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LIST

Accounting practices make the top 10... As the U.S. continues to climb itself out of the economic doldrums, some industries are actually performing quite well. Which ones?

Isaac M. O'Bannon • Oct. 23, 2014



As the U.S. continues to climb itself out of the economic doldrums, some industries are actually performing quite well. Which ones?

Based on an analysis of private company financial statements, [Sageworks](#), a financial information company, identified the ten industries with the strongest financial

performance in the current economy, according to sales growth and profitability.

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gas extraction (18.6 percent) doubling the private company average in the previous 12 months. Each industry on the list outperformed the private company average, looking at both sales growth and net profit margin.

“While private companies have seen sustained growth over the last several quarters, these are the ten industries that outpaced the national average in both sales growth and net profit margin, which are 8.6 percent and 6.8 percent, respectively,” commented Libby Bierman of Sageworks.

Bierman said there are limitations when you compile a performance list based on a single metric, and that to get a better picture of an industry’s health, you need to consider a variety of factors. Sales and profitability trends, for instance, are important to pair together. “Looking at, arguably, the two most important financial metrics that we track. These industries are way ahead of the pack.”

Industry	Sales Growth	Net Profit Margin	Total Current Liabilities (as % of Total Assets)
Support Activities for Mining	21.6%	10.5%	33.4%
Oil & Gas Extraction	18.6%	16.3%	26.0%
Computer Systems Design Firms	15.7%	7.4%	50.0%
Services to Buildings and Dwellings	14.2%	8.0%	41.4%
Architectural Firms	12.9%	8.6%	42.7%
Consumer Goods Rental	12.4%	7.5%	51.48%

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Private Company Average

12.0%

10.4%

49.8%

Sageworks also listed the total current liabilities, as a percentage of overall assets, for these financially sound industries. This metric was included to give an indication of how highly leveraged these industries are, and how much room for borrowing they may have.

Chuck Nwokocha, a director in the financial institutions division at Sageworks, said that lending officers at banks and credit unions might be interested in this list, to get a sense of industries that are well positioned to borrow.

“From a credit analysis standpoint, you’re always looking at a company’s sales growth and profitability when you’re making a lending decision,” said Nwokocha. “These industries, on average, appear to be performing very well in those two categories.”

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