

RATIOS FOR EVALUATING FINANCIAL HEALTH

RATIO:	HOW TO CALCULATE:
Return on total assets	Earnings / Total assets
Sales on total assets	Net sales / Total assets
Long-term debt to equity	Long-term debt / Stockholders' equity
Cash flow to total debt	Cash flow / Total debt
Interest coverage	(Net income + interest expense) / Interest expense
Working capital turnover	Net sales / Working capital
Working capital to total assets	Working capital / Total assets
Current ratio	Current assets / Current liabilities