

XXX XXX Pty Ltd, 2023

BENCHMARK REPORT

Construction Companies

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Industry Statistics

Industry Analysis

Division Overview: Construction

Construction Division Growth Drivers

Fast Facts: Non-Residential Building Construction Industry

Number of Businesses

Business Locations

Business Size

Average earnings per business

New Business Entrants and Survival

Employment Trends: Building and Plumbing Labourers

Industry Analysis

Division Overview: Construction

The Construction division is Australia's third largest earning division, generating \$454B annually for the Australian economy. The division remained relatively stagnant from 2018-2021 but total earnings will prove strong in 2022 and 2023 due to government stimulus packages. Employment has also grown recently to reach just under 1.2 million workers, making it the fourth largest employing division in Australia.

Construction Division Growth Drivers

COVID-related government support for the division spurred a large growth in residential construction projects. However, construction businesses also battled major cost increases, staff shortages and cash flow concerns, resulting in a highly turbulent 24 months. The division should begin to stabilise slowly over the next 12 months. Three key economic drivers for this will include:

1. Slow in demand for residential projects:

increasing interest rates are forecast to slow demand for residential construction projects. However, due to existing projects and planned work, construction businesses should have a strong pipeline of projects for most of 2023.

2. Continued high business and construction costs:

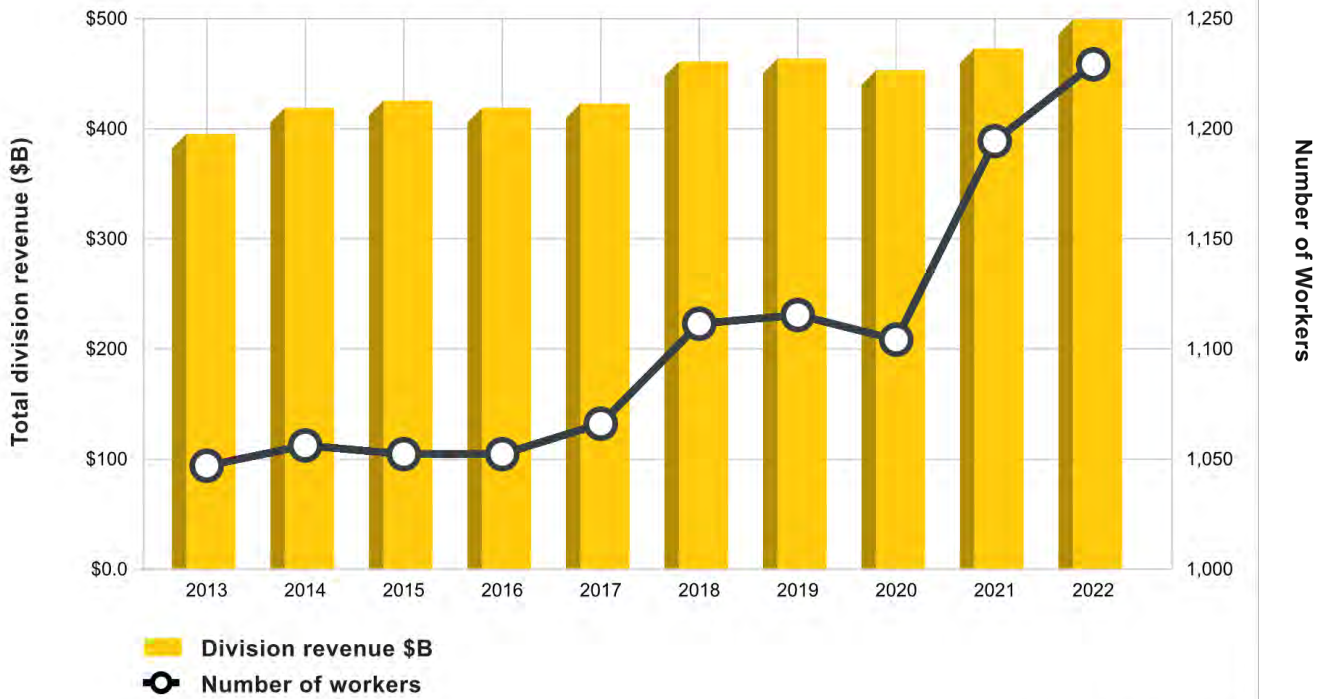
inflation, material shortages and supply chain issues have caused havoc with construction costs. 2023 should see many of these costs becoming the 'new norm' and factored into project pricing. This should reduce major cash flow issues for operators.

3. Labour shortages for trades:

high demand for trades in 2021 and 2022 has caused national labour shortages for the division. The return of migrants and reduced COVID restrictions should ease this burden somewhat in 2023, but it's expected many businesses and projects will still be impacted by shortages in the next 12 months.

Construction

Total revenue and employment figures



SOURCE: ABS, Benchmarking

Fast Facts: Non-Residential Building Construction Industry

In Australia, the Non-Residential Building Construction Industry forms part of the overall Construction Division. All data in this report has been sourced from the Australian Bureau of Statistics and is current as of August 15, 2023.

Number of Businesses

The number of businesses in the Non-Residential Building Construction Industry has increased by 18% over the past five years to reach 17,278 entities. The average five-year growth rate across all industries is 21% showing the Non-Residential Building Construction Industry is growing on par with other industries. In 2022, there was a total of 3,122 business entries and 2,054 exits, thus the industry grew by 6.59%.

Division

Construction

Sub-Division

Building Construction

Group

Non-Residential Building Construction

Industry

Non-Residential Building Construction

Non-Residential Building Construction business entities in Australia

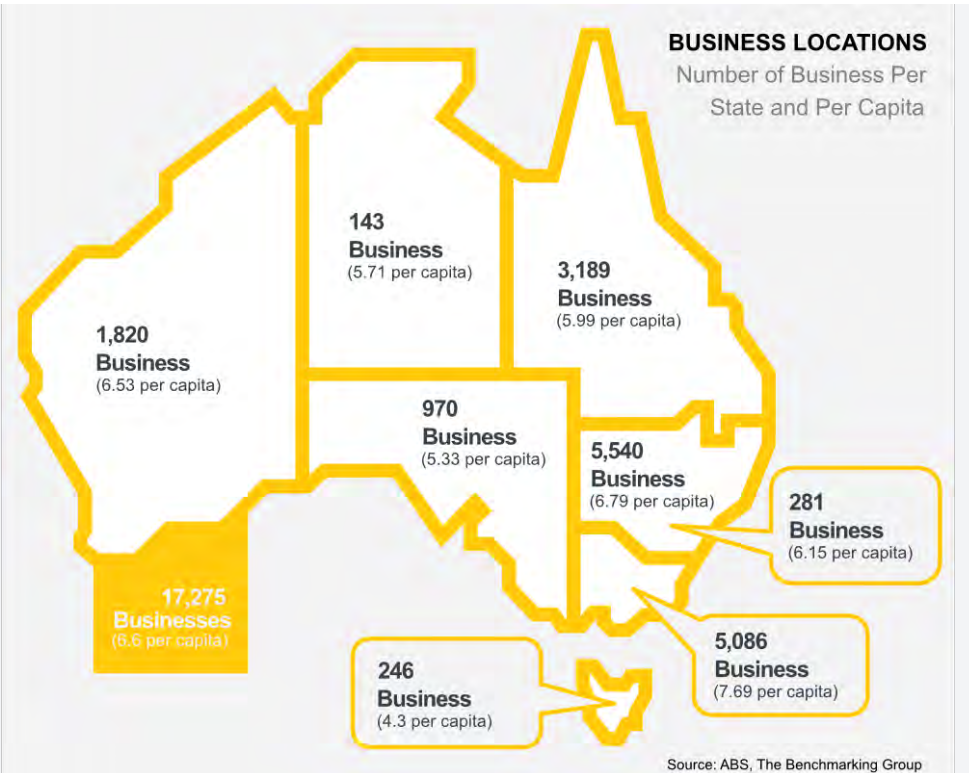
Number of business entities and annual growth rate vs growth rate of all Australian business entities



SOURCE: ABS, The Benchmarking Group

Business Locations

32% of businesses in the Non-Residential Building Construction Industry are located in New South Wales, with a further 29% located in Victoria. Additionally, Victoria has the highest ratio of Non-Residential Building Construction businesses per capita.

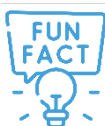


Business Size

Of the 17,278 businesses operating in the Non-Residential Building Construction Industry, 34.12% of businesses employ 1-19 people with only 2.81% employing 20 or more workers. The remaining 63.07% are non-employing businesses, which are primarily sole traders and partnerships.

Employees per business in Australia

Percentage of employees per business for the Non-Residential Building Construction industry vs all Australian Businesses



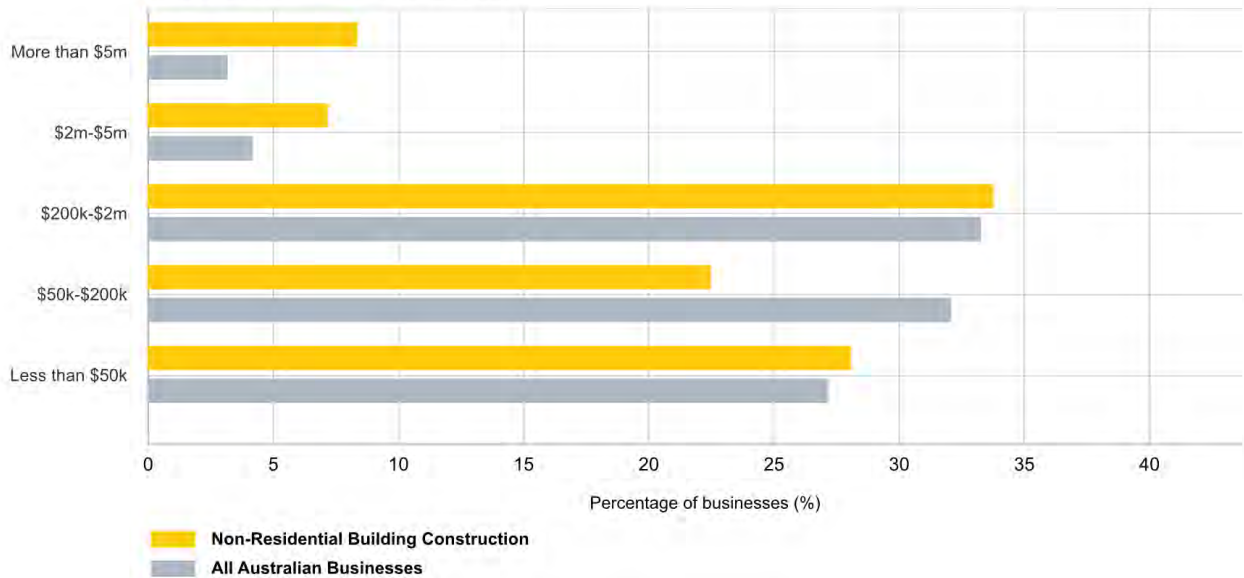
The Non-Residential Building Construction industry has an average proportion of non-employing businesses compared to other industries. So whilst a higher percentage of businesses are non-employing, the majority of workers are still considered employees.

Average earnings per business

Majority of businesses in the Non-Residential Building Construction Industry generate between \$200k-\$2m. 16% of businesses generate \$2 million or more, a figure that has increased at a high rate over past 5 years. Only 8% bring in more than \$5 million, and 28% generate less than \$50,000 annually.

Non-Residential Building Construction business earnings in Australia

Average annual turnover per business



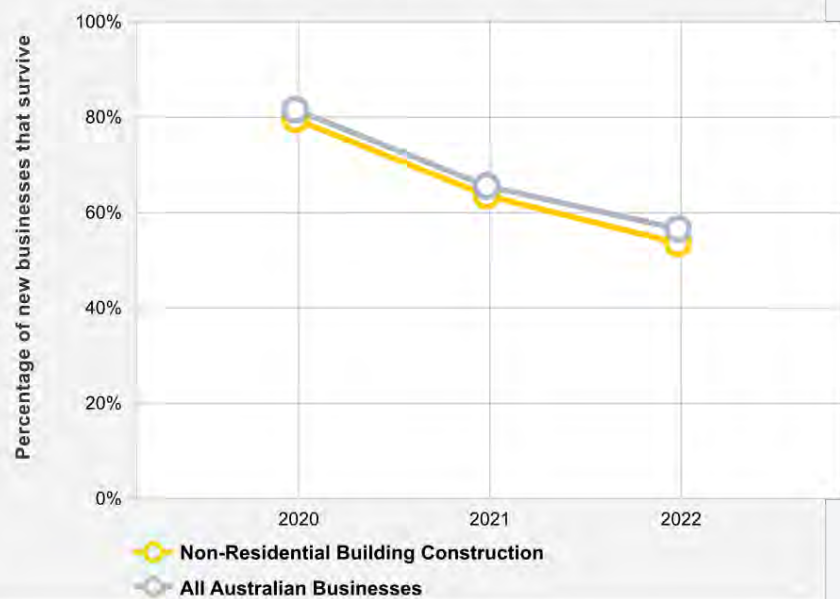
SOURCE: ABS, The Benchmarking Group

New Business Entrants and Survival

For new businesses, 49.48% survive the first three years of operations, which is less than the average three-year survival rate of all businesses at 54%.

Survival Rate of New Businesses in Australia

Percentage of businesses that survive after three years



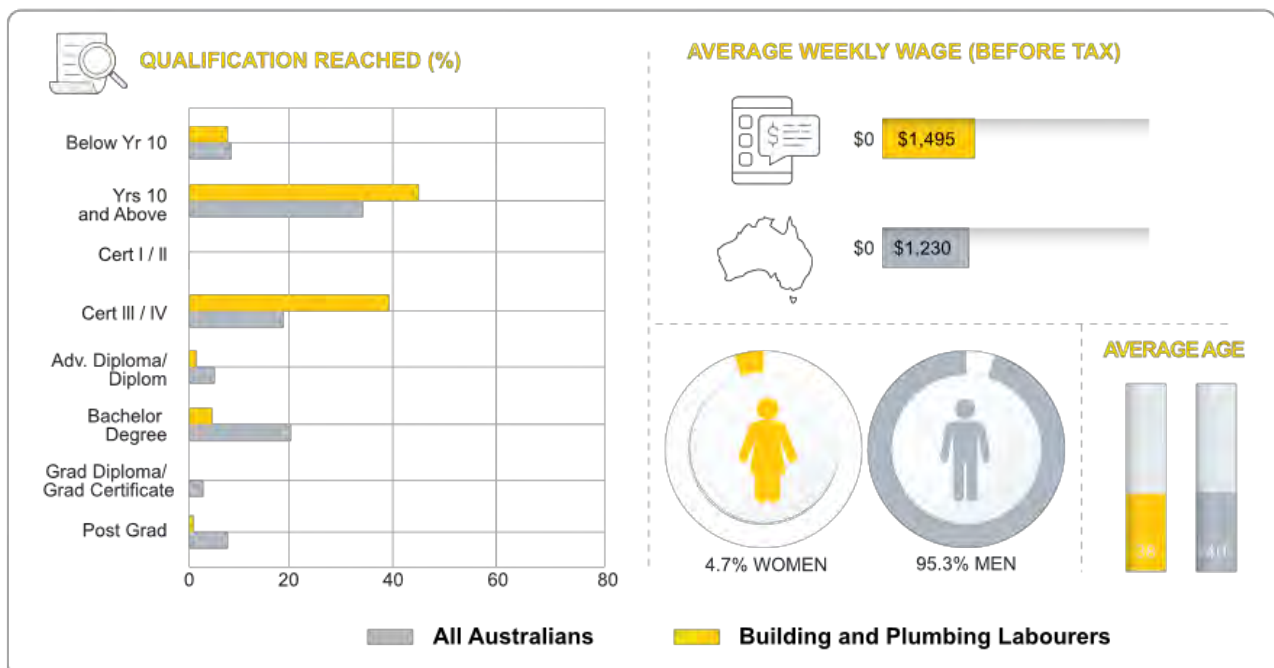
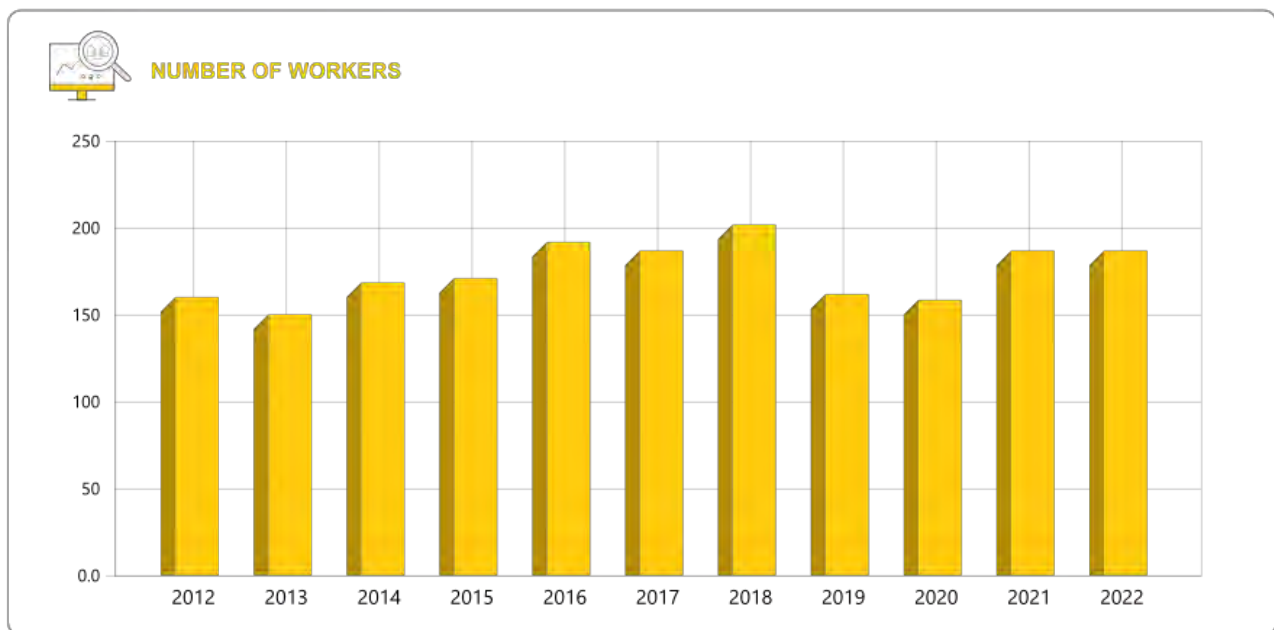
SOURCE: ABS, The Benchmarking Group

Employment Trends: Building and Plumbing Labourers

In Australia, the main occupation associated with Construction Companies businesses is Builder's Labourers. There are currently 16,034 Builder's Labourers working in Australia, a figure that is forecast to increase by 5% over the next five years. 4.70% are female and 95.30% male with an overall average age of 38. This is 2 years lower than the Australian average of 40. This industry takes home a high weekly average wage of \$1,495 before tax. This figure is 7.22% higher than the Australian average of \$1,394. 0.84% of the industry has completed a bachelors degree, 4.41% completing post graduate qualifications.

Australian Employment Trends

Occupation: Building and Plumbing Labourers



SOURCE: ABS, The Benchmarking Group

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Benchmark Comparison

Income
Less Overheads as %'s of Total Income:
Net Profit (bos*) per....
Total Income per....
Gross Profit (Income less Materials and Payments to Sub Contractors) per....
Non Personnel-Related Overheads per....
Personnel (fte personnel numbers)
Other Information

Benchmark data last updated 8/14/2023

	Your Business: 2023	Your Business: 2022	Turnover: Less than \$5,000,000	Net Profit per Owner: \$150,000 to \$299,999
Income				
Total Income	\$4,677,138	\$3,105,319	\$2,010,794	\$4,221,698
Less Materials Used	11.44%	19.87%	30.85%	34.28%
Less Sub Contractors	44.73%	37.90%	18.71%	22.76%
Equals Gross Profit	43.83%	42.23%	50.44%	42.97%
Less Overheads as %'s of Total Income:				
Advertising & Promotion	0.67%	0.75%	0.52%	0.54%
Accounting & Legal Fees	0.36%	1.02%	0.79%	0.53%
All Insurance	0.82%	2.03%	1.38%	1.07%
Interest, Bank Charges etc	0.07%	0.38%	0.68%	0.28%
Licences, Permits and Subscriptions	0.21%	0.00%	0.20%	0.13%
All Occupancy Costs	1.90%	2.27%	1.57%	1.08%
Other Depreciation, Lease and HP	0.63%	0.66%	1.58%	0.83%
Repairs & Maintenance	1.00%	0.91%	1.11%	0.59%
Staff On Costs	2.17%	2.37%	2.43%	1.37%
Telephone & Fax	0.07%	0.13%	0.43%	0.31%
Employees' Wages & Internal Contractors	16.69%	19.18%	19.13%	18.68%
Vehicle Operating Costs	1.10%	1.59%	3.19%	1.83%
All Other Expenses	2.17%	2.44%	2.72%	2.29%
Total Overheads	27.86%	33.72%	35.73%	29.54%
Net Profit (bos*)	15.97%	8.50%	14.71%	13.43%
Net Profit (bos*) per....				
Working Owner	\$373,484	\$132,042	\$157,291	\$220,315
Owner Workhour	\$49.80	\$17.61	\$108.20	\$276.12
Total Income per....				
Person	\$334,081	\$258,777	\$395,836	\$565,121
Completed Job	\$584,642	\$621,064	\$54,189	\$137,295
\$ of Wages # & Contractor Payments	\$1.29	\$1.23	\$3.20	\$2.57
Gross Profit (Income less Materials and Payments to Sub Contractors) per....				
Person	\$146,435	\$109,274	\$175,728	\$225,515
Completed Job	\$256,261	\$262,257	\$20,260	\$54,277
\$ of Wages # & Contractor Payments	\$0.57	\$0.52	\$1.44	\$1.05
Non Personnel-Related Overheads per....				
Person	\$30,056	\$31,492	\$42,023	\$45,243
Completed Job	\$52,598	\$75,581	\$5,548	\$11,077
\$ of Wages # & Contractor Payments	\$0.12	\$0.15	\$0.40	\$0.25
Personnel (fte personnel numbers)				
Working Owners	2.00	2.00	1.28	1.74

Qualified Trades Staff	3.00	3.00	4.17	4.28
All Other Employees	9.00	7.00	1.83	4.67
Total Personnel	14.00	12.00	7.29	10.70
Hours Worked per Owner per Year	7,500	7,500	1,448	1,846
Other Information				
Owners' Equity as % of Total Assets	40.94%	21.72%	24.61%	35.63%
Asset Turnover	3.74	2.93	4.63	4.34
Assets per Person	\$89,275	\$88,198	\$132,234	\$158,681
Days' Debtors	41.64	20.23	34.31	34.45
% Revenue drops before Losses	36.44%	20.14%	30.30%	33.58%
Start				
Average Jobs completed per Trades Person per Year	2	1	7	6
Growth Capacity	4.89%	0.17%	9.11%	4.25%
Current ratio	2.31	1.62	2.35	2.39
Acid test	2.49	1.66	2.17	2.17
Stock and WIP turnover	0.00	0.00	8.93	20.06
Liability turnover	\$6.34	\$3.75	\$8.41	\$8.02
Interest cover: business	219.65	22.65	380.12	208.48
Indicative Hourly Charge Rate inc GST for Qfd Tradesmen	\$200	\$200	\$47	\$58
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* bos - before owners' salaries and benefits

including owners' notional wage of \$50 per hour

KPI Feedback

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Personnel Productivity & Profit

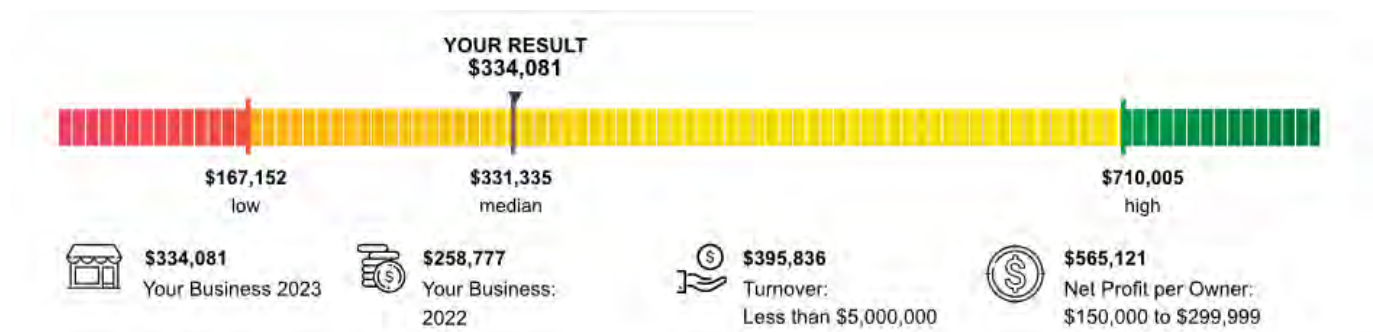
Margins

Major Overheads as a % of Total Income

Assets

Personnel Productivity & Profit

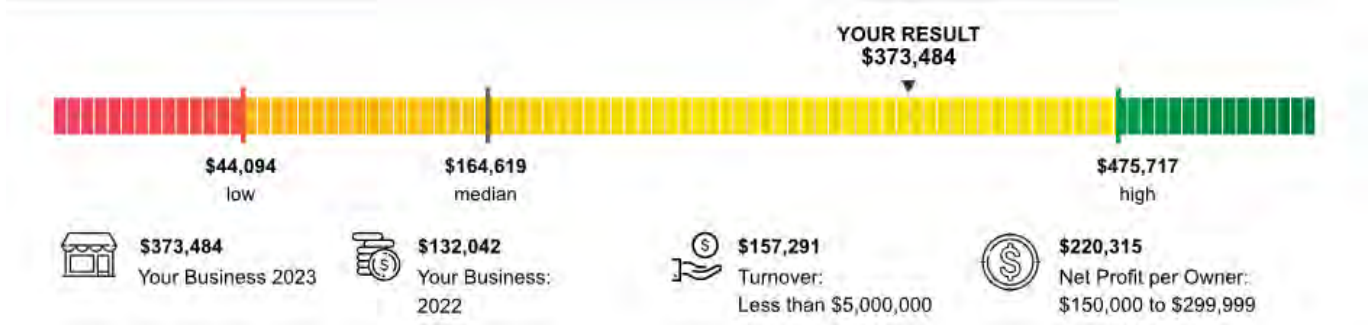
Ratio	Your Business	Feedback
Income per Person	\$334,081	Your total income per person is on par with other businesses in the Construction Companies industry. However, it is important to assess gross profit per person as it is a more accurate measurement for business success.



Gross Profit per Person	\$146,435	XXX XXX Pty Ltd is performing on average based on the gross profits per person ratio. This is an important indicator for businesses and you should review costs of goods sold and pricing strategies to increase your gross profit margins.
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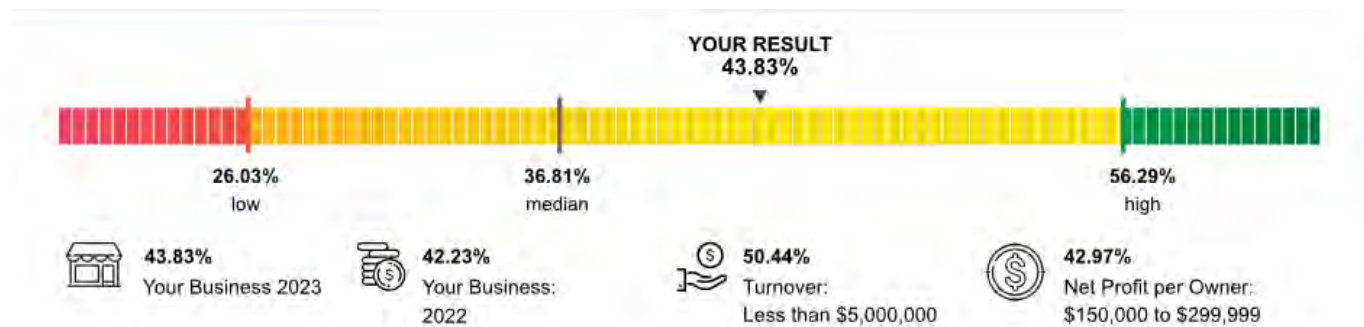


Net Profit per Owner	\$373,484	Net profit per owner can be increased by assessing your overhead expenses and productivity. Your result is on par with other businesses in the Construction Companies industry but can be increased via improvements in business efficiencies.
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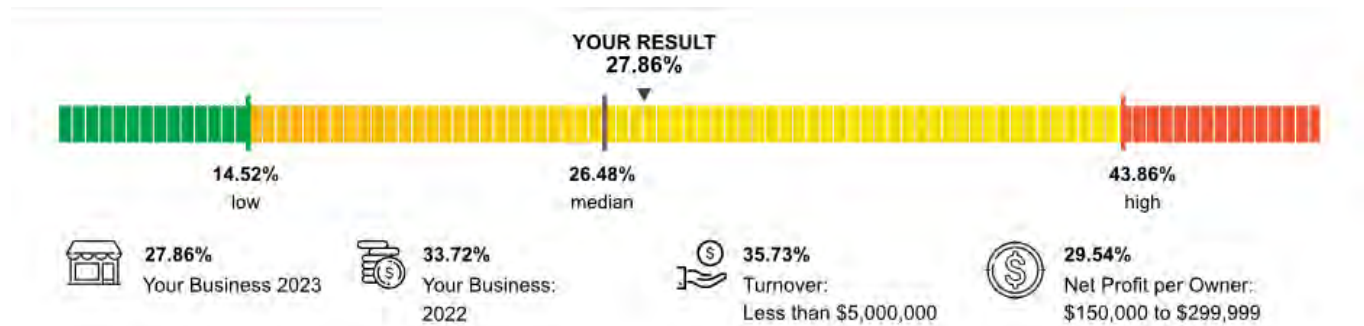


Margins

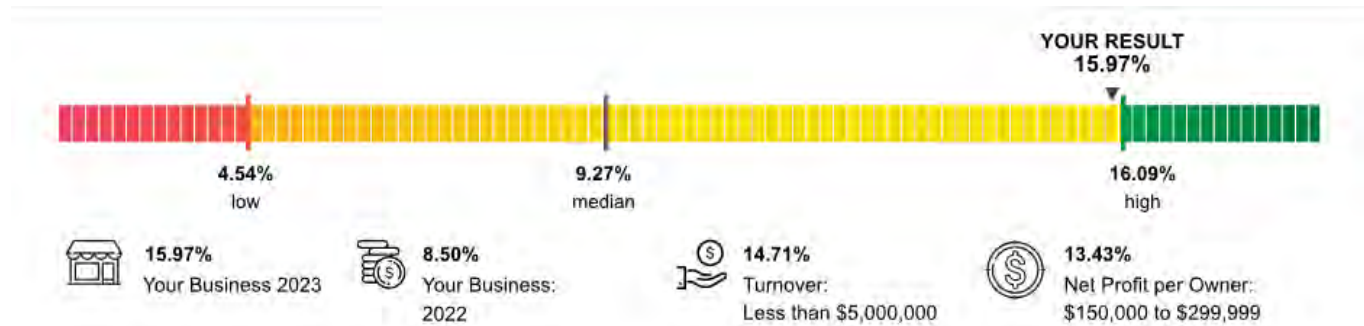
Ratio	Your Business	Feedback
Gross Profit	43.83%	Your gross profit is around the average for the Construction Companies industry. You can increase your margin without raising prices by reviewing stock control and site security to minimise losses. Further, you can negotiate with your suppliers to reduce costs.



Total Overheads	27.86%	Your overheads are about average for the industry. It is important for XXX XXX Pty Ltd to review fixed costs regularly to consider how to increase profit margins.
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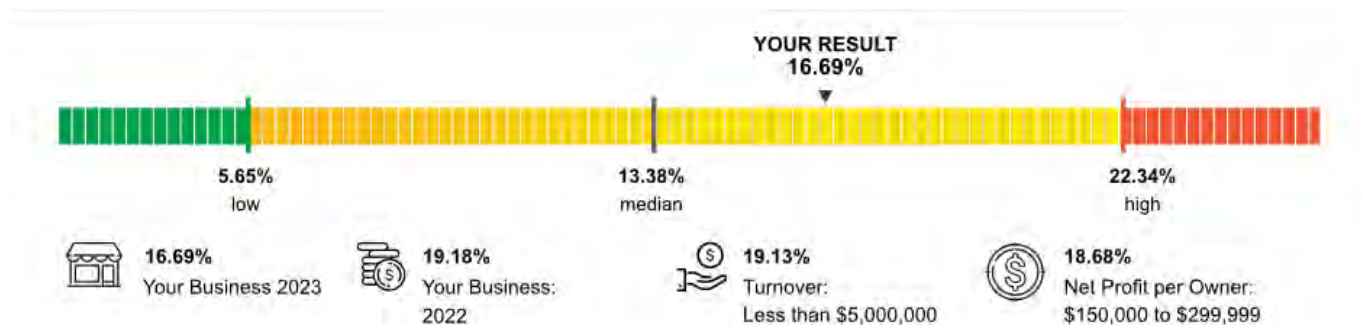


Net Profit	15.97%	An average net profit margin is not a bad result. XXX XXX Pty Ltd is well positioned to increase this margin via review of business expenses and pricing strategies.
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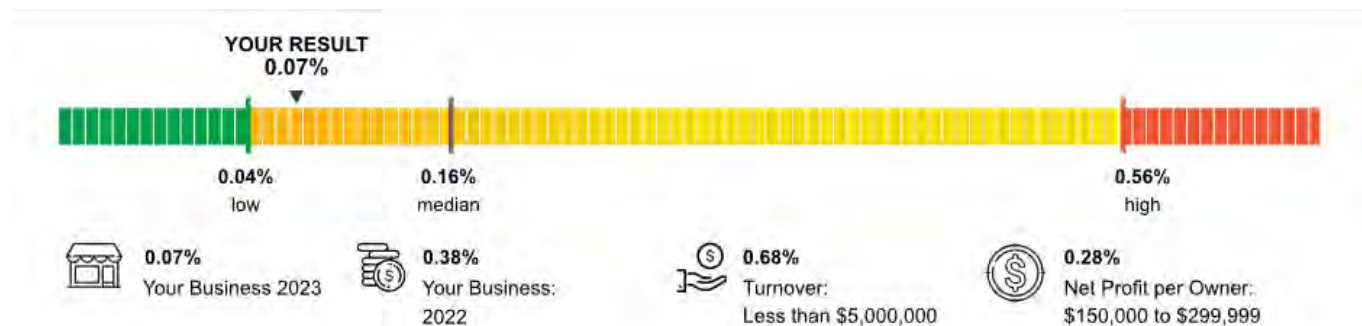


Major Overheads as a % of Total Income

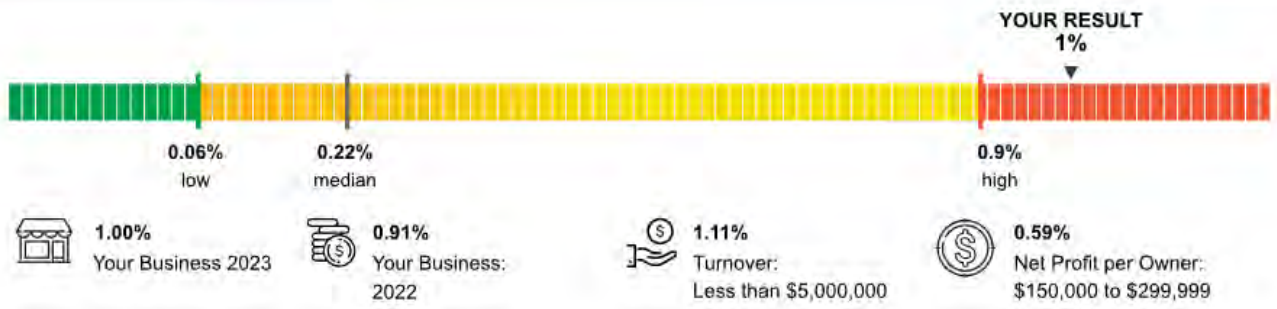
Ratio	Your Business	Feedback
Wages & Salaries, incl internal contractors	16.69%	Your result is about average compared to others in the Construction Companies industry. Check your personnel productivity to ensure you are maximising output per person. Also, review the current local market to ensure employee wages are competitive.



Interest, Bank Charges etc	0.07%	Your result is influenced by your approach to 'debt' vs 'equity'. Build a strong relationship with your bank manager to ensure you have optimal banking packages, which will minimise your total outlay on these items.
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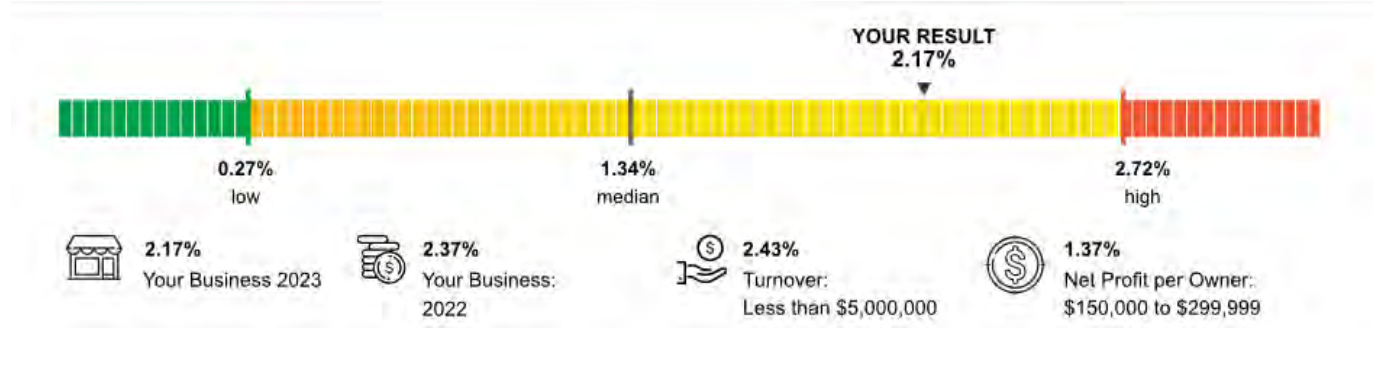


Repairs and maintenance	1.00%	High maintenance might indicate you have a high number of assets that need continuous work. However, it may also reflect the need to replace some unreliable or older equipment; savings here could offset any higher depreciation of new assets.
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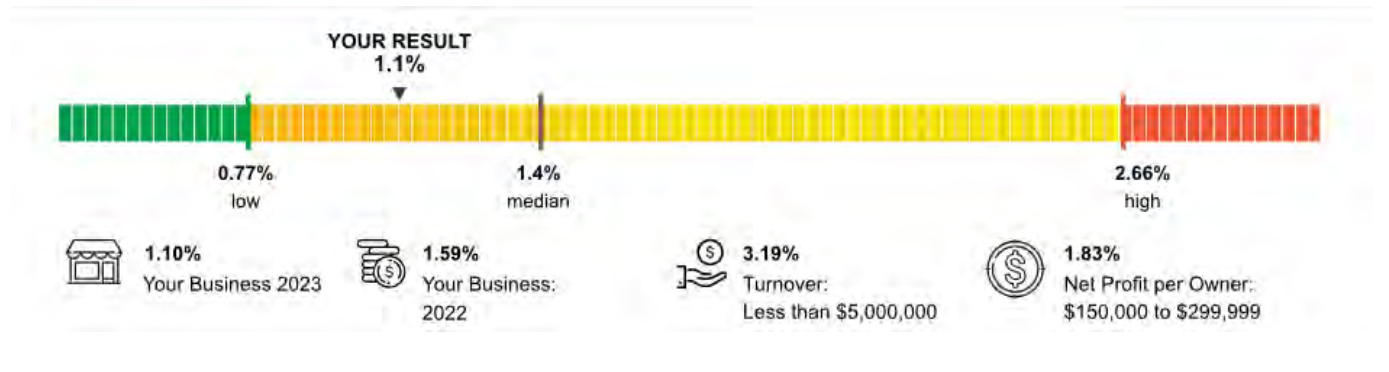


Ratio	Your Business	Feedback
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Staff on-costs	2.17%	Your staff on costs are average for the industry. This is ok as long as you are meeting all the required statutory charges including: super, workers' compensation, insurance, etc.
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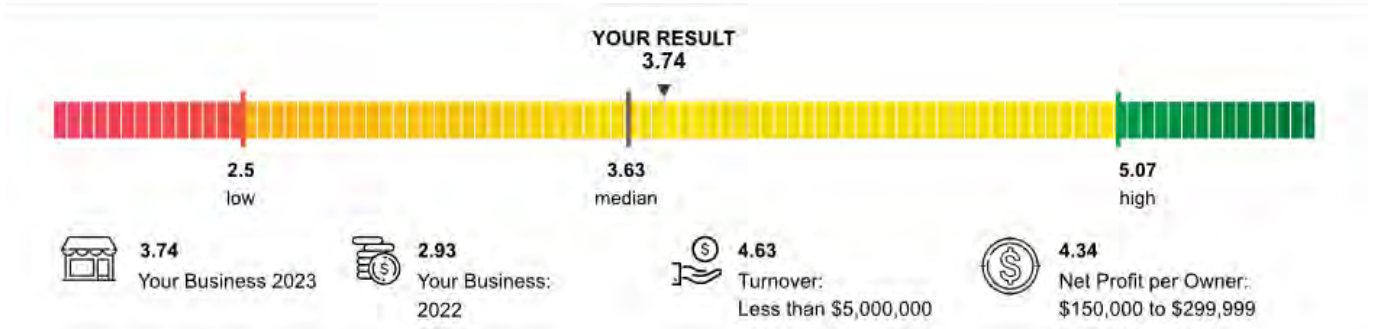


Vehicle operating costs	1.10%	Your vehicle-related expenses are reasonably typical of the Construction Companies industry. This shows you are utilising your vehicle effectively. However, ensure you invest enough in the right vehicle for the job, vehicle maintenance and employee training.
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Assets

Asset turnover	3.74	Your asset productivity is consistent with other businesses in the Construction Companies industry. Focus on easing financial pressure by reducing investment in all assets; however, ensure you don't compromise on-going trading.
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Graphs

4

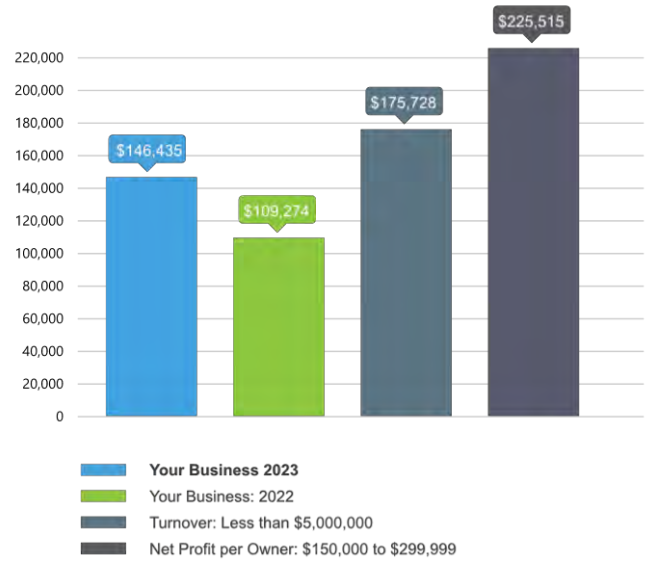
Key Performance Indicator Graphs

Key Performance Indicator Graphs

Income per Person



Gross Profit per Person



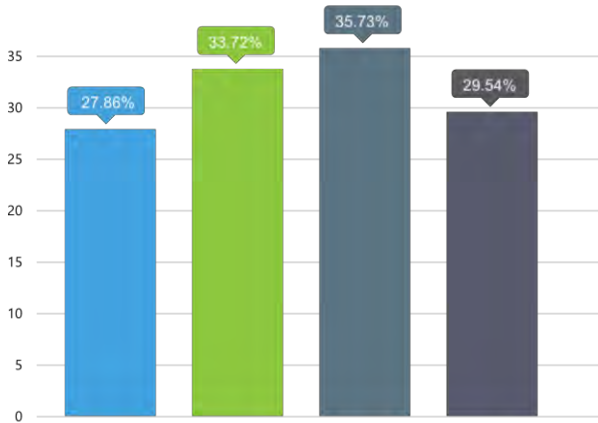
GP per \$ Spent on Wages and Sub-Contractors



Net Profit per Owner

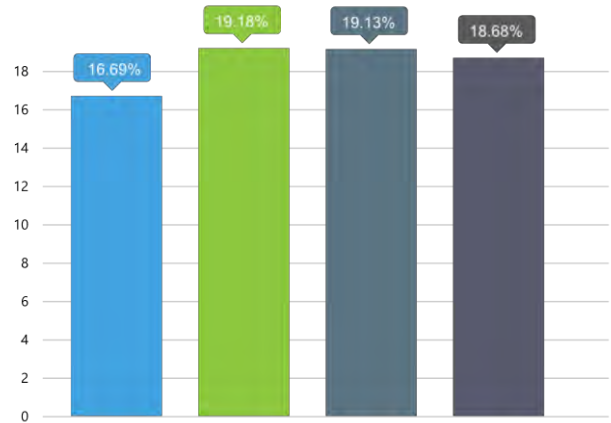


Total Overheads



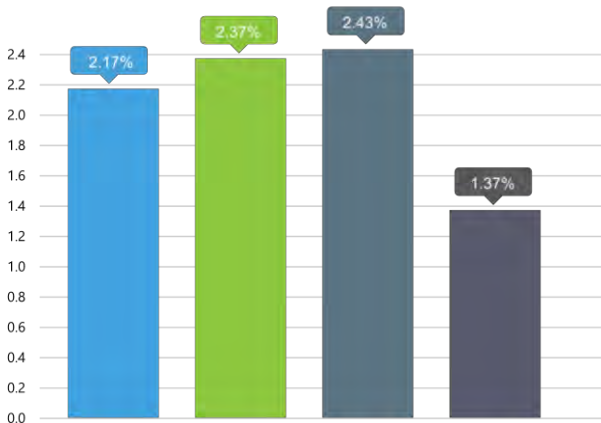
■ Your Business 2023
■ Your Business: 2022
■ Turnover: Less than \$5,000,000
■ Net Profit per Owner: \$150,000 to \$299,999

Wages & Salaries, incl internal contractors



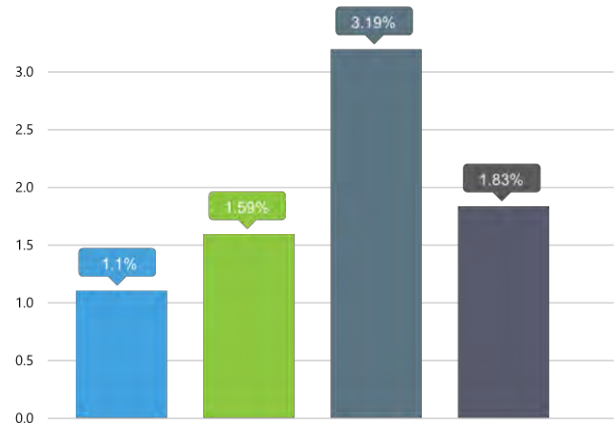
■ Your Business 2023
■ Your Business: 2022
■ Turnover: Less than \$5,000,000
■ Net Profit per Owner: \$150,000 to \$299,999

Staff on-costs



■ Your Business 2023
■ Your Business: 2022
■ Turnover: Less than \$5,000,000
■ Net Profit per Owner: \$150,000 to \$299,999

Vehicle operating costs



■ Your Business 2023
■ Your Business: 2022
■ Turnover: Less than \$5,000,000
■ Net Profit per Owner: \$150,000 to \$299,999

Profit Gap

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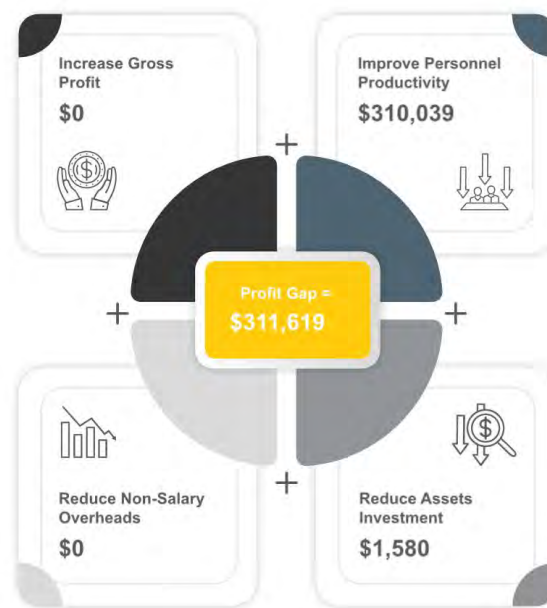
Profit Gap Analysis

Profit Gap Analysis

The Benchmarking Profit Gap identifies potential critical business areas where your business can improve the profit margin. To provide the most accurate and realistic profit gap, your business has been benchmarked against competitors.

Within your industry, the key opportunities for increasing your net profit and profit margin include reviewing your personnel numbers, reducing non-salary overheads, and improving your asset turnover.

Combining these aspects, we have identified your profit gap below.



The below tables show your detailed profit gap analysis.

	Your Business	Average Firm Result	Profit Gap Relative to Average Firm Result
If you could achieve the average gross profit margin	43.83%	43.25%	
this means increasing your gross profit by an extra...	-0.58%		
then your present turnover of...	\$4,677,138		
means your Profit Gap for gross profit is...			0
If you could achieve the average level of gross profit per person	\$146,435	\$192,213	
then your firm's present gross profit of	2,003,956		
would need a total personnel of	10.43		
but you presently have total personnel of	14.00		
so you are over-staffed by			3.57
and at your average salary cost per employee of	\$65,056		
then your salary-related Profit Gap is:			\$310,039
If you could achieve the average level of non-salary overheads	9.00%	11.74%	
you should reduce your overheads by			0
then on your present turnover of...	\$4,677,138		
you are over-spending by...			0
Your asset turnover is presently	3.74	4.28	
but your current revenue of	\$4,677,138		
suggests you should have assets of			\$1,091,827
Currently you have assets (net of any loans to owners) of	\$1,249,849.38		
So you could look to reduce total assets by			\$158,023
If this could save you interest at, say,	1%		
Then you'd close a Profit Gap of:			\$1,580

6 Action List

Strategies for business growth

Strategies for business growth

The following growth strategies relate to implementing relationship management systems to leverage B2B relationships, building project management systems to effectively implement projects and conducting a competitor analysis to establish current market position to ensure correct price points.

Each action has been recommended upon reviewing the financial performances of all businesses across the Non-Residential Building Construction industry, as well as assessing future industry trends and opportunities.

For businesses in the Non-Residential Building Construction industry, the three high level strategies include:

- Create a B2B relationship management system
- Establish project management systems and procedures
- Undertake reviews on competitor offerings

To support each strategy, a series of actions are recommended in this section. All strategies and actions are designed to be considered with a business's overarching business plan and objectives.

1

Strategy: Create a B2B relationship management system

- Research cloud based relationship management tools to streamline business efficiencies
- Create a database of all contacts to streamline future business dealings
- Utilise database to assess the value of all business to business clients and build relationships with high value clients
- Establish regular meetings with key contacts to ensure any issues are dealt with promptly

2

Strategy: Establish project management systems and procedures

- Review current project management systems to assess immediate streamlining improvements
- Research potential cloud-based software to support increasing project management effectiveness across teams and contractors
- Ensure the system can accommodate/be used by external contractors when required
- Incorporate client management, cost of jobs and employee time into the one system to give management greater overview of project costs

3

Strategy: Undertake reviews on competitor offerings

- Build a competitor table to assess competitor pricing in the market place
- Undertake systematic reviews in line with seasonal trends to determine price points
- Review competitors' sales and create a calendar of sale events to ensure the business is prepared annually for price sale offerings
- Offer price matching tactics to learn what competitors are charging in the market place

7

Ratio Definitions

Ratio Definitions

Ratio Definitions

Total Income is all contract earnings, sales, rebates, discounts, commission received, plus any other trading income. It is expressed in dollars.

Materials Used as % of total income

$$\frac{\text{Opening Stock} + \text{Purchases (inc freight in)} - \text{Closing Stock}}{\text{Total Income}} \times 100$$

Sub-contractors is all payments made to independent contractors. This figure excludes any payments to 'employees' who are being paid on contract.

$$\frac{\text{Payments to Sub Contractors}}{\text{Total Income}} \times 100$$

Gross Profit as % of total income

$$\frac{\text{Total Income} - (\text{Materials Used} + \text{Independent Sub Contractors})}{\text{Total Income}} \times 100$$

Aim for a higher Gross Profit margin - it reflects better overall purchasing and pricing policies, and better control over materials. A high gross profit can also result from low outlays on 'materials' and high 'labour' input.

Overheads as %s of total income

$$\frac{\text{Individual Overhead Item}}{\text{Total Income}} \times 100$$

Lower results are generally better here. However, the real issue is to maximise the value from each expense item. Any payments to or for the owners (eg, wages, superannuation, FBT, etc) have been omitted from this list - they have been treated as part of the profit figure below.

Net Profit as % of total income

$$\frac{\text{Gross Profit} - \text{Total Overheads}}{\text{Total Income}} \times 100$$

A higher Net Profit will normally reflect a more efficient or profitable operation. It will also be influenced, however, by structural considerations such as the number of employees (whose salaries are included as part of the overhead structure) as opposed to active owners (whose salaries are included as part of 'Net Profit' rather than 'Salaries'). Note that owner wages have been excluded from Overheads to reflect a total Net Profit available to the owners.

Net Profit per Working Owner

This ratio is calculated by dividing the Net Profit by the number of owners actively working in the business. Owners are expressed in terms of Full Time Equivalents - see *Personnel* for the definition of the term. Higher figures are generally considered to be better.

Net Profit per Owner Work-hour

$$\frac{\text{Net Profit}}{\text{Hours Worked by all Owners in the Year}}$$

Higher results are better here. This figure represents your effective 'hourly earning rate' from the business, pre-tax.

Total Income per \$ of Wages and Contractor Payments

$$\frac{\text{Total Income}}{\text{Employee Wages} + \text{Contractor Payments} + \text{Notional Owner Wages}\#}$$

the notional owner wages is calculated here and elsewhere by multiplying the hours worked by the owners in the year by a notional hourly rate of \$50. Aim for a higher result.

Gross Profit per Person

Total Income - Materials - SubContractor Costs

Owners + Employees of the business (excl sub - contractors)

Higher results are better here.

Gross Profit per \$ of Wages and Contractor Payments

Total Income - Materials - Payments to Sub - contractors

Employee Wages + Contractor Payments + Notional Owner Wages#

A higher result is preferred for this indicator.

Non-Personnel-Related Overheads per Person, and per \$ of Wages and Contractor Payments

Again the calculation is similar to those preceding it, but the top line of the calculation is made up by adding together all the non-personnel overheads. Essentially this is all the overheads except wages and staff on-costs. Aim for lower results here.

Personnel

Personnel are calculated in terms of Full Time Equivalents (FTEs). This means that if an employee or owner works in the business, say 2 days per 5-day week, this person has a FTE of 0.4. Similarly if a full time position started half way through the year, the person in it would have an FTE of 0.5. Contract employees are included in the business's personnel, but independent sub-contractors are not included in this figure

Hours Worked per Owner per Year

This is the total hours worked in the business by all owners within the financial year, divided by the number of working owners (in FTEs).

Owners' Equity as % of total assets is the proportion of assets which are funded by the owners.

$$\frac{\text{Total Assets} - \text{Total Liabilities}}{\text{Total Assets}} \times 100$$

When arriving at Total Assets and Total Liabilities (here and elsewhere in the figures), loans to and from owners and related companies are excluded. We treat them as drawings (reduces equity) or contributed capital (increases equity) respectively.

Asset Turnover is calculated by dividing Total Income by Total Assets. Aim for higher results here - it indicates that you are earning more revenue from each dollar of assets.

Days' Debtors represents the average number of days your debtors take to pay their account.

$$\frac{\text{Trade Debtors}}{\text{Contract Earnings and Sales Income}} \times 365$$

Cash flow problems may arise if this figure is too high.

% Revenue drops before Losses Start ('Margin of safety')

$$\frac{\text{Net Profit}}{\text{Gross Profit}} \times 100$$

This ratio shows the extent to which your income can fall before the business starts to incur losses. A higher result consequently reflects greater capacity to withstand a sudden fall in contracts.

Growth Capacity

$$\frac{\$ \text{ Net Profit (bps)} - (\text{Current assets} - \text{Current liabil})}{\text{Total Income}} \times 100$$

This is a ratio which shows whether the firm can afford to fund its growth. If the result here is a large positive number, then 'growth' should be reasonably easy to fund; if the result is negative, then growing the business will demand more working capital than the additional profit which is generated. A negative (or even a low positive result) is therefore a warning sign. To improve this ratio, either work to increase the 'profit' aspect of

the equation, or work to reduce the working capital requirements of the business. Your accountant can help you with advice tailored to your own specific situation, if required.

8

Construction Companies

Average Results for businesses grouped as indicated

	All Firms Average	Turnover: Less than \$5,000,000	Turnover: \$5,000,000 or more
Income			
Total Income	\$7,060,001	\$2,010,794	\$10,440,213
Less Materials Used	34.64%	30.85%	40.34%
Less Sub Contractors	22.10%	18.71%	25.63%
Equals Gross Profit	43.25%	50.44%	34.03%
Less Overheads as %'s of Total Income:			
Advertising & Promotion	0.46%	0.52%	0.43%
Accounting & Legal Fees	0.57%	0.79%	0.24%
All Insurance	1.13%	1.38%	0.77%
Interest, Bank Charges etc	0.54%	0.68%	0.32%
Licences, Permits and Subscriptions	0.16%	0.20%	0.07%
All Occupancy Costs	1.31%	1.57%	0.95%
Other Depreciation, Lease and HP	1.29%	1.58%	0.82%
Repairs & Maintenance	0.89%	1.11%	0.45%
Staff On Costs	2.05%	2.43%	1.40%
Telephone & Fax	0.33%	0.43%	0.20%
Employees' Wages & Internal Contractors	17.46%	19.13%	16.44%
Vehicle Operating Costs	2.44%	3.19%	1.27%
All Other Expenses	2.63%	2.72%	2.72%
Total Overheads	31.24%	35.73%	26.08%
Net Profit (bos*)	12.01%	14.71%	7.95%
Net Profit (bos*) per....			
Working Owner	\$364,571	\$157,291	\$500,772
Owner Workhour	\$2,338.01	\$108.20	\$7,163.26
Total Income per....			
Person	\$549,684	\$395,836	\$731,820
Completed Job	\$100,789	\$54,189	\$128,941
\$ of Wages # & Contractor Payments	\$3.80	\$3.20	\$4.51
Gross Profit (Income less Materials and Payments to Sub Contractors) per....			
Person	\$192,213	\$175,728	\$209,016
Completed Job	\$31,406	\$20,260	\$38,910
\$ of Wages # & Contractor Payments	\$1.37	\$1.44	\$1.28
Non Personnel-Related Overheads per....			
Person	\$44,908	\$42,023	\$45,554
Completed Job	\$6,821	\$5,548	\$5,468
\$ of Wages # & Contractor Payments	\$0.37	\$0.40	\$0.31
Personnel (fte personnel numbers)			
Working Owners	1.42	1.28	1.58
Qualified Trades Staff	7.03	4.17	9.56
All Other Employees	4.98	1.83	7.71
Total Personnel	13.43	7.29	18.85
Hours Worked per Owner per Year	1,555	1,448	1,653
Other Information			

Owners' Equity as % of Total Assets	29.44%	24.61%	39.31%
Asset Turnover	4.28	4.63	3.90
Assets per Person	\$180,902	\$132,234	\$234,025
Days' Debtors	34.76	34.31	35.16
% Revenue drops before Losses Start	29.34%	30.30%	27.60%
Average Jobs completed per Trades Person per Year	7	7	9
Growth Capacity	5.20%	9.11%	-1.77%
Current ratio	2.19	2.35	2.12
Acid test	1.99	2.17	1.78
Stock and WIP turnover	25.56	8.93	43.89
Liability turnover	\$7.98	\$8.41	\$7.92
Interest cover: business	328.29	380.12	207.94
Indicative Hourly Charge Rate inc GST for Qfd Tradesmen	\$51	\$47	\$64

* bos - before owners' salaries and benefits

including owners' notional wage of \$50 per hour

Please note certain mathematical operations with benchmark averages will not yield the results you may be expecting. For more info please see the Ratio Calculations section of this report.

Average Results for businesses grouped as indicated

	All Firms Average	Net Profit per Owner: Less than \$150,000	Net Profit per Owner: \$150,000 to \$299,999	Net Profit per Owner: \$300,000 or more
Income				
Total Income	\$7,060,001	\$3,424,270	\$4,221,698	\$13,099,460
Less Materials Used	34.64%	33.53%	34.28%	40.34%
Less Sub Contractors	22.10%	21.14%	22.76%	21.22%
Equals Gross Profit	43.25%	45.34%	42.97%	38.44%
Less Overheads as %'s of Total Income:				
Advertising & Promotion	0.46%	0.63%	0.54%	0.33%
Accounting & Legal Fees	0.57%	0.76%	0.53%	0.34%
All Insurance	1.13%	1.43%	1.07%	0.75%
Interest, Bank Charges etc	0.54%	0.69%	0.28%	0.40%
Licences, Permits and Subscriptions	0.16%	0.21%	0.13%	0.07%
All Occupancy Costs	1.31%	1.70%	1.08%	1.03%
Other Depreciation, Lease and HP	1.29%	2.14%	0.83%	0.98%
Repairs & Maintenance	0.89%	0.97%	0.59%	0.61%
Staff On Costs	2.05%	2.94%	1.37%	1.50%
Telephone & Fax	0.33%	0.44%	0.31%	0.20%
Employees' Wages & Internal Contractors	17.46%	16.94%	18.68%	12.15%
Vehicle Operating Costs	2.44%	3.49%	1.83%	1.53%
All Other Expenses	2.63%	2.85%	2.29%	2.01%
Total Overheads	31.24%	35.21%	29.54%	21.89%
Net Profit (bos*)	12.01%	10.13%	13.43%	16.54%
Net Profit (bos*) per....				
Working Owner	\$364,571	\$73,145	\$220,315	\$960,164
Owner Workhour	\$2,338.01	\$39.10	\$276.12	\$446.87
Total Income per....				
Person	\$549,684	\$318,319	\$565,121	\$795,730
Completed Job	\$100,789	\$60,496	\$137,295	\$195,775
\$ of Wages # & Contractor Payments	\$3.80	\$3.26	\$2.57	\$5.19
Gross Profit (Income less Materials and Payments to Sub Contractors) per....				
Person	\$192,213	\$108,670	\$225,515	\$233,622
Completed Job	\$31,406	\$18,978	\$54,277	\$54,051
\$ of Wages # & Contractor Payments	\$1.37	\$1.47	\$1.05	\$1.52
Non Personnel-Related Overheads per....				
Person	\$44,908	\$39,110	\$45,243	\$51,175
Completed Job	\$6,821	\$6,224	\$11,077	\$9,139
\$ of Wages # & Contractor Payments	\$0.37	\$0.48	\$0.25	\$0.33
Personnel (fte personnel numbers)				
Working Owners	1.42	1.51	1.75	1.67
Qualified Trades Staff	7.03	6.01	4.28	12.02
All Other Employees	4.98	3.31	4.67	8.37
Total Personnel	13.43	10.83	10.70	22.06
Hours Worked per Owner per Year	1,555	1,788	1,846	2,000
Other Information				

Owners' Equity as % of Total Assets	29.44%	29.73%	35.63%	34.59%
Asset Turnover	4.28	5.11	4.34	3.62
Assets per Person	\$180,902	\$108,074	\$158,681	\$231,604
Days' Debtors	34.76	26.46	34.45	39.85
% Revenue drops before Losses Start	29.34%	24.19%	33.58%	43.05%
Average Jobs completed per Trades Person per Year	7	7	6	9
Growth Capacity	5.20%	5.23%	4.25%	7.90%
Current ratio	2.19	2.54	2.39	1.85
Acid test	1.99	2.07	2.17	1.73
Stock and WIP turnover	25.56	7.68	20.06	48.18
Liability turnover	\$7.98	\$9.48	\$8.02	\$6.57
Interest cover: business	328.29	260.80	208.48	644.81
Indicative Hourly Charge Rate inc GST for Qfd Tradesmen	\$51	\$50	\$58	\$57

* bos - before owners' salaries and benefits

including owners' notional wage of \$50 per hour

Please note certain mathematical operations with benchmark averages will not yield the results you may be expecting. For more info please see the Ratio Calculations section of this report.