

# **RMA Annual Statement Studies®**

Sample Report



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## RMA Annual Statement Studies®

ValuSource's RMA Annual Statement Studies® database contains data from the Risk Management Association's *Annual Statement Studies*®, the industry standard for comparison of financial data for over 85 years. The Risk Management Association is the most respected source of objective, unbiased information on issues of importance to credit risk professionals.

The *Annual Statement Studies*® reports composite data on over 680 industries, derived directly from more than 190,000 statements of financial institutions' borrowers and prospects. The statements used to produce the composites come directly from RMA member institutions and represent the financials from their commercial customers and prospects. Balance sheet and income statement information is shown in common size format, with each item a percentage of total assets and sales. Nineteen of the most widely used ratios in the financial services industry accompany the balance sheet information, including various types of liquidity, coverage, leverage, and operating ratios.

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### Using RMA Annual Statement Studies®

RMA Annual Statement Studies® allows you to view and print RMA data, export RMA data to Microsoft® Excel, and download RMA data into ValuSource applications. You start from the RMA Main Window (see diagram below).

#### Selecting the Year

If you have RMA data for multiple years, you can change the data year.

#### Selecting an Industry

Starting in 2003, RMA defines industries by the North American Industrial Classification System (NAICS). For all prior years, industries are defined by Standard Industrial Classification (SIC) codes. RMA provides four ways to select an industry. You can:

- Start from an industry group, or "book" (for example, Retail Trade).
- Sort the industries by code.
- Sort the industries by title.
- Search for text or numbers in the industries' codes or titles.

#### Slicing the Industry Data

There are five ways to present an industry's data:

- You can sort the current year's data by assets.
- You can view comparative historical data.
- You can sort the current year's data by sales.
- You can view data for multiple years grouped by asset range.
- You can view data for multiple years grouped by sales range.

An example of multi-year data appears below.

### RMA Main Window

**Wheat Farming**  
**NAICS 111140 Corresponding SIC 0111**  
**Sorted by Assets**  
**RMA Year 2004**

	0-500M	500M-2MM	2-10MM	10-50MM	50-100M
<b>Number of Statements</b>	5	34	20	6	
Unqualified		1			
Reviewed			5	2	
Compiled	2	5	3		
Tax Returns	1	10		1	
Other	2	18	12	3	
<b>ASSETS:</b>					
Cash & Equivalents		6.0	5.0		
Trade Receivables - (net)		12.9	17.0		
Inventory		16.6	10.3		
All Other Current		5.9	7.3		
Total Current		41.4	39.5		
Fixed Assets (net)		34.1	40.1		
Intangibles (net)		3.1	6.8		
All Other Non-Current		21.4	13.6		
Total		100.0	100.0		
<b>LIABILITIES:</b>					
Notes Payable-Short Term		14.3	15.5		
Cur. Mat.-LTD		1.3	2.4		
Trade Payables		10.8	5.1		
Income Taxes Payable		1.0			
All Other Current		7.6	9.4		

### Multi-Year Data (Example)

**NAICS 441320 Tire Dealers (2003)**  
**SIC 5014 TIRES & TUBES (Prior Years)**  
**Multi Year Sales Data (0-1M)**

	Min	Max	Mean	Median	Std Dev	R Sqrd	2004	2003
<b>Number of Statements</b>	9	14	13	14	2.38	0.05	14	13
Unqualified	1	1	1					1
Reviewed	1	1	1				1	
Compiled	3	7	5	5	2.06	0.32	3	6
Tax Returns	3	8	5	4	2.36	0.50	8	3
Other	1	3	2	2	0.82	0.10	2	3
<b>ASSETS:</b>								
Cash & Equivalents	8.0	14.9	11.4	11.4	3.45	0.26	14.9	8.0
Trade Receivables - (net)	9.4	21.5	15.5	15.5	6.05	0.25	15.5	9.4
Inventory	28.2	46.1	37.1	37.0	8.95	0.24	28.2	46.1
All Other Current	0.8	1.9	1.4	1.4	0.55	0.30	1.4	1.9
Total Current	60.0	70.8	65.4	65.4	5.40	1.00	60.0	65.4
Fixed Assets (net)	19.8	31.9	26.6	28.2	6.20	0.46	28.2	31.9
Intangibles (net)	1.5	2.7	2.2	2.3	0.61	0.11	2.3	1.5
All Other Non-Current	1.2	9.5	5.8	6.6	4.21	0.12	9.5	1.2
Total	100.0	100.0	100.0	100.0			100.0	100.0
<b>LIABILITIES:</b>								
Notes Payable-Short Term	10.6	12.4	11.5	11.6	0.90	0.31	10.6	12.4

## Using RMA Data in ValuSource Applications

You can download RMA data into ValuSource applications, including ValuSource Pro and Express Business Valuation. The downloaded data automatically appears in the correct lines on the appropriate schedules.

### Multi-Year Comparison

The latest versions of ValuSource's valuation applications support downloading multiple years of data from RMA, making your analysis of the subject company's financials more robust.

### Downloading the Data

When you're done selecting the data options, click on the button labeled "Download" in the toolbar at the top of the RMA Main Window. RMA will close and you will return to the ValuSource application that you're using. The downloaded data will automatically appear in the correct lines on the appropriate schedules. In the following examples, the blue numbers in the first column were downloaded from RMA.

Common Size Historic Balance Sheets Schedule (Example)								
	RMA	Adjusted 2005	Historic 2005	Historic 2004	Historic 2003	Historic 2002	Historic 2001	Historic 2000
Cash & Equivalents	9.00%	9.22%	9.23%	9.09%	8.79%	8.03%	7.96%	7.53%
Accounts Receivable	43.10%	5.37%	8.44%	8.54%	7.30%	6.68%	7.56%	12.63%
Inventory	4.60%	6.90%	6.60%	5.84%	5.55%	5.96%	7.78%	7.72%
Other Current Assets	8.10%	0.82%	0.82%	0.81%	0.78%	0.78%	0.84%	2.26%
Total Current Assets	64.80%	22.32%	25.09%	24.28%	22.41%	21.44%	24.14%	30.14%
Fixed Assets Net	23.80%	76.29%	73.27%	74.04%	75.98%	76.91%	73.72%	66.31%
Intangibles Net	0.90%	0.24%	0.43%	0.45%	0.48%	0.53%	0.75%	1.43%
Other Non-Current Assets	10.50%	1.14%	1.21%	1.22%	1.13%	1.12%	1.39%	2.12%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Accounts Payable	15.60%	10.53%	10.54%	10.33%	9.98%	9.73%	8.38%	7.54%
Short Term Notes Payable	10.60%	0.00%	0.00%	0.60%	1.19%	1.86%	3.35%	7.54%
Current Maturity LT Debt	2.70%	2.65%	2.65%	2.51%	2.36%	2.38%	3.07%	5.36%
Other Current Liabilities	7.80%	1.53%	1.53%	2.18%	2.12%	2.14%	2.69%	4.53%
Total Current Liabilities	36.70%	14.71%	14.72%	15.63%	15.66%	16.11%	17.49%	24.97%
Long Term Debt	14.20%	41.39%	41.44%	44.81%	50.21%	58.20%	61.48%	58.24%
Other Non-Current Liabilities	5.60%	1.37%	1.37%	1.41%	1.39%	1.43%	1.89%	3.40%
Total Liabilities	56.50%	57.47%	57.53%	61.85%	67.26%	75.74%	80.86%	86.61%
Total Equity	43.50%	42.53%	42.47%	38.15%	32.74%	24.26%	19.14%	13.39%
Total Liabilities & Equity	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Common Size Income Statements Schedule (Example)							
	RMA	Dec 2005	Dec 2004	Dec 2003	Dec 2002	Dec 2001	Dec 2000
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Goods	71.90%	41.17%	39.95%	36.99%	37.86%	38.89%	43.42%
Gross Profit	28.10%	58.83%	60.05%	63.01%	62.14%	61.11%	56.58%
Operating Expenses	26.00%	42.91%	44.05%	46.82%	46.52%	43.69%	40.63%
Operating Profit	2.10%	15.92%	16.00%	16.19%	15.61%	17.42%	15.95%
Other Income/(Expense) Net	0.90%	0.06%	0.12%	0.10%	0.09%	0.08%	0.06%
Pre-Tax Profit	3.00%	15.98%	16.12%	16.29%	15.71%	17.50%	16.01%

Financial Ratio Comparison Schedule (Example)								
	Lower RMA	Median RMA	Upper RMA	Adjusted 2005	Historic 2005	Historic 2004	Historic 2003	Historic 2002
<b>LIQUIDITY RATIOS:</b>								
Current Ratio	1.20	1.7	3.1	1.52	1.70	1.55	1.43	1.33
Quick (Acid-Test) Ratio	0.8	1.4	2.3	0.99	1.20	1.13	1.03	0.91
Revenue/Accounts Receivable	3.8	5.6	6.4	23.45	14.96	13.28	13.80	14.66
Average Collection Period	96	65	57	16	24	27	26	25
Inventory Turnover	24.2	640.7	999.9	7.52	7.87	7.76	6.71	6.22
Days Inventory	15	1	-	49	46	47	54	59
COGS/Payable	7.4	13.2	34.4	4.93	4.93	4.39	3.73	3.81
Days Payable	49	28	11	74	74	83	98	96
Revenue/Working Capital	13.9	8.8	5.1	16.55	12.17	13.12	14.90	18.36
<b>COVERAGE RATIOS:</b>								
Times Interest Earned	1.3	2.3	7.0	5.61	5.87	5.26	4.27	3.73
NI+Non-Cash Expenditures / Current LTD	-	-	-	6.50	6.76	6.61	6.50	6.21
<b>LEVERAGE RATIOS:</b>								
Fixed Assets/Tangible Worth	1.0	0.6	0.3	1.80	1.74	1.96	2.35	3.24
Debt/Tangible Net Worth	3.2	1.2	0.6	1.36	1.37	1.64	2.08	3.19
Debt/Equity	1.3	1.3	1.3	1.35	1.35	1.62	2.05	3.12
<b>OPERATING RATIOS:</b>								
EBT/Tangible Worth	0.90%	11.60%	25.90%	45.11%	47.97%	48.51%	50.84%	64.78%
EBT/Total Assets	0.50%	2.00%	8.80%	19.07%	20.17%	18.29%	16.40%	15.38%
Fixed Asset Turnover	7.2	9.9	27.0	1.65	1.72	1.53	1.33	1.27
Total Asset Turnover	1.5	2.2	2.8	1.26	1.26	1.13	1.01	0.98
<b>EXPENSE TO REVENUE RATIOS:</b>								
% Deprtn., Depltn., Amort./Revenue	4.20%	2.10%	1.40%	3.66%	3.66%	4.02%	4.47%	4.76%
% Officers' &/or Owners' Compensation/Revenue	0.00%	0.00%	0.00%	9.44%	9.20%	9.05%	9.47%	9.47%

## Exporting RMA Data to Excel

You can export RMA data to an Excel workbook. There are two different modes for exporting data:

- You can create a worksheet that contains the data from the current data view.
- You can create a workbook that compares a company's financials to multi-year data.

### Exporting the Current Data View

You can start Excel with data from the current view, or you can save the data directly to an Excel file for later use. An example of an exported worksheet follows.

## Exporting Multi-Year Analysis

You can create a workbook that uses multi-year data to analyze a company's financial statements. Examples of the workbook's sheets and graphs follow. The schedules and charts produced by the workbook include:

### Schedules

- Common Size Balance Sheets Year to Year
- Common Size Balance Sheets Industry Trend
- Common Size Balance Sheets Subject Company Trend
- Common Size Income Statement Year to Year
- Common Size Income Statement Industry Trend
- Common Size Income Statement Subject Company Trend
- Liquidity Ratios
- Coverage and Leverage Ratios
- Operating & Expense Ratios

### Charts

- Industry Working Capital
- Subject Company Working Capital
- Industry Common Size Income Statement
- Subject Company Common Size Income Statement
- Current Ratio
- Quick Ratio
- Sales to Receivables
- Average Collection Period (Days)
- Sales to Working Capital
- EBIT to Interest
- Net Profit + Depr., Depletion, Amort./Current LTD
- Fixed to Worth
- Debt to Worth
- EBT to Tangible Worth
- EBT to Total Assets
- Sales to Net Fixed Assets
- Sales to Total Assets
- % Depreciation Depletion Amortization to Sales
- % Compensation to Revenue

### Export of Current Data View

	A	B	C	D	E	F	G	H
1	Sorted by Assets RMA Year 2004							
2	<b>Home Centers</b>							
3	<b>NAICS 444110 Corresponding SIC 5031, 5211</b>							
4	<b>Sorted by Assets</b>							
5	<b>RMA Year 2004</b>							
6		0-500M	500M-2MM	2-10MM	10-50MM	50-100MM	100-250MM	
7	<b>Number of Statements</b>	52	200	338	122	15	6	
8	Unqualified	2	2	29	37	8	4	
9	Reviewed	1	38	111	47	2		
10	Compiled	12	83	109	16			
11	Tax Returns	19	41	29	1			
12	Other	18	36	60	21	5	2	
13	<b>ASSETS:</b>							
14	Cash & Equivalents	14.6	6.1	5.4	3.4	6.9		
15	Trade Receivables - (net)	21.5	29.8	32.6	30.0	27.1		
16	Inventory	29.2	37.8	32.0	31.2	26.8		
17	All Other Current	2.1	3.0	3.3	3.0	4.4		
18	Total Current	67.5	76.7	73.4	67.7	65.1		
19	Fixed Assets (net)	25.0	16.1	18.8	24.2	24.5		
20	Intangibles (net)	2.6	1.5	1.7	1.4	3.3		
21	All Other Non-Current	4.9	5.8	6.1	6.7	7.1		
22	Total	100.0	100.0	100.0	100.0	100.0		
23	<b>LIABILITIES:</b>							
24	Notes Payable-Short Term	31.1	14.3	15.3	16.9	16.5		
25	Current Maturities of Long-Term Debt	2.8	2.8	2.6	2.8	1.4		

### Multi-Year Analysis – Setup Worksheet

	A	B	C	D	E	F	G	H	I
1									
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24									
25									

**Subject Data**

Analysis for:

Subject Company Name     Sample Accounts & Associates

NAICS/SIC                     541211

Performed by:

Appraiser Name             Mr. Valuation Professional

Appraiser Firm              Professional Valuators

As of:

Analysis Date                5/20/2005

Setup / BS / IS / Common Size BS Yr to Yr / Common Size BS Ind

### Multi-Year Analysis – Common Size Balance Sheets Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L
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**Common Size Balance Sheets Year to Year**

	Subject 2004	Subject 2004	RMA 2004	Subject 2003
<b>ASSETS</b>				
Cash & equivalents	11,599	7.6%	17.0%	20,940
Trade receivables - (net)	71,425	46.8%	23.7%	73,875
Inventory	8,699	5.7%	1.8%	9,381
All other current assets	12,362	8.1%	4.9%	11,056
<b>Total current assets</b>	<b>104,085</b>	<b>68.3%</b>	<b>47.3%</b>	<b>115,252</b>
Fixed assets (net)	25,792	16.9%	25.8%	29,818
Intangibles (net)	5,342	3.5%	14.8%	5,361
All other non-current assets	17,246	11.3%	12.2%	17,087
<b>Total assets</b>	<b>152,465</b>	<b>100.0%</b>	<b>100.0%</b>	<b>167,518</b>
<b>LIABILITIES &amp; NET WORTH</b>				
Notes payable-short term	17,398	11.4%	25.0%	26,133
Trade payables	5,189	3.4%	2.9%	7,706
Income taxes payable	1,221	0.8%	0.2%	1,508
Cur.mat. - L/T/D	6,410	4.2%	4.4%	7,203
All other current liabilities	15,109	9.9%	23.1%	22,950
<b>Total current liabilities</b>	<b>45,327</b>	<b>29.7%</b>	<b>55.6%</b>	<b>65,500</b>
Long term debt	12,125	8.0%	38.6%	16,417

Setup / BS / IS / Common Size BS Yr to Yr / Common Size BS Ind

**Multi-Year Analysis – Subject Company Working Capital Graph**

