

### LIQUIDITY RATIOS:

**Current Ratio:**  $CA / CL$  (CURRENT ASSETS / CURRENT LIABILITIES) VER VALORES BS

**Acid-Test Ratio:**  $(CA - CA \text{ Low Liquidity}) / CL$  (IGUAL ACIMA - VER BS)

**WC Turnover Ratio:**  $Sales \text{ Revenue} / Average \text{ WC}$  (REVENUE / AV. WORKING CAPITAL - wc year 1 - wc year 0)

### SOLVENCY RATIOS:

**Solvency Ratio** =  $Total \text{ Assets} / Total \text{ Liabilities}$  (ver BS)

**Debt to Equity Ratio**=  $Debt / Equity$  (DEBT É O VALOR TOTAL LIABILITIES/TOTAL EQUITY)

### PROFITABILITY RATIOS:

**Profit Margin**=  $Net \text{ Income} / Total \text{ Revenue}$  (NET INCOME IS SAME AS NET PROFIT)

**ROS** =  $EBITDA / Total \text{ Revenue}$  (EBITDA IS INCOME STATEMENT SHEET - EBITDA IS BEFORE INTEREST AND TAXES)

**ROE** =  $Net \text{ Income} / Total \text{ Equity}$  (NET INCOME IS ALSO FROM IS)

**EPS** =  $Net \text{ Income} / N^{\circ} \text{ of shares}$

**PER**=  $Share \text{ Price} / EPS$  (EARNING PER SHARE - EPS)

### CASH CONVERSION CYCLE:

**CCC**=  $DIO + DSO - DPO$

CCC= Days of inventory outstanding (DIO) + Days of sales outstanding (DSO) – Days payable outstanding (DPO) = POSITIVE/NEGATIVE (The lower the better)

**DIO**=  $(Inventory / COGS) \times 365$  COGS MEANS COSTS OF GOODS SOLD

**DSO**=  $(Av. AR / Credit \text{ sales}) \times 365$  AR MEANS ACCOUNTS RECEIVABLE

**DPO**=  $( Av. AP / Credit \text{ purchases} ) \times 365$  AP MEANS ACCOUNTS PAYABLE

### OPERATIONAL LEVERAGE

**BEP (Q)**=  $FC / (SP - VC_u)$  (FC MEANS FIXED OPERATING COSTS ; SP MEANS SELLING PRICE ; VC MEANS VARIABLE COST PER UNIT)

### DEGREE OF OL

**DOL** =  $\% \text{ change } GOP / \% \text{ change } Sales$

or

**DOL** =  $Q(P - VC) / Q(P - VC) - FC$

or

**DOL**=  $(Sales - VC) / Profit$

(P= SALES PRICE PER UNIT; Q= SALES QUANTITY IN UNITS; FC= FIXED OPERATING COST PER PERIOD; VC= VARIABLE OPERATING COST PER UNIT)