in profits over the previous year. The 2015 FYE results, reported in this 2016 report, dipped back to 2.7%. The trailing 12 year average profit for all printers is 2.2%, up from last year’s average of 2.1%, and indicates this year’s profit is above average, even with the current year’s dip in profits. The 2007-09 recession contributed to a low twelve year industry profitability when compared to the long-term industry profitability which has hovered above 3.0% when averaged for the prior 95 years in which these surveys have been compiled.

This year’s decrease in profit of 0.3% will be carefully considered, especially after last year’s good increase of 0.4%. The drop in profits to 2.7% puts the industry further from the 3.0% long-term profit average. The industry produced approximately \$2.3 billion in total profits over the course of the 2015 fiscal year, which is down from 2014’s profit of \$2.5 billion. The number of printers participating in the Dynamic Ratio Study who

Profit Trends 2005–2016

Profit as a Percentage of Sales



Publication Year >	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fiscal Year Ending>	FYE '04	FYE '05	FYE '06	FYE '07	FYE '08	FYE '09	FYE '10	FYE '11	FYE '12	FYE '13	FYE '14	FYE '15
■ All Printers	2.5%	2.7%	3.4%	3.1%	1.5%	(1.4%)	1.4%	1.8%	2.7%	2.6%	3.0%	2.7%
□ Profit Leaders	9.4%	10.3%	10.1%	9.7%	9.4%	7.0%	9.5%	9.6%	9.9%	10.3%	10.3%	9.5%

reported losses in the current year was slightly above 25%, down from 2014's 27%. In prior years, 30%, 29%, 33%, and 38% reported losses in years 2013, 2012, 2011 and 2010, respectively.

The industry's Profit Leaders, those printers in the top 25% of profitability, had profits of 9.5%, down from the previous two years. Their performance this year is slightly below this elite group's 12 year average of 9.6%.

Below is a measure of the variance between All Printers performance and Profit Leaders performance, including its 12 year average. Note that when All Printers performance is tabulated, it includes the Profit Leaders, or another way to say it is, the Profit Leaders are a subset of the All Printers industry wide set. It is interesting that the variance (or spread) between the Profit Leaders and All Printers groups increased during the most recent recession, then diminished in the years immediately following the recessionary period. A conclusion one might reach is that during tough times, the Profit Leaders kept their firms from being pulled down by the economic downturn, leading to a larger divide between the All Printers and Profit Leaders profits.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Avg
PL vs. AP Var.	6.9%	7.6%	6.7%	6.6%	7.9%	8.4%	8.1%	7.8%	7.2%	7.7%	7.3%	6.8%	7.4%

Profits and Firm Size

Profit rates generally vary considerably by the size of the firm with larger firms typically earning higher profits as a percent of sales than smaller firms. This year, firms in the smaller sales categories (under \$4M, \$4-\$7.5M, and \$7.5-11M in sales), saw decreases in profits over 2015, as reported among the "All Firms" categories results. The larger sales categories (\$11-\$22M and over \$22M) saw increases in profits. Most notably, the group of firms in the \$11-\$22M sales category showed resulting profits greater than 2015, with an increase of 1.1% of sales. Firms with sales over \$22M had profits of 5.2% of sales which is well above the industry average. The remaining sales categories had profits near or below the industry average of 2.7%.

Profits and Firm Size before tax profit as a % of sales				
Annual Sales	2016		2015	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Less than \$4 million	0.9 %	11.2 %	2.0 %	13.0 %
\$4-\$7.5 million	1.4	8.0	2.6	9.8
\$7.5-\$11 million	2.9	7.9	3.0	10.0
\$11-\$22 million	2.8	7.1	1.7	5.9
Over \$22 million	5.2	13.2	5.0	12.6

Profit Leaders at the high and low ends of our size categories out-performed the middle groups in the last two years. Profit Leaders with sales over \$22M averaged an overall return on sales of 13.2% and the Leaders with sales under \$4M followed with 11.2%. These were trailed by

the 8.0% and 7.9% achieved by the sales categories \$4-\$7.5M and \$7.5-\$11M, respectively. The Profit Leaders in the \$11-\$22M category had the lowest level of profit (7.1%) of the Profit Leaders by size, yet they reported the largest increase in profit as a percent of sales year-to-year, a 1.2% increase.

Within each size category the threshold for attaining Profit Leader status changes and the variance between categories can be significant. For example, a printer with a profit on sales of only 4.5% (or greater) was considered a profit leader in the \$11-\$22M category, where Profit Leaders averaged a 7.1% return. Yet, printers with sales over \$22M had a higher threshold and needed a profit of 8.8% or greater to be considered a Profit Leader, where the average Profit Leader return was 13.2%.

A Look at Major Cost Items

In FYE 2014 (2015's report), factory cost of product for printers dropped 0.5% from the previous year to 77.0% of total sales, and stayed at that level in this year's results. Total materials costs (paper, plates, ink, other chargeable materials, and outside services) accounted for 35.1% of total sales. Production payroll increased to 25.4% of printing sales dollars, the highest in the last 6 years. 16.6% of sales were used to pay factory expenses. Administrative and selling expenses comprised 19.6 cents of every sales dollar.

The cost factors, in total, increased slightly in this reporting period compared to a year earlier. This year, production payroll had the largest increase in cost, 0.7%. Paper costs, a component of total materials, had the largest decrease from the prior year, 0.7%. Administrative and selling expenses increased 0.2% from the prior year. Generally, these cost items are considered stable.

A Look at Major Cost Items						
Major Cost Items	% of Sales Revenue					
	2016	2015	2014	2013	2012	2011
Paper	21.0 %	21.7 %	21.6 %	21.6 %	21.7 %	22.1 %
Total materials	35.1	35.8	35.5	36.0	35.5	35.2
Production payroll	25.4	24.7	25.1	24.6	24.8	24.9
Factory expenses	16.6	16.5	16.9	16.9	17.6	18.0
Total factory cost of product	77.0	77.0	77.5	77.5	77.9	78.1
Administrative and selling expenses	19.6	19.4	19.1	19.3	19.6	19.4

Productivity Trends

Productivity (as measured by sales per employee) for all printers, increased in FYE 2015 (2016's report), in sales per employee, sales per factory employee, value added per employee, and value added per factory employee. The increases in sales and value added per employee averaged 4.5% over the previous year; whereas the increases in sales and value added per factory employee averaged 1.6%.

Profit Leaders, as always, had higher productivity rates than All Firms. With the exception of the value added per employee category, which showed only a slight decrease, these Profit Leaders all experienced increases in productivity during this year too.

Productivity Trends				
Productivity Measures	2016		2015	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Sales per employee	\$ 159,862	\$ 172,204	\$ 153,276	\$ 168,436
Sales per factory employee	210,632	231,801	208,437	222,764
Value added per employee	104,563	114,388	99,804	116,185
Value added per factory employee	138,040	153,050	135,186	152,336

Profits and Product Segments

Profit rates always vary by product specialty, sometimes significantly. Of the printing product specialties covered in the survey, the top profit producing segment was Converters and Label Manufacturers showing a 6.42% rate in Profit by Product Specialty. The segment with the largest volume of sales, Commercial and Advertising, had profits decline 0.44% to 2.09% after reaching the highest level in 5 years last year.

Profits (Losses) by Product Specialty						
Product Specialty	Profit (Loss) Rates by Year—% of Sales					
	2 0 1 6	2 0 1 5	2 0 1 4	2 0 1 3	2 0 1 2	2 0 1 1
Printing						
Converters & Label Manufacturers	6.42%	4.22%	4.43%	4.03%	3.22%	3.26%
Package Printing/Manufacturers	5.94	3.34	6.84	5.56	5.15	4.88
Book Printing	4.30	3.48	2.92	3.57	4.52	6.64
Direct Mail	4.06	4.86	6.15	2.32	1.86	1.26
Signs and Signage	3.08	n/a	n/a	n/a	n/a	n/a
Commercial and Advertising	2.09	2.53	1.74	2.33	1.34	0.63
Magazines and Periodicals	(0.88)	2.76	2.56	2.03	0.54	(0.03)
Forms and Documents	n/a	5.05	3.33	n/a	5.30	n/a
Quick Printing	n/a	n/a	9.11	5.62	0.95	3.46
Non-printing						
Binding	0.88	4.27	3.33	(2.95)	(1.30)	1.15

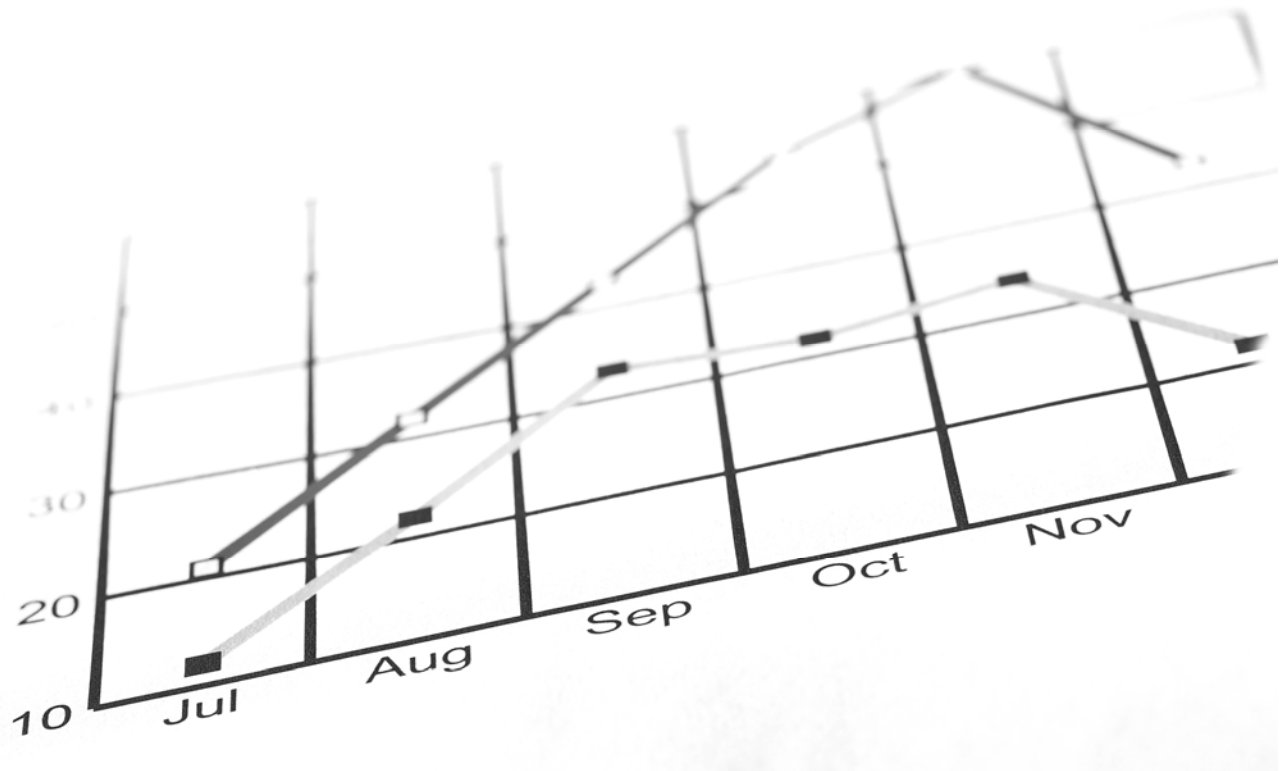
Sales Breakdown from Processes/Services and Market Segment

For the second year in a row, survey participants reported the proportion of their sales revenues derived from Production Processes/Services Rendered as well and by Market Segments serviced. Now printers can see what a cross section of a printing company looks like from a process/service and market position.

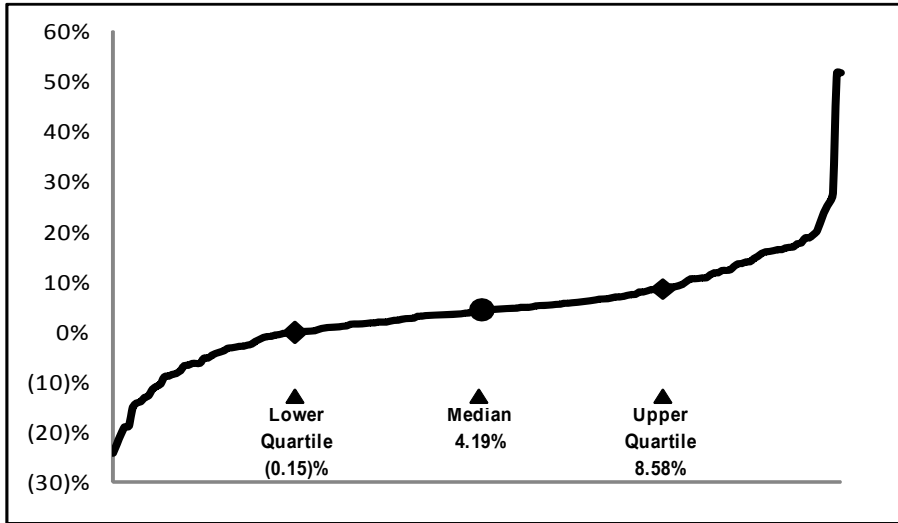
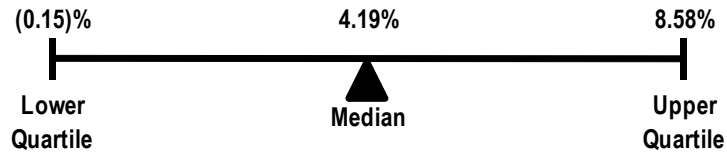
All Printers—Sales Breakdown by Processes/Services and Markets			
Processes/Services Rendered	% of Sales	Market Segment	% of Sales
Sheetfed Offset Printing	52.03 %	Commercial and Advertising Printing	53.01 %
Digital Printing - Toner-Based	13.04	Direct Mail Printing	12.35
Heatset Web Offset Printing	4.83	Package Printing/Package Manufacturer	6.17
Coldset Web Offset Printing	4.64	Converters & Label Manufacturers	5.91
Flexographic	4.19	Book Printing	4.21
Digital Printing - Inkjet High-Speed	3.75	Magazine & Periodical Printing	3.92
Inkjet Wide & Super-Wide-Format	1.95	Forms and Document Printing	3.39
Prepress/Premedia Services	1.75	Signs & Signage	3.39
Other Print Process	1.88	Quick Printing	2.14
Binding	0.92	Financial & Legal Printing	1.43
Graphic Finishing	0.36	Newspaper Printing	0.92
Mailing Service	5.35	Binding and Finishing	0.41
Fulfillment Services	3.15	Greeting Card Printing	0.24
Other Non-Print Ancillary Services	2.16	Other Market	2.51
Total Process/Services Rendered	100.00 %	Total Market Segment	100.00 %

Section 3

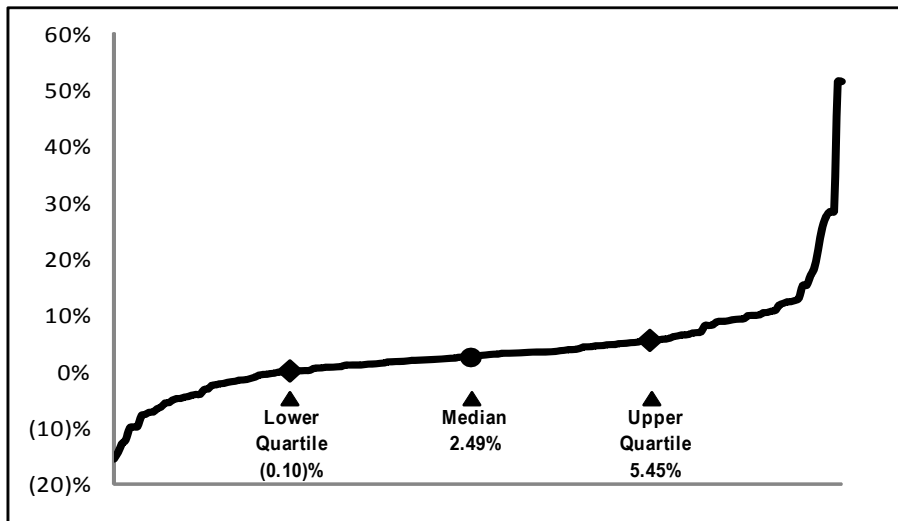
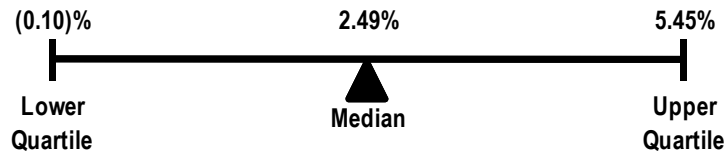
Median and Quartile Values and Graphs



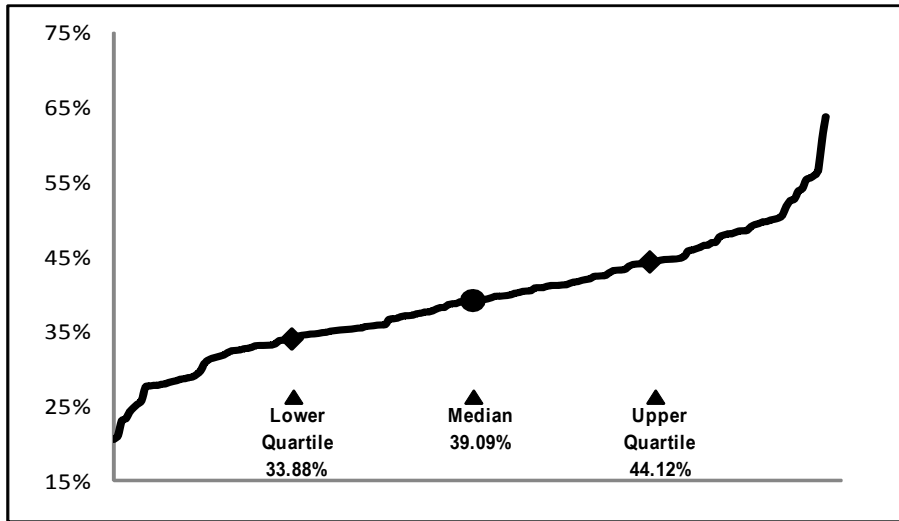
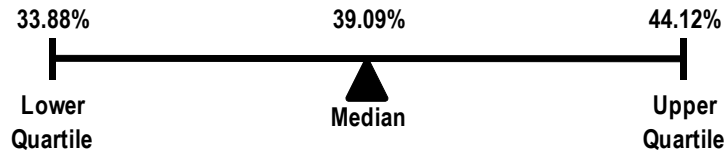
**Income Before Taxes
As a Percent of Value Added-All Firms Reporting**



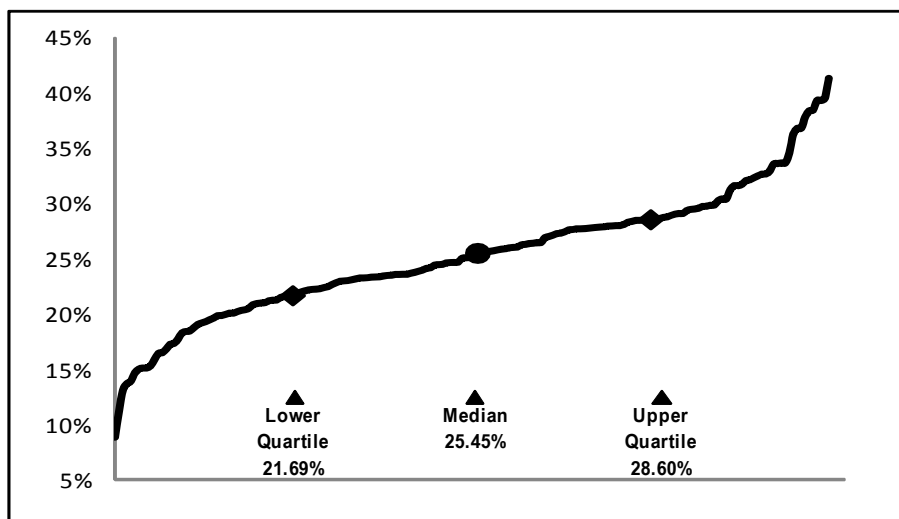
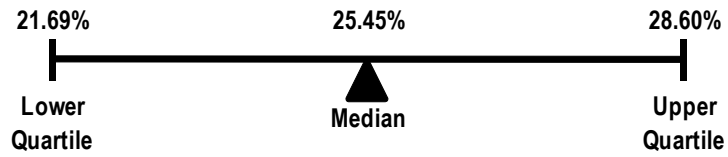
**Income Before Taxes
As a Percent of Sales-All Firms Reporting**



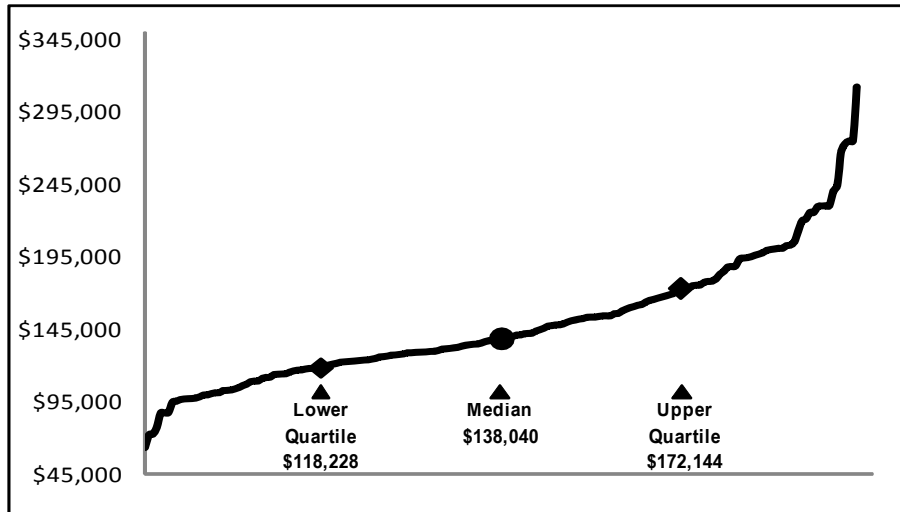
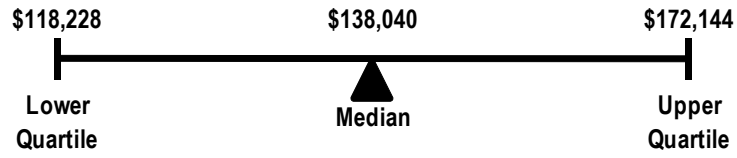
**Factory Labor
As a Percent of Value Added-All Firms Reporting**



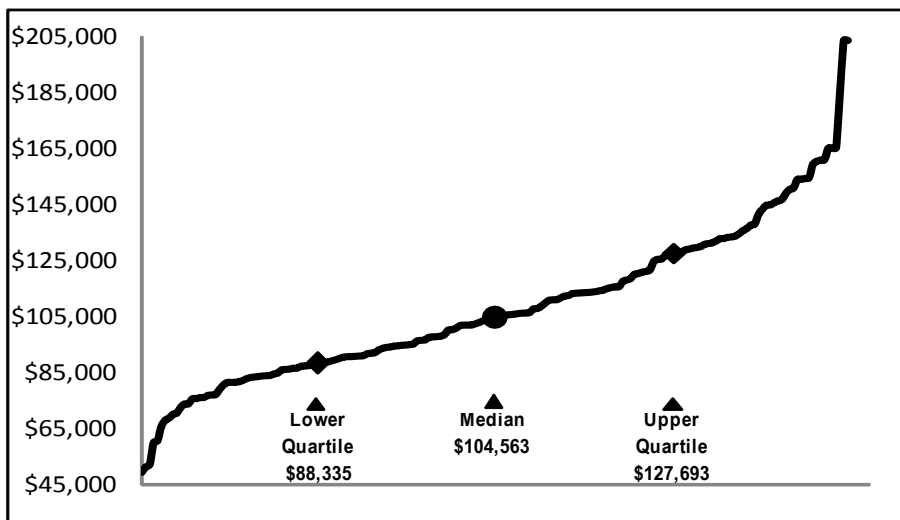
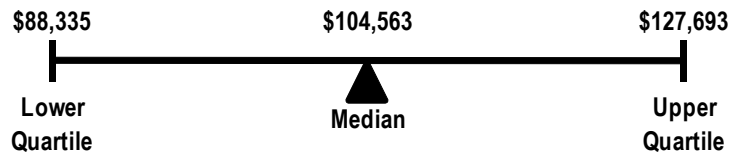
**Factory Labor
As a Percent of Sales-All Firms Reporting**



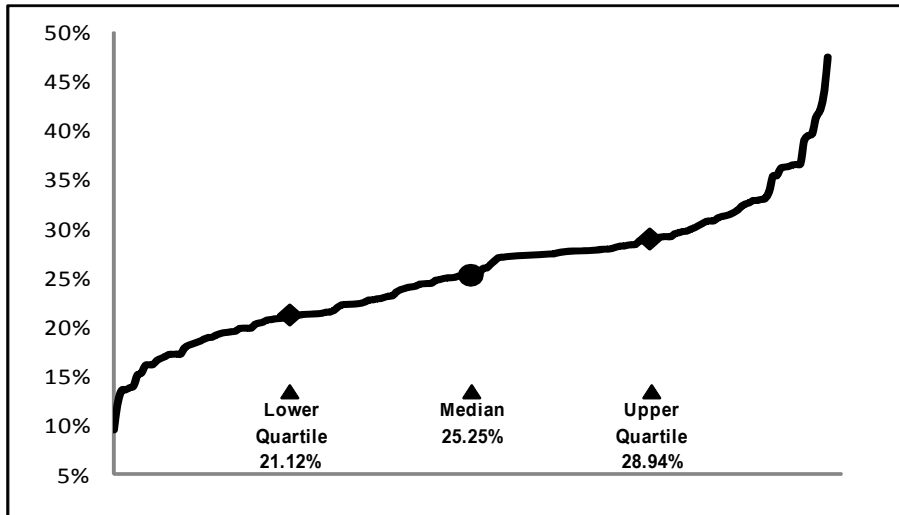
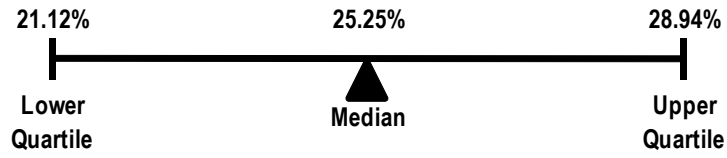
Value Added Per Factory Employee All Firms Reporting



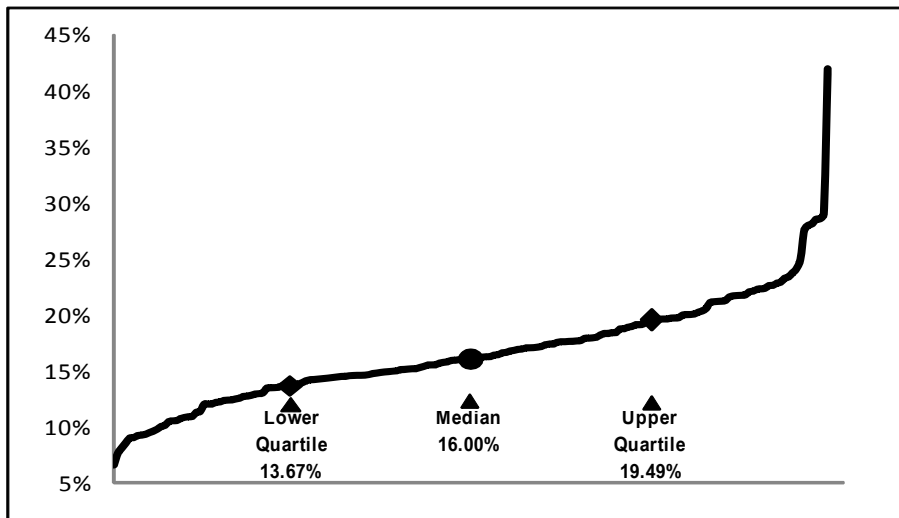
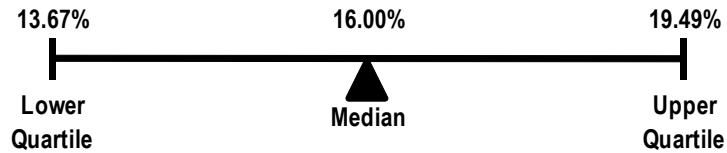
Value Added Per All Employees All Firms Reporting



**Factory Expense
As a Percent of Value Added-All Firms Reporting**



**Factory Expense
As a Percent of Sales-All Firms Reporting**



Median and Quartile Values - All Printers

Report on Operations—Value Added = 100%

	<u>Lower Quartile*</u>	<u>Median*</u>	<u>Upper Quartile*</u>
	<u>All Firms</u>	<u>All Firms</u>	<u>All Firms</u>
Sales or Value of Product Produced	X	X	X
Less: Paper, Other Chargeable Materials, and Outside Services	<u>X</u>	<u>X</u>	<u>X</u>
Value Added by Manufacture	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Factory Payroll	44.12	39.09	33.88
Factory Expenses	<u>28.94</u>	<u>25.25</u>	<u>21.12</u>
Total Factory Cost of Product	<u>70.40</u>	<u>64.38</u>	<u>58.71</u>
Gross Profit	<u>29.60</u>	<u>35.62</u>	<u>41.29</u>
Administrative and Selling Expenses			
Administrative expenses	18.37	14.70	11.47
Selling expenses	<u>18.25</u>	<u>14.33</u>	<u>9.73</u>
Total Administrative and Selling Expenses	<u>34.19</u>	<u>29.92</u>	<u>24.74</u>
Income Before Interest Expense	0.81	5.54	9.88
Interest expense	<u>2.03</u>	<u>1.04</u>	<u>0.45</u>
Operating Income (Loss)	(0.45)	3.99	8.48
Other income (expense)	<u>(0.07)</u>	<u>0.13</u>	<u>0.94</u>
Income (Loss) Before Income Taxes	<u>(0.15)%</u>	<u>4.19 %</u>	<u>8.58 %</u>

* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Median and Quartile Values - All Printers

Supporting Schedules—Value Added = 100%

	<u>Lower Quartile*</u>	<u>Median*</u>	<u>Upper Quartile*</u>
	<u>All Firms</u>	<u>All Firms</u>	<u>All Firms</u>
Factory Payroll			
Salaries—executive	4.38 %	2.54 %	1.07 %
Direct wages	25.65	21.89	19.27
General factory salaries and wages	8.24	5.42	3.46
Packing, shipping, and delivery wages	2.63	1.68	0.58
Payroll taxes	2.97	2.64	2.29
Employee benefits	4.47	3.27	2.16
Total Factory Payroll	<u>44.12 %</u>	<u>39.09 %</u>	<u>33.88 %</u>
Factory Expenses			
Fixed Expenses			
Depreciation—real estate	0.32 %	0.00 %	0.00 %
Depreciation—other	7.56	5.61	3.57
Taxes—real estate	0.71	0.34	0.00
Taxes—other	0.46	0.00	0.00
Insurance	1.13	0.73	0.45
Building rent	4.66	3.11	1.29
Utilities—heat, light etc.	2.99	2.26	1.73
Equipment rental	2.02	0.39	0.00
Total Fixed Expenses	<u>16.98</u>	<u>14.76</u>	<u>12.30</u>
Other Expenses			
Factory supplies and expense	4.22	2.67	1.47
Packing, shipping, and delivery expense	3.93	1.57	0.40
Repairs and maintenance	4.53	3.31	2.38
Other factory expense	1.31	0.51	0.05
Total Other Expenses	<u>13.00</u>	<u>9.77</u>	<u>7.15</u>
Total Factory Expenses	<u>28.94 %</u>	<u>25.25 %</u>	<u>21.12 %</u>
Administrative Expenses			
Salaries—executive	5.83 %	3.59 %	2.46 %
Salaries—office	4.81	3.15	2.06
Payroll taxes	0.77	0.58	0.43
Employee benefits	1.26	0.77	0.40
Bad debts	0.25	0.05	0.00
Data processing expense	0.90	0.45	0.00
Office supplies and expenses	0.82	0.43	0.25
Professional fees	1.29	0.84	0.56
Taxes—business	0.12	0.03	0.00
Telephone	0.58	0.42	0.27
Other administrative expenses	3.06	2.02	0.85
Total Administrative Expenses	<u>18.37 %</u>	<u>14.70 %</u>	<u>11.47 %</u>
Selling Expenses			
Salaries—executive	2.52 %	0.96 %	0.00 %
Salaries and commissions—salesmen	10.62	7.26	3.89
Salaries—sales office clerical	1.45	0.00	0.00
Payroll taxes	1.04	0.77	0.52
Employee benefits	1.01	0.64	0.38
Advertising	0.85	0.40	0.11
Travel and entertainment	1.14	0.70	0.30
Other selling expenses	1.26	0.47	0.07
Total Selling Expenses	<u>18.25 %</u>	<u>14.33 %</u>	<u>9.73 %</u>

* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Median and Quartile Values - All Printers

Report on Operations—Sales = 100%

	Lower Quartile*	Median*	Upper Quartile*
	All Firms	All Firms	All Firms
Sales or Value of Product Produced	100.00 %	100.00 %	100.00 %
Factory Cost of Product			
Materials			
Paper	24.73	19.36	15.50
Other chargeable materials	7.43	5.61	4.00
Outside services	10.86	7.36	4.24
Total Materials	40.33	34.25	29.72
Factory Payroll	28.60	25.45	21.69
Factory Expenses	19.49	16.00	13.67
Total Factory Cost of Product	82.07	76.81	72.40
Gross Profit	17.93	23.19	27.60
Administrative and Selling Expenses			
Administrative expenses	12.25	9.34	7.07
Selling expenses	11.85	9.37	6.39
Total Administrative and Selling Expenses	23.23	19.26	15.49
Income Before Interest Expense	0.53	3.54	6.18
Interest expense	1.30	0.68	0.27
Operating Income (Loss)	(0.31)	2.28	4.98
Other income (expense)	(0.05)	0.08	0.63
Income (Loss) Before Income Taxes	(0.10)%	2.49 %	5.45 %

Supporting Schedules—Sales = 100%

Other Chargeable Materials			
Ink	2.27 %	1.24 %	0.68 %
Plates	1.50	0.95	0.41
Click charges	1.59	0.32	0.00
Other chargeable materials	2.84	0.80	0.00
Total Other Chargeable Materials	7.43 %	5.61 %	4.00 %
Outside Services			
Prepress	0.02 %	0.00 %	0.00 %
Printing	2.00	0.75	0.00
Binding	2.90	1.13	0.00
Other outside services	3.11	0.50	0.00
Total Outside Services	10.86 %	7.36 %	4.24 %

* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Median and Quartile Values - All Printers

Supporting Schedules—Sales = 100%

	<u>Lower Quartile*</u>	<u>Median*</u>	<u>Upper Quartile*</u>
	<u>All Firms</u>	<u>All Firms</u>	<u>All Firms</u>
Factory Payroll			
Salaries—executive	2.95 %	1.67 %	0.72 %
Direct wages	16.56	14.38	12.04
General factory salaries and wages	5.23	3.56	2.16
Packing, shipping, and delivery wages	1.66	1.07	0.40
Payroll taxes	1.99	1.72	1.42
Employee benefits	2.98	2.13	1.36
Total Factory Payroll	<u>28.60 %</u>	<u>25.45 %</u>	<u>21.69 %</u>
Factory Expenses			
Fixed Expenses			
Depreciation—real estate	0.20 %	0.00 %	0.00 %
Depreciation—other	4.80	3.58	2.23
Taxes—real estate	0.45	0.19	0.00
Taxes—other	0.31	0.00	0.00
Insurance	0.74	0.48	0.26
Building rent	3.10	1.94	0.79
Utilities—heat, light etc.	1.99	1.47	1.15
Equipment rental	1.31	0.25	0.00
Total Fixed Expenses	<u>11.57</u>	<u>9.36</u>	<u>7.58</u>
Other Expenses			
Factory supplies and expense	2.73	1.72	0.98
Packing, shipping, and delivery expense	2.64	0.98	0.23
Repairs and maintenance	3.00	2.09	1.54
Other factory expense	0.85	0.36	0.04
Total Other Expenses	<u>8.24</u>	<u>6.42</u>	<u>4.66</u>
Total Factory Expenses	<u>19.49 %</u>	<u>16.00 %</u>	<u>13.67 %</u>
Administrative Expenses			
Salaries—executive	3.81 %	2.36 %	1.51 %
Salaries—office	3.16	2.01	1.30
Payroll taxes	0.51	0.36	0.29
Employee benefits	0.84	0.48	0.26
Bad debts	0.18	0.03	0.00
Data processing expense	0.61	0.29	0.00
Office supplies and expenses	0.53	0.28	0.15
Professional fees	0.86	0.56	0.35
Taxes—business	0.09	0.02	0.00
Telephone	0.41	0.27	0.17
Other administrative expenses	1.89	1.29	0.59
Total Administrative Expenses	<u>12.25 %</u>	<u>9.34 %</u>	<u>7.07 %</u>
Selling Expenses			
Salaries—executive	1.57 %	0.65 %	0.00 %
Salaries and commissions—salesmen	7.13	4.90	2.37
Salaries—sales office clerical	0.91	0.00	0.00
Payroll taxes	0.69	0.51	0.32
Employee benefits	0.69	0.41	0.23
Advertising	0.55	0.25	0.07
Travel and entertainment	0.73	0.44	0.20
Other selling expenses	0.77	0.31	0.04
Total Selling Expenses	<u>11.85 %</u>	<u>9.37 %</u>	<u>6.39 %</u>

* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Median and Quartile Values - All Printers

Balance Sheet

	Lower Quartile*	Median*	Upper Quartile*
	All Firms	All Firms	All Firms
Assets			
Current Assets			
Cash	1.43 %	5.89 %	16.17 %
Receivables	19.18	28.35	38.71
Inventories	4.14	7.85	11.67
Marketable securities	0.00	0.00	0.00
Other current assets	0.35	1.24	2.53
Total Current Assets	39.85	53.29	65.06
Fixed Assets			
Real estate	0.00	1.99	20.87
Less: Accumulated depreciation	10.15	1.03	0.00
	0.00	0.69	8.18
Machinery and equipment	95.62	126.38	179.11
Less: Accumulated depreciation	151.44	99.41	57.22
	19.11	30.10	41.61
Other fixed assets	1.83	7.26	20.14
Less: Accumulated depreciation	13.29	4.73	0.80
	0.13	1.74	5.55
Net Fixed Assets	29.15	40.16	51.87
Other Assets	0.00	0.89	7.38
Total Assets	100.00 %	100.00 %	100.00 %
Liabilities and Equity			
Current Liabilities			
Notes payable	13.91 %	6.79 %	2.06 %
Accounts payable	19.13	11.93	6.91
Other current liabilities	13.27	7.52	3.85
Total Current Liabilities	47.47	29.84	20.68
Long-Term Liabilities	42.63	24.73	10.35
Total Liabilities	81.75	61.85	40.70
Shareholders' & Proprietors' Equity	18.25	38.15	59.30
Total Liabilities and Equity	100.00 %	100.00 %	100.00 %

* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Median and Quartile Values - All Printers

Significant Facts—Profitability Ratios

	<u>Lower Quartile*</u>	<u>Median*</u>	<u>Upper Quartile*</u>
	<u>All Firms</u>	<u>All Firms</u>	<u>All Firms</u>
Profitability Ratios			
Measure of Profits			
Income (loss) before income taxes			
A. As a percent of sales	(0.10)%	2.49 %	5.45 %
B. Per employee	\$ (108)	\$ 4,110	\$ 9,262
Income before interest expense (Return on Investment)			
A. As a percent of gross assets	0.47 %	3.31 %	6.43 %
B. As a percent of net assets	0.91	6.80	12.37
Earnings before interest expense, income taxes, factory depreciation, and amortization (EBITFDA)			
A. As a percent of sales	3.99 %	7.70 %	10.36 %
B. As a percent of value added	6.51	11.98	16.64
Sales Factors			
Sales per \$1 of gross assets	\$ 0.80	\$ 0.97	\$ 1.26
Sales per \$1 of net assets	1.57	2.21	2.90
Sales per \$1 of current assets	3.39	4.28	5.62
Sales per \$1 of net fixed assets	3.32	5.62	9.76
Sales per employee	131,040	159,862	199,133
Sales per factory employee	178,490	210,632	267,950
Gross Profit Analysis			
Gross profit as a percent of sales	17.93 %	23.19 %	27.60 %
Gross profit per factory employee	\$ 36,297	\$ 49,137	\$ 68,308
Components of cost of product produced as a percent of sales			
A. Materials	40.33 %	34.25 %	29.72 %
B. Factory payroll	28.60	25.45	21.69
C. Factory expenses	19.49	16.00	13.67
Value Added Analysis			
Value added per employee	\$ 88,335	\$104,563	\$127,693
Value added per factory employee	118,228	138,040	172,144
Analysis of operations to value added			
A. Factory payroll	44.12 %	39.09 %	33.88 %
B. Factory expenses	28.94	25.25	21.12
C. Administrative expenses	18.37	14.70	11.47
D. Selling expenses	18.25	14.33	9.73
E. Interest expense	2.03	1.04	0.45
Gross profit as a percent of value added	29.60	35.62	41.29
Income (loss) before income taxes as a percent of value added	(0.15)	4.19	8.58

* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Median and Quartile Values - All Printers

Significant Facts—Financial Ratios

Financial Ratios	Lower Quartile*	Median*	Upper Quartile*
	All Firms	All Firms	All Firms
Financial Leverage			
Income before interest expense as a multiple of interest expense			
Times interest earned	0.41	5.21	22.89
Liquidity and Activity Ratios			
Current ratio	0.84	1.79	3.15
Quick ratio	0.74	1.48	2.46
Cash asset ratio	0.03	0.20	0.78
Days cash for operating expenses excluding depreciation	4	11	32
Accounts receivable turnover	6.12	7.83	9.67
Number of days sales in accounts receivable (Collection Period)	38	47	60
Inventory turnover			
A. Total inventory turnover	14.63	21.97	34.86
B. Number of days—total inventory	10	17	25
C. Paper inventory turnover	11.28	18.48	43.54
D. Number of days—paper inventory	8	20	32
Current asset turnover	3.39	4.28	5.62
Operating cycle—in days	48	64	85
Distribution of current assets			
A. Cash	4.25 %	14.51 %	35.28 %
B. Accounts receivable	42.53	59.26	71.07
C. Inventory	9.35	15.21	23.25
D. Other current assets	0.79	2.59	5.75
Leverage and Funding Ratios			
Debt to equity	4.48	1.62	0.69
Long-term debt to equity	2.34	0.65	0.17
Funding of total assets			
A. Current liabilities	47.47 %	29.84 %	20.68 %
B. Long-term debt	42.63	24.73	10.35
C. Total debt	81.75	61.85	40.70
D. Shareholders' equity	18.25	38.15	59.30
Long-term debt to long-term debt and equity	0.70	0.39	0.15
Fixed assets to long-term debt	0.68	1.62	5.01
Fixed assets to shareholders' equity	1.60	1.05	0.87
Fixed assets to long-term debt and shareholders' equity	0.48	0.64	0.74
Investment turnover			
Sales to assets			
A. Gross assets	0.80	0.97	1.26
B. Net assets	1.57	2.21	2.90
C. Net fixed assets	3.32	5.62	9.76
Sales to total debt	2.63	3.85	5.44

* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Median and Quartile Values - All Printers

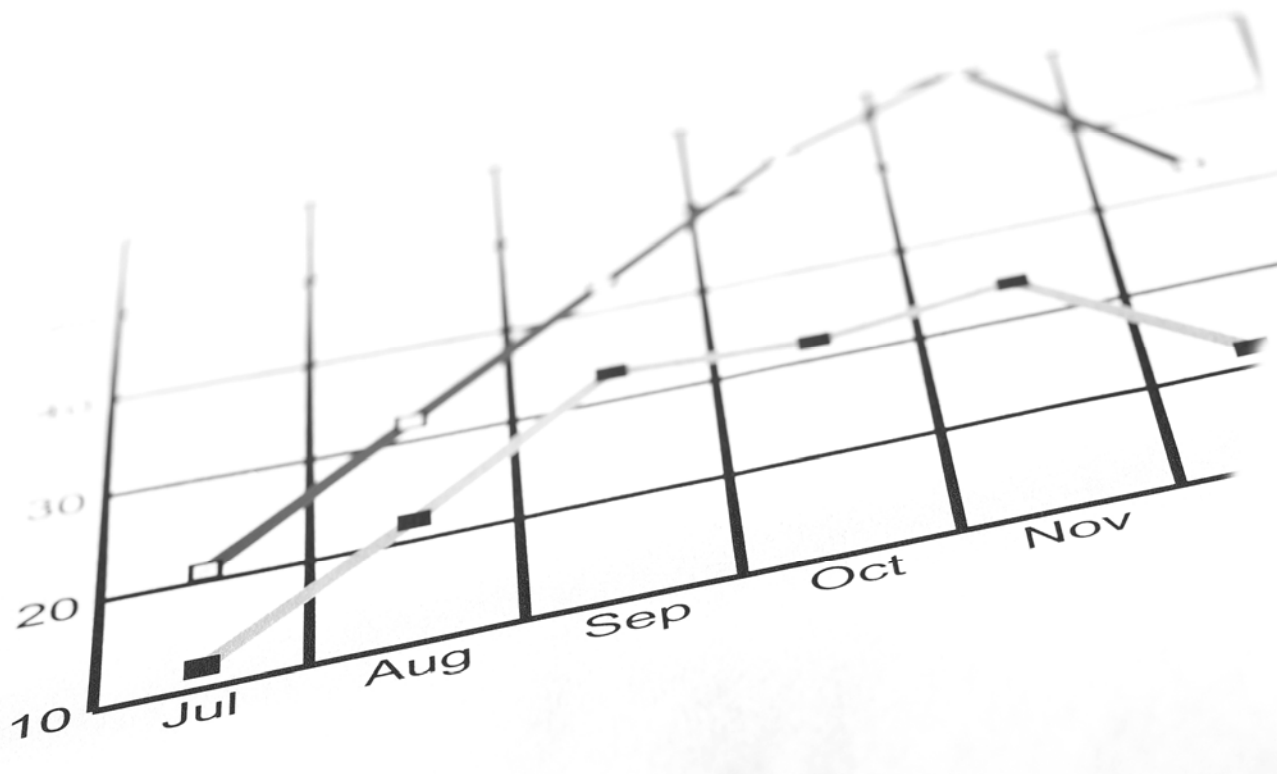
Significant Facts—Employee Profile

Employee Profile	Lower Quartile*	Median*	Upper Quartile*
	All Firms	All Firms	All Firms
Investment Per Employee			
Per employee for all employees			
A. Shareholders' equity	\$ 9,512	\$ 29,905	\$ 50,707
B. Net assets employed	49,856	80,287	114,827
Per employee for all factory employees			
A. Net assets employed	70,460	104,095	149,205
B. Machinery and equipment employed	100,044	144,194	200,786
Payroll—Including Taxes and Benefits			
Including Executives			
Total payroll as a percent of sales	35.35 %	39.91 %	43.91 %
Total payroll as a percent of value added	55.46	60.95	66.16
Factory payroll as a percent of gross plant investment	28.20	38.47	56.49
Payroll per employee—all employees	\$ 54,290	\$ 62,788	\$ 74,083
Payroll per factory employee	49,048	54,356	63,945
Payroll per administrative employee	67,337	85,455	112,094
Payroll per sales employee	70,900	94,939	131,330
Payroll—Excluding Taxes & Benefits			
Executive Payroll			
Payroll per executive—all executives	\$ 78,483	\$ 101,974	\$ 144,793
Payroll per factory executive	62,936	81,577	107,033
Payroll per administrative executive	84,855	127,733	170,694
Payroll per sales executive	73,698	131,583	200,768
Non-Executive Payroll			
Payroll per non-executive employee—all employees	41,915	46,824	55,742
Payroll per factory non-executive employee	38,107	43,277	51,559
Payroll per administrative non-executive employee	37,564	47,777	58,451
Payroll per sales non-executive employee	59,653	78,231	108,886
Direct and Support Labor Ratios			
Including Taxes & Benefits			
Direct labor as a % of value added	30.24 %	26.24 %	22.82 %
Support labor as a % of value added	39.32	34.38	29.08
Support labor efficiency factor	\$ 1.66	\$ 1.29	\$ 0.98

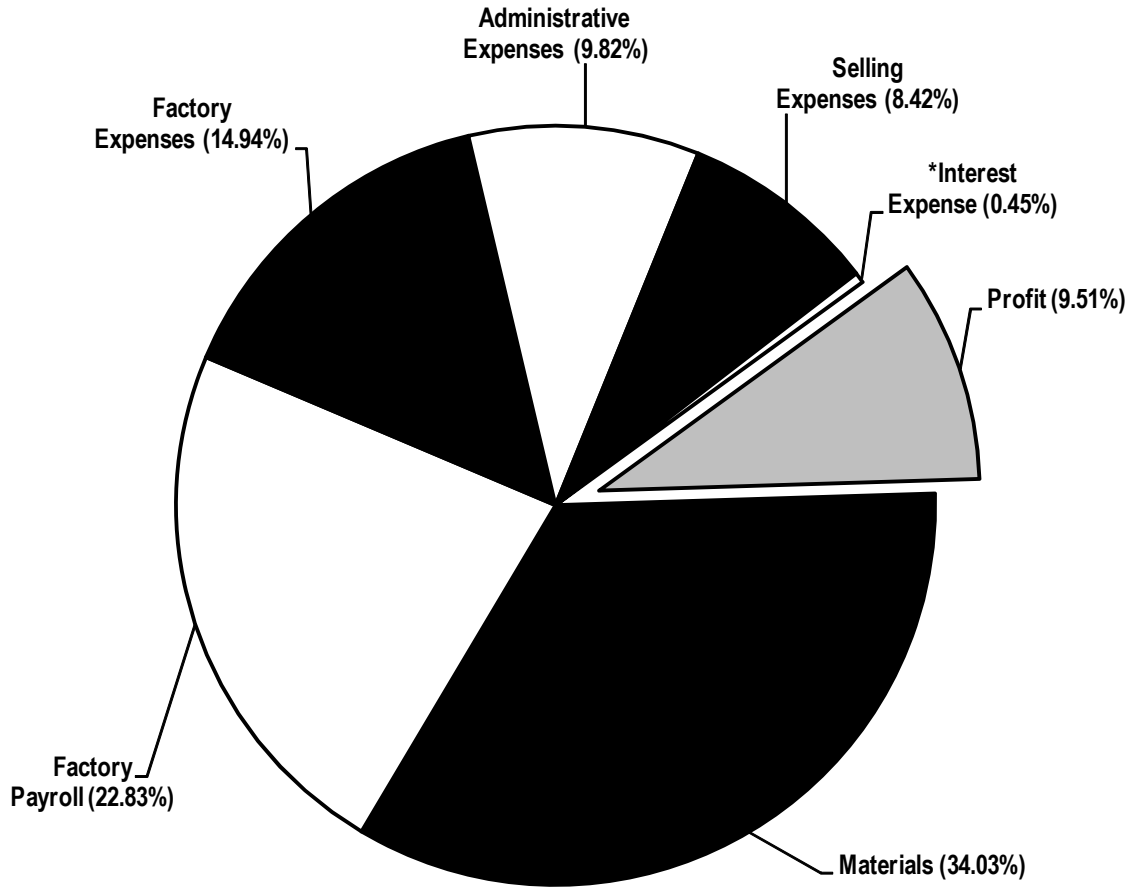
* Median & Quartile values when added together to form a total will not equal the total's Median or Quartile Value

Section 4

All Printers Graphs

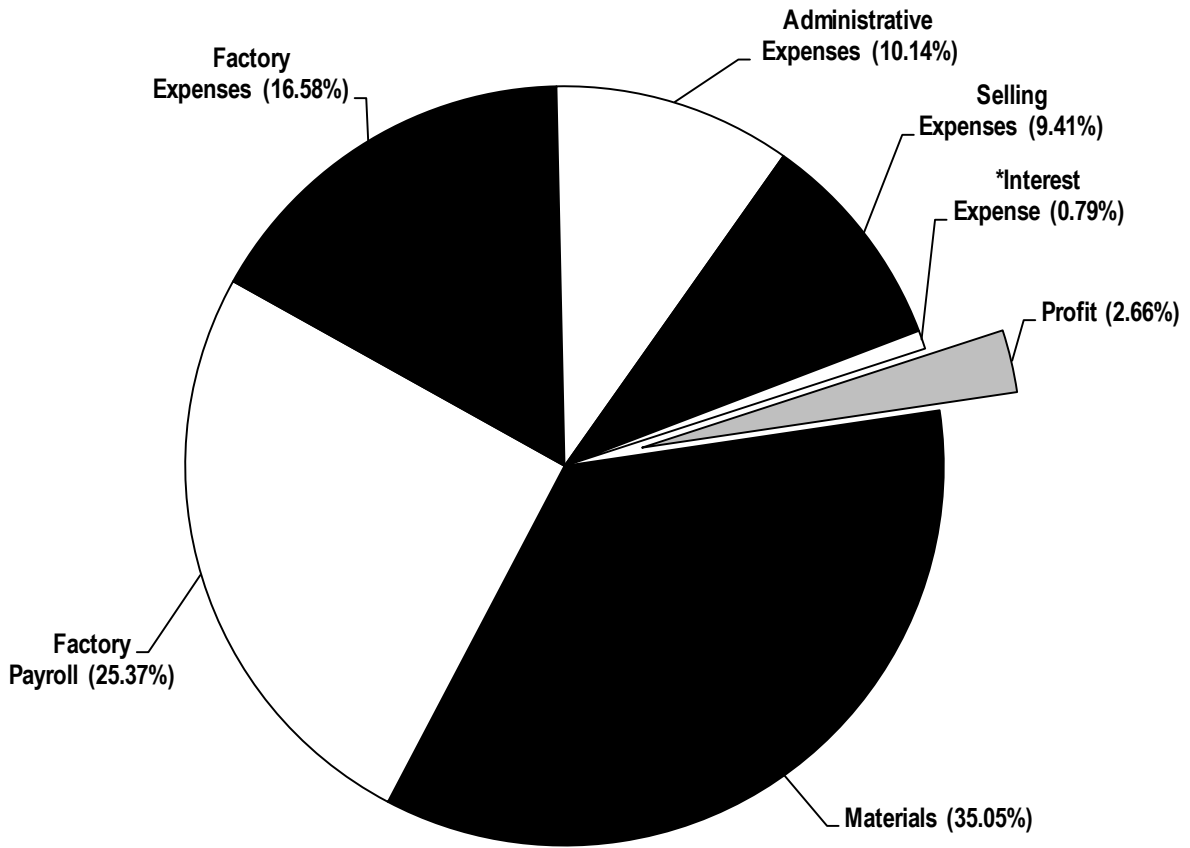


Report on Operations
Sales = 100%
Profit Leaders



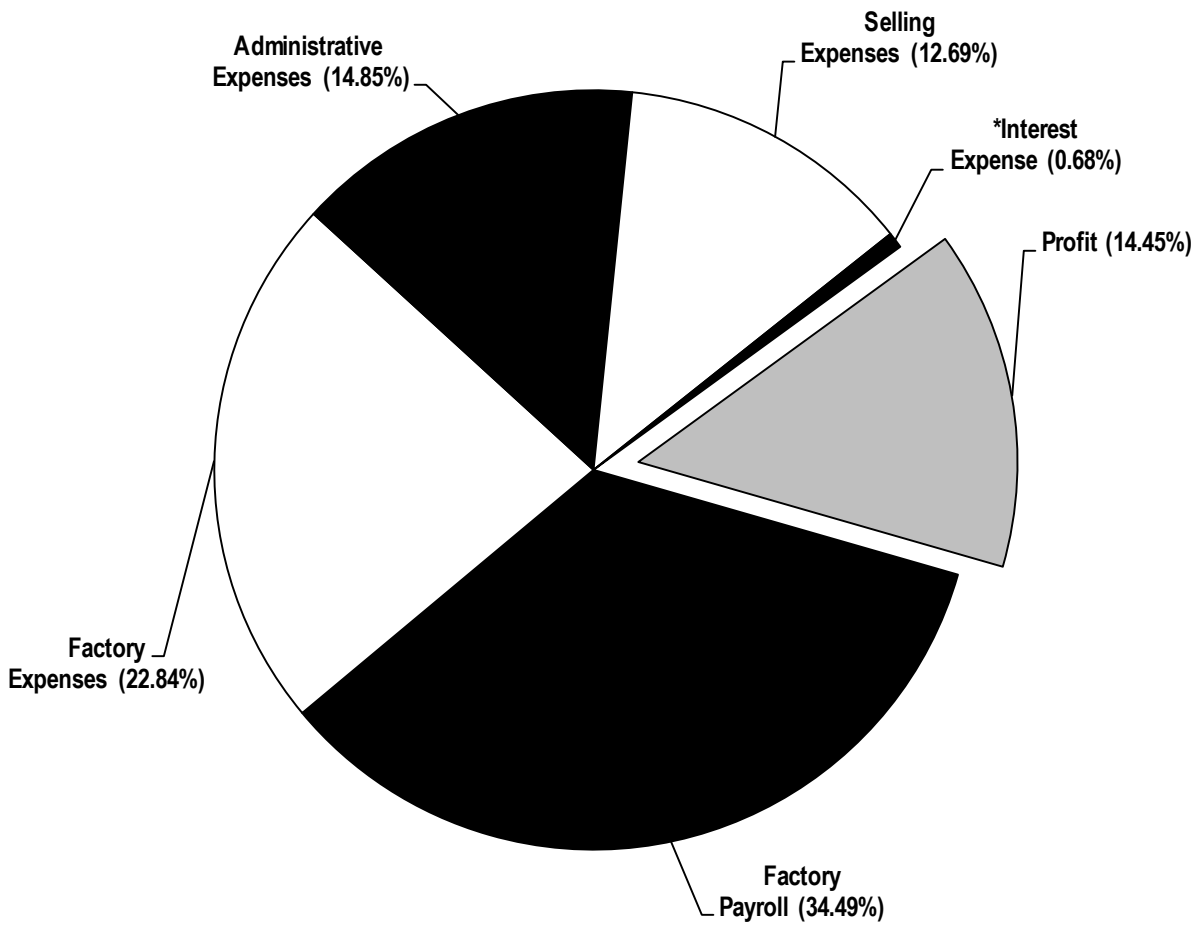
*Interest expense net of other income

Report on Operations
Sales = 100%
All Firms Reporting



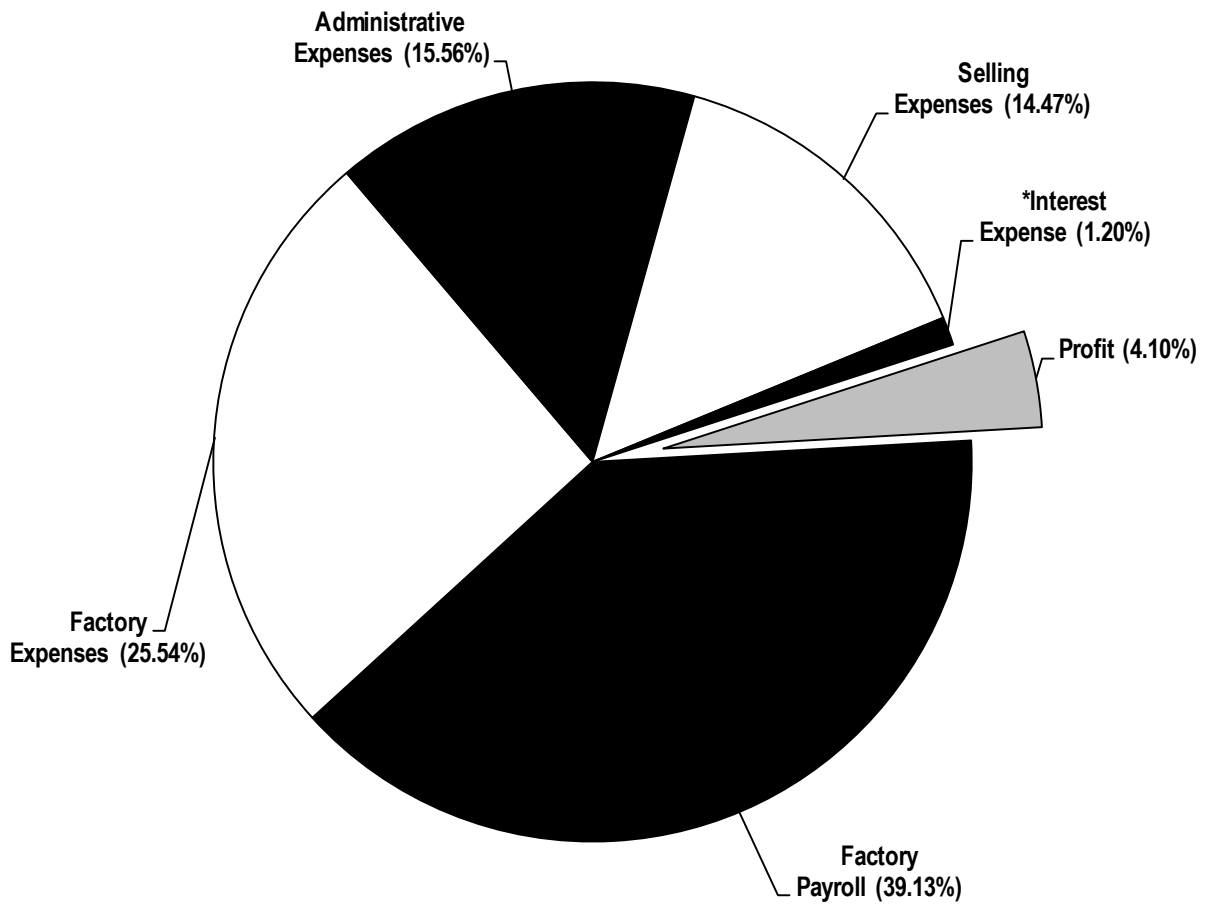
*Interest expense net of other income

Report on Operations
Value Added = 100%
Profit Leaders



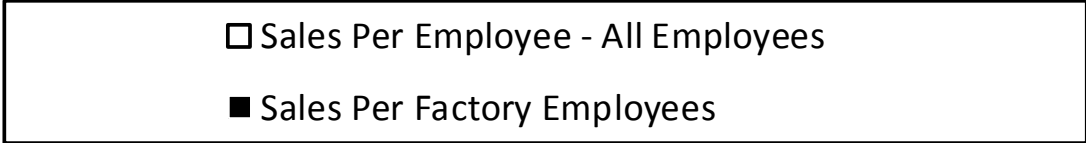
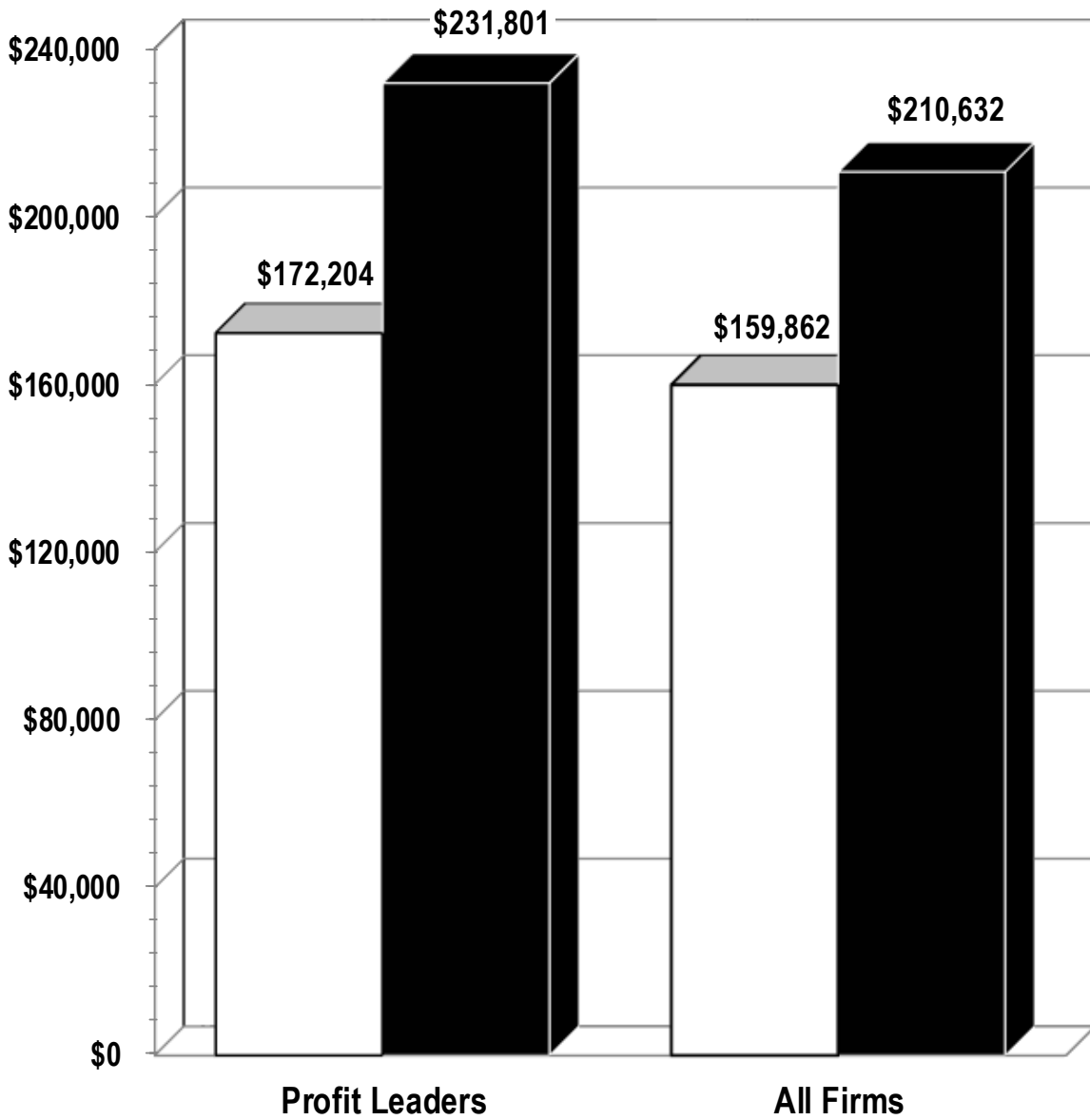
*Interest expense net of other income

**Report on Operations
Value Added = 100%
All Firms Reporting**

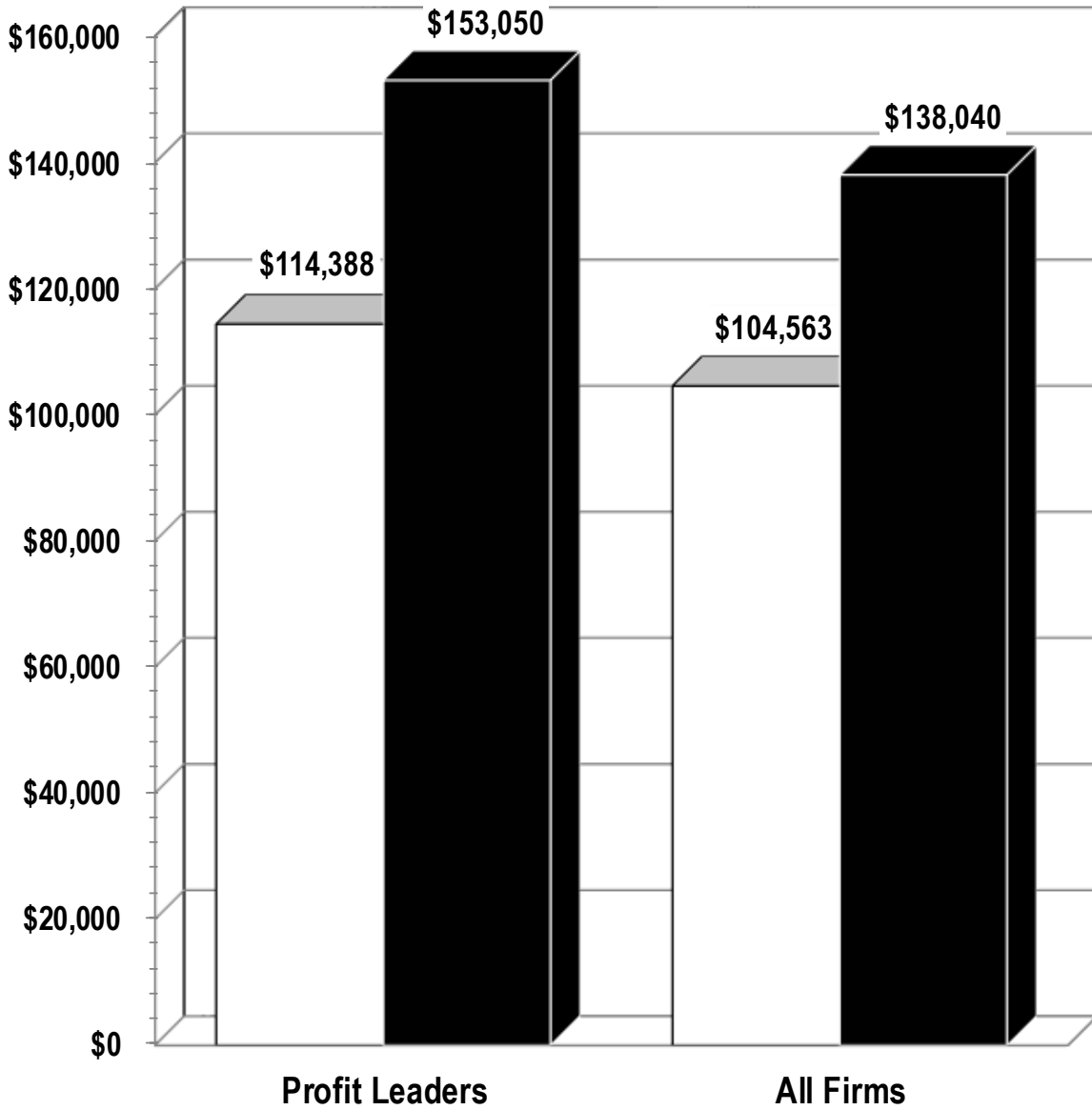


*Interest expense net of other income

**Sales Per Employee
All Employees & Factory Employees
Profit Leaders & All Firms Reporting**

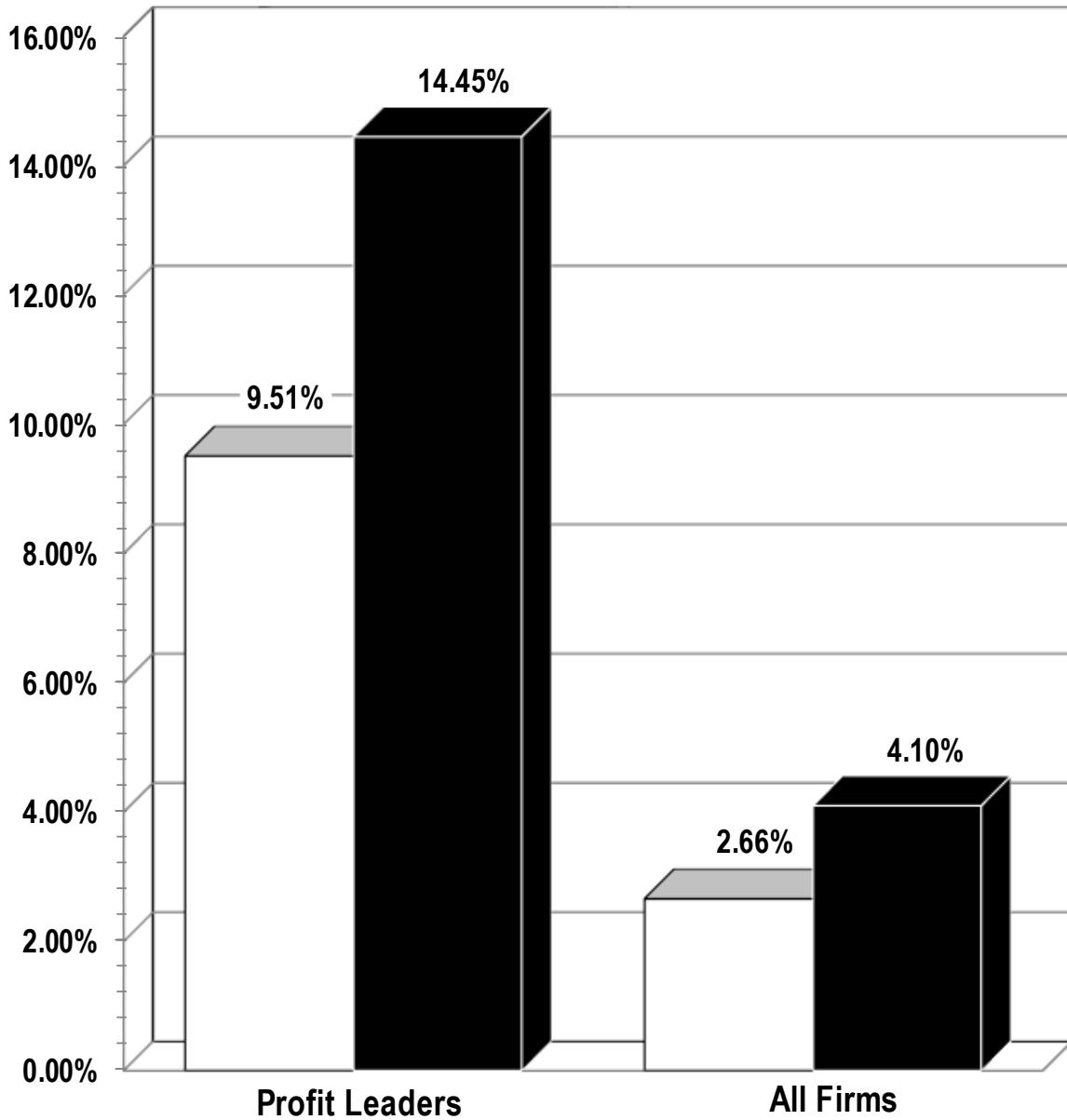


**Value Added Per Employee
All Employees & Factory Employees
Profit Leaders & All Firms Reporting**



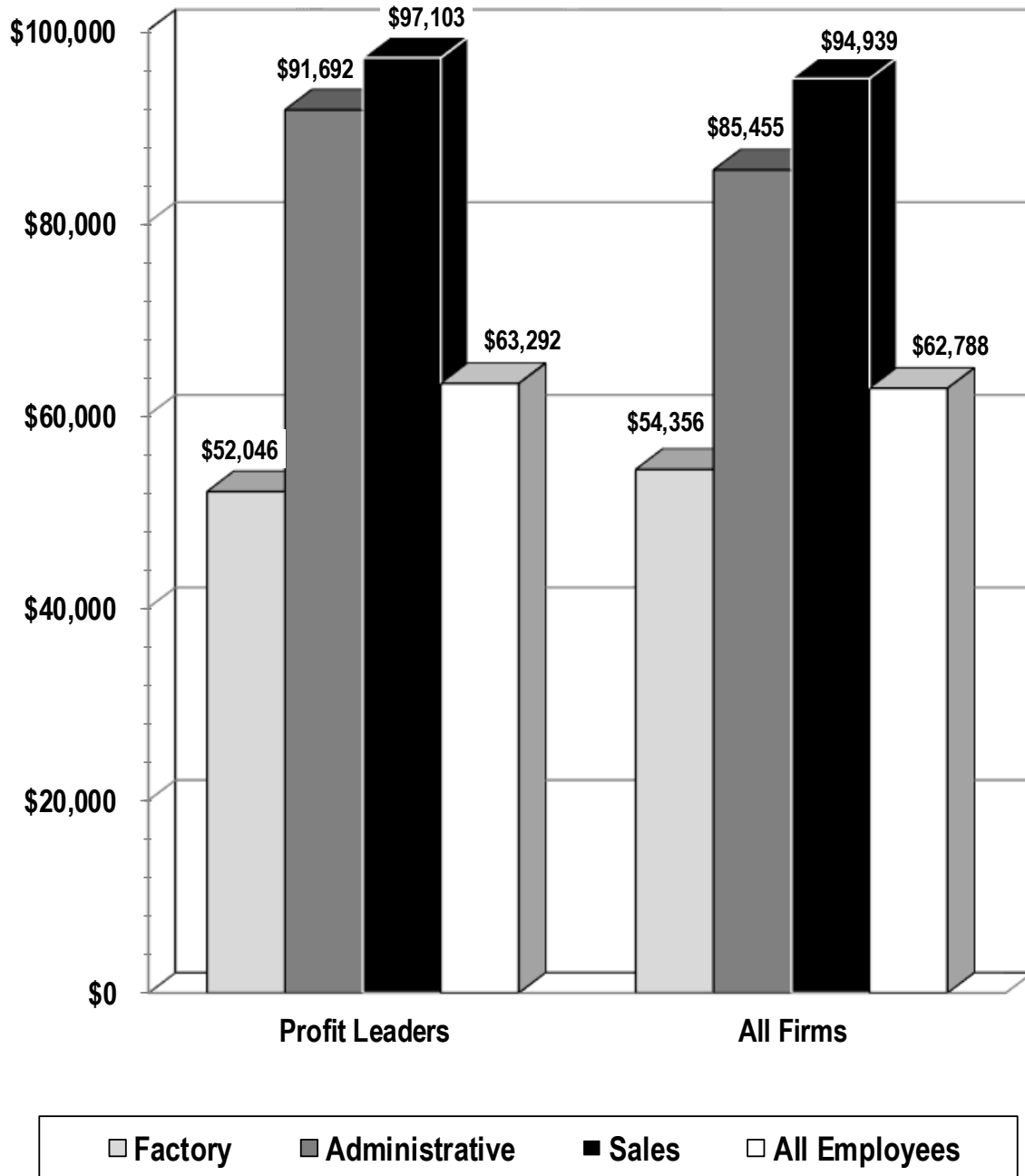
□ Value Added Per Employee - All Employees
■ Value Added Per Factory Employees

**Income Before Taxes
As a Percent of Sales and Value Added
Profit Leaders & All Firms Reporting**



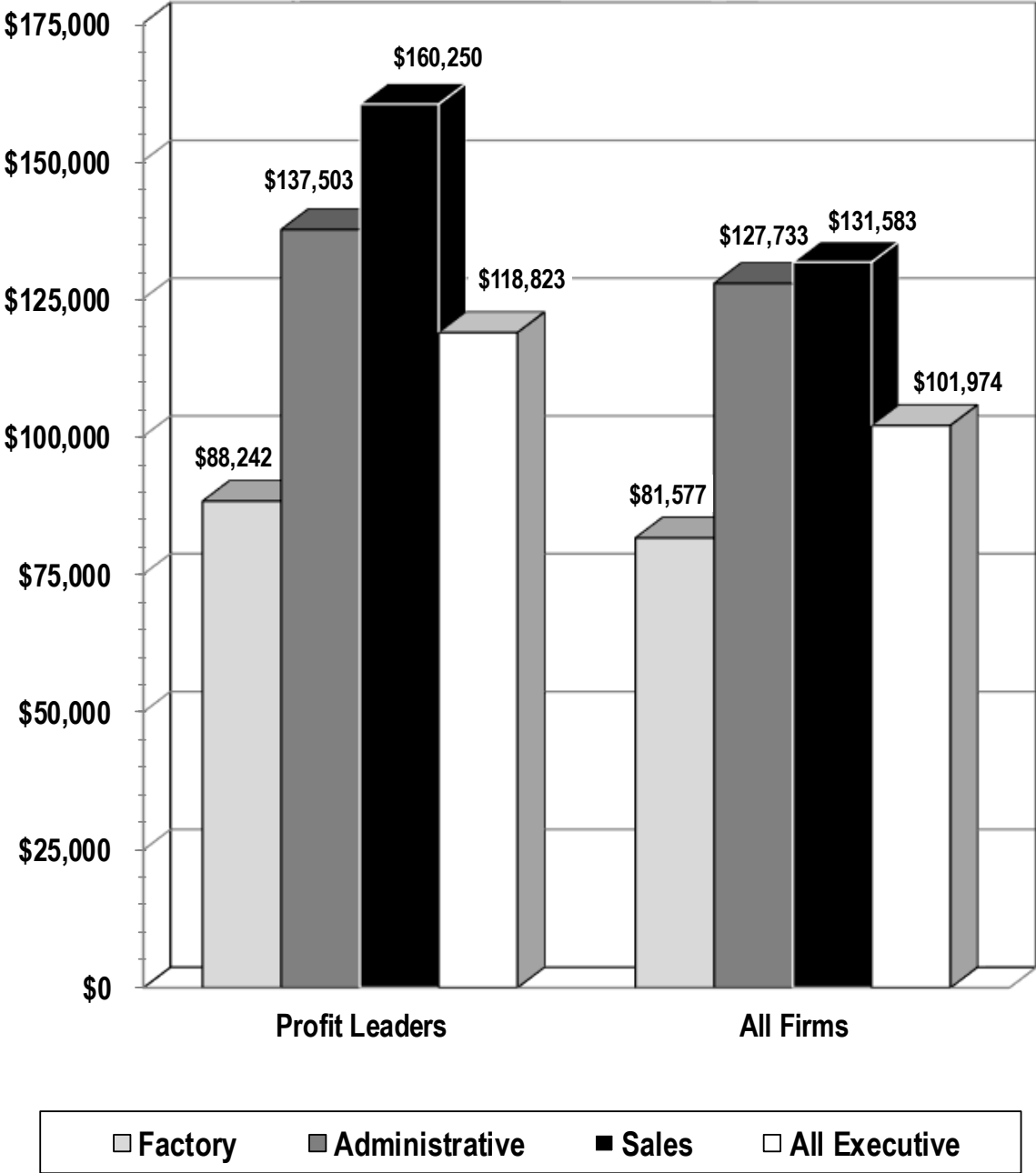
□ Income Before Income Taxes As a Percent of Sales
■ Income Before Income Taxes As a Percent of Value Added

Employee Wage Data Average Payroll Per Employee (Including Executives) Profit Leaders & All Firms Reporting



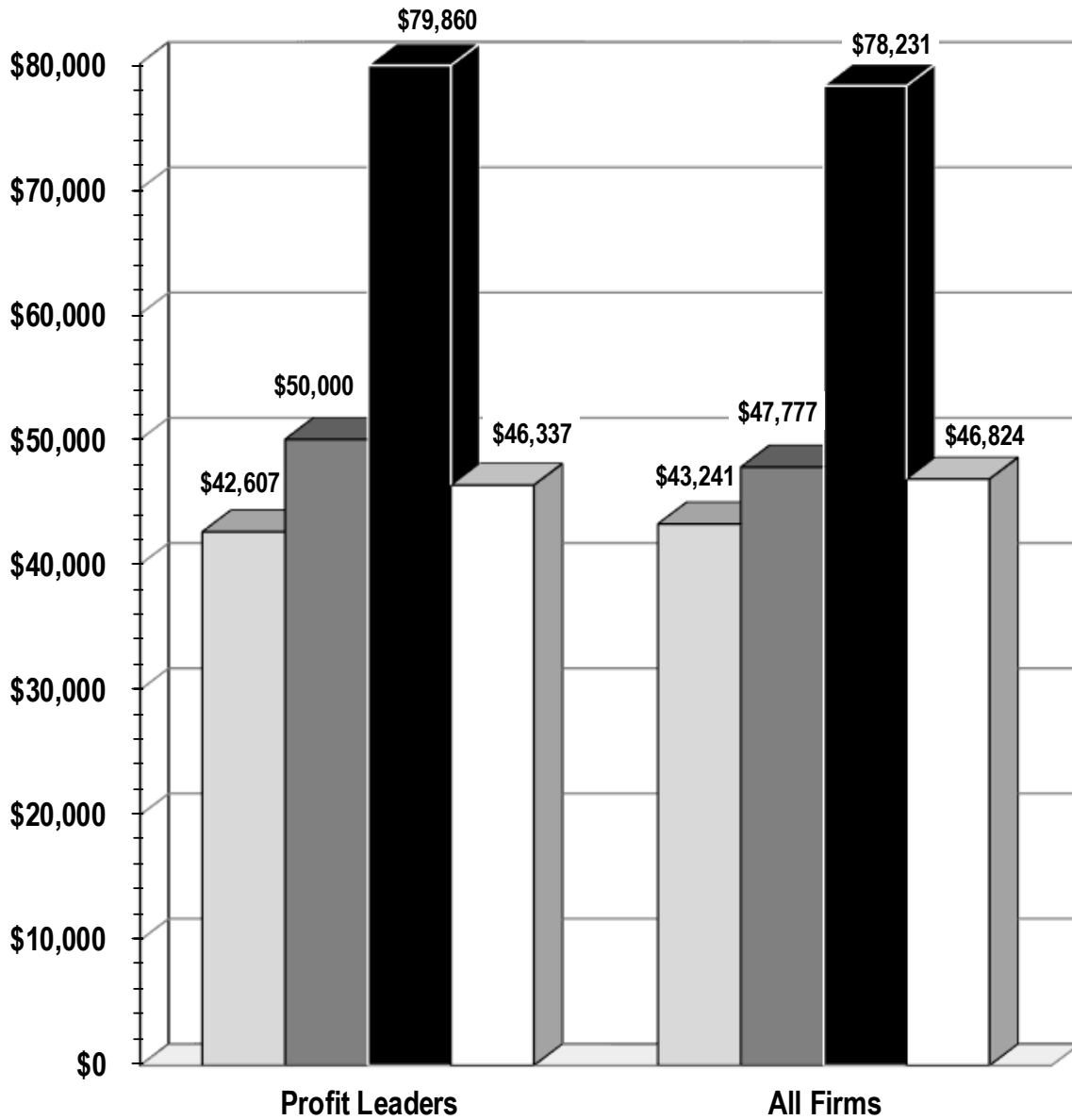
Wages - Including Taxes & Benefits

Executive Wage Data Average Payroll Per Executive Employee Profit Leaders & All Firms Reporting



Wages - Excluding Taxes and Benefits

Non-Executive Wage Data Average Payroll Per Employee Profit Leaders & All Firms Reporting

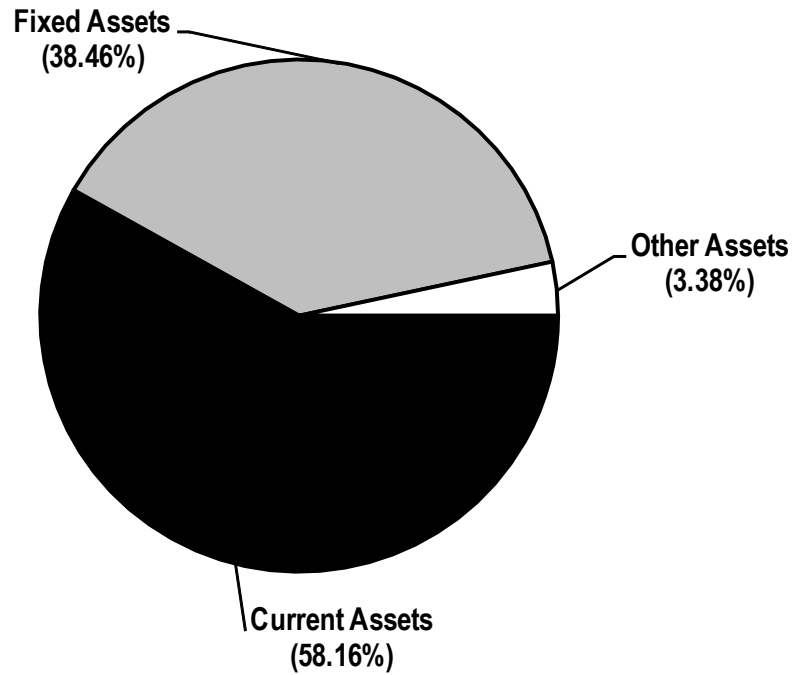


Factory
 Administrative
 Sales
 All Non-Executive Employees

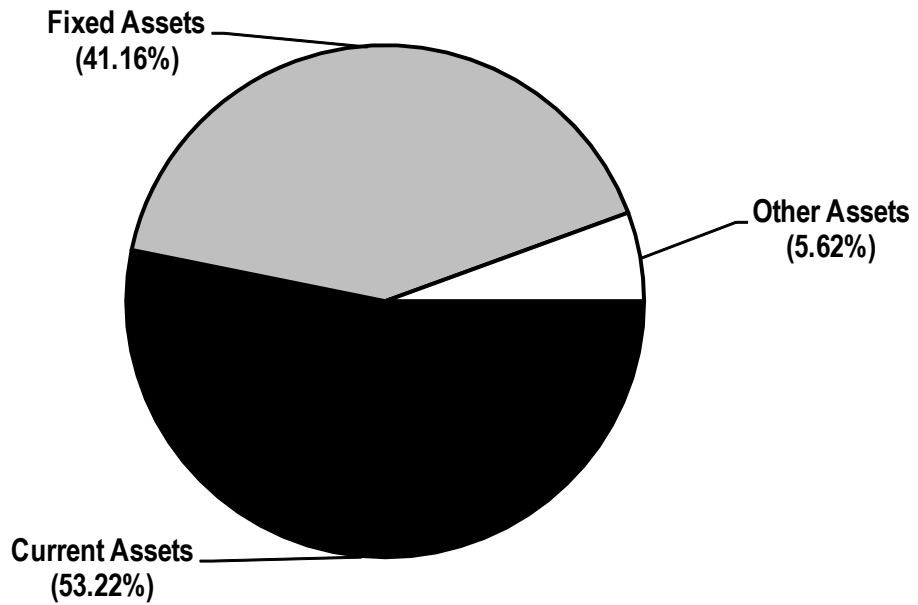
Wages - Excluding Taxes and Benefits

Balance Sheet - Assets
Total Assets = 100%

Profit Leaders

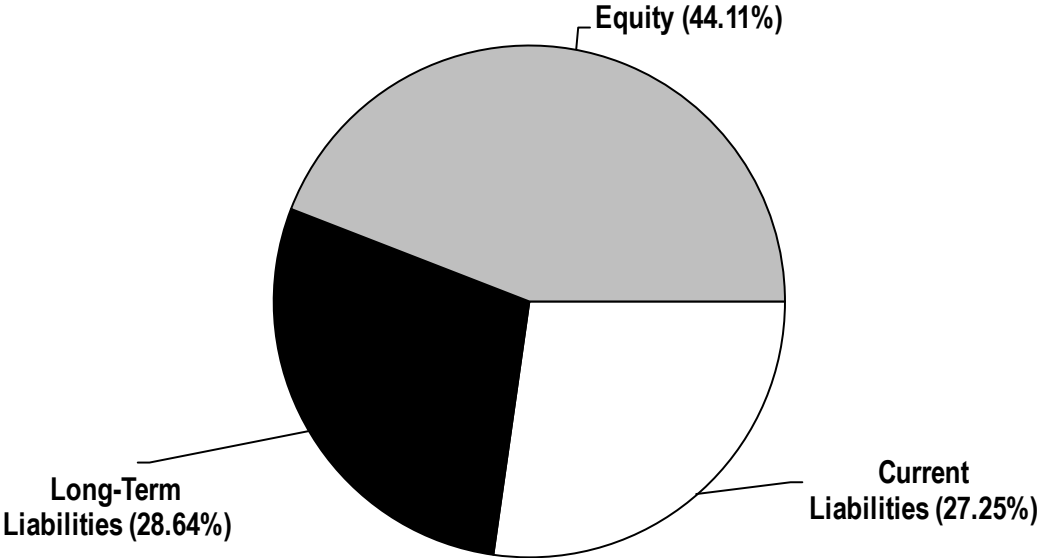


All Firms Reporting

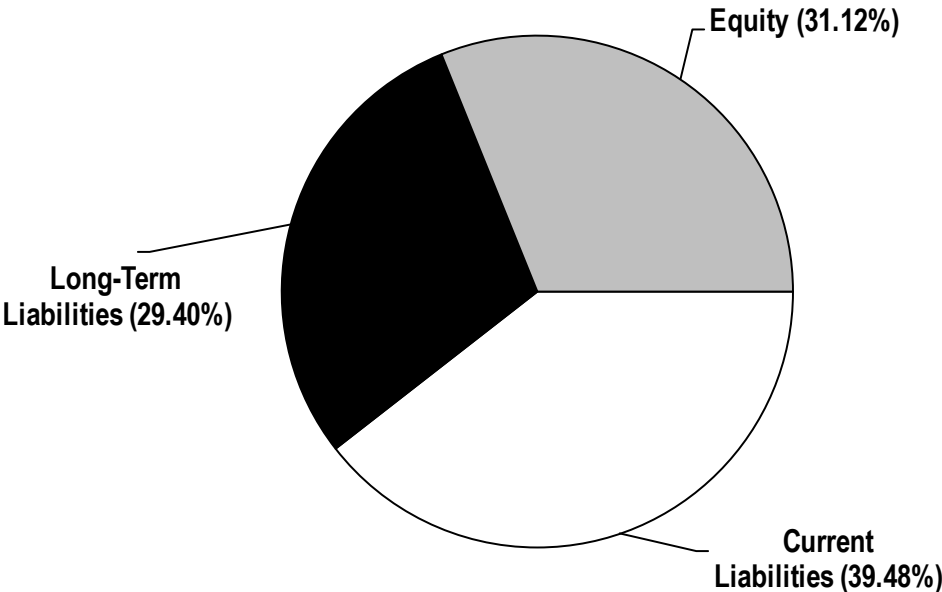


Balance Sheet - Liabilities & Equity
Total Liabilities & Equity = 100%

Profit Leaders

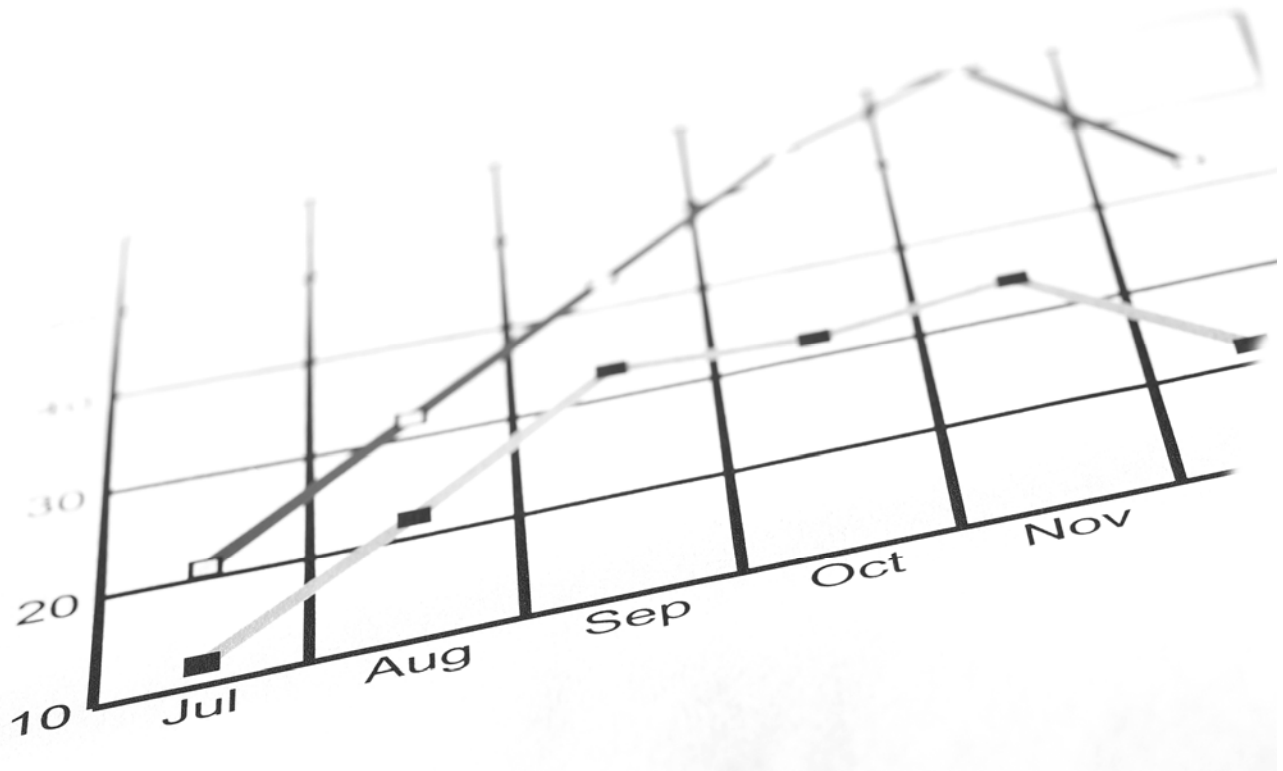


All Firms Reporting



Section 5

Ratios Chapters



Chapter 1 - By Sales Volume

Report on Operations—Value Added = 100%

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Sales or Value of Product Produced	X	X	X	X
Less: Paper, Other Chargeable Materials, and Outside Services	X	X	X	X
Value Added by Manufacture	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Factory Payroll	39.13	34.49	40.02	34.61
Factory Expenses	<u>25.54</u>	<u>22.84</u>	<u>26.28</u>	<u>21.11</u>
Total Factory Cost of Product	<u>64.67</u>	<u>57.33</u>	<u>66.30</u>	<u>55.72</u>
Gross Profit	<u>35.33</u>	<u>42.67</u>	<u>33.70</u>	<u>44.28</u>
Administrative and Selling Expenses				
Administrative expenses	15.56	14.85	19.23	15.60
Selling expenses	<u>14.47</u>	<u>12.69</u>	<u>12.41</u>	<u>12.39</u>
Total Administrative and Selling Expenses	<u>30.03</u>	<u>27.54</u>	<u>31.64</u>	<u>27.99</u>
Income Before Interest Expense	5.30	15.13	2.06	16.29
Interest expense	<u>1.40</u>	<u>0.94</u>	<u>1.22</u>	<u>0.87</u>
Operating Income	3.90	14.19	0.84	15.42
Other income (expense)	<u>0.20</u>	<u>0.26</u>	<u>(0.03)</u>	<u>(0.07)</u>
Income Before Income Taxes	<u>4.10 %</u>	<u>14.45 %</u>	<u>0.81 %</u>	<u>15.35 %</u>

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
38.37	35.06	39.45	35.14	38.55	36.79	39.44	31.17
<u>26.23</u>	<u>20.31</u>	<u>25.16</u>	<u>25.37</u>	<u>24.71</u>	<u>24.55</u>	<u>25.24</u>	<u>23.62</u>
<u>64.60</u>	<u>55.37</u>	<u>64.61</u>	<u>60.51</u>	<u>63.26</u>	<u>61.34</u>	<u>64.68</u>	<u>54.79</u>
<u>35.40</u>	<u>44.63</u>	<u>35.39</u>	<u>39.49</u>	<u>36.74</u>	<u>38.66</u>	<u>35.32</u>	<u>45.21</u>
16.96	16.49	14.54	15.54	14.20	14.10	12.91	12.50
<u>15.12</u>	<u>15.70</u>	<u>15.42</u>	<u>12.72</u>	<u>16.56</u>	<u>12.21</u>	<u>12.89</u>	<u>10.07</u>
<u>32.08</u>	<u>32.19</u>	<u>29.96</u>	<u>28.26</u>	<u>30.76</u>	<u>26.31</u>	<u>25.80</u>	<u>22.57</u>
3.32	12.44	5.43	11.23	5.98	12.35	9.52	22.64
<u>1.48</u>	<u>0.88</u>	<u>1.36</u>	<u>0.73</u>	<u>1.66</u>	<u>1.11</u>	<u>1.28</u>	<u>1.08</u>
1.84	11.56	4.07	10.50	4.32	11.24	8.24	21.56
<u>0.23</u>	<u>0.16</u>	<u>0.24</u>	<u>1.02</u>	<u>0.22</u>	<u>0.33</u>	<u>0.35</u>	<u>0.02</u>
<u>2.07 %</u>	<u>11.72 %</u>	<u>4.31 %</u>	<u>11.52 %</u>	<u>4.54 %</u>	<u>11.57 %</u>	<u>8.59 %</u>	<u>21.58 %</u>

Chapter 1 - By Sales Volume

Supporting Schedules—Value Added = 100%

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Factory Payroll				
Salaries—executive	2.84 %	2.64 %	2.90 %	2.86 %
Direct wages	22.38	19.69	24.14	20.63
General factory salaries and wages	5.78	5.53	5.27	5.82
Packing, shipping, and delivery wages	1.83	1.41	1.21	0.31
Payroll taxes	2.67	2.38	2.85	2.44
Employee benefits	3.63	2.84	3.65	2.55
Total Factory Payroll	39.13 %	34.49 %	40.02 %	34.61 %
Factory Expenses				
Fixed Expenses				
Depreciation—real estate	0.38 %	0.12 %	0.82 %	0.20 %
Depreciation—other	5.81	5.51	4.12	2.38
Taxes—real estate	0.45	0.46	0.35	0.41
Taxes—other	0.26	0.28	0.15	0.21
Insurance	0.94	0.78	1.50	1.52
Building rent	3.27	3.11	4.31	4.01
Utilities—heat, light etc.	2.46	2.08	2.33	1.97
Equipment rental	1.44	1.23	2.68	2.72
Total Fixed Expenses	15.01	13.57	16.26	13.42
Other Expenses				
Factory supplies and expense	3.08	2.87	2.34	1.92
Packing, shipping, and delivery expense	2.72	1.54	2.35	1.05
Repairs and maintenance	3.56	3.61	3.04	2.33
Other factory expense	1.17	1.25	2.29	2.39
Total Other Expenses	10.53	9.27	10.02	7.69
Total Factory Expenses	25.54 %	22.84 %	26.28 %	21.11 %
Administrative Expenses				
Salaries—executive	4.41 %	4.39 %	6.23 %	6.07 %
Salaries—office	3.74	3.66	5.08	3.64
Payroll taxes	0.66	0.63	0.92	0.76
Employee benefits	1.02	0.97	1.12	0.78
Bad debts	0.26	0.20	0.10	0.09
Data processing expense	0.61	0.61	0.43	0.24
Office supplies and expenses	0.66	0.52	0.92	0.61
Professional fees	1.25	0.96	1.23	0.84
Taxes—business	0.13	0.12	0.22	0.26
Telephone	0.49	0.45	0.74	0.63
Other administrative expenses	2.33	2.34	2.24	1.68
Total Administrative Expenses	15.56 %	14.85 %	19.23 %	15.60 %
Selling Expenses				
Salaries—executive	1.60 %	1.38 %	2.02 %	1.91 %
Salaries and commissions—salesmen	7.56	6.50	5.07	3.66
Salaries—sales office clerical	1.28	1.09	1.02	1.81
Payroll taxes	0.81	0.71	0.64	0.59
Employee benefits	0.80	0.57	0.85	0.72
Advertising	0.66	0.60	1.21	0.84
Travel and entertainment	0.79	0.79	0.58	0.70
Other selling expenses	0.97	1.05	1.02	2.16
Total Selling Expenses	14.47 %	12.69 %	12.41 %	12.39 %

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
2.21 %	1.73 %	3.48 %	3.01 %	3.01 %	3.65 %	2.81 %	2.25 %
22.11	20.94	22.21	19.06	20.82	19.12	22.72	18.49
6.13	5.66	5.13	5.42	6.36	6.07	5.81	4.72
1.94	1.85	2.12	1.91	2.12	2.09	1.75	0.90
2.69	2.54	2.68	2.42	2.58	2.54	2.55	1.95
3.29	2.34	3.83	3.32	3.66	3.32	3.80	2.86
<u>38.37 %</u>	<u>35.06 %</u>	<u>39.45 %</u>	<u>35.14 %</u>	<u>38.55 %</u>	<u>36.79 %</u>	<u>39.44 %</u>	<u>31.17 %</u>
0.44 %	0.02 %	0.15 %	0.00 %	0.14 %	0.19 %	0.34 %	0.18 %
6.50	6.01	5.81	5.71	6.14	7.17	6.23	6.14
0.52	0.36	0.45	0.65	0.38	0.50	0.52	0.43
0.36	0.18	0.28	0.45	0.30	0.38	0.19	0.22
0.92	0.54	0.74	0.54	0.82	0.68	0.76	0.65
3.50	3.11	3.42	4.00	3.28	3.10	1.97	1.59
2.35	1.60	2.64	2.55	2.64	2.32	2.41	2.13
1.33	0.36	1.38	2.09	1.09	0.20	0.85	1.10
<u>15.92</u>	<u>12.18</u>	<u>14.87</u>	<u>15.99</u>	<u>14.79</u>	<u>14.54</u>	<u>13.27</u>	<u>12.44</u>
3.06	2.07	2.74	2.14	2.84	3.08	4.26	5.00
2.43	1.16	2.84	2.13	3.12	1.88	2.87	1.60
3.78	3.38	3.71	4.61	3.40	4.13	3.80	3.77
1.04	1.52	1.00	0.50	0.56	0.92	1.04	0.81
<u>10.31</u>	<u>8.13</u>	<u>10.29</u>	<u>9.38</u>	<u>9.92</u>	<u>10.01</u>	<u>11.97</u>	<u>11.18</u>
<u>26.23 %</u>	<u>20.31 %</u>	<u>25.16 %</u>	<u>25.37 %</u>	<u>24.71 %</u>	<u>24.55 %</u>	<u>25.24 %</u>	<u>23.62 %</u>
5.20 %	4.60 %	4.12 %	5.33 %	3.70 %	3.55 %	2.86 %	2.68 %
3.51	4.02	3.45	3.60	3.40	3.89	3.36	3.14
0.73	0.70	0.58	0.66	0.57	0.57	0.49	0.46
1.12	1.02	1.02	1.42	0.92	0.91	0.89	0.78
0.14	0.09	0.58	0.33	0.28	0.28	0.25	0.24
0.66	0.66	0.80	0.79	0.67	0.77	0.54	0.58
0.78	0.81	0.65	0.45	0.52	0.28	0.44	0.40
1.55	0.88	1.08	0.99	1.00	0.78	1.31	1.29
0.14	0.10	0.14	0.04	0.07	0.02	0.09	0.17
0.53	0.42	0.46	0.50	0.38	0.27	0.34	0.43
2.60	3.19	1.66	1.43	2.69	2.78	2.34	2.33
<u>16.96 %</u>	<u>16.49 %</u>	<u>14.54 %</u>	<u>15.54 %</u>	<u>14.20 %</u>	<u>14.10 %</u>	<u>12.91 %</u>	<u>12.50 %</u>
1.61 %	0.70 %	1.55 %	1.82 %	1.64 %	1.58 %	1.23 %	1.12 %
8.40	9.71	8.16	7.24	9.11	6.39	6.94	5.05
0.99	0.93	1.39	0.54	1.61	0.84	1.44	1.26
0.90	1.05	0.82	0.67	0.96	0.69	0.70	0.48
0.79	0.54	0.83	0.47	0.83	0.60	0.70	0.54
0.68	0.77	0.47	0.42	0.59	0.68	0.37	0.28
0.88	0.99	0.80	0.82	0.83	0.58	0.85	0.80
0.87	1.01	1.40	0.74	0.99	0.85	0.66	0.54
<u>15.12 %</u>	<u>15.70 %</u>	<u>15.42 %</u>	<u>12.72 %</u>	<u>16.56 %</u>	<u>12.21 %</u>	<u>12.89 %</u>	<u>10.07 %</u>

Chapter 1 - By Sales Volume

Report on Operations—Sales = 100%

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Sales or Value of Product Produced	100.00 %	100.00 %	100.00 %	100.00 %
Factory Cost of Product				
Materials				
Paper	21.04	20.58	16.27	13.68
Other chargeable materials	5.85	6.28	4.64	5.82
Outside services	8.16	7.17	9.45	8.62
Total Materials	35.05	34.03	30.36	28.12
Factory Payroll	25.37	22.83	27.50	25.03
Factory Expenses	16.58	14.94	18.31	14.97
Total Factory Cost of Product	77.00	71.80	76.17	68.12
Gross Profit	23.00	28.20	23.83	31.88
Administrative and Selling Expenses				
Administrative expenses	10.14	9.82	13.32	11.25
Selling expenses	9.41	8.42	8.71	8.78
Total Administrative and Selling Expenses	19.55	18.24	22.03	20.03
Income Before Interest Expense	3.45	9.96	1.80	11.85
Interest expense	0.90	0.63	0.83	0.64
Operating Income	2.55	9.33	0.97	11.21
Other income (expense)	0.11	0.18	(0.05)	(0.04)
Income Before Income Taxes	2.66 %	9.51 %	0.92 %	11.17 %

Supporting Schedules—Sales = 100%

Other Chargeable Materials

Ink	1.79 %	1.82 %	0.85 %	0.75 %
Plates	1.18	1.07	1.23	1.14
Click charges	1.10	1.35	1.61	2.66
Other chargeable materials	1.78	2.04	0.95	1.27
Total Other Chargeable Materials	5.85 %	6.28 %	4.64 %	5.82 %

Outside Services

Prepress	0.13 %	0.03 %	0.33 %	0.00 %
Printing	2.44	3.08	3.37	4.67
Binding	2.76	1.90	2.28	0.91
Other outside services	2.83	2.16	3.47	3.04
Total Outside Services	8.16 %	7.17 %	9.45 %	8.62 %

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
20.12	19.43	18.96	18.36	23.43	28.31	25.57	22.87
5.78	5.09	6.87	7.49	5.89	6.85	6.19	6.52
8.05	7.60	7.49	6.86	8.02	3.85	7.79	8.63
33.95	32.12	33.32	32.71	37.34	39.01	39.55	38.02
25.42	23.72	26.23	23.30	24.22	22.75	23.84	19.57
17.18	13.71	16.85	17.32	15.49	14.93	15.24	14.37
76.55	69.55	76.40	73.33	77.05	76.69	78.63	71.96
23.45	30.45	23.60	26.67	22.95	23.31	21.37	28.04
11.14	11.16	9.74	10.57	8.88	8.35	7.79	7.79
10.04	10.80	10.23	8.38	10.36	7.45	7.83	6.36
21.18	21.96	19.97	18.95	19.24	15.80	15.62	14.15
2.27	8.49	3.63	7.72	3.71	7.51	5.75	13.89
0.98	0.60	0.89	0.50	1.04	0.70	0.74	0.71
1.29	7.89	2.74	7.22	2.67	6.81	5.01	13.18
0.15	0.09	0.14	0.69	0.12	0.25	0.18	0.00
1.44 %	7.98 %	2.88 %	7.91 %	2.79 %	7.06 %	5.19 %	13.18 %
1.54 %	1.01 %	1.72 %	1.57 %	2.05 %	2.74 %	2.62 %	2.78 %
1.21	0.92	1.30	1.19	1.17	1.33	1.04	0.89
1.24	1.24	1.60	2.46	0.77	0.34	0.51	0.50
1.79	1.92	2.25	2.27	1.90	2.44	2.02	2.35
5.78 %	5.09 %	6.87 %	7.49 %	5.89 %	6.85 %	6.19 %	6.52 %
0.06 %	0.02 %	0.04 %	0.00 %	0.12 %	0.13 %	0.10 %	0.03 %
2.40	2.82	1.36	1.27	1.65	1.45	3.06	4.70
2.13	1.29	4.53	3.78	2.77	1.80	2.49	2.24
3.46	3.47	1.56	1.81	3.48	0.47	2.14	1.66
8.05 %	7.60 %	7.49 %	6.86 %	8.02 %	3.85 %	7.79 %	8.63 %

Chapter 1 - By Sales Volume

Supporting Schedules—Sales = 100%

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Factory Payroll				
Salaries—executive	1.83 %	1.71 %	1.99 %	2.02 %
Direct wages	14.49	13.06	16.63	14.93
General factory salaries and wages	3.79	3.72	3.62	4.24
Packing, shipping, and delivery wages	1.17	0.90	0.83	0.22
Payroll taxes	1.73	1.57	1.96	1.77
Employee benefits	2.36	1.87	2.47	1.85
Total Factory Payroll	25.37 %	22.83 %	27.50 %	25.03 %
Factory Expenses				
Fixed Expenses				
Depreciation—real estate	0.25 %	0.07 %	0.56 %	0.15 %
Depreciation—other	3.74	3.59	2.85	1.73
Taxes—real estate	0.29	0.31	0.24	0.31
Taxes—other	0.17	0.19	0.10	0.14
Insurance	0.61	0.52	1.02	1.09
Building rent	2.15	2.06	2.98	2.83
Utilities—heat, light etc.	1.57	1.36	1.59	1.42
Equipment rental	0.98	0.85	1.89	1.99
Total Fixed Expenses	9.76	8.95	11.23	9.66
Other Expenses				
Factory supplies and expense	1.94	1.82	1.59	1.34
Packing, shipping, and delivery expense	1.80	0.99	1.74	0.76
Repairs and maintenance	2.30	2.37	2.10	1.64
Other factory expense	0.78	0.81	1.65	1.57
Total Other Expenses	6.82	5.99	7.08	5.31
Total Factory Expenses	16.58 %	14.94 %	18.31 %	14.97 %
Administrative Expenses				
Salaries—executive	2.90 %	2.92 %	4.39 %	4.37 %
Salaries—office	2.47	2.44	3.50	2.66
Payroll taxes	0.43	0.42	0.64	0.55
Employee benefits	0.65	0.65	0.75	0.56
Bad debts	0.16	0.13	0.06	0.07
Data processing expense	0.40	0.38	0.29	0.17
Office supplies and expenses	0.43	0.34	0.63	0.43
Professional fees	0.80	0.64	0.85	0.63
Taxes—business	0.08	0.08	0.15	0.18
Telephone	0.32	0.30	0.50	0.45
Other administrative expenses	1.50	1.52	1.56	1.18
Total Administrative Expenses	10.14 %	9.82 %	13.32 %	11.25 %
Selling Expenses				
Salaries—executive	1.05 %	0.92 %	1.38 %	1.36 %
Salaries and commissions—salesmen	4.92	4.30	3.60	2.59
Salaries—sales office clerical	0.82	0.70	0.71	1.20
Payroll taxes	0.52	0.46	0.45	0.41
Employee benefits	0.51	0.38	0.57	0.50
Advertising	0.44	0.40	0.87	0.61
Travel and entertainment	0.51	0.53	0.40	0.52
Other selling expenses	0.64	0.73	0.73	1.59
Total Selling Expenses	9.41 %	8.42 %	8.71 %	8.78 %

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
1.48 %	1.17 %	2.26 %	1.98 %	1.82 %	2.10 %	1.75 %	1.45 %
14.60	14.20	14.72	12.50	13.08	11.97	13.63	11.53
4.11	3.83	3.45	3.70	4.09	3.88	3.56	3.02
1.28	1.23	1.40	1.25	1.34	1.28	1.02	0.55
1.79	1.71	1.77	1.60	1.62	1.55	1.54	1.23
2.16	1.58	2.63	2.27	2.27	1.97	2.34	1.79
<u>25.42 %</u>	<u>23.72 %</u>	<u>26.23 %</u>	<u>23.30 %</u>	<u>24.22 %</u>	<u>22.75 %</u>	<u>23.84 %</u>	<u>19.57 %</u>
0.29 %	0.01 %	0.10 %	0.00 %	0.09 %	0.11 %	0.20 %	0.10 %
4.29	4.06	3.87	3.91	3.84	4.37	3.73	3.79
0.35	0.24	0.30	0.43	0.23	0.29	0.31	0.28
0.22	0.12	0.19	0.31	0.19	0.25	0.11	0.14
0.61	0.37	0.49	0.36	0.51	0.43	0.45	0.40
2.28	2.10	2.27	2.72	2.11	1.84	1.22	0.99
1.55	1.08	1.75	1.72	1.63	1.40	1.41	1.29
0.88	0.24	0.98	1.46	0.73	0.13	0.53	0.66
<u>10.47</u>	<u>8.22</u>	<u>9.95</u>	<u>10.91</u>	<u>9.33</u>	<u>8.82</u>	<u>7.96</u>	<u>7.65</u>
1.97	1.40	1.83	1.42	1.80	1.96	2.44	2.92
1.55	0.78	1.94	1.48	1.89	1.13	1.92	0.94
2.51	2.29	2.49	3.16	2.13	2.51	2.26	2.33
0.68	1.02	0.64	0.35	0.34	0.51	0.66	0.53
<u>6.71</u>	<u>5.49</u>	<u>6.90</u>	<u>6.41</u>	<u>6.16</u>	<u>6.11</u>	<u>7.28</u>	<u>6.72</u>
<u>17.18 %</u>	<u>13.71 %</u>	<u>16.85 %</u>	<u>17.32 %</u>	<u>15.49 %</u>	<u>14.93 %</u>	<u>15.24 %</u>	<u>14.37 %</u>
3.41 %	3.10 %	2.79 %	3.65 %	2.25 %	2.03 %	1.73 %	1.64 %
2.33	2.72	2.29	2.44	2.22	2.40	2.09	1.98
0.48	0.47	0.38	0.45	0.36	0.34	0.30	0.29
0.73	0.70	0.71	1.03	0.55	0.51	0.53	0.50
0.09	0.06	0.38	0.19	0.16	0.15	0.15	0.16
0.44	0.44	0.53	0.51	0.42	0.45	0.32	0.35
0.51	0.53	0.45	0.29	0.32	0.17	0.26	0.24
0.98	0.59	0.71	0.67	0.64	0.48	0.77	0.84
0.09	0.07	0.09	0.03	0.04	0.01	0.06	0.11
0.35	0.29	0.32	0.35	0.25	0.16	0.20	0.26
1.73	2.19	1.09	0.96	1.67	1.65	1.38	1.42
<u>11.14 %</u>	<u>11.16 %</u>	<u>9.74 %</u>	<u>10.57 %</u>	<u>8.88 %</u>	<u>8.35 %</u>	<u>7.79 %</u>	<u>7.79 %</u>
1.07 %	0.47 %	1.05 %	1.24 %	1.02 %	0.95 %	0.75 %	0.74 %
5.58	6.69	5.35	4.69	5.82	3.99	4.20	3.19
0.65	0.62	0.94	0.36	0.92	0.50	0.90	0.78
0.59	0.71	0.54	0.44	0.60	0.43	0.43	0.30
0.52	0.37	0.56	0.31	0.51	0.36	0.41	0.33
0.46	0.53	0.31	0.28	0.37	0.38	0.22	0.18
0.58	0.68	0.54	0.56	0.52	0.36	0.51	0.50
0.59	0.73	0.94	0.50	0.60	0.48	0.41	0.34
<u>10.04 %</u>	<u>10.80 %</u>	<u>10.23 %</u>	<u>8.38 %</u>	<u>10.36 %</u>	<u>7.45 %</u>	<u>7.83 %</u>	<u>6.36 %</u>

Chapter 1 - By Sales Volume

Balance Sheet

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Assets				
Current Assets				
Cash	9.86 %	16.00 %	15.15 %	21.61 %
Receivables	30.45	30.66	30.21	26.97
Inventories	9.17	7.95	6.14	4.95
Marketable securities	1.36	1.33	0.35	0.00
Other current assets	<u>2.38</u>	<u>2.22</u>	<u>2.05</u>	<u>2.11</u>
Total Current Assets	<u>53.22</u>	<u>58.16</u>	<u>53.90</u>	<u>55.64</u>
Fixed Assets				
Real estate	13.96	9.09	19.41	19.08
Less: Accumulated depreciation	<u>7.40</u>	<u>4.84</u>	<u>9.14</u>	<u>8.46</u>
	<u>6.56</u>	<u>4.25</u>	<u>10.27</u>	<u>10.62</u>
Machinery and equipment	153.03	135.33	221.62	205.48
Less: Accumulated depreciation	<u>122.35</u>	<u>105.34</u>	<u>195.33</u>	<u>184.41</u>
	<u>30.68</u>	<u>29.99</u>	<u>26.29</u>	<u>21.07</u>
Other fixed assets	13.37	14.08	24.00	23.29
Less: Accumulated depreciation	<u>9.45</u>	<u>9.86</u>	<u>19.05</u>	<u>18.55</u>
	<u>3.92</u>	<u>4.22</u>	<u>4.95</u>	<u>4.74</u>
Net Fixed Assets	<u>41.16</u>	<u>38.46</u>	<u>41.51</u>	<u>36.43</u>
Other Assets	<u>5.62</u>	<u>3.38</u>	<u>4.59</u>	<u>7.93</u>
Total Assets	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Liabilities and Equity				
Current Liabilities				
Notes payable	10.43 %	7.35 %	12.38 %	6.80 %
Accounts payable	15.61	12.65	20.78	14.74
Other current liabilities	<u>13.44</u>	<u>7.25</u>	<u>12.48</u>	<u>6.10</u>
Total Current Liabilities	39.48	27.25	45.64	27.64
Long-Term Liabilities	<u>29.40</u>	<u>28.64</u>	<u>27.96</u>	<u>31.66</u>
Total Liabilities	68.88	55.89	73.60	59.30
Shareholders' & Proprietors' Equity	<u>31.12</u>	<u>44.11</u>	<u>26.40</u>	<u>40.70</u>
Total Liabilities and Equity	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
10.18 %	16.66 %	10.28 %	16.50 %	9.79 %	18.34 %	4.64 %	7.70 %
30.99	36.99	28.68	26.36	30.42	28.93	31.45	32.03
10.06	10.71	10.20	7.46	8.59	6.95	10.61	8.91
0.47	0.89	2.39	2.32	1.32	2.70	2.46	0.96
<u>1.75</u>	<u>1.24</u>	<u>3.47</u>	<u>1.29</u>	<u>2.38</u>	<u>1.71</u>	<u>2.50</u>	<u>4.61</u>
<u>53.45</u>	<u>66.49</u>	<u>55.02</u>	<u>53.93</u>	<u>52.50</u>	<u>58.63</u>	<u>51.66</u>	<u>54.21</u>
11.83	6.06	14.78	5.85	8.97	7.55	15.47	7.40
<u>5.12</u>	<u>4.48</u>	<u>10.01</u>	<u>3.17</u>	<u>5.52</u>	<u>4.53</u>	<u>8.03</u>	<u>3.58</u>
<u>6.71</u>	<u>1.58</u>	<u>4.77</u>	<u>2.68</u>	<u>3.45</u>	<u>3.02</u>	<u>7.44</u>	<u>3.82</u>
171.11	150.39	143.52	127.63	116.50	112.53	114.78	82.33
<u>140.35</u>	<u>123.16</u>	<u>110.04</u>	<u>91.39</u>	<u>83.84</u>	<u>80.90</u>	<u>84.36</u>	<u>47.73</u>
<u>30.76</u>	<u>27.23</u>	<u>33.48</u>	<u>36.24</u>	<u>32.66</u>	<u>31.63</u>	<u>30.42</u>	<u>34.60</u>
10.32	9.42	11.85	19.13	11.48	14.13	10.31	6.82
<u>6.87</u>	<u>6.63</u>	<u>8.54</u>	<u>13.06</u>	<u>7.23</u>	<u>8.47</u>	<u>6.62</u>	<u>4.28</u>
<u>3.45</u>	<u>2.79</u>	<u>3.31</u>	<u>6.07</u>	<u>4.25</u>	<u>5.66</u>	<u>3.69</u>	<u>2.54</u>
<u>40.92</u>	<u>31.60</u>	<u>41.56</u>	<u>44.99</u>	<u>40.36</u>	<u>40.31</u>	<u>41.55</u>	<u>40.96</u>
<u>5.63</u>	<u>1.91</u>	<u>3.42</u>	<u>1.08</u>	<u>7.14</u>	<u>1.06</u>	<u>6.79</u>	<u>4.83</u>
<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
10.76 %	11.98 %	9.33 %	7.03 %	10.45 %	4.79 %	9.20 %	5.30 %
14.16	11.84	16.15	14.94	13.88	8.63	13.85	13.45
<u>21.95</u>	<u>5.61</u>	<u>10.98</u>	<u>12.77</u>	<u>10.39</u>	<u>5.03</u>	<u>9.84</u>	<u>7.69</u>
46.87	29.43	36.46	34.74	34.72	18.45	32.89	26.44
<u>32.72</u>	<u>20.88</u>	<u>23.89</u>	<u>23.12</u>	<u>31.38</u>	<u>24.68</u>	<u>29.48</u>	<u>42.43</u>
79.59	50.31	60.35	57.86	66.10	43.13	62.37	68.87
<u>20.41</u>	<u>49.69</u>	<u>39.65</u>	<u>42.14</u>	<u>33.90</u>	<u>56.87</u>	<u>37.63</u>	<u>31.13</u>
<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

Chapter 1 - By Sales Volume

Significant Facts—Profitability Ratios

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Profitability Ratios				
Measure of Profits				
Income before income taxes				
A. As a percent of sales	2.66 %	9.51 %	0.92 %	11.17 %
B. <i>Per employee</i>	\$ 4,110	\$ 14,847	\$ 2,041	\$ 11,372
Income before interest expense (Return on Investment)				
A. As a percent of gross assets	3.82 %	11.14 %	2.37 %	12.39 %
B. As a percent of net assets	7.26	22.69	6.20	32.83
Earnings before interest expense, income taxes, factory depreciation, and amortization (EBITFDA)				
A. As a percent of sales	7.55 %	13.80 %	5.16 %	13.69 %
B. As a percent of value added	11.69	21.02	6.97	18.80
Sales Factors				
Sales per \$1 of gross assets	\$ 1.08	\$ 1.15	\$ 1.10	\$ 1.18
Sales per \$1 of net assets	2.40	2.46	3.03	3.18
Sales per \$1 of current assets	4.62	4.43	5.73	6.24
Sales per \$1 of net fixed assets	8.02	8.93	10.96	14.34
<i>Sales per employee</i>	159,862	172,204	122,725	133,981
<i>Sales per factory employee</i>	210,632	231,801	181,287	186,063
Gross Profit Analysis				
Gross profit as a percent of sales	23.00 %	28.20 %	23.83 %	31.88 %
<i>Gross profit per factory employee</i>	\$ 49,137	\$ 64,192	\$ 41,456	\$ 60,648
Components of cost of product produced as a percent of sales				
A. Materials	35.05 %	34.03 %	30.36 %	28.12 %
B. Factory payroll	25.37	22.83	27.50	25.03
C. Factory expenses	16.58	14.94	18.31	14.97
Value Added Analysis				
<i>Value added per employee</i>	\$ 104,563	\$ 114,388	\$ 85,124	\$ 94,678
<i>Value added per factory employee</i>	138,040	153,050	122,439	142,017
Analysis of operations to value added				
A. Factory payroll	39.13 %	34.49 %	40.02 %	34.61 %
B. Factory expenses	25.54	22.84	26.28	21.11
C. Administrative expenses	15.56	14.85	19.23	15.60
D. Selling expenses	14.47	12.69	12.41	12.39
E. Interest expense	1.40	0.94	1.22	0.87
Gross profit as a percent of value added	35.33	42.67	33.70	44.28
Income before income taxes as a percent of value added	4.10	14.45	0.81	15.35

Numerical Average / Median Value

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
1.44 %	7.98 %	2.88 %	7.91 %	2.79 %	7.06 %	5.19 %	13.18 %
\$ 1,480	\$ 14,794	\$ 4,971	\$ 11,708	\$ 4,621	\$ 14,636	\$ 7,120	\$ 24,684
3.74 %	12.62 %	3.11 %	9.02 %	3.78 %	6.98 %	5.75 %	13.81 %
6.54	27.42	7.14	16.95	6.89	13.15	9.42	21.54
7.00 %	12.65 %	7.74 %	12.32 %	7.76 %	12.24 %	9.86 %	17.78 %
10.49	18.63	11.63	17.96	12.48	20.04	16.44	28.98
\$ 1.13	\$ 1.40	\$ 1.13	\$ 1.15	\$ 1.10	\$ 0.98	\$ 0.98	\$ 1.02
2.66	3.16	2.32	2.33	2.12	1.96	1.89	1.61
5.05	4.83	4.43	4.70	4.09	3.34	3.80	3.13
10.29	12.26	6.47	6.06	6.60	7.14	5.49	4.31
143,306	152,119	169,489	179,878	175,366	185,341	208,852	222,293
194,829	203,408	235,794	243,411	233,960	244,203	246,825	278,503
23.45 %	30.45 %	23.60 %	26.67 %	22.95 %	23.31 %	21.37 %	28.04 %
\$ 45,281	\$ 55,725	\$ 53,566	\$ 66,104	\$ 53,554	\$ 55,022	\$ 49,261	\$ 80,216
33.95 %	32.12 %	33.32 %	32.71 %	37.34 %	39.01 %	39.55 %	38.02 %
25.42	23.72	26.23	23.30	24.22	22.75	23.84	19.57
17.18	13.71	16.85	17.32	15.49	14.93	15.24	14.37
\$ 97,274	\$ 102,585	\$ 114,478	\$ 117,046	\$ 113,740	\$ 124,939	\$ 121,048	\$ 144,219
129,418	129,453	156,309	167,970	150,773	157,420	153,113	178,761
38.37 %	35.06 %	39.45 %	35.14 %	38.55 %	36.79 %	39.44 %	31.17 %
26.23	20.31	25.16	25.37	24.71	24.55	25.24	23.62
16.96	16.49	14.54	15.54	14.20	14.10	12.91	12.50
15.12	15.70	15.42	12.72	16.56	12.21	12.89	10.07
1.48	0.88	1.36	0.73	1.66	1.11	1.28	1.08
35.40	44.63	35.39	39.49	36.74	38.66	35.32	45.21
2.07	11.72	4.31	11.52	4.54	11.57	8.59	21.58

Chapter 1 - By Sales Volume

Significant Facts—Financial Ratios

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Financial Ratios				
Financial Leverage				
Income before interest expense as a multiple of interest expense				
Times interest earned	3.83	15.81	2.17	18.52
Liquidity and Activity Ratios				
Current ratio	1.35	2.13	1.18	2.01
Quick ratio	1.06	1.76	1.00	1.76
Cash asset ratio	0.28	0.64	0.34	0.78
<i>Days cash for operating expenses excluding depreciation</i>	11	21	20	22
<i>Accounts receivable turnover</i>	7.83	8.47	11.13	11.81
<i>Number of days sales in accounts receivable (Collection Period)</i>	47	43	33	31
<i>Inventory turnover</i>				
A. Total inventory turnover	21.97	26.34	40.71	54.67
B. Number of days—total inventory	17	14	9	7
C. Paper inventory turnover	18.36	20.59	16.63	35.22
D. Number of days—paper inventory	20	18	22	10
Current asset turnover	4.62	4.43	5.73	6.24
<i>Operating cycle—in days</i>	64	57	42	38
Distribution of current assets				
A. Cash	20.90 %	30.04 %	30.80 %	40.35 %
B. Accounts receivable	56.89	52.30	52.64	47.46
C. Inventory	17.69	13.99	13.39	9.04
D. Other current assets	4.52	3.67	3.17	3.15
Leverage and Funding Ratios				
Debt to equity	2.21	1.27	2.79	1.46
Long-term debt to equity	0.94	0.65	1.06	0.78
Funding of total assets				
A. Current liabilities	39.48 %	27.25 %	45.64 %	27.64 %
B. Long-term debt	29.40	28.64	27.96	31.66
C. Total debt	68.88	55.89	73.60	59.30
D. Shareholders' equity	31.12	44.11	26.40	40.70
Long-term debt to long-term debt and equity	0.49	0.39	0.51	0.44
Fixed assets to long-term debt	1.40	1.34	1.48	1.15
Fixed assets to shareholders' equity	1.32	0.87	1.57	0.90
Fixed assets to long-term debt and shareholders' equity	0.68	0.53	0.76	0.50
Investment turnover				
Sales to assets				
A. Gross assets	1.08	1.15	1.10	1.18
B. Net assets	2.40	2.46	3.03	3.18
C. Net fixed assets	8.02	8.93	10.96	14.34
<i>Sales to total debt</i>	3.85	4.85	4.66	5.98

Numerical Average / Median Value

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
2.32	14.15	4.08	15.44	3.57	10.73	7.77	19.56
1.14	2.26	1.51	1.55	1.51	3.18	1.57	2.05
0.89	1.85	1.13	1.30	1.20	2.71	1.17	1.54
0.23	0.60	0.35	0.54	0.32	1.14	0.22	0.33
13	21	13	29	11	37	6	19
8.51	9.43	7.90	8.92	7.57	8.10	6.13	6.36
43	39	46	41	48	45	60	57
22.49	30.78	21.71	25.96	22.04	22.88	15.78	13.33
16	12	17	14	17	16	23	27
20.21	16.91	27.49	37.82	18.98	20.97	17.04	15.71
18	22	13	10	19	17	21	23
5.05	4.83	4.43	4.70	4.09	3.34	3.80	3.13
59	51	63	55	65	61	83	84
20.60 %	27.94 %	22.06 %	32.31 %	19.64 %	36.18 %	12.89 %	15.74 %
57.54	55.49	53.23	50.64	58.74	48.28	61.00	58.10
18.26	14.78	18.65	14.97	16.48	12.51	21.19	18.10
3.60	1.79	6.06	2.08	5.14	3.03	4.92	8.06
3.90	1.01	1.52	1.37	1.95	0.76	1.66	2.21
1.60	0.42	0.60	0.55	0.93	0.43	0.78	1.36
46.87 %	29.43 %	36.46 %	34.74 %	34.72 %	18.45 %	32.89 %	26.44 %
32.72	20.88	23.89	23.12	31.38	24.68	29.48	42.43
79.59	50.31	60.35	57.86	66.10	43.13	62.37	68.87
20.41	49.69	39.65	42.14	33.90	56.87	37.63	31.13
0.62	0.30	0.38	0.35	0.48	0.30	0.44	0.58
1.25	1.51	1.74	1.95	1.29	1.63	1.41	0.97
2.00	0.64	1.05	1.07	1.19	0.71	1.10	1.32
0.77	0.45	0.65	0.69	0.62	0.49	0.62	0.56
1.13	1.40	1.13	1.15	1.10	0.98	0.98	1.02
2.66	3.16	2.32	2.33	2.12	1.96	1.89	1.61
10.29	12.26	6.47	6.06	6.60	7.14	5.49	4.31
3.86	7.04	4.57	4.61	3.09	3.56	3.52	3.43

Chapter 1 - By Sales Volume

Significant Facts—Employee Profile

	All Firms Reporting		Sales To \$4,000,000	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Employee Profile				
Investment Per Employee				
Per employee for all employees				
<i>A. Shareholders' equity</i>	\$ 29,905	\$ 38,854	\$ 11,168	\$ 11,840
<i>B. Net assets employed</i>	80,287	78,612	40,758	48,919
Per employee for all factory employees				
<i>A. Net assets employed</i>	104,095	104,939	60,682	73,379
<i>B. Machinery and equipment employed</i>	144,194	127,252	136,350	100,052
Employees				
As a percent of total employees				
Factory employees	74.45 %	75.06 %	69.37 %	70.55 %
Administrative employees	11.90	12.39	17.10	15.58
Sales employees	13.65	12.55	13.53	13.87
Payroll—Including Taxes and Benefits				
Including Executives				
Total payroll as a percent of sales	39.64 %	36.02 %	43.49 %	39.23 %
Total payroll as a percent of value added	61.01	54.39	62.97	54.55
<i>Factory payroll as a percent of gross plant investment</i>				
	38.47	43.00	35.07	50.76
<i>Payroll per employee—all employees</i>	\$ 62,788	\$ 63,292	\$ 50,831	\$ 54,533
<i>Payroll per factory employee</i>	54,356	52,046	51,271	51,100
<i>Payroll per administrative employee</i>	85,455	91,692	62,012	73,405
<i>Payroll per sales employee</i>	94,939	97,103	60,886	60,050
Payroll—Excluding Taxes & Benefits				
Executive Payroll				
<i>Payroll per executive—all executives</i>	\$ 101,974	\$ 118,823	\$ 65,254	\$ 78,095
<i>Payroll per factory executive</i>	81,577	88,242	51,610	76,885
<i>Payroll per administrative executive</i>	127,733	137,503	77,149	89,500
<i>Payroll per sales executive</i>	131,583	160,250	51,446	80,000
Non-Executive Payroll				
<i>Payroll per non-executive employee—all employees</i>	46,824	46,337	39,931	44,000
<i>Payroll per factory non-executive employee</i>	43,241	42,607	39,250	40,000
<i>Payroll per administrative non-executive employee</i>	47,777	50,000	42,364	41,384
<i>Payroll per sales non-executive employee</i>	78,231	79,860	53,030	50,000
Direct and Support Labor Ratios				
Including Taxes & Benefits				
Direct labor as a % of value added	26.67 %	23.20 %	28.82 %	24.11 %
Support labor as a % of value added	34.34	31.19	34.15	30.44
Support labor efficiency factor	\$ 1.29	\$ 1.34	\$ 1.18	\$ 1.26

Numerical Average / Median Value

From \$4,000,000 To \$7,500,000		From \$7,500,000 To \$11,000,000		From \$11,000,000 To \$22,000,000		Over \$22,000,000	
All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders	All Firms	Profit Leaders
\$ 23,384	\$ 32,725	\$ 32,273	\$ 35,806	\$ 36,930	\$ 77,814	\$ 39,988	\$ 59,162
56,212	52,298	80,681	78,176	95,937	135,844	115,371	132,287
77,777	70,868	104,974	102,211	130,381	172,051	136,876	166,573
145,584	110,698	154,252	125,347	131,524	182,363	149,756	157,992
72.25 %	72.34 %	73.29 %	72.57 %	75.73 %	77.29 %	80.97 %	82.07 %
12.14	12.38	11.99	14.72	10.06	12.03	8.70	8.00
15.61	15.28	14.72	12.71	14.21	10.68	10.33	9.93
40.78 %	39.57 %	40.84 %	37.91 %	38.47 %	34.26 %	35.18 %	29.32 %
61.62	58.33	61.37	56.89	61.29	55.81	58.05	46.68
36.89	47.57	41.59	44.79	41.29	31.56	38.96	31.94
\$ 59,369	\$ 58,841	\$ 69,292	\$ 67,814	\$ 70,470	\$ 70,058	\$ 71,905	\$ 61,971
52,460	49,580	62,554	60,957	57,524	57,552	58,793	50,703
73,071	79,243	89,637	98,847	99,951	93,792	105,492	108,232
76,029	81,214	95,592	99,608	121,420	125,468	132,422	129,666
\$ 88,764	\$ 85,388	\$ 105,471	\$ 125,737	\$ 116,300	\$ 117,646	\$ 129,021	\$ 136,328
72,830	70,005	82,554	97,638	96,500	104,000	85,321	98,538
100,000	97,547	119,479	137,714	150,824	158,226	169,500	178,707
86,407	66,472	120,000	160,000	150,780	213,977	183,000	183,000
44,710	47,657	52,776	52,361	53,612	51,567	51,475	45,515
42,000	41,357	47,188	45,215	45,987	46,627	46,573	42,084
42,827	47,575	47,202	50,139	49,109	50,375	56,183	59,112
67,390	76,452	73,907	65,501	98,360	96,704	105,831	107,731
26.19 %	24.33 %	26.60 %	22.78 %	24.84 %	22.74 %	27.08 %	21.86 %
35.43	34.00	34.77	34.11	36.45	33.07	30.97	24.82
\$ 1.35	\$ 1.40	\$ 1.31	\$ 1.50	\$ 1.47	\$ 1.45	\$ 1.14	\$ 1.14

Chapter 2 - By Geographic Area - East and Central

Report on Operations—Value Added = 100%

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Sales or Value of Product Produced	X	X	X	X
Less: Paper, Other Chargeable Materials, and Outside Services	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
Value Added by Manufacture	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Factory Payroll	39.78	36.72	43.38	36.75
Factory Expenses	<u>24.47</u>	<u>22.03</u>	<u>20.82</u>	<u>18.39</u>
Total Factory Cost of Product	<u>64.25</u>	<u>58.75</u>	<u>64.20</u>	<u>55.14</u>
Gross Profit	<u>35.75</u>	<u>41.25</u>	<u>35.80</u>	<u>44.86</u>
Administrative and Selling Expenses				
Administrative expenses	16.52	12.36	17.41	19.08
Selling expenses	<u>14.10</u>	<u>11.73</u>	<u>14.28</u>	<u>14.92</u>
Total Administrative and Selling Expenses	<u>30.62</u>	<u>24.09</u>	<u>31.69</u>	<u>34.00</u>
Income Before Interest Expense	5.13	17.16	4.11	10.86
Interest expense	<u>1.15</u>	<u>0.89</u>	<u>1.69</u>	<u>1.14</u>
Operating Income (Loss)	3.98	16.27	2.42	9.72
Other income (expense)	<u>0.33</u>	<u>(0.10)</u>	<u>(0.12)</u>	<u>0.97</u>
Income Before Income Taxes	<u>4.31 %</u>	<u>16.17 %</u>	<u>2.30 %</u>	<u>10.69 %</u>

Southeast Atlantic		East North Central	South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
36.64	31.58	39.61	38.20	33.92	39.16	38.68	33.20
<u>27.30</u>	<u>22.30</u>	<u>24.34</u>	<u>25.20</u>	<u>23.42</u>	<u>26.18</u>	<u>28.27</u>	<u>26.82</u>
<u>63.94</u>	<u>53.88</u>	<u>63.95</u>	<u>63.40</u>	<u>57.34</u>	<u>65.34</u>	<u>66.95</u>	<u>60.02</u>
<u>36.06</u>	<u>46.12</u>	<u>36.05</u>	<u>36.60</u>	<u>42.66</u>	<u>34.66</u>	<u>33.05</u>	<u>39.98</u>
17.24	16.15	15.16	13.87	8.22	17.58	14.12	12.82
<u>12.91</u>	<u>10.42</u>	<u>11.77</u>	<u>14.07</u>	<u>10.97</u>	<u>15.88</u>	<u>14.71</u>	<u>14.60</u>
<u>30.15</u>	<u>26.57</u>	<u>26.93</u>	<u>27.94</u>	<u>19.19</u>	<u>33.46</u>	<u>28.83</u>	<u>27.42</u>
5.91	19.55	9.12	8.66	23.47	1.20	4.22	12.56
<u>1.50</u>	<u>1.31</u>	<u>1.60</u>	<u>1.33</u>	<u>1.60</u>	<u>1.34</u>	<u>1.22</u>	<u>0.63</u>
4.41	18.24	7.52	7.33	21.87	(0.14)	3.00	11.93
<u>0.08</u>	<u>(0.35)</u>	<u>(0.35)</u>	<u>0.35</u>	<u>(0.62)</u>	<u>0.57</u>	<u>0.51</u>	<u>1.03</u>
<u>4.49 %</u>	<u>17.89 %</u>	<u>7.17 %</u>	<u>7.68 %</u>	<u>21.25 %</u>	<u>0.43 %</u>	<u>3.51 %</u>	<u>12.96 %</u>

Chapter 2 - By Geographic Area - East and Central

Supporting Schedules—Value Added = 100%

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Factory Payroll				
Salaries—executive	2.98 %	3.02 %	3.66 %	3.93 %
Direct wages	23.58	21.95	24.56	19.80
General factory salaries and wages	5.56	4.46	6.71	6.34
Packing, shipping, and delivery wages	1.25	1.10	2.08	1.42
Payroll taxes	2.86	2.57	2.96	2.52
Employee benefits	3.55	3.62	3.41	2.74
Total Factory Payroll	39.78 %	36.72 %	43.38 %	36.75 %
Factory Expenses				
Fixed Expenses				
Depreciation—real estate	1.06 %	0.21 %	0.11 %	0.08 %
Depreciation—other	6.54	7.49	4.50	4.47
Taxes—real estate	0.75	0.47	0.24	0.14
Taxes—other	0.03	0.00	0.02	0.00
Insurance	0.95	1.02	1.24	0.66
Building rent	2.78	3.11	3.13	2.39
Utilities—heat, light etc.	2.62	1.90	2.24	1.84
Equipment rental	1.97	1.45	1.35	1.68
Total Fixed Expenses	16.70	15.65	12.83	11.26
Other Expenses				
Factory supplies and expense	2.66	3.40	3.07	2.55
Packing, shipping, and delivery expense	1.72	(0.94)	0.44	0.59
Repairs and maintenance	2.55	2.90	3.30	3.21
Other factory expense	0.84	1.02	1.18	0.78
Total Other Expenses	7.77	6.38	7.99	7.13
Total Factory Expenses	24.47 %	22.03 %	20.82 %	18.39 %
Administrative Expenses				
Salaries—executive	5.37 %	1.70 %	3.96 %	5.83 %
Salaries—office	4.11	3.61	4.62	3.30
Payroll taxes	0.74	0.41	0.72	0.69
Employee benefits	1.22	1.39	1.10	1.10
Bad debts	0.06	0.03	0.41	0.41
Data processing expense	0.45	0.48	0.58	0.64
Office supplies and expenses	0.88	0.91	0.75	0.79
Professional fees	0.82	0.61	1.60	0.91
Taxes—business	0.05	0.03	0.09	0.04
Telephone	0.34	0.41	0.71	0.62
Other administrative expenses	2.48	2.78	2.87	4.75
Total Administrative Expenses	16.52 %	12.36 %	17.41 %	19.08 %
Selling Expenses				
Salaries—executive	1.61 %	0.97 %	1.80 %	1.48 %
Salaries and commissions—salesmen	6.54	6.70	6.83	6.33
Salaries—sales office clerical	1.88	0.92	1.33	1.39
Payroll taxes	0.80	0.67	0.80	0.79
Employee benefits	0.63	0.47	0.82	0.56
Advertising	0.57	0.59	0.57	0.79
Travel and entertainment	0.79	1.27	0.88	1.08
Other selling expenses	1.28	0.14	1.25	2.50
Total Selling Expenses	14.10 %	11.73 %	14.28 %	14.92 %

Southeast Atlantic		East North Central	South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders
2.59 %	1.89 %	2.90 %	2.51 %	1.90 %	3.02 %	3.12 %	2.02 %
21.41	17.15	21.20	22.63	19.12	22.24	21.54	18.30
5.23	5.75	5.49	5.83	6.48	4.90	5.77	5.40
1.88	0.95	2.26	1.26	1.08	1.97	2.06	2.11
2.51	2.04	2.60	2.55	2.31	2.62	2.60	2.38
3.02	3.80	5.16	3.42	3.03	4.41	3.59	2.99
<u>36.64 %</u>	<u>31.58 %</u>	<u>39.61 %</u>	<u>38.20 %</u>	<u>33.92 %</u>	<u>39.16 %</u>	<u>38.68 %</u>	<u>33.20 %</u>
0.30 %	0.00 %	0.19 %	0.26 %	0.29 %	0.69 %	0.56 %	0.03 %
5.83	4.87	5.53	5.95	7.36	6.14	7.54	7.48
0.37	0.33	0.78	0.29	0.34	0.83	0.59	0.39
0.51	0.69	0.08	0.45	0.35	0.29	0.04	0.00
0.88	0.77	0.42	0.81	0.56	1.12	1.15	0.67
3.44	3.32	2.92	1.96	1.00	3.27	3.59	3.76
2.37	1.70	2.35	2.51	2.09	2.04	2.49	2.14
2.38	1.05	1.70	1.46	1.42	1.02	0.53	0.15
<u>16.08</u>	<u>12.73</u>	<u>13.97</u>	<u>13.69</u>	<u>13.41</u>	<u>15.40</u>	<u>16.49</u>	<u>14.62</u>
3.13	3.74	3.47	3.57	3.17	2.35	3.84	4.85
2.74	1.93	3.02	2.40	1.18	3.90	3.41	1.87
3.83	3.50	3.32	3.98	4.24	3.25	3.83	4.57
1.52	0.40	0.56	1.56	1.42	1.28	0.70	0.91
<u>11.22</u>	<u>9.57</u>	<u>10.37</u>	<u>11.51</u>	<u>10.01</u>	<u>10.78</u>	<u>11.78</u>	<u>12.20</u>
<u>27.30 %</u>	<u>22.30 %</u>	<u>24.34 %</u>	<u>25.20 %</u>	<u>23.42 %</u>	<u>26.18 %</u>	<u>28.27 %</u>	<u>26.82 %</u>
5.61 %	4.79 %	3.04 %	3.54 %	1.49 %	5.09 %	5.14 %	4.42 %
4.12	3.96	3.98	3.60	3.17	4.10	2.59	1.77
0.77	0.65	0.55	0.59	0.39	0.72	0.64	0.51
0.96	1.76	1.03	0.88	0.53	1.28	0.97	0.59
0.30	0.02	0.29	0.63	0.18	0.32	0.15	0.26
0.88	0.30	0.75	0.56	0.34	0.69	0.67	0.87
0.53	0.40	0.50	0.33	0.28	0.83	0.64	0.89
1.23	1.18	1.57	1.04	0.72	1.99	0.89	0.71
0.08	0.07	0.10	0.09	0.04	0.23	0.02	0.04
0.66	0.59	0.45	0.44	0.18	0.36	0.36	0.38
2.10	2.43	2.90	2.17	0.90	1.97	2.05	2.38
<u>17.24 %</u>	<u>16.15 %</u>	<u>15.16 %</u>	<u>13.87 %</u>	<u>8.22 %</u>	<u>17.58 %</u>	<u>14.12 %</u>	<u>12.82 %</u>
2.25 %	1.17 %	1.44 %	1.69 %	2.28 %	1.69 %	1.08 %	0.83 %
6.45	5.74	6.23	7.18	5.23	9.45	7.92	7.87
0.97	0.71	0.74	1.14	0.44	0.22	1.70	2.38
0.73	0.53	0.64	0.72	0.50	0.86	0.89	1.17
0.62	0.65	0.82	0.78	0.50	0.98	0.75	0.67
0.92	0.49	0.55	0.59	0.40	0.31	0.78	0.58
0.59	0.65	0.64	0.90	0.90	0.88	0.94	0.55
0.38	0.48	0.71	1.07	0.72	1.49	0.65	0.55
<u>12.91 %</u>	<u>10.42 %</u>	<u>11.77 %</u>	<u>14.07 %</u>	<u>10.97 %</u>	<u>15.88 %</u>	<u>14.71 %</u>	<u>14.60 %</u>

Chapter 2 - By Geographic Area - East and Central

Report on Operations—Sales = 100%

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Sales or Value of Product Produced	100.00 %	100.00 %	100.00 %	100.00 %
Factory Cost of Product				
Materials				
Paper	21.89	19.15	19.97	20.26
Other chargeable materials	4.67	5.34	5.87	6.82
Outside services	8.71	11.44	11.09	8.78
Total Materials	<u>35.27</u>	<u>35.93</u>	<u>36.93</u>	<u>35.86</u>
Factory Payroll	25.56	23.07	27.24	23.10
Factory Expenses	<u>16.01</u>	<u>14.21</u>	<u>13.19</u>	<u>11.80</u>
Total Factory Cost of Product	<u>76.84</u>	<u>73.21</u>	<u>77.36</u>	<u>70.76</u>
Gross Profit	<u>23.16</u>	<u>26.79</u>	<u>22.64</u>	<u>29.24</u>
Administrative and Selling Expenses				
Administrative expenses	10.76	7.75	10.83	12.19
Selling expenses	9.00	7.77	9.11	10.00
Total Administrative and Selling Expenses	<u>19.76</u>	<u>15.52</u>	<u>19.94</u>	<u>22.19</u>
Income Before Interest Expense	3.40	11.27	2.70	7.05
Interest expense	<u>0.74</u>	<u>0.56</u>	<u>1.03</u>	<u>0.70</u>
Operating Income (Loss)	2.66	10.71	1.67	6.35
Other income (expense)	<u>0.18</u>	<u>(0.08)</u>	<u>(0.15)</u>	<u>0.57</u>
Income Before Income Taxes	<u>2.84 %</u>	<u>10.63 %</u>	<u>1.52 %</u>	<u>6.92 %</u>

Supporting Schedules—Sales = 100%

Other Chargeable Materials				
Ink	1.71 %	2.82 %	1.72 %	1.68 %
Plates	0.95	0.28	0.97	0.58
Click charges	1.01	1.10	0.98	1.32
Other chargeable materials	1.00	1.14	2.20	3.24
Total Other Chargeable Materials	<u>4.67 %</u>	<u>5.34 %</u>	<u>5.87 %</u>	<u>6.82 %</u>
Outside Services				
Prepress	0.16 %	0.00 %	0.49 %	0.09 %
Printing	2.16	5.59	3.23	4.55
Binding	2.22	1.72	3.44	2.24
Other outside services	4.17	4.13	3.93	1.90
Total Outside Services	<u>8.71 %</u>	<u>11.44 %</u>	<u>11.09 %</u>	<u>8.78 %</u>

Southeast Atlantic		East North Central	South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders
100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
17.30	17.91	20.97	23.84	22.40	21.15	25.71	33.57
6.39	8.01	5.61	6.25	6.65	6.66	6.17	6.30
6.46	3.46	5.66	8.54	11.27	10.53	6.29	3.42
30.15	29.38	32.24	38.63	40.32	38.34	38.17	43.29
25.43	22.49	26.97	23.55	20.50	24.36	24.02	19.28
19.27	15.54	16.41	15.29	13.86	16.00	17.51	14.99
74.85	67.41	75.62	77.47	74.68	78.70	79.70	77.56
25.15	32.59	24.38	22.53	25.32	21.30	20.30	22.44
11.89	11.37	10.37	8.68	5.00	10.89	8.71	6.87
9.03	7.31	8.05	8.78	6.64	9.89	9.07	8.30
20.92	18.68	18.42	17.46	11.64	20.78	17.78	15.17
4.23	13.91	5.96	5.07	13.68	0.52	2.52	7.27
1.06	0.91	1.10	0.79	0.95	0.76	0.77	0.36
3.17	13.00	4.86	4.28	12.73	(0.24)	1.75	6.91
0.01	(0.17)	(0.25)	0.22	(0.34)	0.35	0.32	0.62
3.18 %	12.83 %	4.61 %	4.50 %	12.39 %	0.11 %	2.07 %	7.53 %
1.79 %	3.06 %	1.97 %	2.00 %	2.80 %	2.47 %	2.09 %	2.59 %
1.37	0.92	0.96	0.87	0.84	0.79	0.92	0.09
0.91	0.88	1.29	1.53	1.29	1.52	1.29	1.49
2.32	3.15	1.39	1.85	1.72	1.88	1.87	2.13
6.39 %	8.01 %	5.61 %	6.25 %	6.65 %	6.66 %	6.17 %	6.30 %
0.08 %	0.16 %	0.01 %	0.14 %	0.00 %	0.07 %	0.15 %	0.13 %
1.77	2.61	1.78	3.65	6.88	3.99	1.28	0.00
1.99	0.53	1.65	2.88	3.59	2.31	3.24	2.83
2.62	0.16	2.22	1.87	0.80	4.16	1.62	0.46
6.46 %	3.46 %	5.66 %	8.54 %	11.27 %	10.53 %	6.29 %	3.42 %

Chapter 2 - By Geographic Area - East and Central

Supporting Schedules—Sales = 100%

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Factory Payroll				
Salaries—executive	1.78 %	1.69 %	2.36 %	2.61 %
Direct wages	15.23	13.87	15.34	12.39
General factory salaries and wages	3.65	3.06	4.32	3.93
Packing, shipping, and delivery wages	0.81	0.67	1.22	0.83
Payroll taxes	1.84	1.63	1.86	1.60
Employee benefits	2.25	2.15	2.14	1.74
Total Factory Payroll	25.56 %	23.07 %	27.24 %	23.10 %
Factory Expenses				
Fixed Expenses				
Depreciation—real estate	0.75 %	0.14 %	0.06 %	0.04 %
Depreciation—other	4.17	4.73	2.87	2.84
Taxes—real estate	0.49	0.32	0.15	0.09
Taxes—other	0.01	0.00	0.01	0.00
Insurance	0.64	0.72	0.79	0.46
Building rent	1.84	2.03	2.10	1.58
Utilities—heat, light etc.	1.67	1.15	1.35	1.03
Equipment rental	1.38	1.06	0.90	1.15
Total Fixed Expenses	10.95	10.15	8.23	7.19
Other Expenses				
Factory supplies and expense	1.70	2.06	1.87	1.60
Packing, shipping, and delivery expense	1.13	(0.38)	0.28	0.42
Repairs and maintenance	1.68	1.79	2.08	2.07
Other factory expense	0.55	0.59	0.73	0.52
Total Other Expenses	5.06	4.06	4.96	4.61
Total Factory Expenses	16.01 %	14.21 %	13.19 %	11.80 %
Administrative Expenses				
Salaries—executive	3.53 %	1.09 %	2.45 %	3.68 %
Salaries—office	2.73	2.33	3.01	2.20
Payroll taxes	0.49	0.26	0.46	0.45
Employee benefits	0.73	0.75	0.68	0.73
Bad debts	0.04	0.01	0.22	0.21
Data processing expense	0.30	0.32	0.36	0.40
Office supplies and expenses	0.57	0.60	0.46	0.49
Professional fees	0.53	0.41	0.94	0.57
Taxes—business	0.03	0.02	0.06	0.02
Telephone	0.23	0.28	0.45	0.41
Other administrative expenses	1.58	1.68	1.74	3.03
Total Administrative Expenses	10.76 %	7.75 %	10.83 %	12.19 %
Selling Expenses				
Salaries—executive	1.07 %	0.64 %	1.10 %	1.01 %
Salaries and commissions—salesmen	4.29	4.46	4.43	4.19
Salaries—sales office clerical	1.03	0.58	0.82	0.91
Payroll taxes	0.51	0.44	0.51	0.53
Employee benefits	0.41	0.31	0.50	0.38
Advertising	0.39	0.40	0.38	0.55
Travel and entertainment	0.52	0.86	0.56	0.74
Other selling expenses	0.78	0.08	0.81	1.69
Total Selling Expenses	9.00 %	7.77 %	9.11 %	10.00 %

Southeast Atlantic		East North Central	South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders
1.89 %	1.47 %	2.02 %	1.52 %	1.13 %	1.88 %	1.89 %	1.01 %
14.74	11.82	14.28	13.95	11.42	13.75	13.42	10.84
3.63	4.28	3.80	3.66	4.11	3.07	3.60	3.09
1.30	0.71	1.52	0.75	0.61	1.26	1.31	1.27
1.74	1.45	1.77	1.57	1.39	1.64	1.61	1.36
2.13	2.76	3.58	2.10	1.84	2.76	2.19	1.71
<u>25.43 %</u>	<u>22.49 %</u>	<u>26.97 %</u>	<u>23.55 %</u>	<u>20.50 %</u>	<u>24.36 %</u>	<u>24.02 %</u>	<u>19.28 %</u>
0.20 %	0.00 %	0.12 %	0.16 %	0.16 %	0.44 %	0.36 %	0.02 %
4.03	3.42	3.71	3.55	4.34	3.74	4.68	4.25
0.25	0.26	0.52	0.19	0.22	0.51	0.36	0.20
0.35	0.47	0.06	0.27	0.21	0.17	0.03	0.00
0.61	0.53	0.29	0.52	0.36	0.69	0.72	0.37
2.42	2.41	2.00	1.20	0.62	1.91	2.19	2.04
1.64	1.20	1.56	1.52	1.23	1.26	1.52	1.18
1.66	0.77	1.17	0.94	0.86	0.66	0.35	0.10
<u>11.16</u>	<u>9.06</u>	<u>9.43</u>	<u>8.35</u>	<u>8.00</u>	<u>9.38</u>	<u>10.21</u>	<u>8.16</u>
2.10	2.38	2.31	2.08	1.77	1.42	2.33	2.71
2.06	1.26	2.08	1.41	0.63	2.40	2.21	1.07
2.67	2.53	2.21	2.44	2.54	2.01	2.35	2.56
1.28	0.31	0.38	1.01	0.92	0.79	0.41	0.49
8.11	6.48	6.98	6.94	5.86	6.62	7.30	6.83
<u>19.27 %</u>	<u>15.54 %</u>	<u>16.41 %</u>	<u>15.29 %</u>	<u>13.86 %</u>	<u>16.00 %</u>	<u>17.51 %</u>	<u>14.99 %</u>
3.90 %	3.34 %	2.12 %	2.23 %	0.90 %	3.07 %	3.20 %	2.39 %
2.79	2.75	2.68	2.30	1.99	2.61	1.60	0.93
0.53	0.46	0.38	0.38	0.24	0.45	0.40	0.28
0.68	1.29	0.72	0.54	0.32	0.78	0.60	0.29
0.21	0.02	0.21	0.39	0.11	0.19	0.08	0.12
0.61	0.23	0.49	0.34	0.20	0.42	0.41	0.49
0.36	0.26	0.35	0.21	0.16	0.50	0.41	0.54
0.86	0.89	1.07	0.64	0.42	1.24	0.55	0.39
0.05	0.05	0.07	0.06	0.02	0.13	0.01	0.02
0.46	0.43	0.31	0.27	0.11	0.22	0.23	0.22
1.44	1.65	1.97	1.32	0.53	1.28	1.22	1.20
<u>11.89 %</u>	<u>11.37 %</u>	<u>10.37 %</u>	<u>8.68 %</u>	<u>5.00 %</u>	<u>10.89 %</u>	<u>8.71 %</u>	<u>6.87 %</u>
1.61 %	0.90 %	1.01 %	1.03 %	1.37 %	1.04 %	0.66 %	0.42 %
4.49	3.98	4.23	4.45	3.20	5.86	4.93	4.65
0.68	0.44	0.49	0.72	0.24	0.13	1.02	1.38
0.51	0.37	0.44	0.44	0.29	0.53	0.55	0.69
0.43	0.45	0.57	0.48	0.29	0.61	0.46	0.38
0.65	0.37	0.39	0.38	0.24	0.19	0.48	0.26
0.40	0.45	0.42	0.55	0.54	0.55	0.58	0.29
0.26	0.35	0.50	0.73	0.47	0.98	0.39	0.23
<u>9.03 %</u>	<u>7.31 %</u>	<u>8.05 %</u>	<u>8.78 %</u>	<u>6.64 %</u>	<u>9.89 %</u>	<u>9.07 %</u>	<u>8.30 %</u>

Chapter 2 - By Geographic Area - East and Central

Balance Sheet

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Assets				
Current Assets				
Cash	11.35 %	13.69 %	4.84 %	5.47 %
Receivables	29.15	40.81	35.27	31.72
Inventories	9.15	10.52	10.18	16.11
Marketable securities	0.03	0.00	2.86	0.00
Other current assets	1.92	1.20	2.78	1.63
Total Current Assets	51.60	66.22	55.93	54.93
Fixed Assets				
Real estate	16.61	3.36	16.48	9.90
Less: Accumulated depreciation	8.61	1.53	10.70	6.52
	<u>8.00</u>	<u>1.83</u>	<u>5.78</u>	<u>3.38</u>
Machinery and equipment	169.54	129.22	156.08	81.83
Less: Accumulated depreciation	136.56	106.21	134.23	62.50
	<u>32.98</u>	<u>23.01</u>	<u>21.85</u>	<u>19.33</u>
Other fixed assets	14.05	6.77	15.71	24.96
Less: Accumulated depreciation	11.22	3.73	11.33	16.23
	<u>2.83</u>	<u>3.04</u>	<u>4.38</u>	<u>8.73</u>
Net Fixed Assets	43.81	27.88	32.01	31.44
Other Assets	4.59	5.90	12.06	13.63
Total Assets	100.00 %	100.00 %	100.00 %	100.00 %
Liabilities and Equity				
Current Liabilities				
Notes payable	11.02 %	9.46 %	24.42 %	22.18 %
Accounts payable	16.27	14.60	23.63	12.35
Other current liabilities	8.34	4.64	12.02	4.98
Total Current Liabilities	35.63	28.70	60.07	39.51
Long-Term Liabilities	23.87	26.97	24.84	13.91
Total Liabilities	59.50	55.67	84.91	53.42
Shareholders' & Proprietors' Equity	40.50	44.33	15.09	46.58
Total Liabilities and Equity	100.00 %	100.00 %	100.00 %	100.00 %

Southeast Atlantic		East North Central		South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	

15.03 %	16.45 %	9.32 %	10.18 %	8.27 %	9.44 %	8.29 %	2.39 %
26.94	18.95	25.98	34.22	34.74	27.15	26.65	41.14
7.28	7.53	9.83	11.30	7.78	7.62	9.26	12.36
1.38	0.00	1.93	0.65	0.00	2.82	0.94	0.00
<u>2.34</u>	<u>5.37</u>	<u>3.32</u>	<u>2.34</u>	<u>1.02</u>	<u>1.36</u>	<u>1.49</u>	<u>1.07</u>
<u>52.97</u>	<u>48.30</u>	<u>50.38</u>	<u>58.69</u>	<u>51.81</u>	<u>48.39</u>	<u>46.63</u>	<u>56.96</u>
16.85	13.36	8.76	14.51	10.90	19.95	13.92	1.02
<u>6.82</u>	<u>4.35</u>	<u>5.99</u>	<u>7.41</u>	<u>4.27</u>	<u>11.16</u>	<u>7.25</u>	<u>0.25</u>
<u>10.03</u>	<u>9.01</u>	<u>2.77</u>	<u>7.10</u>	<u>6.63</u>	<u>8.79</u>	<u>6.67</u>	<u>0.77</u>
158.89	139.52	109.03	133.16	74.49	143.28	136.96	119.34
<u>128.69</u>	<u>105.41</u>	<u>79.30</u>	<u>106.21</u>	<u>38.58</u>	<u>110.24</u>	<u>99.37</u>	<u>82.09</u>
<u>30.20</u>	<u>34.11</u>	<u>29.73</u>	<u>26.95</u>	<u>35.91</u>	<u>33.04</u>	<u>37.59</u>	<u>37.25</u>
13.35	11.01	12.62	10.78	6.38	14.27	9.48	5.93
<u>9.20</u>	<u>4.07</u>	<u>8.25</u>	<u>7.55</u>	<u>5.08</u>	<u>8.09</u>	<u>6.88</u>	<u>4.37</u>
<u>4.15</u>	<u>6.94</u>	<u>4.37</u>	<u>3.23</u>	<u>1.30</u>	<u>6.18</u>	<u>2.60</u>	<u>1.56</u>
<u>44.38</u>	<u>50.06</u>	<u>36.87</u>	<u>37.28</u>	<u>43.84</u>	<u>48.01</u>	<u>46.86</u>	<u>39.58</u>
<u>2.65</u>	<u>1.64</u>	<u>12.75</u>	<u>4.03</u>	<u>4.35</u>	<u>3.60</u>	<u>6.51</u>	<u>3.46</u>
<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

9.84 %	6.14 %	6.70 %	6.32 %	4.06 %	9.49 %	9.56 %	4.02 %
14.06	6.72	11.22	14.63	7.93	13.55	11.48	13.68
<u>13.03</u>	<u>9.43</u>	<u>11.70</u>	<u>10.22</u>	<u>9.90</u>	<u>12.07</u>	<u>7.30</u>	<u>5.45</u>
36.93	22.29	29.62	31.17	21.89	35.11	28.34	23.15
<u>30.09</u>	<u>26.84</u>	<u>38.15</u>	<u>29.21</u>	<u>26.53</u>	<u>33.11</u>	<u>26.68</u>	<u>18.46</u>
67.02	49.13	67.77	60.38	48.42	68.22	55.02	41.61
<u>32.98</u>	<u>50.87</u>	<u>32.23</u>	<u>39.62</u>	<u>51.58</u>	<u>31.78</u>	<u>44.98</u>	<u>58.39</u>
<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

Chapter 2 - By Geographic Area - East and Central

Significant Facts—Profitability Ratios

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Profitability Ratios				
Measure of Profits				
Income before income taxes				
A. As a percent of sales	2.84 %	10.63 %	1.52 %	6.92 %
B. <i>Per employee</i>	\$ 3,491	\$ 16,463	\$ 4,922	\$ 13,584
Income before interest expense (Return on Investment)				
A. As a percent of gross assets	5.27 %	14.89 %	3.60 %	9.54 %
B. As a percent of net assets	9.13	31.25	5.58	16.53
Earnings before interest expense, income taxes, factory depreciation, and amortization (EBITFDA)				
A. As a percent of sales	8.50 %	16.06 %	5.48 %	10.50 %
B. As a percent of value added	13.06	24.76	8.60	16.38
Sales Factors				
Sales per \$1 of gross assets	\$ 1.11	\$ 1.35	\$ 1.07	\$ 1.29
Sales per \$1 of net assets	2.54	3.02	2.54	2.30
Sales per \$1 of current assets	5.04	4.31	4.73	4.61
Sales per \$1 of net fixed assets	7.71	13.55	9.72	9.12
<i>Sales per employee</i>	159,757	161,192	163,551	185,723
<i>Sales per factory employee</i>	203,983	223,988	213,072	278,637
Gross Profit Analysis				
Gross profit as a percent of sales	23.16 %	26.79 %	22.64 %	29.24 %
<i>Gross profit per factory employee</i>	\$ 46,964	\$ 45,008	\$ 52,792	\$ 60,648
Components of cost of product produced as a percent of sales				
A. Materials	35.27 %	35.93 %	36.93 %	35.86 %
B. Factory payroll	25.56	23.07	27.24	23.10
C. Factory expenses	16.01	14.21	13.19	11.80
Value Added Analysis				
<i>Value added per employee</i>	\$ 104,275	\$ 114,059	\$ 111,231	\$ 121,341
<i>Value added per factory employee</i>	134,624	136,179	146,857	161,863
Analysis of operations to value added				
A. Factory payroll	39.78 %	36.72 %	43.38 %	36.75 %
B. Factory expenses	24.47	22.03	20.82	18.39
C. Administrative expenses	16.52	12.36	17.41	19.08
D. Selling expenses	14.10	11.73	14.28	14.92
E. Interest expense	1.15	0.89	1.69	1.14
Gross profit as a percent of value added	35.75	41.25	35.80	44.86
Income before income taxes as a percent of value added	4.31	16.17	2.30	10.69

Numerical Average / Median Value

Southeast Atlantic		East North Central		South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	
3.18 %	12.83 %	4.61 %	4.50 %	12.39 %	0.11 %	2.07 %	7.53 %	
\$ 3,885	\$ 24,059	\$ 3,973	\$ 5,107	\$ 21,222	\$ 3,192	\$ 2,939	\$ 15,171	
4.35 %	12.12 %	5.83 %	4.85 %	11.28 %	2.17 %	3.18 %	9.71 %	
9.37	25.18	9.41	7.99	16.23	3.36	5.92	18.14	
8.47 %	17.16 %	9.54 %	9.00 %	17.84 %	5.05 %	7.88 %	12.16 %	
12.12	24.07	14.49	15.22	30.50	8.60	12.83	21.10	
\$ 1.14	\$ 0.90	\$ 0.98	\$ 1.05	\$ 0.88	\$ 0.97	\$ 1.05	\$ 1.27	
2.45	1.74	1.92	2.16	1.34	2.13	2.09	2.43	
4.78	4.12	3.85	3.78	2.83	4.66	4.56	4.18	
7.25	3.64	6.67	7.80	3.21	6.38	5.37	6.68	
133,981	234,307	162,397	167,836	236,632	203,769	167,875	234,255	
191,124	271,990	193,216	233,061	295,684	265,839	214,116	288,193	
25.15 %	32.59 %	24.38 %	22.53 %	25.32 %	21.30 %	20.30 %	22.44 %	
\$ 49,722	\$ 79,668	\$ 49,748	\$ 48,719	\$ 68,308	\$ 69,511	\$ 43,791	\$ 62,085	
30.15 %	29.38 %	32.24 %	38.63 %	40.32 %	38.34 %	38.17 %	43.29 %	
25.43	22.49	26.97	23.55	20.50	24.36	24.02	19.28	
19.27	15.54	16.41	15.29	13.86	16.00	17.51	14.99	
\$ 96,729	\$ 132,998	\$ 104,548	\$ 101,570	\$ 137,350	\$ 130,626	\$ 109,032	\$ 120,878	
126,164	157,420	136,863	144,899	172,203	171,473	134,810	161,612	
36.64 %	31.58 %	39.61 %	38.20 %	33.92 %	39.16 %	38.68 %	33.20 %	
27.30	22.30	24.34	25.20	23.42	26.18	28.27	26.82	
17.24	16.15	15.16	13.87	8.22	17.58	14.12	12.82	
12.91	10.42	11.77	14.07	10.97	15.88	14.71	14.60	
1.50	1.31	1.60	1.33	1.60	1.34	1.22	0.63	
36.06	46.12	36.05	36.60	42.66	34.66	33.05	39.98	
4.49	17.89	7.17	7.68	21.25	0.43	3.51	12.96	

Chapter 2 - By Geographic Area - East and Central

Significant Facts—Financial Ratios

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Financial Ratios				
Financial Leverage				
Income before interest expense as a multiple of interest expense				
Times interest earned	4.59	20.12	2.62	10.07
Liquidity and Activity Ratios				
Current ratio	1.45	2.31	0.93	1.39
Quick ratio	1.14	1.90	0.72	0.94
Cash asset ratio	0.32	0.48	0.13	0.14
<i>Days cash for operating expenses excluding depreciation</i>	14	14	5	5
<i>Accounts receivable turnover</i>	7.92	7.89	7.19	7.19
<i>Number of days sales in accounts receivable (Collection Period)</i>	46	46	51	51
<i>Inventory turnover</i>				
A. Total inventory turnover	27.94	42.16	25.04	23.38
B. Number of days—total inventory	13	9	15	16
C. Paper inventory turnover	15.59	23.91	26.34	16.29
D. Number of days—paper inventory	23	15	14	22
Current asset turnover	5.04	4.31	4.73	4.61
<i>Operating cycle—in days</i>	59	55	66	67
Distribution of current assets				
A. Cash	24.38 %	24.73 %	13.33 %	12.41 %
B. Accounts receivable	54.45	57.31	63.74	59.43
C. Inventory	17.60	16.29	17.18	24.99
D. Other current assets	3.57	1.67	5.75	3.17
Leverage and Funding Ratios				
Debt to equity	1.47	1.26	5.63	1.15
Long-term debt to equity	0.59	0.61	1.65	0.30
Funding of total assets				
A. Current liabilities	35.63 %	28.70 %	60.07 %	39.51 %
B. Long-term debt	23.87	26.97	24.84	13.91
C. Total debt	59.50	55.67	84.91	53.42
D. Shareholders' equity	40.50	44.33	15.09	46.58
Long-term debt to long-term debt and equity	0.37	0.38	0.62	0.23
Fixed assets to long-term debt	1.84	1.03	1.29	2.26
Fixed assets to shareholders' equity	1.08	0.63	2.12	0.67
Fixed assets to long-term debt and shareholders' equity	0.68	0.39	0.80	0.52
Investment turnover				
Sales to assets				
A. Gross assets	1.11	1.35	1.07	1.29
B. Net assets	2.54	3.02	2.54	2.30
C. Net fixed assets	7.71	13.55	9.72	9.12
<i>Sales to total debt</i>	4.00	5.98	3.98	4.97

Numerical Average / Median Value

Southeast Atlantic		East North Central	South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders
3.99	15.29	5.42	6.42	14.40	0.68	3.27	20.19
1.43	2.17	1.70	1.88	2.37	1.38	1.65	2.46
1.17	1.59	1.26	1.45	1.96	1.12	1.27	1.88
0.44	0.74	0.38	0.35	0.38	0.35	0.33	0.10
22	62	10	14	20	11	9	2
8.55	8.55	7.73	6.64	5.73	8.18	7.73	5.58
43	43	47	55	64	45	47	65
17.33	15.78	18.88	17.34	19.66	26.25	17.53	15.80
21	23	19	21	19	14	21	23
16.65	11.81	18.56	26.33	26.33	16.64	21.20	13.60
22	31	20	14	14	22	17	27
4.78	4.12	3.85	3.78	2.83	4.66	4.56	4.18
64	66	66	76	83	59	68	88
28.44 %	32.39 %	19.87 %	18.13 %	17.94 %	23.86 %	20.37 %	4.34 %
50.79	42.55	54.37	58.40	61.49	56.98	56.39	71.19
16.16	15.74	18.62	19.41	18.33	16.13	19.98	22.70
4.61	9.32	7.14	4.06	2.24	3.03	3.26	1.77
2.03	0.97	2.10	1.52	0.94	2.15	1.22	0.71
0.91	0.53	1.18	0.74	0.51	1.04	0.59	0.32
36.93 %	22.29 %	29.62 %	31.17 %	21.89 %	35.11 %	28.34 %	23.15 %
30.09	26.84	38.15	29.21	26.53	33.11	26.68	18.46
67.02	49.13	67.77	60.38	48.42	68.22	55.02	41.61
32.98	50.87	32.23	39.62	51.58	31.78	44.98	58.39
0.48	0.35	0.54	0.42	0.34	0.51	0.37	0.24
1.47	1.87	0.97	1.28	1.65	1.45	1.76	2.14
1.35	0.98	1.14	0.94	0.85	1.51	1.04	0.68
0.70	0.64	0.52	0.54	0.56	0.74	0.65	0.52
1.14	0.90	0.98	1.05	0.88	0.97	1.05	1.27
2.45	1.74	1.92	2.16	1.34	2.13	2.09	2.43
7.25	3.64	6.67	7.80	3.21	6.38	5.37	6.68
3.85	3.56	2.97	4.13	2.88	3.17	3.86	5.72

Chapter 2 - By Geographic Area - East and Central

Significant Facts—Employee Profile

	New England and Up-State New York		East PA, South NJ, Maryland, and DC	
	All Firms	Profit Leaders	All Firms	Profit Leaders
Employee Profile				
Investment Per Employee				
Per employee for all employees				
<i>A. Shareholders' equity</i>	\$ 31,988	\$ 38,854	\$ 19,774	\$ 42,175
<i>B. Net assets employed</i>	60,886	52,298	83,496	84,338
Per employee for all factory employees				
<i>A. Net assets employed</i>	78,143	66,835	104,939	105,421
<i>B. Machinery and equipment employed</i>	121,864	110,698	119,417	86,301
Employees				
As a percent of total employees				
Factory employees	73.43 %	75.67 %	75.87 %	73.04 %
Administrative employees	12.08	11.67	11.79	13.29
Sales employees	14.49	12.66	12.34	13.67
Payroll—Including Taxes and Benefits				
Including Executives				
Total payroll as a percent of sales	40.35 %	33.93 %	41.20 %	37.18 %
Total payroll as a percent of value added	62.68	53.56	65.36	58.22
<i>Factory payroll as a percent of gross plant investment</i>	40.14	47.57	56.77	66.62
<i>Payroll per employee—all employees</i>	\$ 58,739	\$ 58,841	\$ 70,471	\$ 70,471
<i>Payroll per factory employee</i>	52,460	52,662	59,681	59,681
<i>Payroll per administrative employee</i>	82,314	60,100	85,455	86,277
<i>Payroll per sales employee</i>	75,390	75,390	106,203	106,203
Payroll—Excluding Taxes & Benefits				
Executive Payroll				
<i>Payroll per executive—all executives</i>	\$ 86,804	\$ 78,507	\$ 124,521	\$ 143,635
<i>Payroll per factory executive</i>	86,198	84,614	93,465	114,159
<i>Payroll per administrative executive</i>	81,052	80,852	139,692	196,854
<i>Payroll per sales executive</i>	78,250	78,250	129,165	170,694
Non-Executive Payroll				
<i>Payroll per non-executive employee—all employees</i>	44,216	49,688	52,863	52,863
<i>Payroll per factory non-executive employee</i>	44,000	44,620	47,144	45,987
<i>Payroll per administrative non-executive employee</i>	46,200	46,200	50,765	45,542
<i>Payroll per sales non-executive employee</i>	74,288	67,390	82,399	74,862
Direct and Support Labor Ratios				
Including Taxes & Benefits				
Direct labor as a % of value added	28.11 %	26.40 %	28.79 %	23.11 %
Support labor as a % of value added	34.57	27.16	36.57	35.11
Support labor efficiency factor	\$ 1.23	\$ 1.03	\$ 1.27	\$ 1.52

Numerical Average / Median Value

Southeast Atlantic		East North Central	South Central		Chicago Area	West North Central	
All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders	All Firms	All Firms	Profit Leaders
\$ 24,035	\$ 66,299	\$ 37,072	\$ 33,682	\$ 94,690	\$ 22,103	\$ 46,593	\$ 69,331
58,638	132,321	102,382	78,449	175,988	104,169	96,197	129,966
80,517	172,051	130,700	109,127	218,216	135,561	127,685	171,926
136,216	172,746	113,341	147,705	163,379	196,996	172,572	188,728
74.20 %	77.44 %	79.68 %	75.65 %	82.12 %	73.57 %	74.68 %	75.62 %
12.96	13.60	9.89	11.27	8.11	13.72	10.38	8.58
12.84	8.96	10.43	13.08	9.77	12.71	14.94	15.80
41.05 %	36.47 %	39.61 %	36.12 %	29.34 %	39.44 %	37.44 %	30.69 %
59.12	51.54	58.08	58.32	48.45	63.55	60.36	53.41
38.47	31.56	44.31	34.94	31.56	32.79	31.21	27.26
\$ 58,441	\$ 70,058	\$ 62,234	\$ 57,339	\$ 63,754	\$ 79,408	\$ 63,953	\$ 59,076
51,839	57,552	55,036	53,030	55,545	69,138	56,523	49,939
80,125	105,492	107,694	77,811	72,361	109,084	95,749	95,542
78,097	152,157	104,281	98,788	127,607	131,879	92,796	78,820
\$ 119,983	\$ 143,942	\$ 101,740	\$ 106,703	\$ 153,915	\$ 113,336	\$ 108,304	\$ 118,205
79,423	99,748	75,601	92,078	105,517	82,540	76,789	64,768
117,576	137,314	166,466	143,765	150,000	144,512	136,875	164,000
112,513	227,953	95,486	135,000	250,000	212,376	163,380	167,280
41,184	46,337	46,677	45,638	47,510	61,478	47,568	45,515
39,744	41,154	41,269	42,275	43,115	57,851	45,365	42,253
46,710	64,147	52,799	47,188	48,027	62,099	50,415	53,467
70,490	109,630	83,451	81,064	94,124	99,083	77,503	61,579
25.22 %	21.04 %	26.37 %	26.82 %	22.69 %	27.11 %	25.64 %	21.83 %
33.90	30.50	31.71	31.50	25.76	36.44	34.72	31.58
\$ 1.34	\$ 1.45	\$ 1.20	\$ 1.17	\$ 1.14	\$ 1.34	\$ 1.35	\$ 1.45

Chapter 3 - By Geographic Area - West

Report on Operations—Value Added = 100%

	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Sales or Value of Product Produced	X	X	X	X
Less: Paper, Other Chargeable Materials, and Outside Services	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
Value Added by Manufacture	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Factory Payroll	39.20	35.71	35.24	41.97
Factory Expenses	<u>26.51</u>	<u>22.72</u>	<u>26.11</u>	<u>24.65</u>
Total Factory Cost of Product	<u>65.71</u>	<u>58.43</u>	<u>61.35</u>	<u>66.62</u>
Gross Profit	<u>34.29</u>	<u>41.57</u>	<u>38.65</u>	<u>33.38</u>
Administrative and Selling Expenses				
Administrative expenses	15.86	15.46	14.73	14.77
Selling expenses	<u>15.21</u>	<u>13.87</u>	<u>16.68</u>	<u>16.42</u>
Total Administrative and Selling Expenses	<u>31.07</u>	<u>29.33</u>	<u>31.41</u>	<u>31.19</u>
Income Before Interest Expense	3.22	12.24	7.24	2.19
Interest expense	<u>1.14</u>	<u>0.64</u>	<u>0.92</u>	<u>2.04</u>
Operating Income	2.08	11.60	6.32	0.15
Other income (expense)	<u>0.68</u>	<u>0.03</u>	<u>0.28</u>	<u>(0.84)</u>
Income (Loss) Before Income Taxes	<u>2.76 %</u>	<u>11.63 %</u>	<u>6.60 %</u>	<u>(0.69)%</u>

Chapter 3 - By Geographic Area - West

Supporting Schedules—Value Added = 100%

	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Factory Payroll				
Salaries—executive	3.09 %	3.91 %	1.97 %	2.27 %
Direct wages	21.49	17.88	20.66	24.51
General factory salaries and wages	6.27	6.49	5.42	6.15
Packing, shipping, and delivery wages	2.02	1.19	1.63	1.93
Payroll taxes	2.60	2.26	2.46	3.02
Employee benefits	3.73	3.98	3.10	4.09
Total Factory Payroll	39.20 %	35.71 %	35.24 %	41.97 %
Factory Expenses				
Fixed Expenses				
Depreciation—real estate	0.26 %	0.21 %	0.13 %	0.15 %
Depreciation—other	4.65	2.52	4.91	6.00
Taxes—real estate	0.35	0.21	0.21	0.08
Taxes—other	0.38	0.42	0.38	0.50
Insurance	0.82	0.94	1.42	0.53
Building rent	3.80	3.77	4.61	4.26
Utilities—heat, light etc.	2.72	2.27	2.76	2.31
Equipment rental	1.53	1.04	1.97	0.73
Total Fixed Expenses	14.51	11.38	16.39	14.56
Other Expenses				
Factory supplies and expense	2.40	2.02	3.31	2.22
Packing, shipping, and delivery expense	4.82	3.48	1.43	2.94
Repairs and maintenance	3.41	3.62	3.40	4.04
Other factory expense	1.37	2.22	1.58	0.89
Total Other Expenses	12.00	11.34	9.72	10.09
Total Factory Expenses	26.51 %	22.72 %	26.11 %	24.65 %
Administrative Expenses				
Salaries—executive	4.05 %	4.55 %	4.74 %	3.16 %
Salaries—office	3.54	3.78	3.69	3.98
Payroll taxes	0.59	0.64	0.66	0.63
Employee benefits	1.05	1.45	0.88	1.04
Bad debts	0.12	0.04	0.04	0.05
Data processing expense	0.76	0.49	0.32	0.46
Office supplies and expenses	0.88	0.40	0.64	0.90
Professional fees	2.10	0.92	0.86	0.74
Taxes—business	0.29	0.49	0.09	0.51
Telephone	0.47	0.53	0.49	0.57
Other administrative expenses	2.01	2.17	2.32	2.73
Total Administrative Expenses	15.86 %	15.46 %	14.73 %	14.77 %
Selling Expenses				
Salaries—executive	1.49 %	2.02 %	1.04 %	2.01 %
Salaries and commissions—salesmen	8.48	6.17	9.48	7.92
Salaries—sales office clerical	1.42	1.71	1.76	1.66
Payroll taxes	0.83	0.67	0.94	0.96
Employee benefits	0.85	0.88	0.81	1.05
Advertising	0.47	0.34	0.67	1.35
Travel and entertainment	0.70	0.52	0.79	0.54
Other selling expenses	0.97	1.56	1.19	0.93
Total Selling Expenses	15.21 %	13.87 %	16.68 %	16.42 %

Chapter 3 - By Geographic Area - West

Report on Operations—Sales = 100%

	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Sales or Value of Product Produced	100.00 %	100.00 %	100.00 %	100.00 %
Factory Cost of Product				
Materials				
Paper	19.41	17.83	17.57	17.60
Other chargeable materials	5.36	5.37	5.18	6.02
Outside services	8.05	6.27	9.38	7.39
Total Materials	32.82	29.47	32.13	31.01
Factory Payroll	26.25	25.46	23.82	28.73
Factory Expenses	17.76	15.98	17.60	16.91
Total Factory Cost of Product	76.83	70.91	73.55	76.65
Gross Profit	23.17	29.09	26.45	23.35
Administrative and Selling Expenses				
Administrative expenses	10.74	10.79	10.04	10.31
Selling expenses	10.14	9.75	11.15	11.40
Total Administrative and Selling Expenses	20.88	20.54	21.19	21.71
Income Before Interest Expense	2.29	8.55	5.26	1.64
Interest expense	0.76	0.44	0.60	1.45
Operating Income	1.53	8.11	4.66	0.19
Other income (expense)	0.46	0.06	0.18	(0.55)
Income (Loss) Before Income Taxes	1.99 %	8.17 %	4.84 %	(0.36) %

Supporting Schedules—Sales = 100%

Other Chargeable Materials				
Ink	1.27 %	1.32 %	1.25 %	1.63 %
Plates	1.09	1.29	0.84	1.12
Click charges	0.95	0.82	2.01	1.51
Other chargeable materials	2.05	1.94	1.08	1.76
Total Other Chargeable Materials	5.36 %	5.37 %	5.18 %	6.02 %
Outside Services				
Prepress	0.02 %	0.00 %	0.04 %	0.02 %
Printing	1.49	1.18	3.20	2.47
Binding	2.69	1.64	2.71	4.45
Other outside services	3.85	3.45	3.43	0.45
Total Outside Services	8.05 %	6.27 %	9.38 %	7.39 %

Chapter 3 - By Geographic Area - West

Supporting Schedules—Sales = 100%

	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Factory Payroll				
Salaries—executive	2.09 %	2.80 %	1.29 %	1.54 %
Direct wages	14.34	12.64	14.06	16.78
General factory salaries and wages	4.21	4.60	3.69	4.22
Packing, shipping, and delivery wages	1.35	0.85	1.06	1.33
Payroll taxes	1.73	1.60	1.67	2.07
Employee benefits	2.53	2.97	2.05	2.79
Total Factory Payroll	26.25 %	25.46 %	23.82 %	28.73 %
Factory Expenses				
Fixed Expenses				
Depreciation—real estate	0.18 %	0.17 %	0.08 %	0.10 %
Depreciation—other	3.06	1.75	3.38	4.15
Taxes—real estate	0.23	0.16	0.15	0.06
Taxes—other	0.24	0.28	0.25	0.35
Insurance	0.53	0.62	0.94	0.36
Building rent	2.57	2.62	3.17	2.89
Utilities—heat, light etc.	1.79	1.60	1.83	1.59
Equipment rental	1.07	0.76	1.34	0.52
Total Fixed Expenses	9.67	7.96	11.14	10.02
Other Expenses				
Factory supplies and expense	1.55	1.38	2.23	1.53
Packing, shipping, and delivery expense	3.36	2.62	0.94	1.99
Repairs and maintenance	2.27	2.53	2.29	2.78
Other factory expense	0.91	1.49	1.00	0.59
Total Other Expenses	8.09	8.02	6.46	6.89
Total Factory Expenses	17.76 %	15.98 %	17.60 %	16.91 %
Administrative Expenses				
Salaries—executive	2.81 %	3.15 %	3.30 %	2.24 %
Salaries—office	2.41	2.72	2.53	2.75
Payroll taxes	0.40	0.45	0.46	0.44
Employee benefits	0.72	1.01	0.58	0.71
Bad debts	0.08	0.02	0.02	0.04
Data processing expense	0.52	0.33	0.21	0.32
Office supplies and expenses	0.62	0.28	0.43	0.61
Professional fees	1.32	0.66	0.58	0.50
Taxes—business	0.19	0.33	0.05	0.36
Telephone	0.32	0.37	0.34	0.39
Other administrative expenses	1.35	1.47	1.54	1.95
Total Administrative Expenses	10.74 %	10.79 %	10.04 %	10.31 %
Selling Expenses				
Salaries—executive	0.99 %	1.36 %	0.69 %	1.37 %
Salaries and commissions—salesmen	5.60	4.31	6.34	5.43
Salaries—sales office clerical	0.99	1.20	1.14	1.22
Payroll taxes	0.55	0.46	0.63	0.66
Employee benefits	0.57	0.63	0.53	0.70
Advertising	0.31	0.24	0.47	0.96
Travel and entertainment	0.47	0.39	0.55	0.38
Other selling expenses	0.66	1.16	0.80	0.68
Total Selling Expenses	10.14 %	9.75 %	11.15 %	11.40 %

Chapter 3 - By Geographic Area - West

Balance Sheet

	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Assets				
Current Assets				
Cash	8.10 %	14.29 %	14.09 %	9.07 %
Receivables	34.49	25.94	36.89	24.16
Inventories	10.91	8.98	5.76	7.56
Marketable securities	2.67	9.25	0.01	0.93
Other current assets	3.31	1.65	3.49	1.47
Total Current Assets	<u>59.48</u>	<u>60.11</u>	<u>60.24</u>	<u>43.19</u>
Fixed Assets				
Real estate	16.13	6.44	4.25	6.89
Less: Accumulated depreciation	9.33	2.97	1.90	1.95
	<u>6.80</u>	<u>3.47</u>	<u>2.35</u>	<u>4.94</u>
Machinery and equipment	194.99	203.61	167.93	163.93
Less: Accumulated depreciation	168.71	172.58	138.94	121.21
	<u>26.28</u>	<u>31.03</u>	<u>28.99</u>	<u>42.72</u>
Other fixed assets	17.97	29.37	14.10	15.71
Less: Accumulated depreciation	15.14	25.39	10.20	7.87
	<u>2.83</u>	<u>3.98</u>	<u>3.90</u>	<u>7.84</u>
Net Fixed Assets	<u>35.91</u>	<u>38.48</u>	<u>35.24</u>	<u>55.50</u>
Other Assets	<u>4.61</u>	<u>1.41</u>	<u>4.52</u>	<u>1.31</u>
Total Assets	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Liabilities and Equity				
Current Liabilities				
Notes payable	11.93 %	8.49 %	5.27 %	8.12 %
Accounts payable	20.78	20.91	15.07	11.92
Other current liabilities	39.88	6.69	11.40	11.03
Total Current Liabilities	72.59	36.09	31.74	31.07
Long-Term Liabilities	<u>25.71</u>	<u>30.38</u>	<u>28.82</u>	<u>37.11</u>
Total Liabilities	98.30	66.47	60.56	68.18
Shareholders' & Proprietors' Equity	<u>1.70</u>	<u>33.53</u>	<u>39.44</u>	<u>31.82</u>
Total Liabilities and Equity	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

Chapter 3 - By Geographic Area - West

Significant Facts—Profitability Ratios

	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Profitability Ratios				
Measure of Profits				
Income (loss) before income taxes				
A. As a percent of sales	1.99 %	8.17 %	4.84 %	(0.36)%
B. <i>Per employee</i>	\$ 3,801	\$ 8,177	\$ 7,854	\$ 741
Income before interest expense (Return on Investment)				
A. As a percent of gross assets	1.13 %	9.78 %	5.20 %	1.79 %
B. As a percent of net assets	3.51	25.53	13.91	3.55
Earnings before interest expense, income taxes, factory depreciation, and amortization (EBITFDA)				
A. As a percent of sales	5.99 %	10.53 %	8.90 %	5.34 %
B. As a percent of value added	8.81	15.00	12.56	7.50
Sales Factors				
Sales per \$1 of gross assets	\$ 1.22	\$ 1.09	\$ 1.28	\$ 0.91
Sales per \$1 of net assets	3.19	3.15	2.79	2.06
Sales per \$1 of current assets	5.42	5.51	4.71	4.84
Sales per \$1 of net fixed assets	11.82	11.86	12.77	4.77
<i>Sales per employee</i>	151,537	145,461	185,624	128,377
<i>Sales per factory employee</i>	230,411	212,596	266,904	196,442
Gross Profit Analysis				
Gross profit as a percent of sales	23.17 %	29.09 %	26.45 %	23.35 %
<i>Gross profit per factory employee</i>	\$ 49,817	\$ 53,336	\$ 63,002	\$ 44,453
Components of cost of product produced as a percent of sales				
A. Materials	32.82 %	29.47 %	32.13 %	31.01 %
B. Factory payroll	26.25	25.46	23.82	28.73
C. Factory expenses	17.76	15.98	17.60	16.91
Value Added Analysis				
<i>Value added per employee</i>	\$ 104,108	\$ 112,677	\$ 108,957	\$ 86,297
<i>Value added per factory employee</i>	140,227	141,833	182,721	128,391
Analysis of operations to value added				
A. Factory payroll	39.20 %	35.71 %	35.24 %	41.97 %
B. Factory expenses	26.51	22.72	26.11	24.65
C. Administrative expenses	15.86	15.46	14.73	14.77
D. Selling expenses	15.21	13.87	16.68	16.42
E. Interest expense	1.14	0.64	0.92	2.04
Gross profit as a percent of value added	34.29	41.57	38.65	33.38
Income (loss) before income taxes as a percent of value added	2.76	11.63	6.60	(0.69)

Numerical Average / Median Value

Chapter 3 - By Geographic Area - West

Significant Facts—Financial Ratios

Financial Ratios	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Financial Leverage				
Income before interest expense as a multiple of interest expense				
Times interest earned	3.01	19.43	8.77	1.13
Liquidity and Activity Ratios				
Current ratio	0.82	1.67	1.90	1.39
Quick ratio	0.62	1.37	1.61	1.10
Cash asset ratio	0.15	0.65	0.44	0.32
<i>Days cash for operating expenses excluding depreciation</i>	6	20	14	18
<i>Accounts receivable turnover</i>	8.64	13.02	7.59	8.65
<i>Number of days sales in accounts receivable (Collection Period)</i>	42	28	48	42
<i>Inventory turnover</i>				
A. Total inventory turnover	20.83	26.69	27.75	23.31
B. Number of days—total inventory	18	14	13	16
C. Paper inventory turnover	15.10	12.25	52.23	17.93
D. Number of days—paper inventory	24	30	7	20
Current asset turnover	5.42	5.51	4.71	4.84
<i>Operating cycle—in days</i>	60	42	61	58
Distribution of current assets				
A. Cash	17.07 %	35.68 %	23.28 %	25.83 %
B. Accounts receivable	58.40	45.48	61.10	52.07
C. Inventory	19.39	16.27	10.18	18.65
D. Other current assets	5.14	2.57	5.44	3.45
Leverage and Funding Ratios				
Debt to equity	57.82	1.98	1.54	2.14
Long-term debt to equity	15.12	0.91	0.73	1.17
Funding of total assets				
A. Current liabilities	72.59 %	36.09 %	31.74 %	31.07 %
B. Long-term debt	25.71	30.38	28.82	37.11
C. Total debt	98.30	66.47	60.56	68.18
D. Shareholders' equity	1.70	33.53	39.44	31.82
Long-term debt to long-term debt and equity	0.94	0.48	0.42	0.54
Fixed assets to long-term debt	1.40	1.27	1.22	1.50
Fixed assets to shareholders' equity	21.12	1.15	0.89	1.74
Fixed assets to long-term debt and shareholders' equity	1.31	0.60	0.52	0.81
Investment turnover				
Sales to assets				
A. Gross assets	1.22	1.09	1.28	0.91
B. Net assets	3.19	3.15	2.79	2.06
C. Net fixed assets	11.82	11.86	12.77	4.77
<i>Sales to total debt</i>	4.32	5.39	4.85	3.01
Numerical Average / Median Value				

Chapter 3 - By Geographic Area - West

Significant Facts—Employee Profile

	Plains and Mountain States		Pacific Southwest	Pacific Northwest
	All Firms	Profit Leaders	All Firms	All Firms
Employee Profile				
Investment Per Employee				
Per employee for all employees				
A. Shareholders' equity	\$ 15,486	\$ 26,783	\$ 34,229	\$ 36,011
B. Net assets employed	58,901	78,612	73,063	79,273
Per employee for all factory employees				
A. Net assets employed	76,173	107,198	94,195	100,246
B. Machinery and equipment employed	144,925	134,726	165,106	166,556
Employees				
As a percent of total employees				
Factory employees	73.54 %	72.07 %	70.05 %	70.61 %
Administrative employees	12.27	14.14	12.66	14.48
Sales employees	14.19	13.79	17.29	14.91
Payroll—Including Taxes and Benefits				
Including Executives				
Total payroll as a percent of sales	41.29 %	40.75 %	40.02 %	44.25 %
Total payroll as a percent of value added	61.50	57.58	59.24	64.38
Factory payroll as a percent of gross plant investment	38.96	50.58	36.13	33.01
Payroll per employee—all employees	\$ 63,142	\$ 64,345	\$ 64,648	\$ 57,481
Payroll per factory employee	53,542	54,051	57,605	55,322
Payroll per administrative employee	74,276	80,868	90,979	54,993
Payroll per sales employee	90,438	90,039	93,452	76,025
Payroll—Excluding Taxes & Benefits				
Executive Payroll				
Payroll per executive—all executives	\$ 93,775	\$ 101,083	\$ 120,000	\$ 79,995
Payroll per factory executive	79,286	79,346	97,418	70,595
Payroll per administrative executive	127,472	129,062	120,000	94,119
Payroll per sales executive	149,335	135,039	104,731	90,156
Non-Executive Payroll				
Payroll per non-executive employee—all employ	48,676	44,969	52,985	45,641
Payroll per factory non-executive employee	42,936	42,434	45,311	43,652
Payroll per administrative non-executive employ	44,546	48,388	49,137	35,583
Payroll per sales non-executive employee	73,169	69,601	92,092	65,315
Direct and Support Labor Ratios				
Including Taxes & Benefits				
Direct labor as a % of value added	25.63 %	21.67 %	24.53 %	29.51 %
Support labor as a % of value added	35.87	35.91	34.71	34.87
Support labor efficiency factor	\$ 1.40	\$ 1.66	\$ 1.42	\$ 1.18

Numerical Average / Median Value

Volume 2: All Printers By Sales Volume and Geographic Area

Absolute Data

	Number of Participating Firms	Average Firm Reporting**		
		Total Assets	Sales or Value of Production	Total Income (Loss)
Total—All Firms	181	\$ 9,155,209	\$ 15,638,480	\$ 643,652
Total—Profit Leaders*	47	9,703,303	15,225,380	1,632,040
Chapter 1 - By Sales Volume				
All Firms				
Sales To \$4,000,000	34	944,230	2,064,524	43,180
From \$4,000,000 To \$7,500,000	42	2,964,320	5,936,296	71,218
From \$7,500,000 To \$11,000,000	30	4,165,249	8,834,844	247,077
From \$11,000,000 To \$22,000,000	36	9,162,191	16,289,850	493,166
Over \$22,000,000	39	26,812,600	42,552,990	2,227,576
Profit Leaders				
Sales To \$4,000,000	9	1,028,882	2,285,721	279,616
From \$4,000,000 To \$7,500,000	11	2,023,936	5,738,007	462,227
From \$7,500,000 To \$11,000,000	8	3,948,205	8,776,445	670,466
From \$11,000,000 To \$22,000,000	9	10,895,740	17,654,000	1,269,278
Over \$22,000,000	10	29,488,470	40,280,560	5,231,760
Chapter 2 - By Geographic Area - East and Central				
All Firms				
New England and Up-State New York	18	9,755,645	16,823,370	580,984
East PA, South NJ, Maryland, and DC	19	6,628,960	14,156,337	329,098
Southeast Atlantic	21	5,351,149	10,156,700	565,917
East North Central	13	11,738,790	17,934,560	1,204,517
South Central	24	10,498,200	14,621,650	1,189,824
Chicago Area	14	9,335,743	15,090,250	372,284
West North Central	24	16,418,660	25,638,780	787,846
Profit Leaders				
New England and Up-State New York	5	12,889,480	28,082,070	1,751,641
East PA, South NJ, Maryland, and DC	5	7,364,075	16,477,580	940,604
Southeast Atlantic	5	10,749,270	17,177,780	1,728,662
East North Central	3	*** Data Not Being Presented		
South Central	6	28,188,570	28,857,400	4,220,223
Chicago Area	4	*** Data Not Being Presented		
West North Central	6	21,928,240	35,296,030	2,911,050
Chapter 3 - By Geographic Area - West				
All Firms				
Plains and Mountain States	18	9,099,800	19,040,220	620,986
Pacific Southwest	15	4,356,578	9,076,527	438,431
Pacific Northwest	11	4,869,775	8,133,821	(41,464)
Canada	4	*** Data Not Being Presented		
Profit Leaders				
Plains and Mountain States	5	8,717,963	15,394,740	1,507,713
Pacific Southwest	4	*** Data Not Being Presented		
Pacific Northwest	3	*** Data Not Being Presented		
Canada	1	*** Data Not Being Presented		

*****PROFIT LEADERS** are those firms who achieved profits in the first quartile (25%), of their respective category, based on value added.

**Unlike the ratios shown in this book, these figures are arithmetic averages.

***To assure confidentiality, data is not being presented due to the limited number of respondents in the category.

How the Numbers Are Computed

The Printing Industries of America Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios giving inordinate weight to the results of very large firms.

Equal-Weighting Method				
Company	Sales	Factory Payroll	Firm's Ratio Factory Payroll	Industry Ratio Factory Payroll
A	\$ 200,000	\$ 60,000	30.0%	
B	500,000	100,000	20.0%	
C	8,000,000	975,000	<u>12.2%</u>	
Total of Each Firm's Ratio			<u>62.2%</u>	Divided by 3 = <u>20.7%</u>

Regional Geographic Breakdown

New England and Up-State

New York

Up-State New York
Connecticut
Rhode Island
Massachusetts
Vermont
New Hampshire
Maine

Metropolitan New York and Northern New Jersey

Eastern Pennsylvania, Southern New Jersey, Maryland, and District of Columbia

Southeast Atlantic

Virginia
West Virginia
Eastern Tennessee
North Carolina
South Carolina
Georgia
Florida

East North Central

Ohio
Eastern Michigan
Western Pennsylvania

South Central

Southern Indiana
Kentucky
Missouri
Southern Illinois
Arkansas
Western Tennessee
Alabama
Mississippi
Louisiana

Chicago Area

Northern Illinois
Northern Indiana
Western Michigan

West North Central

Iowa
Nebraska
North Dakota
South Dakota
Minnesota
Wisconsin

Plains and Mountain States

Texas
Oklahoma
New Mexico
Northern Arizona
Northwestern Nevada
Wyoming
Eastern Idaho
Montana
Kansas
Utah
Colorado

Pacific Southwest

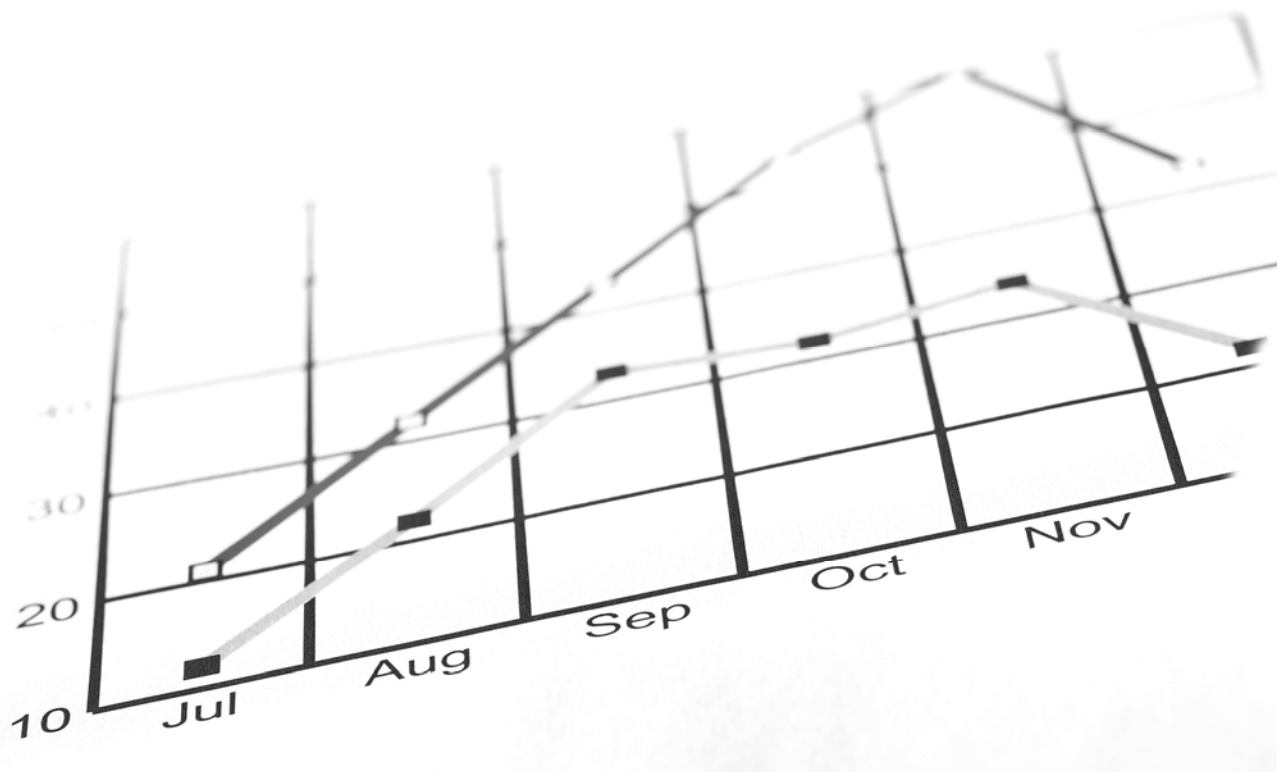
Southwestern Nevada
Southern Arizona
Southern California

Pacific Northwest

Northern California
Northeastern Nevada
Oregon
Western Idaho
Washington
Alaska
Hawaii

Canada

Resources



Ratios Resources

Customized Financial Analysis (CFA)

Your financials compared to the industry ratios in your own specialized booklet.

Ratios Volumes

- Volume 1 Management Guide to the Dynamic Ratios
- Volume 2 All Printers by Sales Volume and Geographic Area
- Volume 3 All Printers by Product Specialty
- Volume 4 Sheetfed Printers by Sales Volume and Geographic Area
- Volume 5 Web Offset Printers and Combination Offset Web/Sheetfed Printers
- Volume 6 Printers with Sales over \$22,000,000
- Volume 7 Printers with Sales under \$4,000,000
- Volume 8 Digital Printers
- Volume 9 Commercial and Advertising Printers
- Volume 10 Binders



Printing Industries of America, along with its affiliates, deliver products and services that enhance the growth, efficiency, and profitability of its members and the industry through advocacy, education, research, and technical information.

Printing Industries of America developed from the 1999 consolidation of the Graphic Arts Technical Foundation (GATF), founded in 1924, and Printing Industries of America (PIA), founded in 1887. This consolidation brought together two powerful partners: the world's largest graphic arts trade association representing an industry with more than 881,000 employees and \$165 billion in sales and a nonprofit, technical, scientific, and educational organization dedicated to the advancement of the graphic communications industries worldwide.

Printing Industries of America's staff of researchers, educators, and technical specialists helps members in more than 80 countries maintain their competitive edge by increasing productivity, print quality, process control, and environmental compliance and by implementing new techniques and technologies.

In addition to striving to advance a global graphic communications community through conferences, internet symposia, workshops, consulting, technical support, laboratory services, and publications, Printing Industries of America promotes programs, services, and an environment that helps its members operate profitably.

Many of Printing Industries' members are commercial printers, allied graphic arts firms such as electronic imaging companies, equipment manufacturers, and suppliers. Its special industry groups, sections, and councils were developed to serve the unique needs of specific segments of the print and graphic communications industries and provide members with current information on their specific segment, helping them to meet the business challenges of a constantly changing environment. These groups focus on web offset printing, label printing, binding, financial executives, sales and marketing executives, and digital printing.

Printing Industries Press publishes books on nearly every aspect of the field; training curricula; audiovisuals and CD-ROMs; and research and technology reports. It also publishes *Printing Industries of America: The Magazine*, providing articles on industry technologies, trends, business management practices, economics, benchmarks, forecasts, legislative and regulatory affairs, human and industrial relations issues, sales, marketing, customer service techniques, and management resources. The magazine represents the consolidation of *GATFWorld* and *Management Portfolio*, formerly bi-monthly publications of the Association.

For more information about Printing Industries of America, special industry groups, sections, products, and services, visit www.printing.org.

2016–2017



Vol. 2

All Printers by Sales Volume and Geographic Area

The *Dynamic Ratios* are the industry's premier benchmarking tool for measuring individual company financial performance against industry averages and profit leaders. **Volume 2** provides ratios and statistics from responding U.S. and Canadian firms in six standardized regions based on value added and sales. Balance sheet ratios, significant facts, and return on investment for all sales ranges and geographic areas are examined.



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