

# Kehoe & Co. - 2005 Annual Landscape Industry Analysis & Summary Report

## Average Findings for Co's with: Sales Less Than \$1,000,000

**Report Criteria:**

- Reporting Period: Fiscal-Year-End 2004
- All figures reported in actual US dollars
- Reported sums may not add due to averaging and rounding.

INCOME STATEMENT	Landscape Construction	% of Sales	Landscape Desi: Build	% of Sales	Grounds Maintenance	% of Sales
<b>REVENUES</b>						
Total Revenue	\$	525,331	100.0%	\$	514,218	100.0%
<b>DIRECT COSTS</b>						
Job Materials	155,808	29.7%	136,521	26.5%	100,575	14.1%
Subcontractors	10,273	2.0%	20,322	4.0%	61,484	8.6%
Direct Labor - Foremen & Laborers	137,400	26.2%	122,541	23.8%	184,545	25.9%
Direct Labor Payroll Taxes	12,010	2.3%	13,567	2.6%	19,051	2.7%
<b>Total Direct Costs</b>	<b>315,490</b>	<b>60.1%</b>	<b>292,951</b>	<b>57.0%</b>	<b>365,655</b>	<b>51.4%</b>
<b>INDIRECT COSTS</b>						
Indirect Labor - Including Overtime & Non-Billable	12,553	2.4%	1,618	0.3%	2,085	0.3%
Production Supervisors & Superintendents	12,335	2.3%	16,700	3.2%	12,345	1.7%
Indirect Labor Payroll Taxes	1,260	0.2%	8,000	1.6%	10,800	1.5%
Mechanic Labor & Payroll Taxes	5,050	1.0%	5,142	1.0%	5,840	0.8%
Equipment Repairs, Fuel, Leases, & Depreciation	24,735	4.7%	21,367	4.2%	57,195	8.0%
Uniforms, Licenses, & Permits	2,098	0.4%	3,462	0.7%	2,600	0.4%
Small Tools & Job Supplies	1,495	0.3%	5,026	1.0%	4,810	0.7%
Trash & Dumping Fees	1,131	0.2%	2,469	0.5%	3,300	0.5%
<b>Total Indirect Costs</b>	<b>60,657</b>	<b>11.5%</b>	<b>63,783</b>	<b>12.4%</b>	<b>98,975</b>	<b>13.9%</b>
<b>TOTAL COST OF SALES</b>	<b>376,147</b>	<b>71.6%</b>	<b>356,734</b>	<b>69.4%</b>	<b>464,630</b>	<b>65.3%</b>
<b>GROSS MARGIN</b>	<b>149,184</b>	<b>28.4%</b>	<b>157,484</b>	<b>30.6%</b>	<b>246,870</b>	<b>34.7%</b>
<b>SELLING, GENERAL, &amp; ADMINISTRATIVE COSTS - SG&amp;A</b>						
Advertising & Marketing	3,595	0.7%	9,378	1.8%	7,550	1.1%
Insurance - Including Workers' Comp	16,592	3.2%	22,345	4.3%	33,034	4.6%
Office Expense - Including Computers & Supplies	3,775	0.7%	5,839	1.1%	5,546	0.8%
Rent and/or Facility Lease	10,873	2.1%	7,700	1.5%	10,524	1.5%
Professional Services	3,106	0.6%	4,103	0.8%	3,603	0.5%
Phone & Utilities	6,817	1.3%	8,987	1.7%	6,924	1.0%
Interest Expense	5,950	1.1%	8,871	1.7%	10,343	1.5%
Misc. Expenses - Dues, Education, Travel, etc.	3,970	0.8%	7,866	1.5%	19,482	2.7%
Salaries - Sales, PJ Mngrs, Designers, Estimators, & Acct Mngrs	22,000	4.2%	21,345	4.2%	15,699	2.2%
Salaries - Sr. Mngrs, Accounting, HR, & Admin	38,756	7.4%	35,867	7.0%	58,638	8.2%
<b>Total SG&amp;A Costs</b>	<b>115,434</b>	<b>22.0%</b>	<b>132,301</b>	<b>25.7%</b>	<b>171,343</b>	<b>24.1%</b>
<b>NET PROFIT (REPORTED)</b>	<b>47,850</b>	<b>9.1%</b>	<b>31,855</b>	<b>6.2%</b>	<b>89,765</b>	<b>12.6%</b>

ASSETS - As of Fiscal-Year-End 2004	Landscape Construction	% of Assets	Landscape Desi: Build	% of Assets	Grounds Maintenance	% of Asset
Accounts Receivable	50,455	27.5%	112,094	34.8%	69,167	21.2%
Equipment	79,018	43.1%	177,274	55.0%	199,944	61.3%
Equipment Purchases for 2005 (Estimated)	25,286	13.8%	53,520	16.6%	34,000	10.4%
<b>Total Assets (Reported)</b>	<b>183,400</b>	<b>100.0%</b>	<b>322,463</b>	<b>100.0%</b>	<b>326,422</b>	<b>100.0%</b>
<b>RATIO ANALYSIS</b>						
<b>Asset Turnover</b>	<b>2.9</b>	-	<b>1.6</b>	-	<b>2.2</b>	-
<b>Equipment Turnover</b>	<b>6.6</b>	-	<b>2.9</b>	-	<b>3.6</b>	-

AVERAGE STAFFING LEVELS	Landscape Construction	Landscape Desi: Build	Grounds Maintenance
Sales	0.8	0.7	0.5
Estimating	0.6	0.3	0.6
Design	0.9	0.4	0.1
Production, Operations Mngt, Facilities, & Purchasing	0.8	0.6	0.5
Project Management (Installation co's only)	0.6	0.8	0.3
Account Management (Maintenance co's only)	0.4	0.3	0.5
Shop & Mechanic Staff	0.0	0.8	0.1
Accounting Staff	0.6	0.3	0.3
Administration Staff	0.6	0.8	0.7
Human Resources Staff	0.1	0.2	0.1
<b>Average Total Employees - OVERHEAD</b>	<b>5.3</b>	<b>5.3</b>	<b>3.7</b>
<b>SALES PER FTE OVERHEAD</b>	\$ 99,015	\$ 97,431	\$ 194,045