Performance Review

For the period ended 12/31/2019

Provided By

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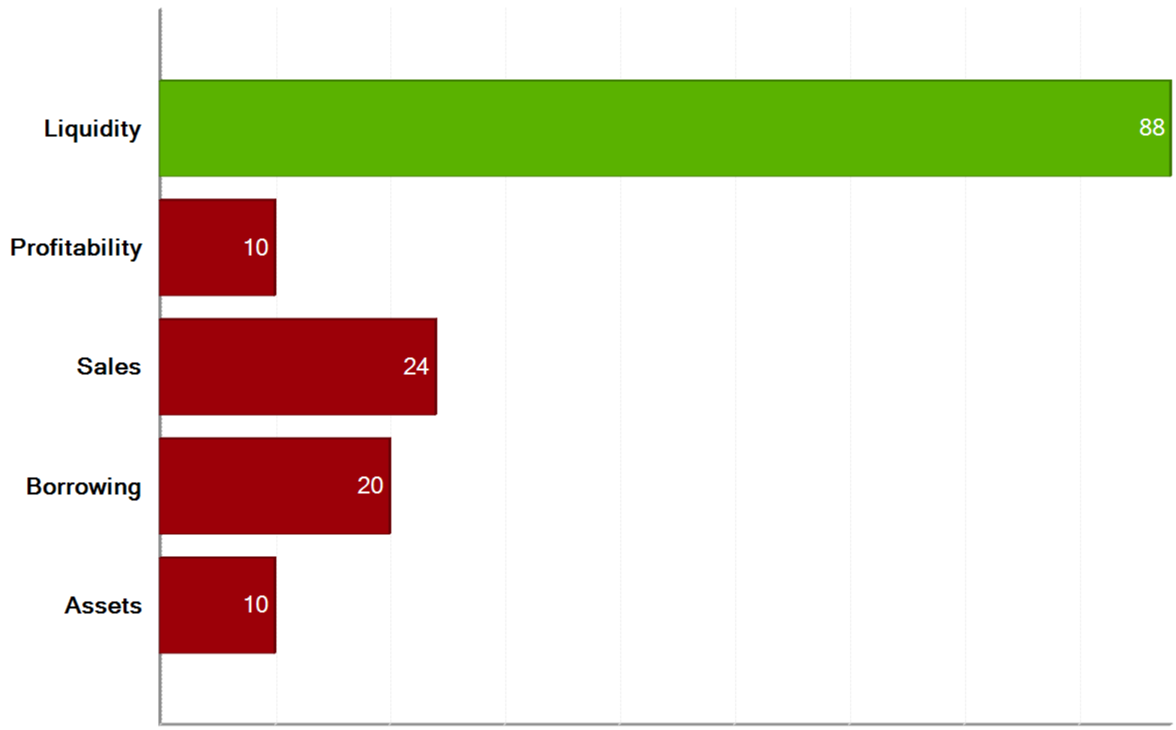
Financial Score

ABC Trucking and Affiliates Narrative Report

Industry:	484110 - General Freight Trucking, Local
Sales Range:	Yearly sales $1 Million to $10 Million
Periods:	12 months against the same 12 months from the previous year

Report Summary



Liquidity 88 out of 100

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

Operating Cash Flow Results

Cash flow is negative this period, on weak profitability, and it has decreased relative to sales. Liquidity remains stable due to ABC Transportation's accounts receivables days being 29 days and 26 days on a consolidated basis. Current ratio for the Company remains well above the industry of approximately 3x, compared to 3.24, 2.97, 4.85, 4.33, 4.33 for 2015, 2016, 2017, 2018, and 2019. These ratios at first glance seem favorable, but it must be noted that Current Portion of Long Term Debt is not incorporated into short-term debt. The Company had $3,402K of Long Term debt as of FYE 2019. The lack of CPLTD data skews the ratios and does not allow for an accurate Debt Service Ratio calculation based on the financial information currently provided.

General Liquidity Conditions

The Company's overall liquidity position has stayed consistent in the past years, with a decrement for its cash at hand for FYE 2019. Nonetheless, the Company's cash positions as of FYE 2019 stands as roughly 4% of total assets compared to approximately 9% for the industry. The good news is that the Company keeps significantly lower accounts payable days. From 2015 through 2019, the Company maintained accounts payable days less than 20 days compared to the industry average of almost 30 days as of FYE 2019. This creates an interesting opportunity to work with current vendors and expand payables days. As of FYE 2019 the Company had account payable days of 11.00. Using a pro forma approach, had payables been extended to 30 compared to 11.44 days as of FYE 2019 the Company would have increased its cash position by $195,651.

As of FYE 2019		
Increase in Payables days from 11 to 30		
Increase from	$	144,331.70
To	$	339,982.87
Difference	$	195,651.17

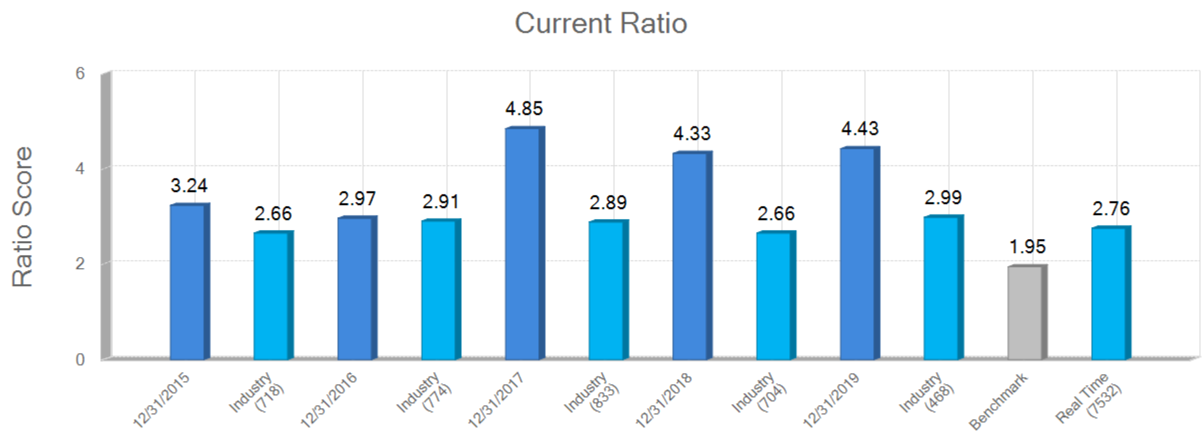
The most important area to watch is that the Company lost money on the Income Statement side of the business. Being unprofitable generally hurts liquidity over time.

Tips For Improvement

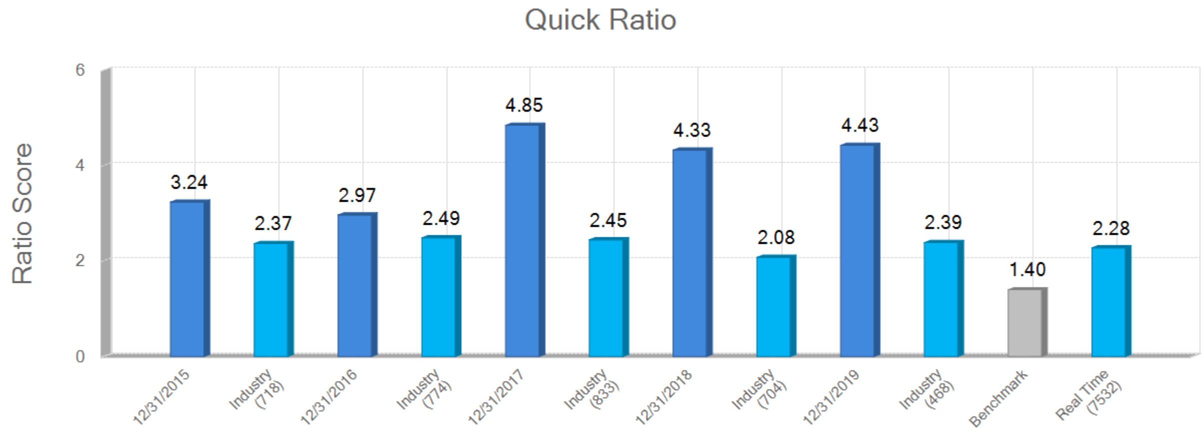
The challenge of maintaining liquidity never goes away. Managers might employ the following to either maintain or improve liquidity conditions over time:

- Look at the invoicing process and see if scanning documents is an option to speed up the billing of customers (even three days earlier each month) to accelerate the collection process. This can significantly improve the firm's cash position.
- Talk to vendors about increasing terms from 11 to 30 days.
- Incorporate the current portion of long-term debt into the balance sheet to come up with more accurate liquidity ratios and projections.
- Project capital requirements at least two years out. Planning when equipment should be purchased, if at all, can be critical to cash flow.
- Prepare yearly, quarterly, monthly, and even weekly cash flow forecasts.
- In the event of growth, come up with a viable cash flow plan supported by either cash on hand or outside party financing.

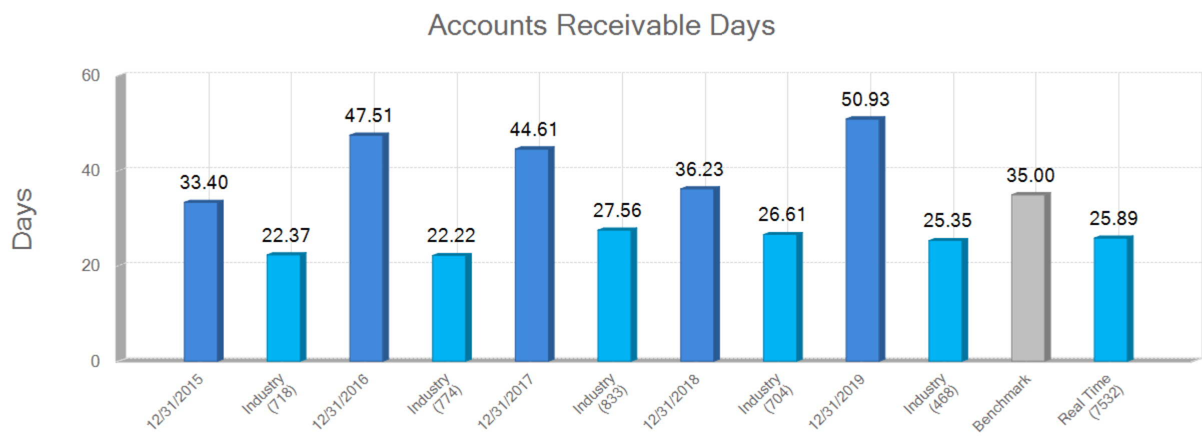
LIMITS TO LIQUIDITY ANALYSIS: Keep in mind that liquidity conditions are volatile, and this is a general analysis looking at a snapshot in time. Review this section, but do not overly rely on it.



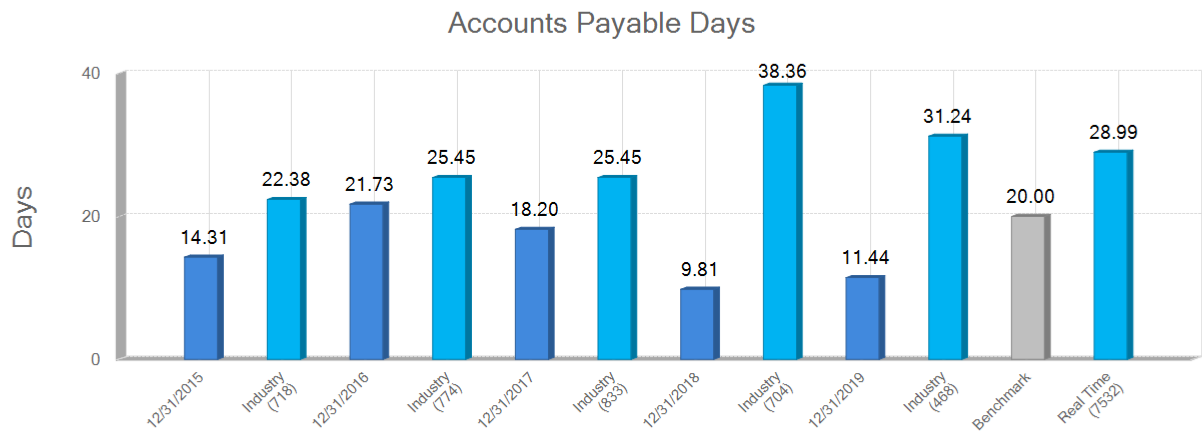
Generally, this metric measures the overall liquidity position of a company. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" are collectible. The higher the ratio, the more liquid the Company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



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



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



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

Profits & Profit Margin 10 out of 100

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

This Company has had relatively weak results in this area. For FYE 2019, all major income statement components are moving down. This includes sales, gross profits, net profitability, and net profit margins.

Below are some of the Company's figures from 2015 through 2019:

Company's Performance 2015 -2019					
	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Total Revenue	$ 2,234,695	$ 2,066,556	$ 2,797,754	$ 3,426,333	$ 2,939,736
Gross Profits	$ 715,276	$ 657,295	$ 725,450	$ 999,631	$ 671,229
Total Operating Expenses	$ 569,253	$ 637,888	$ 723,201	$ 715,968	$ 660,677
Other Expenses	$ 78,046	$ 114,650	$ 96,244	$ 69,956	$ 73,310
Net Income	$ 217,000	$ (45,835)	$ 58,252	$ 477,330	$ 47,795
EBITDA	$ 467,738	$ 311,357	$ 472,110	$ 808,146	$ 190,804

	2015	2016	2017	2018	2019
Gross Profit	32%	32%	26%	29%	23%
Total Operating Expenes	25%	31%	26%	21%	22%
Other Expenses	2%	3%	2%	1%	1%
Net Income	5%	-2%	-2%	7%	-1%
EBITDA	10%	8%	8%	12%	3%

Changes in Financial Performance				
	2016	2017	2018	2019
Total Revenue	-8%	35%	22%	-14%
Gross Profits Margin	0%	-6%	3%	-6%
Total Operating Expenses	12%	13%	-1%	-8%
Other Expenses	47%	-16%	-27%	5%
Net Income	-135%	-21%	642%	-110%
EBITDA	-33%	52%	71%	-76%

When comparing FYE 2019, and FYE 2018, it is to be noted that as of FYE 2019 ABC Reefers and ABC Affiliate had receivables outstanding from ABC Trucking. Yet, ABC Trucking only reflected $143,855 of receivables. It could be inferred that ABC Holding and Leasing recognized the revenue from ABC Trucking, but ABC Trucking did not recognize the expense. Had that been the case, the Company's performance would be adjusted by (either decrease in revenue or an increase in expense of $157,079.60) Under that premise the Company's performance over the years would be as follows:

Company's Performance 2015 -2019					
	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Total Revenue	$ 4,469,391	$ 4,133,112	$ 5,595,508	$ 6,695,586	$ 5,879,473
Gross Profits	$ 1,430,553	$ 1,314,590	$ 1,450,899	$ 1,842,183	$ 1,342,459
Total Operating Expenses	$ 1,138,507	$ 1,275,775	$ 1,446,403	$ 1,431,936	$ 1,321,353
Other Expenses	$ 78,046	$ 114,650	$ 96,244	$ 69,956	$ 73,310
Net Income	$ 214,000	$ (75,835)	$ (91,748)	$ 340,290	$ (52,205)
EBITDA	$ 467,738	$ 311,357	$ 472,110	$ 651,066	$ 190,804

Nonetheless, FYE 2018 outperformed all of the previous 3 years and 2019.

In 2018, revenue increased by $1,100K from $5,595K to $6,696K, a significant increase of 22%. It is to be noted that over the road miles increased from 45% of total miles in 2017 to 62% of total miles as of 2018. This trend continues as the over the road miles increase to 80% of total miles as of 2019.

	2017	2018	2019
Other	1%	0%	0%
International Local	21%	19%	12%
US Local	33%	19%	8%
Over The Road	45%	62%	80%
Total Miles	100%	100%	100%

It is in 2019 that all profitability performance metrics fall. Total revenue decrease of 14% outpaces decline in operating of 8%, and in what is most significant for profitability, gross operating margin decreased by 6%. Gross profit decreased by 29% to 23%, mostly due to

- Leased Drivers expense increases from 11% to 14%.
- Maintenance Expense increasing from 8% to 10%.
- Drivers Wages increasing from 6% to 7%.

What can be distilled from COGS analysis for 2019 is that less revenue was collected, and from a fleet perspective, the Company was running less efficiently.

Company's Performance 2018 -2019		
	FYE 2018	FYE 2019
Total Revenue	$ 3,269,253	$ 2,939,736
Total Brokerage Revenue	$ 1,567,048	$ 1,393,950
Total Freight Revenue	$ 1,702,205	$ 1,545,786
Total Miles	$ 776,697	$ 948,272
TRPM	$ 2.19	$ 1.63

While the Company does not separate fuel surcharge, it is difficult to ascertain with exact certainty how much of the decrease in fuel surcharge was responsible for a drastic reduction in total rate per mile "TRPM". Nonetheless, a change in fuel prices can be discarded as a major contributor towards lower total rate per mile due to the following:

The average cost of fuel in the southwest us for 2018 and 2019 was a follow:

The 53-week average price of a gallon of diesel for 2018 was 3.1101

The 52-week average price of a gallon of diesel for 2018 was 2.9547

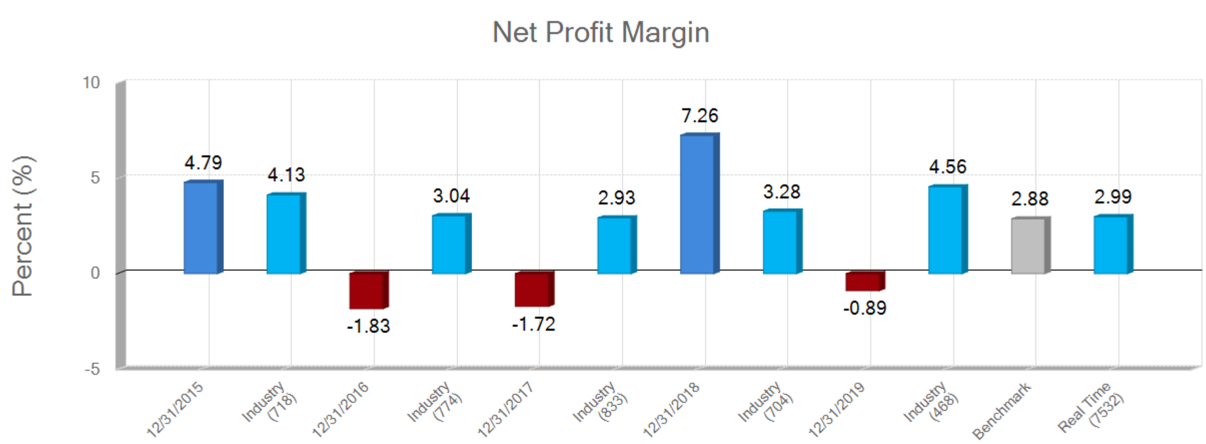
The average cost of diesel cost for the Midwest between 2018 and 2019 was a difference of roughly 5%.

The figures above tell us that in 2019 the fleet ran more miles, at a higher cost per mile, and at a lower price per mile than 2018. One major culprit was deadhead.

Deadhead Miles Analysis		
	FYE	FYE
	2018	2019
Total Miles	$ 1,553,394	$ 1,896,544
Total Deadhead Miles	$ 262,385	$ 439,423
Percentage of Deadhead Miles	17%	23%

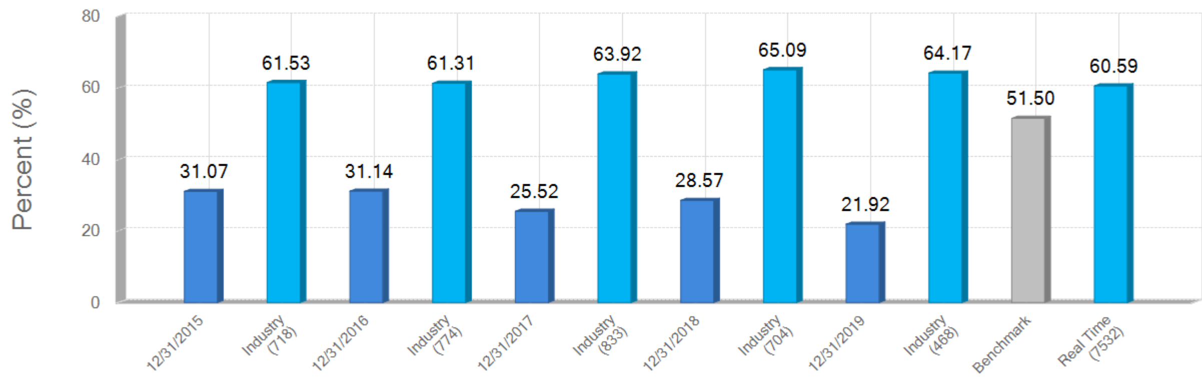
Tips For Improvement
Given results in this area of the report, managers might consider the following to improve performance over time (if any are feasible and appropriate):

- Conduct an exhaustive investigation on which customers and routes were lost in 2018 and which customers were replaced within 2019.
- Identify reefer routes and customers with more than 15% consistent deadhead. Either ask for a rate increase from TS Food Services Inc, since it accounts for 31% of total revenue, yet it contributes only 10% of overall profit.
- Understand why leased drivers expense increased from 11% of total revenue to 14%.



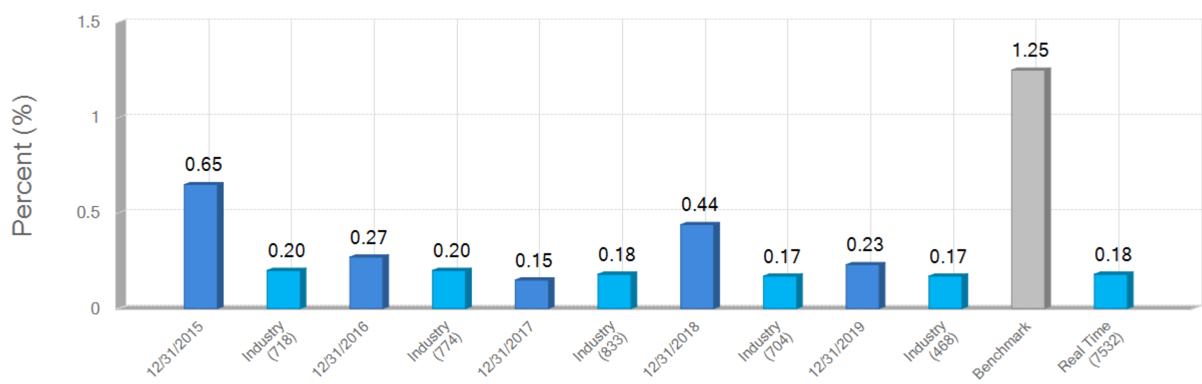
This is an important metric. In fact, over time, it is one of the more important barometers that we look at. It measures how many cents of profit the Company is generating for every dollar it sells. Track it carefully against industry competitors. This is a very important number in preparing forecasts.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

Gross Profit Margin



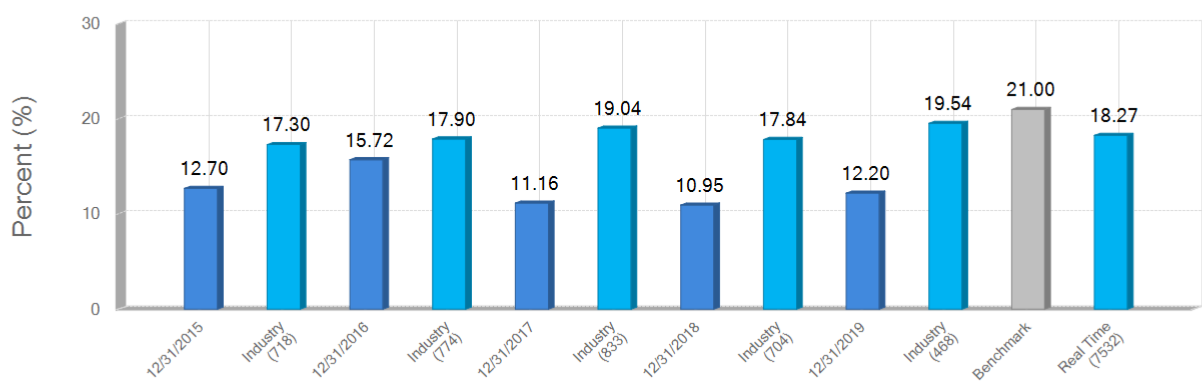
This number indicates the percentage of sales revenue that is not paid out in direct costs (costs of sales). It is an important statistic that can be used in business planning because it indicates how many cents of gross profit can be generated by each dollar of future sales. Higher is normally better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

Advertising to Sales

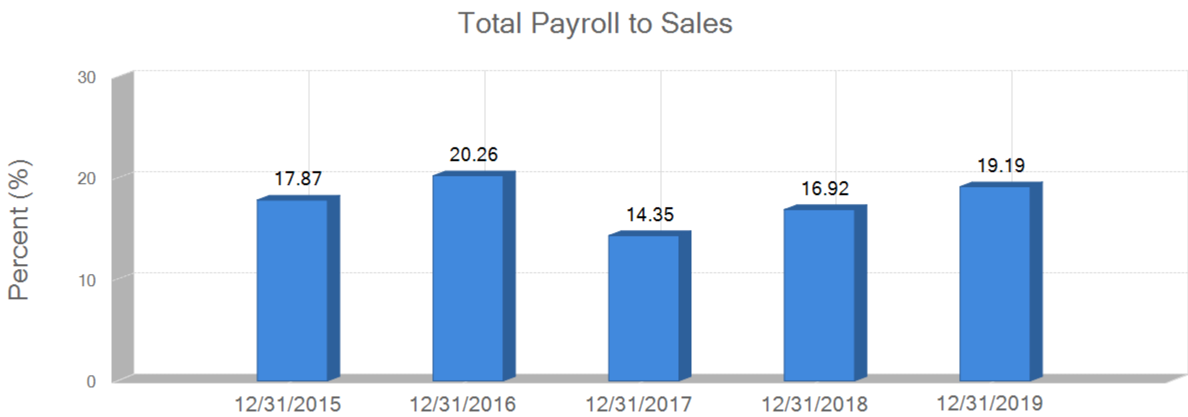


This metric shows advertising expense for the Company as a percentage of sales.

G & A Payroll to Sales



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

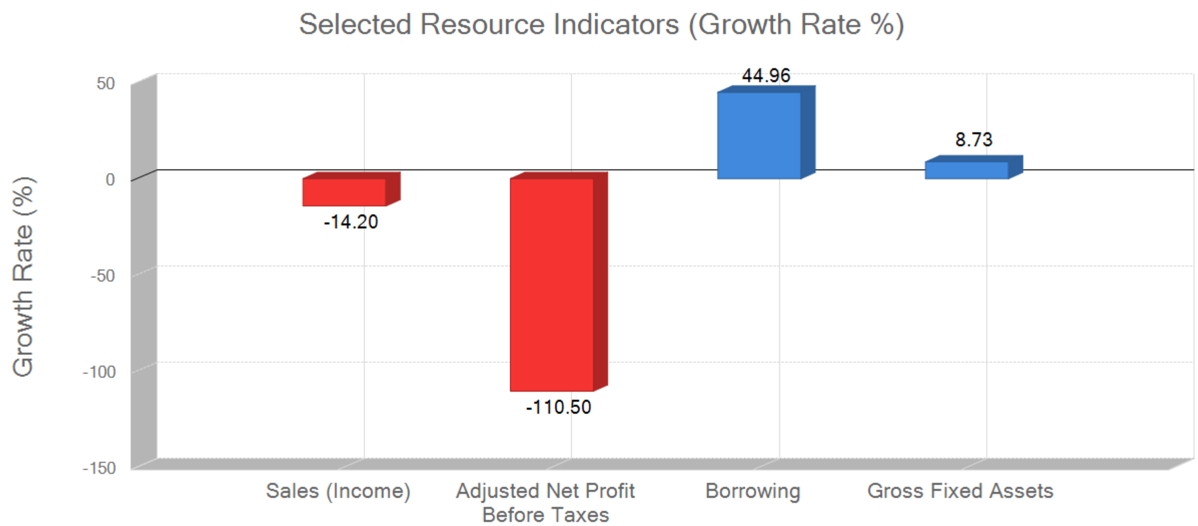


This metric shows total payroll expense for the Company as a percentage of sales.

Sales 24 out of 100

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

Sales are down from the last period, which has already been discussed. However, it should be noted that sales went down when management bought fixed assets. Generally, it is essential to increase revenue as assets grow, because new assets have to be paid for from the collection of sales dollars. It could be that assets were purchased for special projects, which will contribute towards profitability and sales. Still, it is important to assess each purchase from a sales and profitability perspective. Profitability trends are more important than sales, but due to the current operating expense structure of the Company, the Company has to increase sales necessarily if it wants to achieve profitability under its current cost of goods sold and total operating expenses.



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

Borrowing 20 out of 100

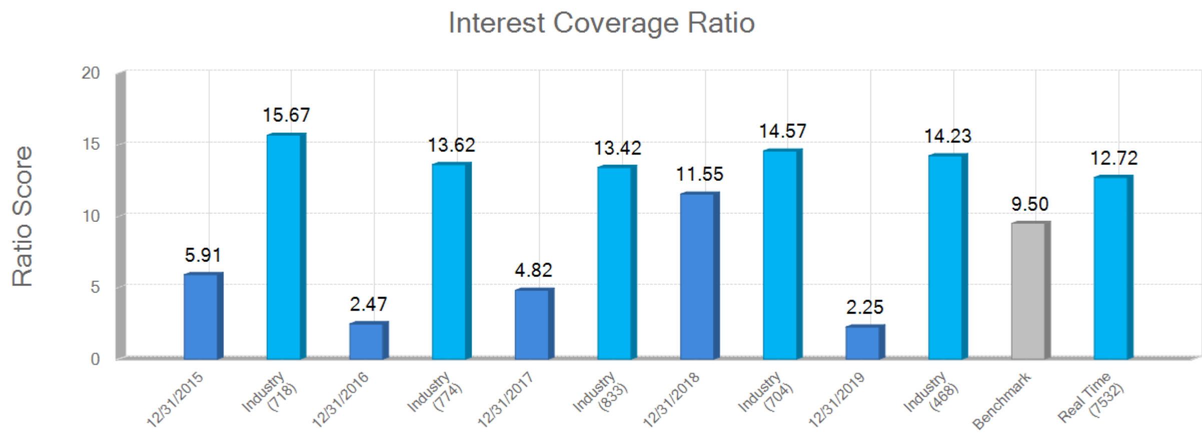
A measure of how responsibly the Company is borrowing and how effectively it is managing debt.

Every Company needs to make sure it is borrowing effectively -- using leverage optimally. In this case, significant debt was added, but profitability went down from the last period. Although it is possible that the Company has invested in some resources that will generate profitability in the future, it could also be that the investment in debt has simply not been helpful. Even short-term debt carries some risk and should, therefore return improved profitability. Additionally, net margins are down by 112.23% this period, which is not favorable when combined with lower profitability in dollars.

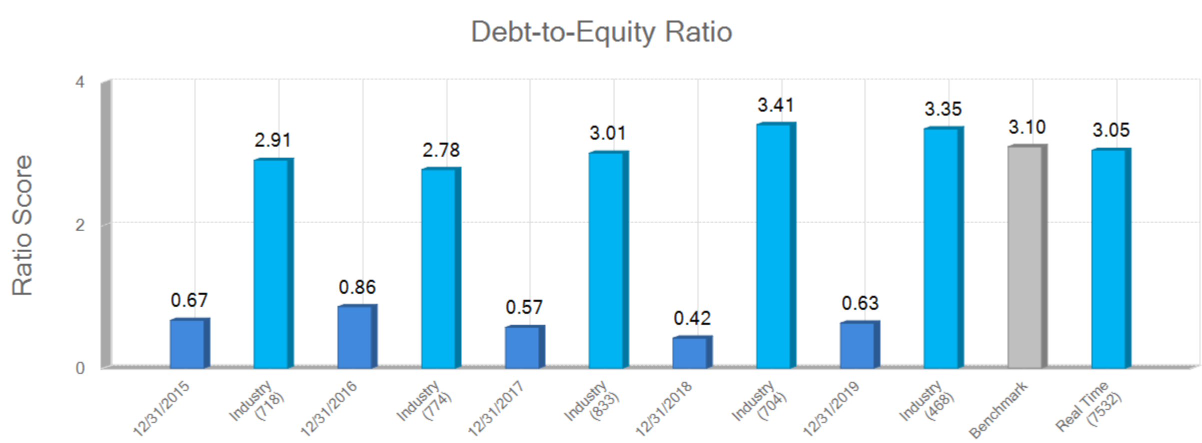
Basically, the Company's overall score in this area could be better when compared to the industry. It does not seem to be generating enough earnings (before interest and non-cash expenses) relative to interest expenses, even with a low level of debt (compared to equity) on its Balance Sheet. The Company may want to focus some of its attention on earnings, as this is the likely source of the problem. In summary, both the trend and coverage ratios are needed to be addressed.

Tips For Improvement
Given results in this area of the report, managers might consider the following to improve performance over time (if any are feasible and appropriate):

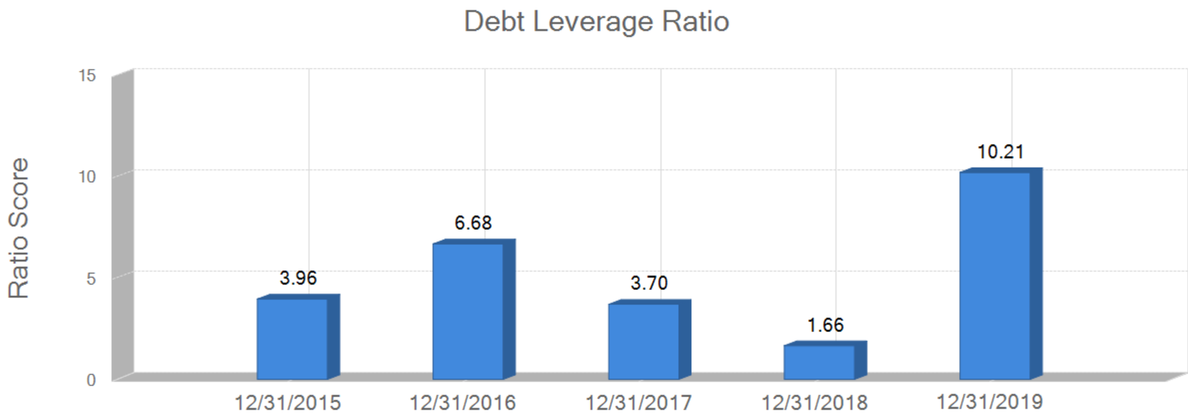
- It is a good idea to run projections based on restructuring of long term debt.



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



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



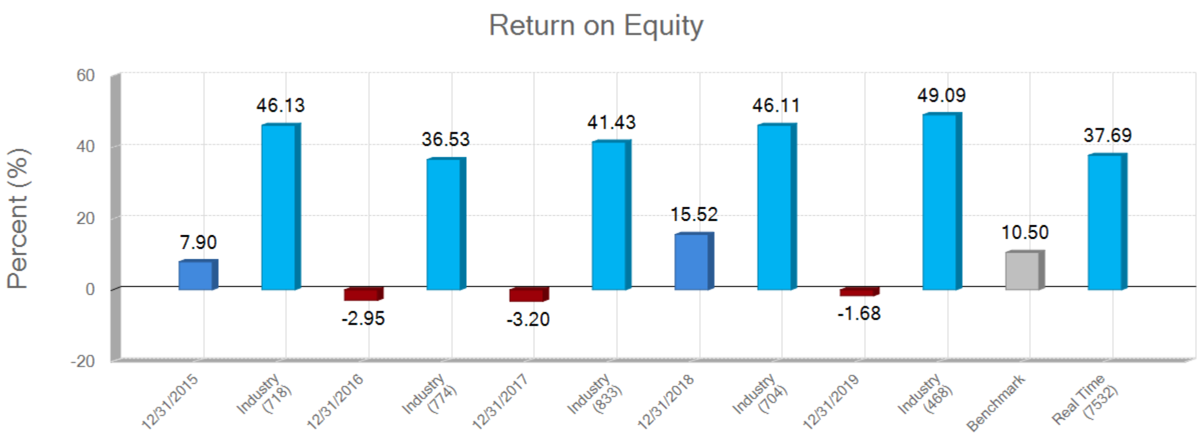
This ratio measures a company's ability to repay debt obligations from annualized operating cash flow (EBITDA).

Assets 10 out of 100

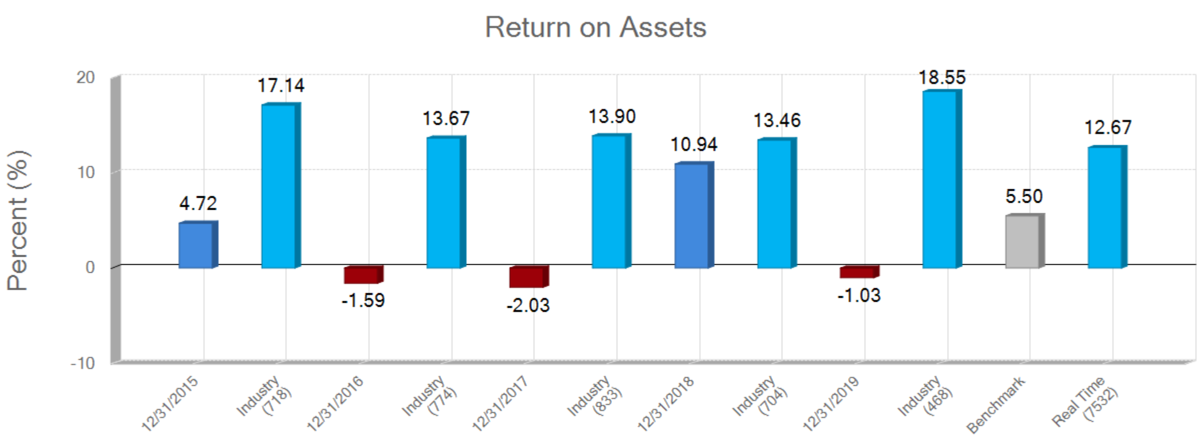
A measure of how effectively the Company is utilizing its gross fixed assets.

There is generally no advantage to investing in additional assets if they will not help improve profitability. Even small increases in fixed assets should improve profitability, at least over the long run. However, this is not the case here, at least as of yet. For this Company, even though some assets were added, profitability actually fell by 110.50%. In future periods, the Company will want to make sure that the assets added yield sufficient long-run returns. This is particularly true when net profit margins (an efficiency measure) are down, which is the case here. Asset additions should yield better margins over time.

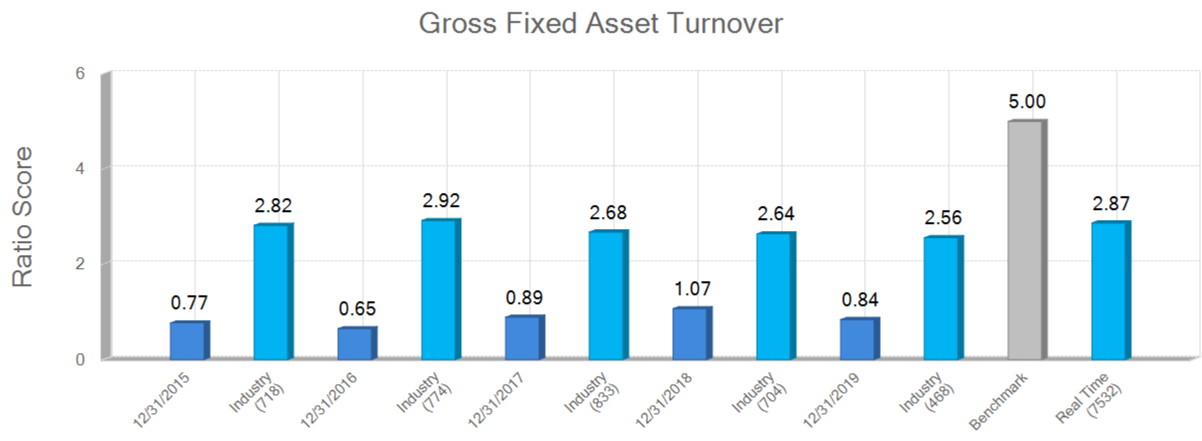
The Company appears to be managing its assets poorly. It generated poor returns on its assets and equity this period, which is a negative result. Over the long run, investors and creditors like to see higher returns on their investment.



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



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



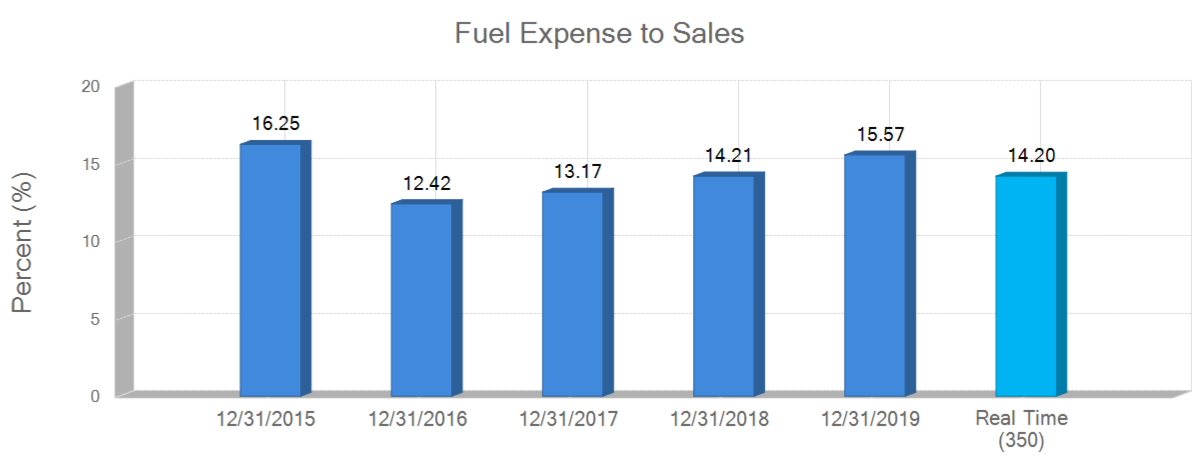
This asset management ratio shows the multiple of annualized sales that each dollar of gross fixed assets is producing. This indicator measures how well fixed assets are "throwing off" sales and is very important to businesses that require significant investments in such assets. Readers should not emphasize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

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

Industry-Specific Performance Ratios

What are the Key Performance Indicators for the business?

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



Fuel Expense to Sales = Fuel Expense / Sales

Raw Data

Income Statement Data	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Sales (Income)	$2,469,391	$2,133,112	$2,595,509	$2,852,665	$2,879,473
Fuel Surcharge	$0	$0	$0	$0	$0
Freight Revenue	$0	$0	$0	$0	$0
Transportation Revenue	$1,338,900	$1,090,060	$1,555,682	$2,818,536	$2,869,410
Brokerage Revenue	$0	$0	$0	$0	$0
Rental Income	$130,491	$43,052	$39,827	$34,129	$10,063
Cost of Sales (COGS)	$3,080,967	$2,845,909	$4,167,730	$4,894,882	$4,590,452
Depreciation (COGS-related)	$0	$0	$0	$0	$0
Direct Materials	$0	$0	$0	$0	$0
Fuel Expense	$726,298	$513,443	$736,990	$973,805	$915,297
Direct Labor	$231,211	$187,685	$178,095	$409,321	$410,996
Insurance	$161,348	$195,695	$239,427	$180,131	$266,997
Leased Transportation	$674,285	$767,979	$1,541,765	$1,161,692	$1,014,653
Maintenance Expense	$463,933	$377,718	$534,027	$567,066	$558,957
Permits and Licenses	$129,345	$117,130	$96,877	$144,024	$118,668
Repairs	$130,687	$122,027	$163,957	$368,798	$166,767
Independent Contractors	$503,223	$521,699	$636,860	$814,588	$827,211
Communication and Technology	$30,433	$37,660	$33,666	$70,414	$73,752
Other	$30,204	$4,873	$6,066	$0	$850
Leasing	$0	$0	$0	$205,043	$236,304
Gross Profit	$1,388,424	$1,287,203	$1,427,779	$1,957,783	$1,289,021
Gross Profit Margin	31.07%	31.14%	25.52%	28.57%	21.92%
Depreciation	$168,998	$272,531	$464,196	$240,819	$158,374
Amortization	$0	$0	$0	$0	$0
Overhead or S,G,& A Expenses	$927,380	$956,668	$963,583	$1,149,638	$1,109,542
Rent	$0	$0	$0	$0	$0
Maintenance and Repairs	$0	$0	$0	$0	$0
G & A Payroll Expense	$567,550	$649,853	$624,632	$750,392	$717,225
Advertising	$29,021	$11,011	$8,361	$30,192	$13,236
Utilities	$17,305	$17,765	$21,118	$20,547	$26,964
Insurance	$54,172	$77,386	$81,381	$72,258	$114,468
SG& A Expenses	$77,603	$77,870	$74,210	$100,520	$103,610
Taxes	$155,527	$86,177	$71,109	$113,691	$111,818
Other Expenses	$14,776	$13,798	$41,640	$3,783	$6,778
Travel	$11,426	$22,808	$5,912	$14,777	$12,265
Recruiting	$0	$0	$35,220	$43,478	$3,178
Other Operating Income	$0	$0	$0	$0	$0
Other Operating Expenses	$0	$0	$0	$0	$0
Operating Profit	$292,046	$58,004	$0	$567,326	$21,105
Interest Expense	$78,046	$133,839	$96,244	$69,956	$84,635
Other Income	$0	$0	$0	$0	$11,325
Gain or Loss in Sale of Assets	$0	$0	$0	$0	$11,325
Other Expenses	$0	$0	$0	$0	$0
Net Profit Before Taxes	$214,000	($75,835)	($96,244)	$497,370	($52,205)
Adjusted Owner's Compensation	$0	$0	$0	$0	$0
Adjusted Net Profit Before Taxes	$214,000	($75,835)	($96,244)	$497,370	($52,205)
Net Profit Margin	4.79%	-1.83%	-1.72%	7.26%	-0.89%
EBITDA	$461,044	$330,535	$464,196	$808,145	$190,804
Taxes Paid	$0	$0	$0	$0	$0
Extraordinary Gain	$0	$0	$0	$0	$0

Extraordinary Loss	$0	$0	$0	$0	$0
Net Income	$414,000	$75,835	$96,244	$297,370	$152,205
Balance Sheet Data	**12/31/2015**	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**
Cash (Bank Funds)	$682,755	$513,051	$446,195	$437,459	$384,804
Accounts Receivable	$408,981	$537,990	$683,890	$680,201	$820,456
Accounts Receivable	$384,507	$485,497	$633,890	$680,201	$664,572
Other Receivables	$24,474	$52,493	$50,000	$0	$155,884
Inventory	$0	$0	$0	$0	$0
Other Current Assets	$0	$0	$0	$0	$0
Total Current Assets	$691,736	$651,041	$1,030,085	$917,660	$1,005,260
Gross Fixed Assets	$5,824,548	$6,350,774	$6,289,521	$6,424,746	$6,985,702
Furniture and Fixtures	$50,724	$54,535	$54,535	$54,535	$54,535
Flatbeds	$245,302	$0	$245,302	$0	$0
Tractors & Transportation Equip	$1,947,646	$2,204,778	$2,138,471	$2,456,480	$3,087,459
Other Equipment/ Assets	$35,872	$119,707	$113,322	$175,840	$105,817
Buildings & Improvements	$152,363	$152,363	$3,455,461	$3,455,461	$3,455,461
Land	$3,392,641	$3,819,391	$282,430	$282,430	$282,430
Accumulated Depreciation	$1,982,036	$2,225,746	$2,589,998	$2,795,450	$2,943,780
Net Fixed Assets	$3,842,512	$4,125,028	$3,699,523	$3,629,296	$4,041,922
Gross Intangible Assets	$0	$0	$0	$0	$0
Accumulated Amortization	$0	$0	$0	$0	$0
Net Intangible Assets	$0	$0	$0	$0	$0
Other Assets	$0	$0	$0	$0	$0
Total Assets	$4,534,248	$4,776,069	$4,729,608	$4,546,956	$5,047,182
Accounts Payable	$120,787	$169,452	$207,818	$131,603	$143,856
Short Term Debt	$93,010	$50,103	$4,533	$80,125	$83,247
Line of Credit	$75,957	$45,657	$0	$0	$0
Other	$17,053	$4,446	$4,533	$80,125	$83,247
Notes Payable / Current Portion of Long Term Debt	$0	$0	$0	$0	$0
Other Current Liabilities	$0	$0	$0	$0	$0
Total Current Liabilities	$213,797	$219,555	$212,351	$211,728	$227,103
Notes Payable / Senior Debt	$1,381,677	$1,987,882	$1,388,432	$1,131,500	$1,702,048
Notes Payable / Subordinated Debt	$231,303	$0	$118,834	$0	$18,008
Other Long Term Liabilities	$0	$0	$0	$0	$0
Total Long Term Liabilities	$1,612,980	$1,987,882	$1,507,266	$1,131,500	$1,720,056
Total Liabilities	$1,826,777	$2,207,437	$1,719,617	$1,343,228	$1,947,159
Preferred Stock	$0	$0	$0	$0	$0
Common Stock	$1,000	$1,000	$1,000	$1,000	$1,000
Additional Paid-in Capital	$0	$0	$0	$0	$0
Other Stock / Equity	$0	$0	$0	$0	$0
Ending Retained Earnings	$2,706,471	$2,568,082	$3,008,991	$3,202,728	$3,099,023
Total Equity	$2,707,471	$2,568,632	$3,009,991	$3,203,728	$3,100,023
Total Liabilities + Equity	$4,534,248	$4,776,069	$4,729,608	$4,546,956	$5,047,182

Common Size Statements

Income Statement Data	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	Industry* (7532)
Sales (Income)	100%	100%	100%	100%	100%	100%
Fuel Surcharge	0%	0%	0%	0%	0%	9% (28)
Freight Revenue	0%	0%	0%	0%	0%	90% (33)

Transportation Revenue	97%	99%	99%	100%	100%	--
Brokerage Revenue	0%	0%	0%	0%	0%	--
Rental Income	3%	1%	1%	0%	0%	--
Cost of Sales (COGS)	69%	69%	74%	71%	78%	39%
Depreciation (COGS-related)	0%	0%	0%	0%	0%	6% (316)
Direct Materials	0%	0%	0%	0%	0%	16% (65)
Fuel Expense	16%	12%	13%	14%	16%	14% (350)
Direct Labor	5%	5%	3%	6%	7%	27% (226)
Insurance	4%	5%	4%	3%	5%	--
Leased Transportation	15%	19%	28%	17%	17%	--
Maintenance Expense	10%	9%	10%	8%	10%	--
Permits and Licenses	3%	3%	2%	2%	2%	--
Repairs	3%	3%	3%	5%	3%	--
Independent Contractors	11%	13%	11%	12%	14%	--
Communication and Technology	1%	1%	1%	1%	1%	--
Other	1%	0%	0%	0%	0%	--
Leasing	0%	0%	0%	3%	4%	--
Gross Profit	31%	31%	26%	29%	22%	61%
Depreciation	4%	7%	8%	4%	3%	4%
Amortization	0%	0%	0%	0%	0%	0%
Overhead or S,G,& A Expenses	21%	23%	17%	17%	19%	35%
Rent	0%	0%	0%	0%	0%	2% (4360)
Maintenance and Repairs	0%	0%	0%	0%	0%	4% (324)
G & A Payroll Expense	13%	16%	11%	11%	12%	20% (4439)
Advertising	1%	0%	0%	0%	0%	0% (3697)
Utilities	0%	0%	0%	0%	0%	--
Insurance	1%	2%	1%	1%	2%	--
SG& A Expenses	2%	2%	1%	1%	2%	--
Taxes	3%	2%	1%	2%	2%	--
Other Expenses	0%	0%	1%	0%	0%	--
Travel	0%	1%	0%	0%	0%	--
Recruiting	0%	0%	1%	1%	0%	--
Other Operating Income	0%	0%	0%	0%	0%	0%
Other Operating Expenses	0%	0%	0%	0%	0%	17%
Operating Profit	7%	1%	0%	8%	0%	4%
Interest Expense	2%	3%	2%	1%	1%	1%
Other Income	0%	0%	0%	0%	0%	0%
Gain or Loss in Sale of Assets	0%	0%	0%	0%	0%	--
Other Expenses	0%	0%	0%	0%	0%	0%
Net Profit Before Taxes	5%	-2%	-2%	7%	-1%	3%
Adjusted Owner's Compensation	0%	0%	0%	0%	0%	0%
Adjusted Net Profit Before Taxes	5%	-2%	-2%	7%	-1%	3%

EBITDA	10%	8%	8%	12%	3%	8%
Taxes Paid	0%	0%	0%	0%	0%	1%
Extraordinary Gain	0%	0%	0%	0%	0%	0%
Extraordinary Loss	0%	0%	0%	0%	0%	0%
Net Income	5%	-2%	-2%	7%	-1%	2%

Balance Sheet Data	**12/31/2015**	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**Industry* (7532)**
Cash (Bank Funds)	6%	2%	7%	5%	4%	9%
Accounts Receivable	9%	11%	14%	15%	16%	21%
Accounts Receivable	8%	10%	13%	15%	13%	--
Other Receivables	1%	1%	1%	0%	3%	--
Inventory	0%	0%	0%	0%	0%	0%
Other Current Assets	0%	0%	0%	0%	0%	4%
Total Current Assets	15%	14%	22%	20%	20%	46%
Gross Fixed Assets	128%	133%	133%	141%	138%	110%
Furniture and Fixtures	1%	1%	1%	1%	1%	--
Flatbeds	5%	0%	5%	0%	0%	--
Tractors & Transportation Equip	43%	46%	45%	54%	61%	--
Other Equipment/ Assets	1%	3%	2%	4%	2%	--
Buildings & Improvements	3%	3%	73%	76%	68%	--
Land	75%	80%	6%	6%	6%	--
Accumulated Depreciation	44%	47%	55%	61%	58%	64%
Net Fixed Assets	85%	86%	78%	80%	80%	46%
Gross Intangible Assets	0%	0%	0%	0%	0%	0%
Accumulated Amortization	0%	0%	0%	0%	0%	0%
Net Intangible Assets	0%	0%	0%	0%	0%	0%
Other Assets	0%	0%	0%	0%	0%	8%
Total Assets	100%	100%	100%	100%	100%	100%
Accounts Payable	3%	4%	4%	3%	3%	11%
Short Term Debt	2%	1%	0%	2%	2%	0%
Line of Credit	2%	1%	0%	0%	0%	--
Other	0%	0%	0%	2%	2%	--
Notes Payable / Current Portion of Long Term Debt	0%	0%	0%	0%	0%	8%
Other Current Liabilities	0%	0%	0%	0%	0%	8%
Total Current Liabilities	5%	5%	4%	5%	4%	39%
Notes Payable / Senior Debt	30%	42%	29%	25%	34%	41%
Notes Payable / Subordinated Debt	5%	0%	3%	0%	0%	0%
Other Long Term Liabilities	0%	0%	0%	0%	0%	1%
Total Long Term Liabilities	36%	42%	32%	25%	34%	50%
Total Liabilities	40%	46%	36%	30%	39%	89%
Preferred Stock	0%	0%	0%	0%	0%	0%
Common Stock	0%	0%	0%	0%	0%	1%
Additional Paid-in Capital	0%	0%	0%	0%	0%	1%
Other Stock / Equity	0%	0%	0%	0%	0%	1%
Ending Retained Earnings	60%	54%	64%	70%	61%	9%
Total Equity	60%	54%	64%	70%	61%	11%

Total Liabilities + Equity	100%	100%	100%	100%	100%	100%

*The industry common size figures shown above were taken from all private company data for companies with industry code 484110 for all years in all areas with yearly sales $1 million to $10 million.

Industry Scorecard

Financial Indicator	Current Period	Industry Range	Distance from Industry
Current Ratio = Total Current Assets / Total Current Liabilities	4.43	1.50 to 2.40	+84.58%
Explanation: Generally, this metric measures the overall liquidity position of a company. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" are collectible. The higher the ratio, the more liquid the Company is.			
Quick Ratio = (Cash + Accounts Receivable) / Total Current Liabilities	4.43	1.00 to 1.80	+146.11%
Explanation: This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the Company has to pay the amount listed in the denominator (current liabilities). The higher the number, the stronger the Company.			
Net Profit Margin = Adjusted Net Profit before Taxes / Sales	-0.89%	0.75% to 5.00%	-218.67%
Explanation: This is an important metric. In fact, over time, it is one of the more important barometers that we look at. It measures how many cents of profit the Company is generating for every dollar it sells. Track it carefully against industry competitors. This is a very important number in preparing forecasts. The higher the better.			
Accounts Receivable Days = (Accounts Receivable / Sales) * 365	50.93 Days	20.00 to 50.00 Days	-1.86%
Explanation: This number reflects the average length of time between credit sales and payment receipts. It is crucial to maintaining positive liquidity. The lower the better.			
Accounts Payable Days = (Accounts Payable / COGS) * 365	11.44 Days	10.00 to 30.00 Days	0.00%
Explanation: This ratio shows the average number of days that lapse between the purchase of material and labor, and payment for them. It is a rough measure of how timely a company is in meeting payment obligations. Lower is normally better.			
Interest Coverage Ratio = EBITDA / Interest Expense	2.25	5.00 to 14.00	-55.00%
Explanation: This ratio measures a company's ability to service debt payments from operating cash flow (EBITDA). An increasing ratio is a good indicator of improving credit quality. The higher the better.			
Debt-to-Equity Ratio = Total Liabilities / Total Equity	0.63	1.20 to 5.00	+47.50%
Explanation: This Balance Sheet leverage ratio indicates the composition of a company's total capitalization -- the balance between money or assets owed versus the money or assets owned. Generally, creditors prefer a lower ratio to decrease financial risk while investors prefer a higher ratio to realize the return benefits of financial leverage.			
Return on Equity = Net Income / Total Equity	-1.68%	6.00% to 15.00%	-128.00%
Explanation: This measure shows how much profit is being returned on the shareholders' equity each year. It is a vital statistic from the perspective of equity holders in a company. The higher the better.			
Return on Assets = Net Income / Total Assets	-1.03%	3.00% to 8.00%	-134.33%
Explanation: This calculation measures the Company's ability to use its assets to create profits. Basically, ROA indicates how many cents of profit each dollar of asset is producing per year. It is quite important since managers can only be evaluated by looking at how they use the assets available to them. The higher the better.			
Gross Fixed Asset Turnover = Sales / Gross Fixed Assets	0.84	2.00 to 8.00	-58.00%

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

Gross Profit Margin = Gross Profit / Sales	21.92%	45.00% to 58.00%	-51.29%

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

Debt Leverage Ratio = Total Liabilities / EBITDA	10.21	--	--

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

Advertising to Sales = Advertising / Sales	0.23%	0.50% to 2.00%	+54.00%

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

G & A Payroll to Sales = G & A Payroll Expense / Sales	12.20%	14.00% to 28.00%	+12.86%

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

Total Payroll to Sales = (Direct Labor + G & A Payroll Expense) / Sales	19.19%	--	--

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

Z-Score	4.73	1.10 to 2.60	+81.92%

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

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

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

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