

Appendix: Formulas

Gross Profit Margin=	$\frac{\text{Gross profit}}{\text{Sales}}$	
ROS=	$\frac{\text{Earnings after tax}}{\text{Sales}}$	
ROA=	$\frac{\text{Earnings after tax}}{\text{Total assets}}$	
ROE=	$\frac{\text{Net profit after interest and tax}}{\text{owners' equity}}$	
ROCE=	$\frac{\text{Profit before interest and tax}}{\text{Capital employed}}$	
Inventory Turnover Period=	$\frac{\text{Inventories}}{\text{Cost of goods sold}}$	x365 days
Receivables Collection Period=	$\frac{\text{Accounts receivables}}{\text{Sales}}$	x365 days
Payables Payment Period=	$\frac{\text{Accounts payables}}{\text{Cost of goods sold}}$	x365 days
Current Ratio=	$\frac{\text{Current assets}}{\text{Current liabilities}}$	
Quick Ratio (Acid-Test) =	$\frac{\text{Cash + accounts receivable}}{\text{Current liabilities}}$	
Interest Cover Ratio=	$\frac{\text{Profit before interest and tax}}{\text{Interest expense}}$	
Gearing=	$\frac{\text{Non-current liabilities}}{\text{Shareholders' funds + non-current liabilities}}$	
Earnings Per Share	$\frac{\text{Earnings after tax}}{\text{Number of shares outstanding}}$	
P/E ratio=	$\frac{\text{Share price}}{\text{Earnings per share}}$	
Market-to-Book Ratio=	$\frac{\text{Share price}}{\text{Book value per share}}$	
Dividend Cover=	$\frac{\text{Earnings per share}}{\text{Dividend}}$	
Dividend payout ratio=	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$	x100%