

**Ratio Analysis Formula****Cheat Sheet****1.Current Ratio**

Current Assets / Current Liabilities

**Use:** Measures short-term liquidity.

**2.Quick Ratio (Acid-Test)**

(Current Assets – Inventory) / Current Liabilities

**Use:** Stricter liquidity measure.

**3.Cash Ratio**

Cash & Cash Equivalents / Current Liabilities

**Use:** Measures most conservative liquidity.

**4.Gross Profit Margin**

(Gross Profit / Revenue) × 100

**5.Operating Margin**

(Operating Income / Revenue) × 100

**6.Net Profit Margin**

(Net Income / Revenue) × 100

**7.Return on Assets (ROA)**

Net Income / Average Total Assets

**8.Return on Equity (ROE)**

Net Income / Shareholders' Equity

**9.Return on Capital Employed (ROCE)**

EBIT / (Total Assets – Current Liabilities)

**10.Debt-to-Equity Ratio**

Total Debt / Total Equity

**11.Debt Ratio**

Total Debt / Total Assets

**12. Interest Coverage Ratio**

EBIT / Interest Expense

**Use:** Indicates how easily a company can pay interest.

**13. Financial Leverage Ratio**

Total Assets / Total Equity

**14. Inventory Turnover**

Cost of Goods Sold / Average Inventory

**15. Receivables Turnover**

Revenue / Average Accounts Receivable

**16. Payables Turnover**

COGS / Average Accounts Payable

**17. Asset Turnover**

Revenue / Average Total Assets

**18. Days Sales Outstanding (DSO)**

(Accounts Receivable / Revenue) × 365

**19. Days Inventory Outstanding (DIO)**

(Inventory / COGS) × 365

**20. Days Payables Outstanding (DPO)**

(Accounts Payable / COGS) × 365

**21. Cash Conversion Cycle (CCC)**

DIO + DSO – DPO

**22. Earnings Per Share (EPS)**

Net Income / Weighted Average Shares

**23. Price-to-Earnings Ratio (P/E)**

Market Price per Share / EPS

**24. Price-to-Book Ratio (P/B)**

Market Price per Share / Book Value per Share

**25.Dividend Yield**

Dividend per Share / Market Price per Share

**26.Enterprise Value (EV)**

Market Cap + Total Debt – Cash

**27.EV/EBITDA**

Enterprise Value / EBITDA

**28.EBITDA Margin**

EBITDA / Revenue

Used for valuation and comparing operating performance.

**29.ROCE (Return on Capital Employed)**

EBIT / Capital Employed

→ One of the top ratios used in equity research & credit analysis.

**30.Interest Coverage Ratio**

EBIT / Interest Expense

Very important for credit risk, lending roles, debt analysis.

**31.Debt Service Coverage Ratio (DSCR)**

(Net Operating Income / Total Debt Service)

Crucial for banking & project finance interviews.

**32.Free Cash Flow (FCF)**

Operating Cash Flow – Capex

Used in DCF modelling, valuations, buy-side interviews.

**33.PEG Ratio (for equity research roles)**

P/E Ratio / Earnings Growth Rate

Shows whether a stock is fairly priced based on growth.

**34.Working Capital Cycle (Cash Conversion Cycle)**

DSO + DIO – DPO

Tested often in FP&A, corporate finance, supply-chain-related analysis.