***Ratio Analysis***

|  |
| --- |
| **Historical Ratios**  **PetSmart, Inc.** |
| **Actual Actual Actual Industry**  **Ratio 2008 2009 2010 Average** |
| ***Liquidity***  Current ratio 1.83 1.89 2.0 1.7  Quick ratio 0.6 0.9 0.9 1.0 |
| ***Activity***  Inventory turnover (times) 8.7 9.4 9.3 6.9  Average collection period (days) 5.5 6.1 6.3 25.5  Total asset turnover (times) 2.2 2.2 2.4 1.5 |
| ***Debt Management***  Debt ratio 0.51 0.52 0.49 0.65  Times interest earned 6.23 6.12 7.70 20.8 |
| ***Profitability***  Gross profit margin 30.53% 29.62% 28.8% 41.6%  Net profit margin 5.77% 5.34% 4.2% 5.3%  Return on total assets 8.17% 8.12% 10.1% 7.0%  Return on equity 17.48% 16.87% 25.4% 15.2%  Price/earnings ratio 12.35% 16.20% 20.1% 17.2% |
| ***Market***  Closing price ($) 18.22 25.33 40.05 N/A  Book value ($) 9.0 9.49 10.09 13.2  Market/book 2.09 2.71 4.13 3.14  Shares outstanding 127.12M 123.57M 117.61M N/A |