| **RATIO** | **FORMULA** | **CALCULATION** | **RATIO** | **INDUSTRY AVERAGE** | **COMMENT** |
| --- | --- | --- | --- | --- | --- |
| Liquidity | Current assets over Current liabilities | $1,000 over $310 equals | 3.2 | 4.2 | Poor |
| Quick | Current assets − Inventories over Current liabilities | $385 over $310 equals | 1.2 | 2.1 | Poor |
| Asset Management |  |  |  |  |  |
| Inventory turnover | Sales over Inventories | $3,000 over $615 equals | 4.9 | 9.0 | Poor |
| Days sales outstanding (DSO) | Receivables over Annual sales divided by 365 | $375 over $8.219 equals | 45.6 | 36.0 | Poor |
| Fixed assets turnover | Sales over Net fixed assets | $3,000 over $1,000 equals | 3.0 | 3.0 | OK |
| Total assets turnover | Sales over Total assets | $3,000 over $2,000 equals | 1.5 | 1.8 | Poor |
| Debt Management |  |  |  |  |  |
| Debt ratio | Total liabilities over Total assets | $1,064 over $2,000 equals | 53.2% | 40.0% | High (risky) |
| Times-interest-earned (TIE) | Earnings before interest and taxes open parenthesis EBIT close parenthesis over Interest charges | $283.8 over $88 equals | 3.2 | 6.0 | Low (risky) |
| EBITDA coverage | EBITDA plus Lease pmts . over Interest plus Principal payments plus Lease pmts . | $411.8 over $136 equals | 3.0 | 4.3 | Low (risky) |
| Profitability |  |  |  |  |  |
| Profit margin on sales | Net income available to common stockholders over Sales | $113.5 over $3,000 equals | 3.8% | 5.0% | Poor |
| Basic earning power (BEP) | Earnings before interest and taxes open parenthesis EBIT close parenthesis over Total assets | $283.8 over $2,000 equals | 14.2% | 17.2% | Poor |
| Return on total assets (ROA) | Net income available to common stockholders over Total assets | $113.5 over $2,000 equals | 5.7% | 9.0% | Poor |
| Return on common equity (ROE) | Net income available to common stockholders over Common equity | $113.5 over $896 equals | 12.7% | 15.0% | Poor |
| Market Value |  |  |  |  |  |
| Price/earnings (P/E) | Price per share over Earnings per share | $23.00 over $2.27 equals | 10.1 | 12.5 | Low |
| Price/cash flow | Price per share over Cash flow per share | $23.00 over $4.27 equals | 5.4 | 6.8 | Low |
| Market/book (M/B) | Market price per share over Book value per share | $23.00 over $17.92 equals | 1.3 | 1.7 | Low |