Franchise Benchmark Report

Heisler Brewery

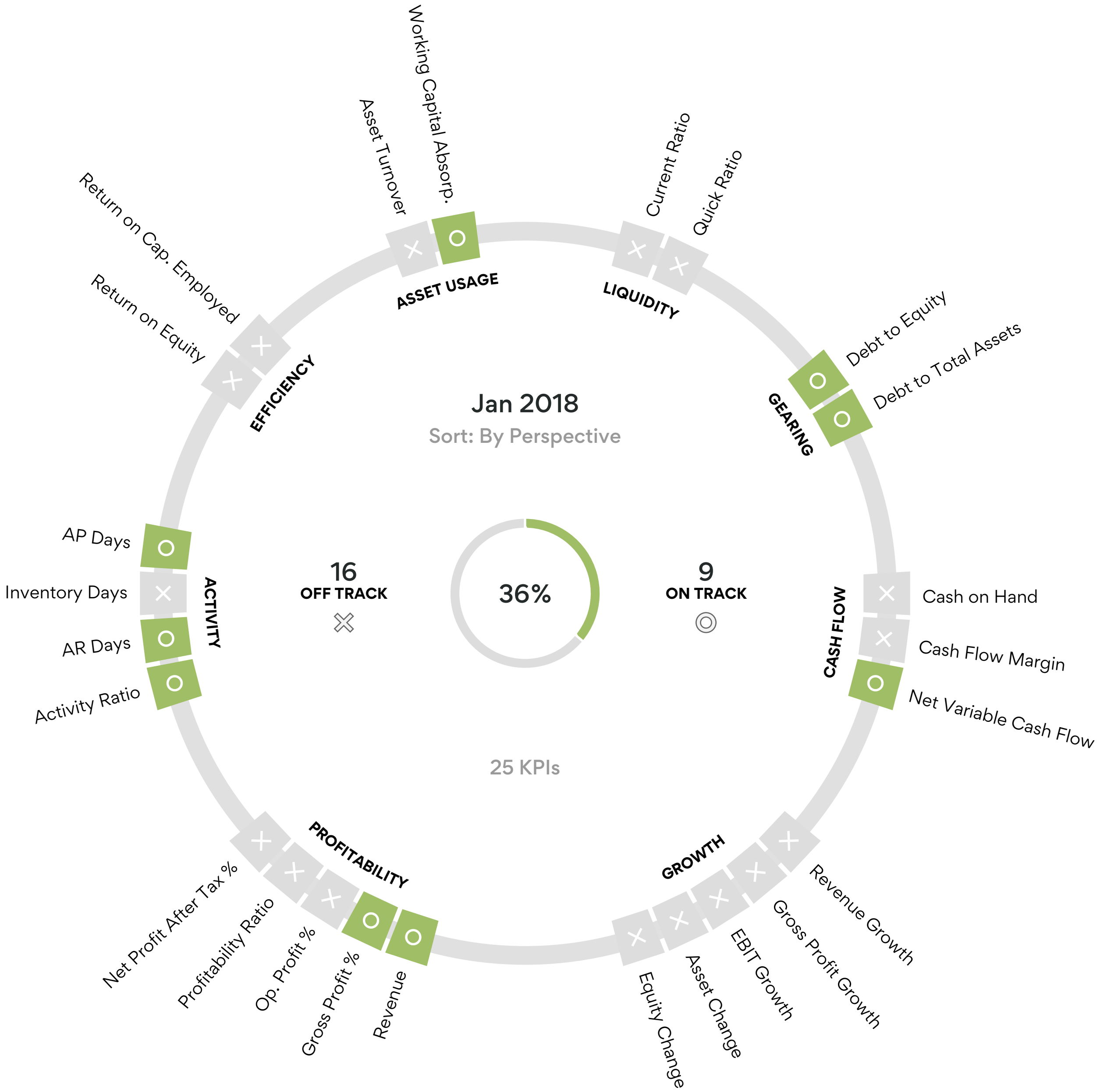
Jan 2018

KPI Results

	RESULT	TARGET		TREND		vs My Companies	
A PROFITABILITY	JAN 2018				vs DEC 2017	MEDIAN	PERCENTILE
Total Revenue	$2,242,685	$10,000	✓	▼	-0.1%	$812,426	1 2 3 4 **5**
Gross Profit Margin	43.02%	35%	✓	▼	-2.78%	43.09%	1 2 **3** 4 5
Operating Profit Margin	-1.59%	25%	✗	▼	-5.78%	7.4%	**1** 2 3 4 5
Profitability Ratio	-0.81%	15%	✗	▼	-5.91%	9.48%	**1** 2 3 4 5
Net Profit After Tax Margin	-2.02%	7%	✗	▼	-7.88%	5.65%	**1** 2 3 4 5
B ACTIVITY							
Activity Ratio	2.63 times	2.00 times	✓	▲	0.23 times	1.07 times	1 2 3 4 **5**
Accounts Receivable Days *	39 days	40 days	✓		0 days	51 days	1 2 3 **4** 5
Inventory Days *	43 days	30 days	✗	▼	-6 days	27 days	1 2 **3** 4 5
Accounts Payable Days	90 days	45 days	✓	▼	-5 days	88 days	1 2 **3** 4 5
C EFFICIENCY							
Return on Equity	-6.86%	15%	✗	▼	-35.36%	10.04%	**1** 2 3 4 5
Return on Capital Employed	-2.14%	12.5%	✗	▼	-14.37%	9.69%	**1** 2 3 4 5
D ASSET USAGE							
Asset Turnover	1.82 times	5.00 times	✗	▲	0.10 times	0.87 times	1 2 3 4 **5**
Working Capital Absorption *	3.26%	25%	✓	▼	-0.72%	7.22%	1 2 3 **4** 5
E LIQUIDITY							
Current Ratio	0.99:1	2.00:1	✗	▼	-0.21:1	1.31:1	1 **2** 3 4 5
Quick Ratio	0.56:1	1.00:1	✗	▼	-0.08:1	0.55:1	1 2 **3** 4 5
F GEARING							
Debt to Equity *	60.06%	100%	✓	▲	7.74%	41.48%	1 **2** 3 4 5
Debt to Total Assets *	29.06%	50%	✓	▲	2.24%	22.64%	1 **2** 3 4 5
G CASH FLOW							
Cash on Hand	$0	$10,000	✗		$0	$0	1 2 3 **4** 5
Cash Flow Margin	10.67%	120%	✗	▲	49.87%	10.08%	1 2 **3** 4 5
Net Variable Cash Flow	39.76%	0%	✓	▼	-2.06%	38.34%	1 2 **3** 4 5

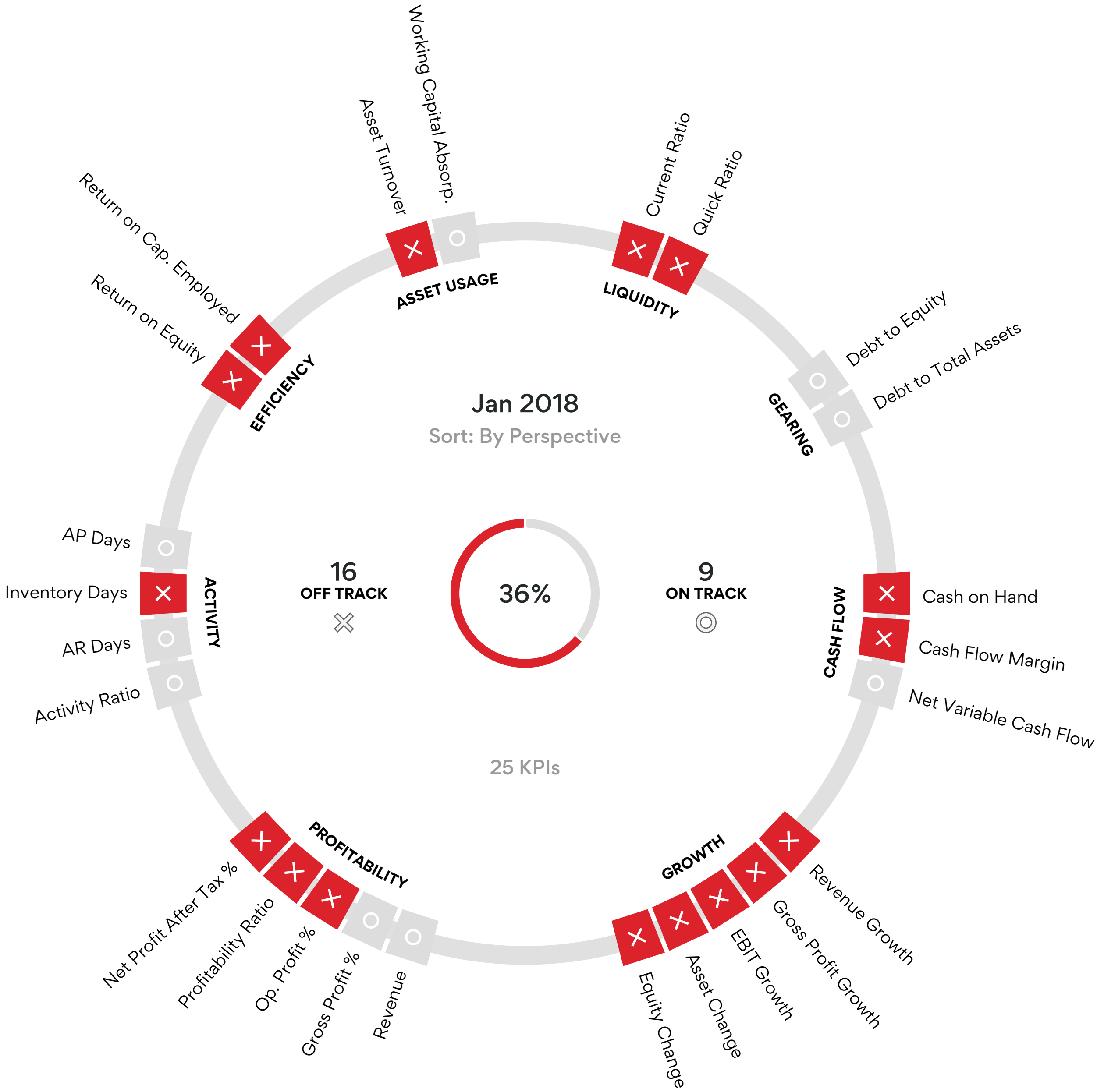
On-track KPIs

This chart shows KPIs which have achieved target, grouped into performance categories.



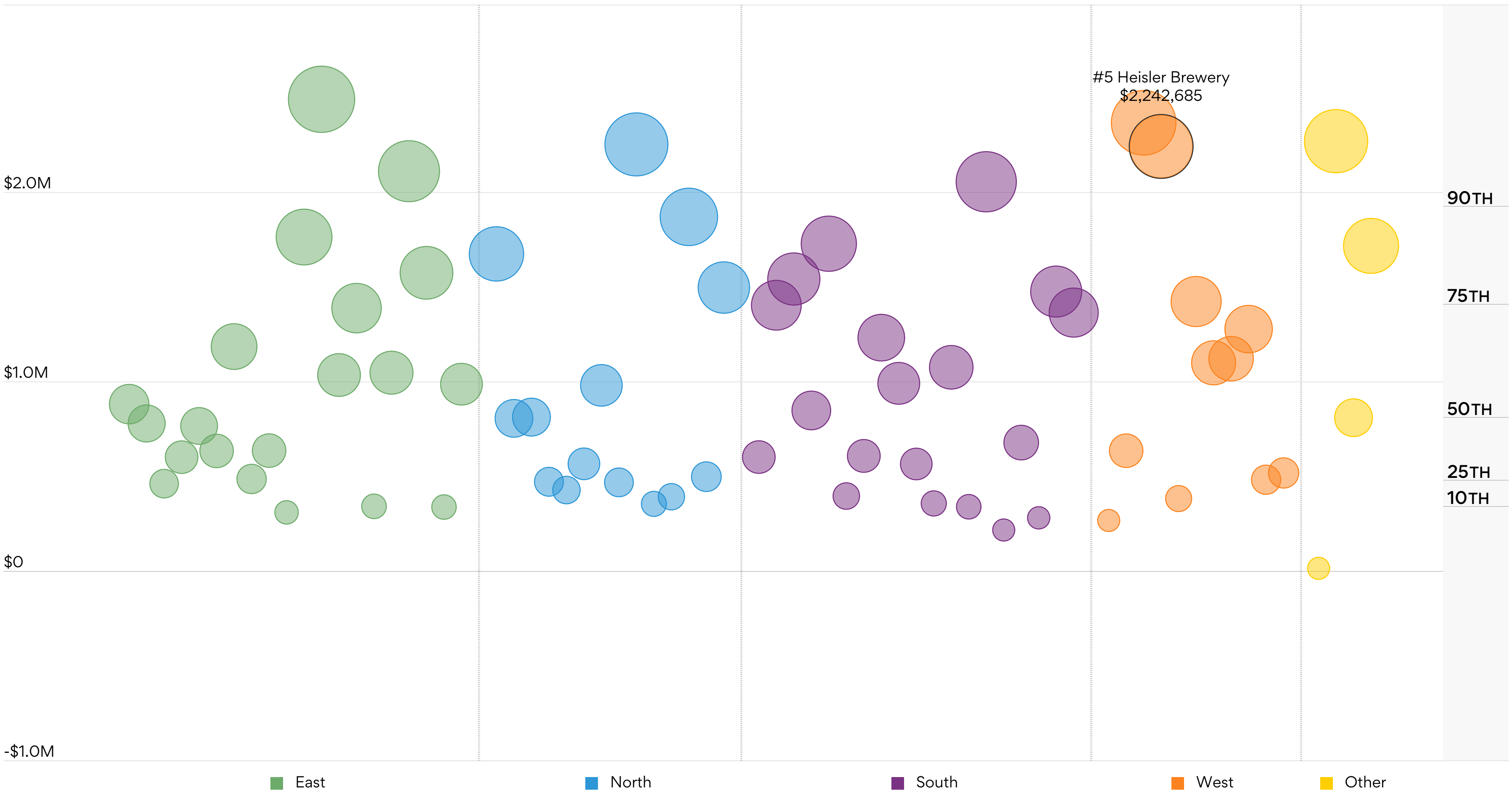
Off-track KPIs

This chart shows KPIs which have missed their target, grouped into performance categories.



Revenue Benchmark

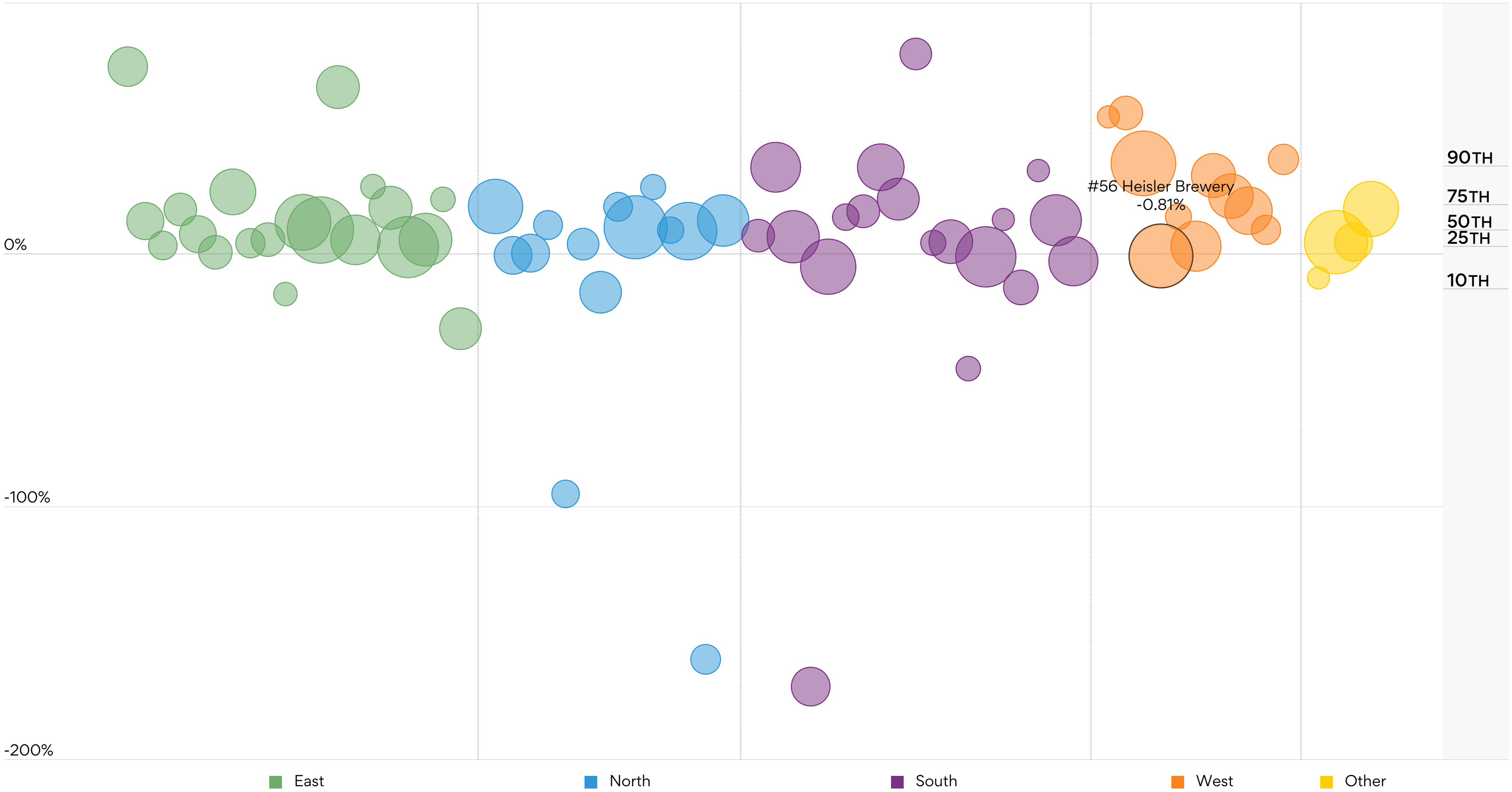
Total Revenue My Franchise



	Jan 2018	Median	Rank	Percentile
Heisler Brewery	$2,242,685	$812,426	5/68	94%

Profitability Benchmark

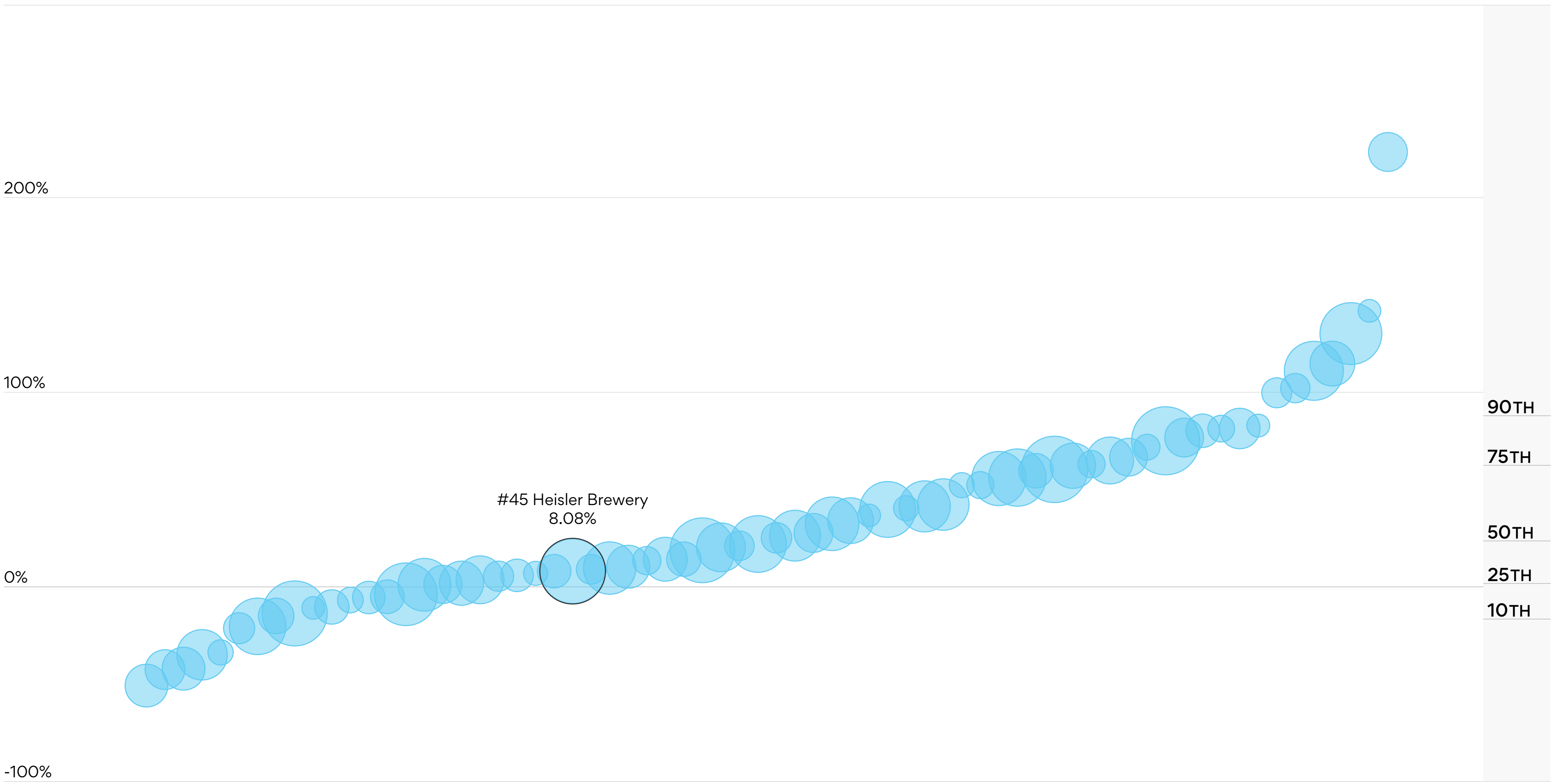
Profitability Ratio My Franchise



	Jan 2018	Median	Rank	Percentile
Heisler Brewery	-0.81%	9.48%	56/68	18%

Growth Benchmark

Revenue Growth My Franchise (Q3 17/18 QTD)



	Q3 2017/2018 (QTD)	Median	Rank	Percentile
Heisler Brewery	8.08%	23.61%	45/68	34%

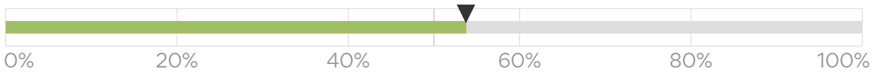
KPIs Explained

Accounts Payable Days 90 days

A measure of how long it takes for the business to pay its creditors. A stable higher number of days is generally an indicator of good cash management. A longer time taken to pay creditors has a positive impact on Cash Flow. But an excessive lengthening in this ratio could indicate a problem with sufficiency of working capital to pay creditors. For this period, accounts payable days are above the target of 45 days.

Accounts Payable Days = Accounts Payable * Period Length / Cost of Sales

Median	Rank	Percentile
88 days	32 / 68	53%

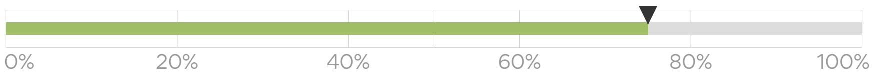


Accounts Receivable Days 39 days

A measure of how long it takes for the business to collect the amounts due from customers. A lower number indicates that it takes the business fewer days to collect its accounts receivable. A shorter time to collect debtors has a positive impact on Cash Flow. A higher number indicates that it takes longer to collect its accounts receivable. For this period, accounts receivable days are below the maximum target of 40 days.

Accounts Receivable Days = Accounts Receivable * Period Length / Revenue

Median	Rank	Percentile
51 days	18 / 68	75%

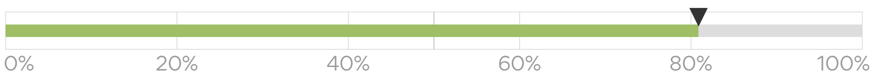


Activity Ratio 2.63 times

A measure of the efficiency or effectiveness with which the business manages its resources or assets. This measure indicates the speed with which Net Operating Assets (Equity + Debt) are converted or turned into sales. This can be improved by optimising balance sheet efficiency, ie. by reducing the investment in working capital, selling-off any unused assets or by seeking ways to maximise the use of assets. For this period, the activity ratio has exceeded the target of 2.00 times.

Activity Ratio = Annualised Revenue / Total Invested Capital

Median	Rank	Percentile
1.07 times	14 / 68	80%

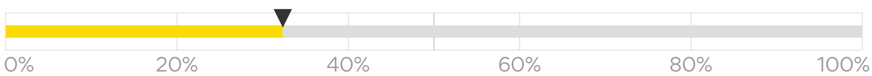


Asset Change -5.69%

A measure of the percentage change in Total Assets for the period. Total Assets on the balance sheet changed by -5.69%. For this period, change in total assets was less than the target of 0.25%.

Asset Change = (Total Assets - Opening Total Assets) / Opening Total Assets * 100

Median	Rank	Percentile
-0.48%	47 / 68	32%

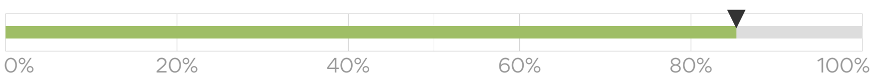


Asset Turnover 1.82 times

A measure of how effectively the business has used its assets to generate revenue. The business makes $181.59 of sales for every $100 of its asset investment. The higher the number the better the turnover. Ways to improve this metric include increasing sales using the same asset base, using capital more efficiently, and/or improve cash management by reducing inventory and receivables. For this period, the Asset Turnover is less than the target of 5.00 times.

Asset Turnover = Annualised Revenue / Total Assets

Median	Rank	Percentile
0.87 times	11 / 68	85%

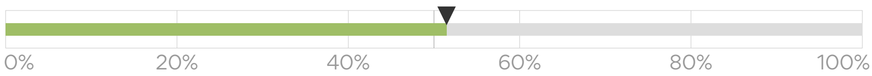


Cash Flow Margin 10.67%

A measure of the company's ability to turn sales into cash. The business converts each $100 of sales into $10.67 of Operating Cash Flow. For this period, the Cash Flow Margin was less than the target of 120%.

Cash Flow Margin = Operating Cash Flow / Revenue * 100

Median	Rank	Percentile
10.08%	34 / 68	51%

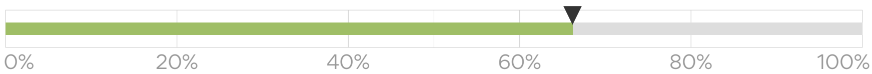


Cash on Hand $0

A measure of the cash and cash equivalents in actual possession by the company at a particular time. At the end of this period the company held $0 of cash and cash equivalents. Cash on Hand is below the required target of $10,000. Insufficient cash reserves may result in an inability to pay creditors and cover current liabilities.

Cash on Hand = Cash & Equivalents

Median	Rank	Percentile
$0	24 / 68	66%

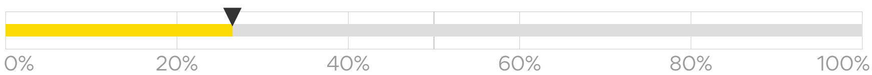


Current Ratio 0.99:1

A measure of liquidity. This measure compares the totals of the current assets and current liabilities. The higher the current ratio, the greater the 'cushion' between current obligations and the business's ability to pay them. Generally a current ratio of 2 or more is an indicator of good short-term financial strength. In other words, the current assets of the business should be at least double the current liabilities. For this period, the current ratio was 0.99:1, down from 1.20:1 last period and below the minimum target of 2.00:1.

Current Ratio = Total Current Assets / Total Current Liabilities

Median	Rank	Percentile
1.31:1	51 / 68	26%

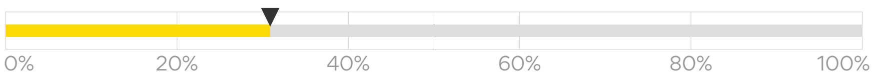


Debt to Equity 60.06%

A measure of the proportion of funds that have either been invested by the owners (equity) or borrowed (debt) and used by the business to finance its assets. An appropriate mix of debt financing and equity financing will vary for each industry and business. Management are responsible to ensure that an appropriate balance between the two sources of financing is maintained. To improve this ratio, management can seek to internally generate profits and retain these profits to fund future growth, rather than borrowing additional funds. For each $100 of equity supplied by shareholders, the business is carrying $60.06 of debt. For this period, the debt to equity ratio is below the target of 100%.

Debt to Equity = Total Debt / Total Equity * 100

Median	Rank	Percentile
41.48%	48 / 68	30%



Debt to Total Assets 29.06%

A measure of the proportion of the business's assets that are financed through debt. The funds to pay for 29.06% of the business's assets have been supplied by creditors. For this period, the debt to total assets ratio is below the set target of 50%.

Debt to Total Assets = Total Debt / Total Assets * 100

Median	Rank	Percentile
22.64%	48 / 68	30%