



AmericanHort

Financial
Benchmarking
Report
2024



Financial Benchmarking Report 2024

The **AmericanHort Financial Benchmarking Report** presents a detailed analysis of key operating data from the horticulture industry. Based on confidential surveys completed by 70 companies, the Benchmarking Report includes a compilation and analysis of sales and operations data, as well as additional profile information.

The **AmericanHort 2024 Financial Benchmarking Survey** was compiled, tabulated, and analyzed by Industry Insights, Inc. (www.industryinsights.com), an independent professional research and analytics firm that specializes in conducting financial operating surveys, compensation studies, market assessment surveys, customer satisfaction research, educational programs, and other forms of customized research for associations.

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EXECUTIVE SUMMARY

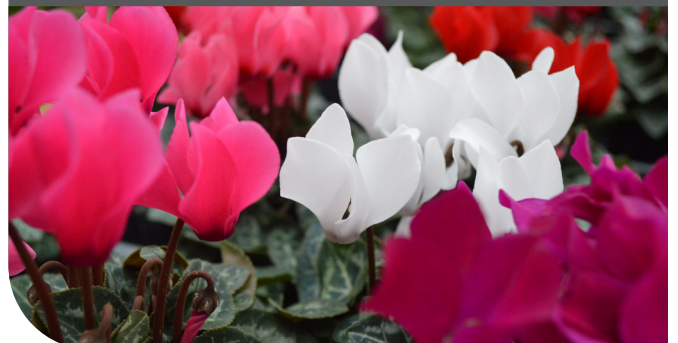
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ABOUT THIS REPORT

The 2024 Financial Benchmarking Report was prepared by Industry Insights on behalf of AmericanHort (AH). A link to the online version of the questionnaire (refer to the Appendix for a sample) was emailed to all members. A total of 70 responses were included in the final analysis. All data are confidentially maintained and not shared with AH nor anyone outside Industry Insights.

This report has been designed to provide easy-to-understand guidelines for analyzing your business and identifying areas you may be able to improve. The report examines sales performance, business profitability, and other topics based on all respondents, business focus, and sales volume.

A valuable feature of the 2024 Financial Benchmarking Report is that all participants receive a confidential Company Performance Report (CPR). This personalized report presents the company's own ratios alongside the most appropriate industry comparatives. As shown on any given line of the CPR, the company's data are displayed with reported norms for all respondents as well as companies of similar size, region, business type, and employee count. Thus, the individual owner/manager is provided invaluable information without needing to spend time and effort performing the calculations manually.

Sample Company Performance Report pages are shown at right.

In addition to receiving a Company Performance Report, all participants have access to an online, "Searchable Results" application that allows users to customize their results well beyond the levels this report could reasonably provide. For example, a participant could create a data report based on a specific business focus, revenue size, and area of the country, whereas the report information mostly provides single-level cuts. The Searchable Results program is housed in the AH online portal, and all results can be easily exported to Excel.



SAMPLE COMPANY PERFORMANCE REPORT

The images below provide a sample of the information included in each participant's Company Performance Report (CPR). The actual CPR that participants receive contains information about their organization, compared against other similar companies.

	Total Sales	Avg	10-20 Employees	21-50 Employees	51-100 Employees	101-200 Employees	201-500 Employees	501-1000 Employees	1001-2000 Employees	2001-5000 Employees	5000+ Employees
Company Performance Report											
AmericanHort											
Financial Benchmarking Report 2024											
[Detailed financial data table with multiple rows and columns]											

	Total Sales	Avg	10-20 Employees	21-50 Employees	51-100 Employees	101-200 Employees	201-500 Employees	501-1000 Employees	1001-2000 Employees	2001-5000 Employees	5000+ Employees
[Detailed financial data table with multiple rows and columns]											

YOUR FIRM'S RATIOS COMPARED TO THE APPROPRIATE INDUSTRY NORMS



HOW TO USE THIS REPORT

This Financial Benchmarking Report has been designed to help AmericanHort's members evaluate their business practices and performance and to identify trends in operations to improve opportunities. The statistics in this report represent broad performance "yardsticks" against which a company's performance can be measured.

How The Tables Are Organized

To use the information in this report to its maximum advantage, it is important to understand how the data are arranged and how to interpret the results. The tables in this report are organized to include several important findings for each relevant group of companies. Detailed Information is reported for the following groups:

- Net Sales
- Greenhouse Grower
- Nursery Grower
- Region

Please keep in mind the information in this report should be used as a tool for informed decision making rather than absolute standards. Since companies differ as to their location, size, and other important factors, any two companies can be successful yet have very different experiences. Spotting significant differences between your own company and the compiled results can be the first step toward improvement or identifying your own competitive advantages.

Interpreting The Numbers

Most of the results in this study are reported as medians rather than arithmetical means (averages). Unlike the mean, the median is not distorted by a few unusually high or low values that may exist in the sample due to special circumstances. The median value represents the midpoint of the data for a particular measure, with one-half of the companies reporting figures above it and one-half below. Each median has been computed independently based on the companies that reported for that item. As a result, mathematical relationships may not exist when different ratios are used together in the calculation.

Responses were not used unless they were in accordance with the survey instructions and definitions. In cases where the number of responses was inadequate for providing a meaningful figure, an asterisk (*) was inserted to indicate insufficient data.

Using the Ratios

While it is often important to analyze benchmarking data as raw figures, it is essential that percentages and ratios be used if the data are to be compared to past performance or to peer benchmarks. For example, it is necessary to know your annual employee compensation expense, but it is even more essential to compare this expenditure with the value it produces. A useful measure of effectiveness of compensation expense is the percentage that payroll expense represents, relative to sales. Therefore, a ratio such as total payroll expense as a percent of sales can be useful in determining how efficiently your firm uses its payroll dollars over time or compared to similar companies. In addition, just as raw figures are not overly meaningful by themselves; ratios should not be used in isolation. In combination they can provide an accurate picture of performance.



INVENTORY AND SPACE PRODUCTIVITY

Space Productivity

Greenhouse Growers, on average, generate \$XX.XX in sales per square foot. Smaller Greenhouse Growers (with sales under \$10 million) operate in approximately 316,000 square feet per location, achieving \$XX.XX in sales per square foot. Larger Greenhouse Growers (with sales over \$10 million) utilize significantly more space, averaging 788,000 square feet across locations, but maintain similar productivity with \$XX.XX in sales per square foot.

Space Productivity for Greenhouse Operations (Average)				
	All Companies	Greenhouse Grower	Greenhouse Grower with Sales Under \$10M	Greenhouse Grower with Sales \$10M and Over
Number of Greenhouse Locations				
Total Square Footage of Greenhouse Space (All Locations)				
Greenhouse Space per Location (Square Feet)				
Greenhouse Sales per Greenhouse Square Foot				

Nursery Growers show a distinct difference in sales productivity based on net sales. Smaller nurseries (under \$10 million in sales) manage about 26 acres per location and achieve a high productivity rate of \$XXX,XXX in sales per acre. Larger Nursery Growers (\$10 million and over) operate on a much larger scale, averaging 378 total acres, but with a lower productivity of \$XX,XXX per acre.

Space Productivity for Nursery Operations (Average)				
	All Companies	Nursery Grower	Nursery Grower with Sales Under \$10M	Nursery Grower with Sales \$10M and Over
Number of Nursery Locations				
Total Acreage of Nursery Space (All Locations)				
Nursery Acreage per Location				
Nursery Sales per Acre				





FINANCIAL PERFORMANCE

Key Income Statement as a Percent of Net Sales

The table below provides a breakdown of key income statement metrics as a percentage of net sales, highlighting differences in cost structure and profitability between all responding companies, Greenhouse Grower, and Nursery Grower.

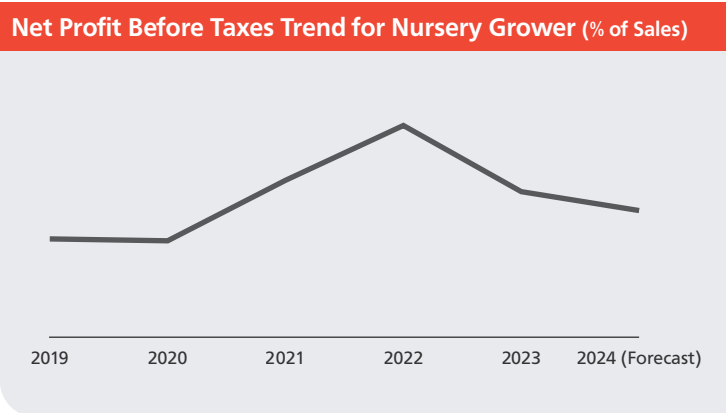
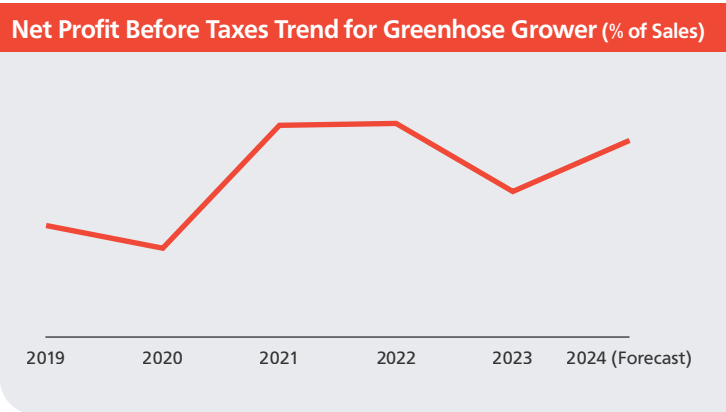
Income Statement (as a % of Net Sales)			
	All Companies	Greenhouse Grower	Nursery Grower
Sales	100.0%	100.0%	100.0%
Propagated Materials			
Chemicals/Fertilizer/Pesticide			
Other Cost of Goods Sold/Materials			
Total COGS/Materials			
Total Direct Labor Expense			
Other Direct Costs			
Total Direct Costs			
Indirect Salaries, Wages, and Bonuses			
All Other Indirect Expenses			
Total Cost of Sales			
Gross Profit			
Total SG&A Payroll Expense			
Total Other SG&A Expense			
Total SG&A Expense			
Operating Profit			
Non-Operating Income (Expense)			
Profit Before Taxes			

*Some items may not total due to rounding.



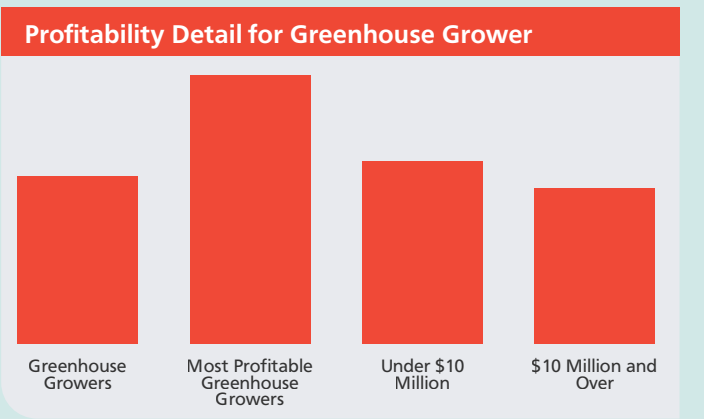
Profitability

Net profit before taxes has fluctuated for all companies from 2018 to 2023, peaking in 2021 at 12.0% of sales and settling at 8.3% in 2023. Greenhouse Growers saw a similar peak in 2021 (X.X%) but finished 2023 stronger than the overall average, with a net profit of X.X%. Nursery Growers, however, reached their highest profitability in 2021 as well (X.X%) but ended 2023 at a lower X.X%. This trend suggests that while both sectors experienced growth during the pandemic, Greenhouse Growers have maintained higher than usual margins in recent years.



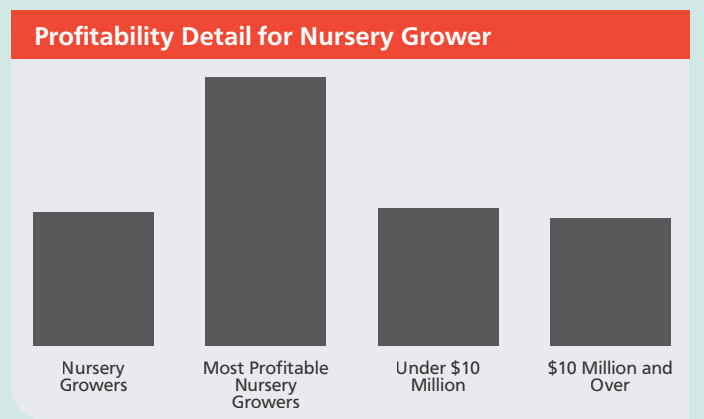
Profitability Detail: Greenhouse Grower

The profit before taxes for Greenhouse Growers based on profitability and sales size are shown below. While the average Greenhouse Grower sees a 10.4% profit margin, the top performers based on Return on Assets pull ahead with a remarkable XX.X% profit margin. Interestingly, smaller growers (under \$10 million in sales) outperform their larger counterparts, with a profit margin of XX.X% compared to X.X% for those \$10 million and over.



Profitability Detail: Nursery Grower

On average, Nursery Growers report a profit before taxes of 6.7%. Smaller Nursery Growers, with sales under \$10 million, have a slightly higher margin at 6.9%, while those with sales \$10 million and over report a margin of 6.4%.





ASSET PRODUCTIVITY

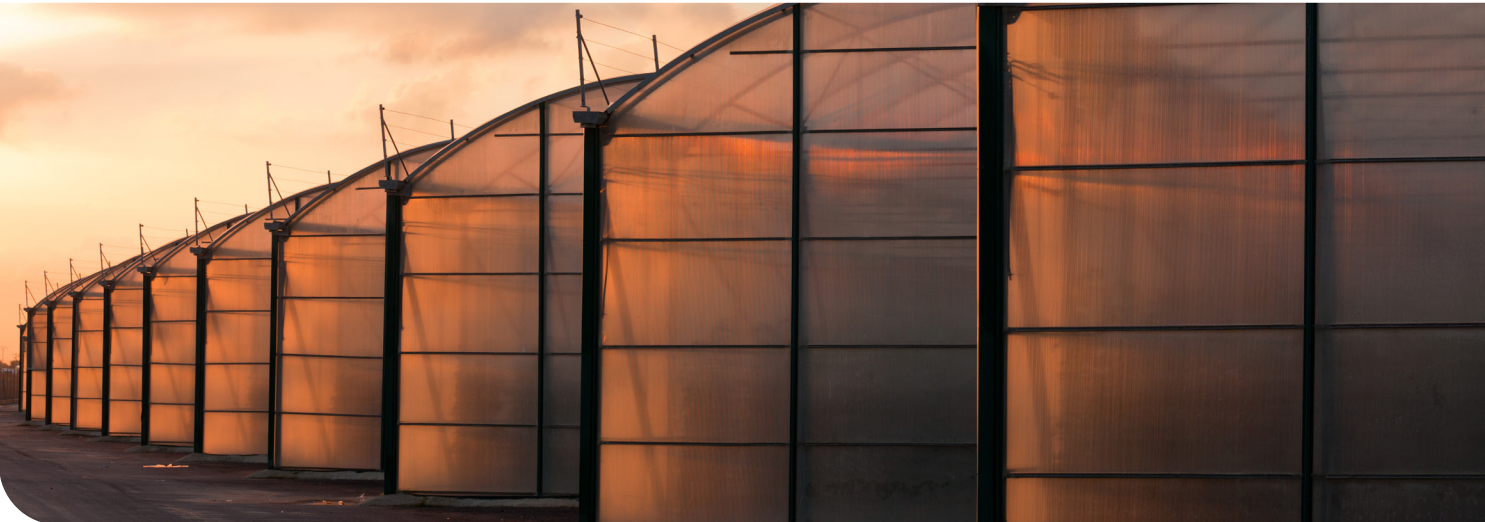
Cash availability is a major concern for many businesses, and the speed at which cash flows through a company can significantly impact its financial health. The Cash Cycle metric offers a straightforward yet valuable way to assess how efficiently cash moves through the business. This metric estimates the number of days between when a company pays for its inventory and when it collects receivables from that inventory. In 2023, the typical company required an 116 days to complete this cycle.

Asset Productivity Ratios for All Companies			
	All Companies	Greenhouse Grower	Nursery Grower
Average Collection Period			
Inventory Holding Period			
Average Payable Days			
Cash Cycle			

Asset Productivity for Greenhouse Grower				
	Greenhouse Growers	Most Profitable Greenhouse Grower	Greenhouse Grower by Sales Under \$10 Million	Greenhouse Grower by Sales \$10 Million and Over
Average Collection Period				
Inventory Holding Period				
Average Payable Days				
Cash Cycle				

An asterisk “*” indicates the sample was insufficient to display meaningful results.

Asset Productivity for Nursery Grower				
	Nursery Growers	Most Profitable Nursery Grower	Nursery Grower by Sales Under \$10 Million	Nursery Grower by Sales \$10 Million and Over
Average Collection Period				
Inventory Holding Period				
Average Payable Days				
Cash Cycle				





SALES VOLUME RESULTS						
		PROFITABILITY	SALES VOLUME			
	All Companies	Most Profitable Firms (Top 25%)	Under \$5 M	\$5 M to \$10 M	\$10 M to \$20 M	Sales Over \$20 M
GARDEN CENTER OPERATIONS						
Number of Respondents	1,000	1,000	1,000	1,000	1,000	1,000
Sales and Space Productivity						
Total Garden Center Sales in 2023 (All Locations)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Total Square Footage of Garden Center Space (All Locations)	100,000	100,000	100,000	100,000	100,000	100,000
Garden Center Sales per Square Foot	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Number of Garden Center Locations	1,000	1,000	1,000	1,000	1,000	1,000
Garden Center Space per Location (Square Feet)	100,000	100,000	100,000	100,000	100,000	100,000
Garden Center Sales per Location	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Workforce						
Number of Garden Center Workers (FTEs)	1,000	1,000	1,000	1,000	1,000	1,000
Garden Center Sales per Worker (FTE)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Size of Community Served						
Major metro area (over 1 million population)	1,000	1,000	1,000	1,000	1,000	1,000
Moderate size city (100,000 to 1 million)	1,000	1,000	1,000	1,000	1,000	1,000
Small city (25,000 to 100,000)	1,000	1,000	1,000	1,000	1,000	1,000
Area of fewer than 25,000	1,000	1,000	1,000	1,000	1,000	1,000
Sales and Space by Product Type						
Sales (% of Total Garden Center Sales)						
Plants	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Non-Plants	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Space (% of Total Garden Center Sales)						
Plants	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Non-Plants	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sales by Customer Type						
% of Total Garden Center Sales \$						
Homeowners	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Landscapers	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Municipalities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



SALES VOLUME RESULTS						
		PROFITABILITY	SALES VOLUME			
	All Companies	Most Profitable Firms (Top 25%)	Under \$5 M	\$5 M to \$10 M	\$10 M to \$20 M	Sales Over \$20 M
Percentage of company's Garden Center sales in 2023 sold through a storefront in-person (vs. online)						
Average						
Median						
Transactions						
Number of transaction in 2023						
Garden Center Sales per Transaction						
Comparison of Garden Center Inventory on May 15, 2024, vs. May 15, 2023						
Increased significantly (>20%)						
Increased somewhat (5% to 20%)						
Largely unchanged						
Decreased somewhat (5% to 20%)						
Decreased significantly (>20%)						
LANDSCAPING BUSINESS OPERATIONS						
Number of Respondents						
Total Landscaping Sales in 2023 (All Locations)						
Number of Landscaping Workers in 2023 (FTEs)						
Landscaping Business Sales per Worker (FTE)						
Sales by Service Type						
% of Total Landscaping Business Sales \$						
Design						
Installation						
Maintenance/Service						
Other						
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sales by Customer Type						
% of Total Landscaping Business Sales \$						
Residential						
Commercial						
Municipalities						
Other						
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Landscaping Projects Completed in 2023						
Average						
Median						
Average Landscaping Project Size (\$) in 2023						
Average						
Median						



SALES VOLUME RESULTS						
		PROFITABILITY	SALES VOLUME			
	All Companies	Most Profitable Firms (Top 25%)	Under \$5 M	\$5 M to \$10 M	\$10 M to \$20 M	Sales Over \$20 M
Financial Management Ratios						
Current Ratio (Current Assets/Current Liabilities)						
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)						
Debt To Equity						
Inventory Turnover						
Turn and Earn Profitability Index						
Employee Productivity Ratios						
Sales Per Employee						
Gross Profit Per Employee						
Total Payroll Per Employee						
Total Payroll Expense as a % of Net Sales						
Asset Productivity Ratios						
Average Collection Period						
Inventory Holding Period						
Average Payable Days						
Cash Cycle (Avg. Collection Period Plus Materials Inventory Holding Period Minus Avg. Payable Days)						
BALANCE SHEET (AS A % OF TOTAL ASSETS)						
Assets						
Cash and Cash Equivalents						
Accounts Receivables						
Inventory						
Other Current Assets						
Total Current Assets						
Fixed Assets, Net Depreciation						
Other Non-Current Assets						
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities and Net Worth						
Accounts Payable (Trade)						
Notes Payable						
Other Current Liabilities						
Total Current Liabilities						
Long Term Liabilities						
Net Worth						
Total Liabilities and Net Worth	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



SALES VOLUME RESULTS						
		PROFITABILITY	SALES VOLUME			
	All Companies	Most Profitable Firms (Top 25%)	Under \$5 M	\$5 M to \$10 M	\$10 M to \$20 M	Sales Over \$20 M
INCOME STATEMENT (AS A % OF NET SALES)						
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Costs						
Propagated Materials						
Chemicals/Fertilizer/Pesticide						
Other Cost of Goods Sold/Materials						
Total COGS/Materials						
Direct Labor						
Direct Labor - Production and Retail Staff Salaries, Wages, and Bonuses						
Direct Labor - Payroll Taxes (FICA, Unemployment, Workers Comp., etc.)						
Direct Labor - Health Insurance and Employee Benefits						
Subcontract Labor						
Total Direct Labor Expense						
Other Direct Costs						
Inbound shipping/transportation costs						
Other Direct Costs						
Total Direct Costs						
Indirect Expenses						
Indirect Salaries, Wages, and Bonuses						
All Other Indirect Expenses						
Total Cost of Sales						
Gross Profit						
Sales, General and Administrative Expenses (SG&A)						
Payroll						
Executives/Officers Salaries, Commissions, and Bonuses						
Sales Salaries, Wages, Commissions, and Bonuses						
All Other Office Staff Salaries, Wages, and Bonuses						
Payroll Taxes (FICA, Unemployment, Workers Comp., etc.)						
Health Insurance and Employee Benefits						
Total SG&A Payroll Expense						



SALES VOLUME RESULTS						
		PROFITABILITY	SALES VOLUME			
	All Companies	Most Profitable Firms (Top 25%)	Under \$5 M	\$5 M to \$10 M	\$10 M to \$20 M	Sales Over \$20 M
Other SG&A Expenses						
Outbound shipping/trucking expenses, including all vehicle costs						
Advertising/Marketing Costs						
Occupancy Expense						
Office Supplies						
IT Expense						
Professional Services						
Depreciation and Amortization						
Other						
Total Other SG&A Expense						
Total SG&A Expense						
Operating Profit						
Interest Expense						
Net non-operating expense/(income)						
Profit Before Taxes						
Net Profit Before Taxes as a % of Sales by Year						
2018						
2019						
2020						
2021						
2022						
2023						