

Aston Martin Lagonda Business Review

ACPA7002 - FINANCIAL MANAGEMENT AND PLANNING –
ASSESSMENT 2

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Summary of Findings

This reports outlines the financial statement and ratios used for analysis of Aston Martin Lagonda (AML) from the beginning of 2018 to year end 2022. Having weather a global pandemic and the associated supply chain issues AML have made significant changes at board and management level and raised closed to £1billion in investor funding to support their recovery and ongoing growth over the following decade.

The midterm plan ending 2024/25 is ambitious and considering the reserved outlook of the automotive industry in general the post pandemic performance does not look to be favourable for AML. Carrying high operating and financing costs has put significant pressure on the balance sheet. Some pressure has been alleviated by investor funding but without significant upturn in sales volumes and revenue the net losses extend beyond any quick resolutions.

It's a difficult time for the automotive industry and the uncertainty will likely not become clearer until the end of 2023. The following report shows an in depth analysis of AML's position and in conclusion the recommendation is that any joint venture should be postponed until early 2024 when the market and supply chain stabilises.

Introduction

The following report will outline the recent financial performance of Aston Martin Lagonda, providing a detailed analysis through the use of financial ratios. AML's performance will be compared with the average industry performance in assumption that AML have been impacted relatively. To provide a comprehensive assessment within, the performance of AML and industry trend has been analysed over a 5-year period from the beginning of 2018, to year end 2022.

Background on Financial Statements and Ratios

Financial Statements

It is a legislative requirement for all companies to keep accounts, if companies fall into the medium or large categories they are required to publish strategic and directors reports which include financial statements. The Companies Act 2006 (CA 2006) requires directors to ensure that the annual accounts give a true and fair view. CA 2006 recognises two financial reporting frameworks – IFRS and UK GAAP (ICAEW, 2022).

The financial statements used to analyse ratios are the Income Statement and Balance sheet. The cashflow statement will be used to look closer at particular elements and bolster the analysis. The enforcement of standard reporting framework reduces the opportunity for companies to falsely report their financial position, however, particularly for publicly traded companies financial reporting can be a means to obtain additional capital by making their financial position appear more attractive than it may be in reality (Fridson & Alvarez, 2002). For this reason it's important to make financial analysis based on industry comparisons, whilst also paying particular attention to the directors and executive statements within the reports.

Profitability Ratios

Profitability ratios are financial metrics used by analysts and investors to measure and evaluate the ability a company has to generate profits relative to revenue. By also using values from the balance sheet it is possible to measure return on elements such as assets and equity to gauge how well a company is performing relative to what it or its shareholders own.

Gross Profit Margin

The gross profit margin is the % profit made when considering the Total Revenue less the cost of goods sold. This gives an indication of how lean the business is in their operations, i.e. how much material, labour and utility expenses consume of the revenue. Gross profit does not take into account selling, general and administrative costs, nor the cost of finance or taxation. The gross profit margin is calculated with the following equation:

$$\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100$$

Operating profit margin

The operating profit accounts for the expenses covered in the gross profit margin, but with the addition of selling, general and administrative costs. These operating profit margin can indicate how indirect resource heavy a business is, if the gross profit margin is healthy but the operating profit margin is not then this would indicate a business heavily reliant on support functions. The operating profit margin is calculated using the following equation.

$$\text{Operating Profit Margin} = \frac{\text{Operating Profit}}{\text{Sales}} \times 100$$

Net Profit Margin

The net profit margin taken into account all expenses including finance and taxation to give a true profit for the company, this net profit, or net income, can then be used to determine return on assets and equity. The net profit margin is calculated as follows.

$$\text{Net Profit Margin} = \frac{\text{Net Income}}{\text{Sales}} \times 100$$

Return on Assets and Return on Equity

Return on equity (ROE) and return on assets (ROA) are two of the most important measures for evaluating how effectively a company's management team is doing its job of managing the capital entrusted to it. Return on equity is calculated using the following formula.

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Shareholder's Equity}}$$

Return on assets (ROA) is the net income divided by total assets. It's an efficiency measure of how well a company is using its assets. Return on assets is calculated with the following formula.

$$\text{Return on Assets} = \frac{\text{Net Income}}{\text{Assets}} \times 100$$

The way that a company's debt is taken into account is the main difference between ROE and ROA. In the absence of debt, shareholder equity and the company's total assets will be equal. Logically, its ROE and ROA would also be the same, but if that company takes on financial leverage, its ROE would be higher than its ROA. By taking on debt, a company increases its assets thanks to the cash that

comes in. Assuming returns are constant, assets are now higher than equity and the denominator of the return on assets calculation is higher because assets are higher. ROA will therefore fall while ROE stays at its previous level (Furhmann, 2022).

Liquidity Ratios

Liquidity ratios measure and help in evaluating a company's ability to pay its bills on a regular week-to-week or month-to-month basis.

Current Ratio

The current ratio compares current assets with current liabilities. A current ratio below 1 can be an indicator that the company has liquidity problems. However, a ratio above 1 is not always definitive as to whether or no a company is sufficiently liquid, as a high ratio could be because a company is holding too much stock and not turning its inventory as much as it should be (Fields, 2016). Current ratio is calculation using the following formula:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Quick Ratio (Acid Test Ratio)

The quick ratio is also used to assess liquidity of current assets vs liabilities, however, does not account for inventory (stock) as a current asset. Consider that inventory must be sold, packed and dispatch and work in progress inventory must still have additional processes and raw material added to it before it is saleable. The quick ratio negated this inventory and used only assets immediately liquifiable. Therefore the quick ratio is calculated with the following formula (Fields, 2016).

$$\text{Quick Ratios (or Acid Test Ratio)} = \frac{\text{Current Assets Less Stock}}{\text{Current Liabilities}}$$

Activity and Efficiency Ratios

Activity and efficiency ratios are used to analyse the effectiveness of the business and the management team at converting assets such as stock and other receivables into revenue and also to identify how well they are paying and receiving accounts.

Day Sales Outstanding (DSO)

Day sales outstanding uses the trade and other receivables in the current assets section of the balance sheet and calculates based on the annual revenues, on average, how many days does it take to receive monies owed from customers

$$\text{Days Sales Outstanding (DSO)} = \frac{\text{Trade and other receivables}}{\text{Average Revenue per Day}}$$

$$\text{Where Average Revenue per Day} = \frac{\text{Annual Revenue}}{365}$$

Inventory Turns

Inventory turns is used to calculate the number of times the whole inventory is sold throughout the year. The more times the inventory is 'turned' the more lean the business is interpreted to be, as this would mean there is less inventory tying up cash for long periods of time. The type of industry that the company is operating in has a big influence on the inventory turns and so it is important to compare companies operating in similar sectors. Inventory turns is often used for analysis alongside

other ratios such as the current ratio, in example, a current ratio of 1 would indicate a business has the same amount of current liabilities and assets. However, if the inventory turns is high the business is able convert those inventory assets quickly putting them in a better position (Maverick, 2021). Inventory turns is calculated with the following equation.

$$\text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory / Stock}}$$

Days Payable Outstanding

Similar to Days Receivable outstanding, Days payable outstanding calculated how many days the business takes to pay their suppliers rather than to receive from customers. This gives a good indicator of how well the companies accounts departments are operating and can be an early indicator as to whether the company is having cashflow issues. DPO is calculated as follows.

$$\text{Days Payable Outstanding (DPO)} = \frac{\text{Trade and other payables}}{\text{Average COGS per day}}$$

$$\text{Where } \text{Average COGS per Day} = \frac{\text{Annual COGS}}{365}$$

Asset Turnover Ratio

The asset turnover ratio measures the value of a company's sales or revenues relative to the value of its assets. The asset turnover ratio can be used as an indicator of the efficiency with which a company is using its assets to generate revenue. The higher the asset turnover ratio, the more efficient a company is at generating revenue from its assets. Conversely, if a company has a low asset turnover ratio, it indicates it is not efficiently using its assets to generate sales. Asset Turnover ratio is calculated using the following formula (Hayes, 2022).

$$\text{Asset Turnover} = \frac{\text{Total Sales}}{\frac{\text{Beginning Assets} + \text{Ending Assets}}{2}}$$

where:

Total Sales = Annual sales total

Beginning Assets = Assets at start of year

Ending Assets = Assets at end of year

Leverage Ratios

Borrowing funds to finance expansion or modernization is a positive strategy if the terms of the loan are not too burdensome (Fields, 2016). Leverage ratios analyse how much debt a business is carrying in order to gauge their ability to pay back loans without putting the business into a highly leveraged or financially risky position.

Debt/ Equity Ratio

Because the auto industry is capital-intensive, an important metric for evaluating auto companies is the debt-to-equity ratio (D/E), measuring a company's overall financial health and its ability to meet financing obligations. An increasing D/E ratio indicates a company is being increasingly financed by creditors rather than by its own equity. Therefore, both investors and potential lenders prefer to see a lower D/E ratio (Maverick, 2021). The Debt/ Equity Ratio is calculated using the following equation.

$$\text{Debt / Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Stockholders Equity}} \times 100\%$$

Gearing Ratio

Gearing (otherwise known as "leverage") measures the proportion of assets invested in a business that are financed by borrowing (Boyte-White, 2021).

- The higher the gearing, the higher the dependence on borrowings and long-term financing (typically higher than 50%)
- The lower the gearing ratio, the higher the dependence on equity financing (typically lower than 25%)
- Traditionally, the higher the level of gearing, the higher the level of financial risk due to the increased volatility of profits.

The gearing ratio is calculated with the following equation.

$$\text{Gearing Ratio} = \frac{\text{Non Current Liabilities}}{\text{Equity Plus Non Current Liabilities}} \times 100\%$$

Investor Ratios

Investor ratios are design to measure a company's profitability in line with their performance in the stock market. Investor ratios measure two areas of profitability; earnings and dividends. Earnings are what the stock is expected to earn from its ordinary market value, whereas dividends are what a company chooses to pay out to their stock holders per share.

Earnings per Share

Earnings per share or EPS is an important financial measure, which indicates the profitability of a company. EPS is the portion of a company's profit that is allocated to every individual share of the stock. It is a term that is of much importance to investors and people who trade in the stock market. The higher the earnings per share of a company, the better its profitability (The Economic Times, 2022). Earnings per share is calculated as follows.

$$\text{Earnings Per Ordinary Share} = \frac{\text{Net Income (Profit after Tax)}}{\text{No of Shares}}$$

Price per Earnings Ratio

The price per earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS). In essence, the price per earnings ratio indicates the amount an investor can expect to invest in a company in order to receive £1 of that company's earnings (Maverick, 2021). Price per earnings is calculated with the following formula.

$$\text{Price per Earnings Ratio} = \frac{\text{Market Value per Share}}{\text{EPS}}$$

AML Analysis

Looking forward, the automotive sector is set for an extensive recovery period. Once supply chain issues have been solved it is expected that the UK automotive industry will manufacture c1.1million vehicles per year, this figure is not expected to be reached until 2027. Total production volume for 2022 is 852,790 units, 7% down on 2021. Looking back at 2018, which is the last year that is unaffected by supply chain issues, the production volume was 1.5million, the volumes in 2022 are just 57% of that 2018 volume, and with the ongoing energy process and cost of living challenges the volumes are not expected reach the levels of 2018/ 2019 any time in the next decade (Auto Analysis, 2022). Below Figure 1 shows the typical automotive industry trend in the 5 year prior to 2023.

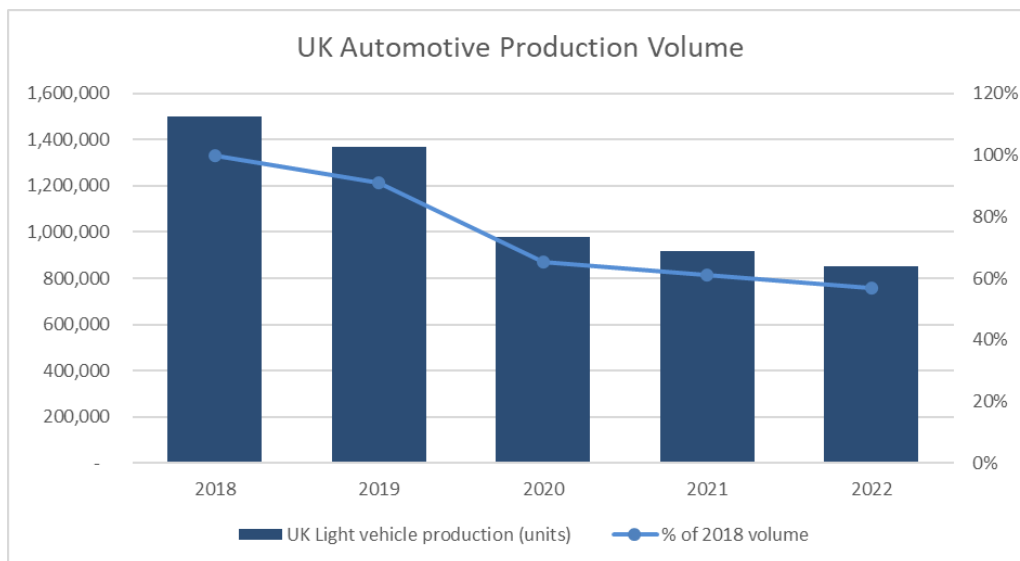


Figure 1 - UK Automotive Industry trend 2018-2023

AML closely follow the decline that the industry sees due to the global pandemic. However, in Figure 2, where the industry trend shows a steady decline amidst significant supply chain challenges, AML shows an impressive revenue recovery in comparison. This indicates a strong ability to manage their supply chain and preserve their value output during a difficult period of supply chain shortages.

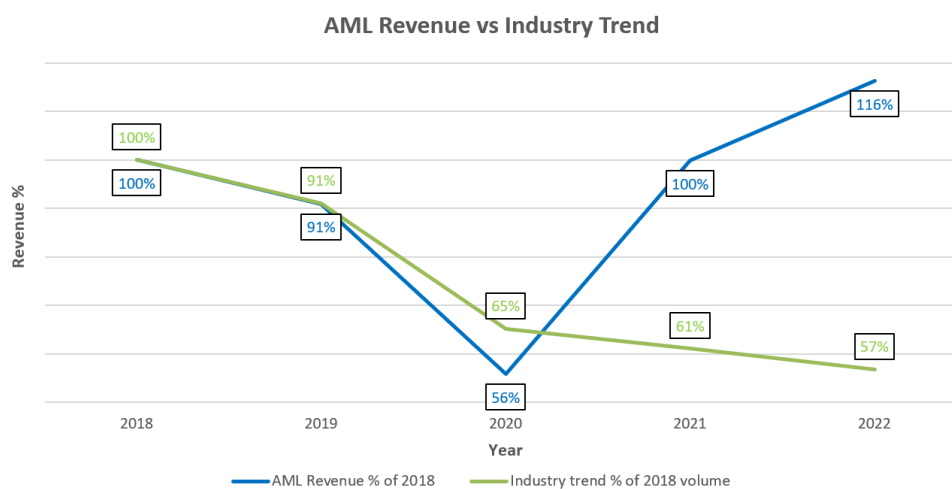


Figure 2 - AML % Revenue of 2018 vs Industry Trend

To gain a picture of the profitability of AML relative to their revenue the profitability ratios can be employed to analyse the Gross Profit, Operational Profit and Net Profit. As profit margins and other financial ratios can be heavily influenced by their industry performance, actual average values from the automotive industry have been retrieved for like for like comparison (macrotrends, 2022).

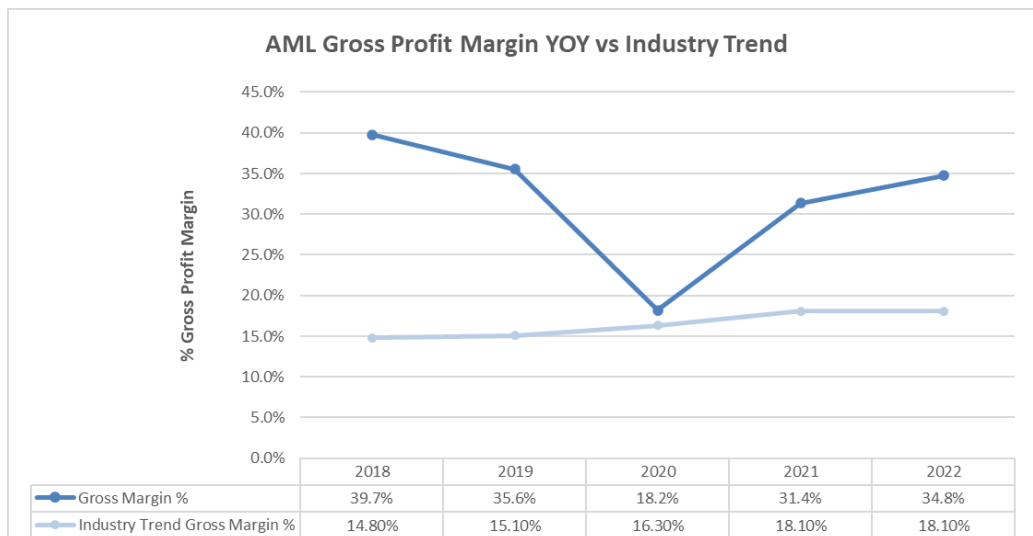


Figure 3 - AML Gross Margin YOY vs Industry Trend

In its Gross margin shown in Figure 3, AML performed above the industry trend for all of the 5 previous years. The gross profit also follows the same trend as their revenue, indicating their cost of goods remains relative to their revenue and they haven't made any significant changes to the efficiency of their direct operations.

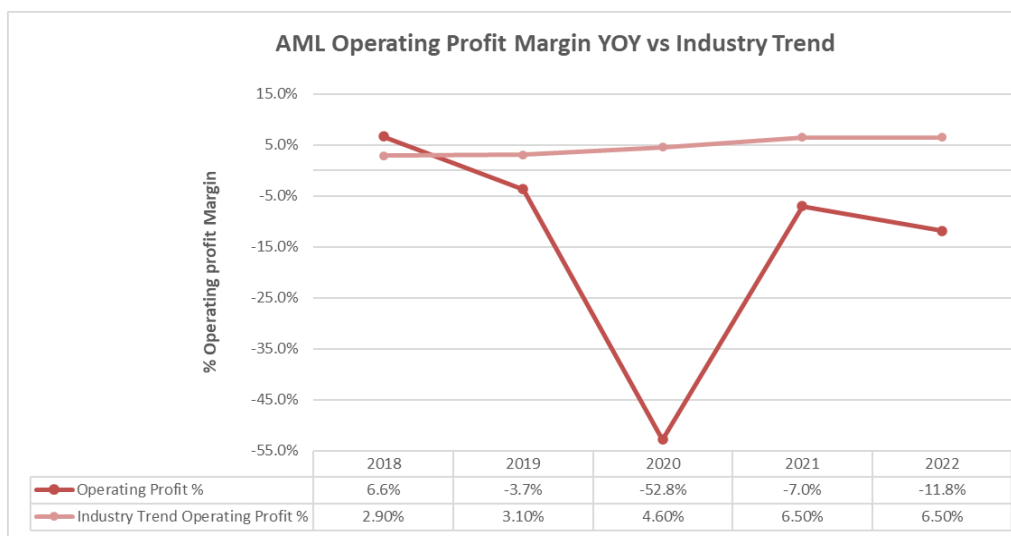


Figure 4 - AML Operating Profit Margin YOY vs Industry Trend

Considering AML's gross profit margin trends well about the industry norm it's surprising to see in Figure 4 how their operating profit is significantly lower than the gross profit and trending lower than the industry average. This would indicate that AML carry significant expenses in their sales, general and administrative costs.

As AML are in the luxury vehicle sector of their market it would be typical for them to carry higher marketing and promotional costs, required to maintain the luxury status of the brand. In support of

this the 2019 annual report, CEO, DR Andy Palmer refers to “higher than planned costs due to a combination of incremental marketing campaigns, and in support of DBX launch activities alongside headcount and other SG&A costs falling short of savings targets”. Typical for high capital manufacturing businesses there can be a heavily weighted support functions, including technical and engineering staff required to maintain production and R&D activities, these are likely key contributors to the excessive SG&A headcount.

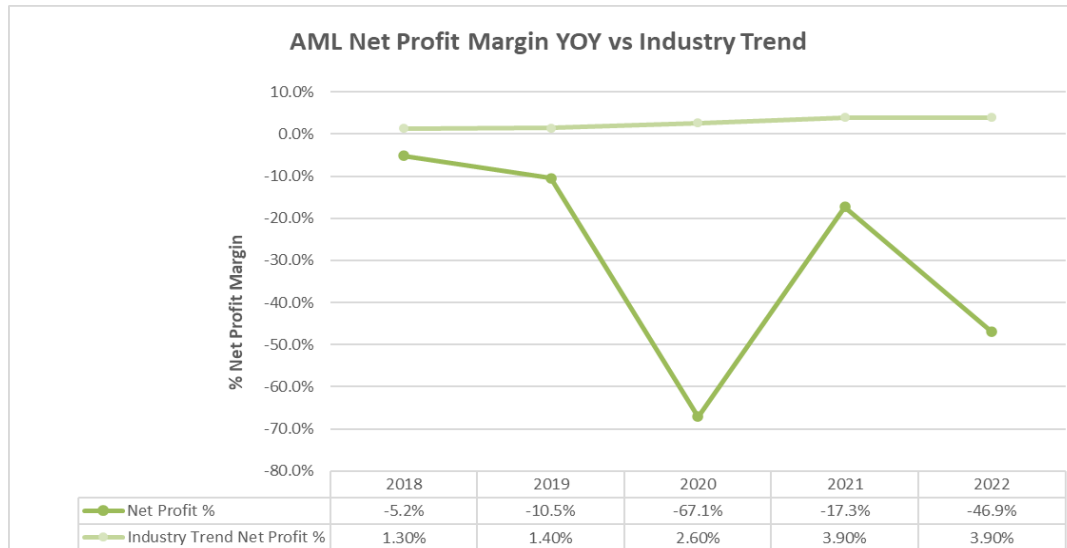


Figure 5 - AML Net Profit Margin YOY vs Industry Trend

Shown in Figure 5 for each of the previous 5 years in analysis AML have made a net loss, in an effort to improve profitability in following years by generating more revenue and improving liquidity, a global effort to de-stock dealerships was undertaken from 2019 through to 2021 but failed to really make the desired impact as can be seen below in Figure 6 - AML Inventory Turns vs Industry Trend.

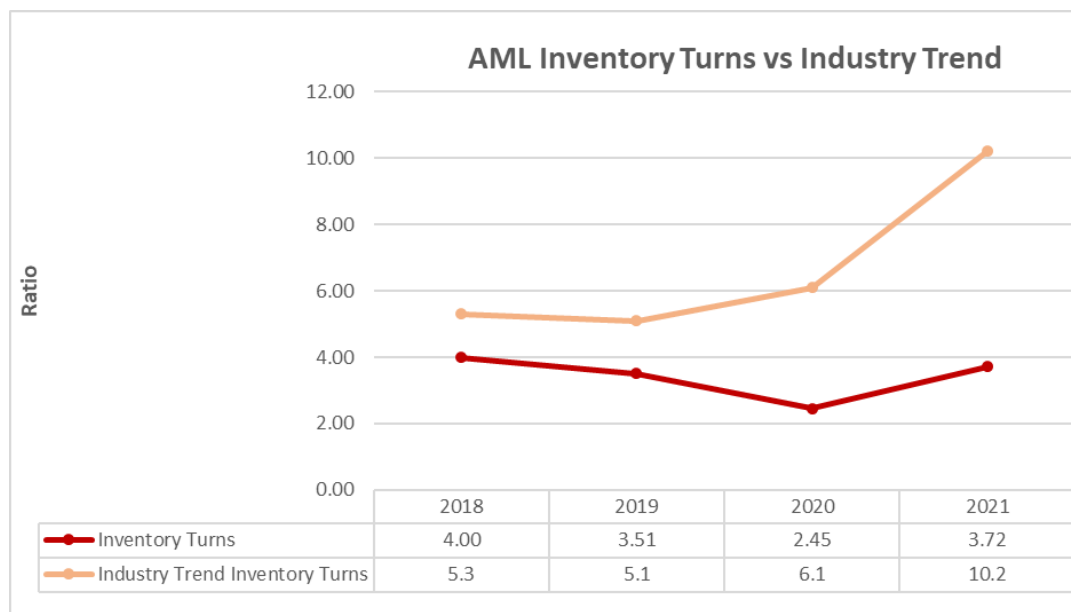


Figure 6 - AML Inventory Turns vs Industry Trend

In the years following the performance outlook has been negative, in 2019 the company brought in Lawrence Stroll in a bid to raise £500m in capital in order to offset significant losses (AML, 2019). The

2020 report reported significant losses amidst the global pandemic but re-assured that the company was making good progress in their long term development plan and successfully launched two more flagship platforms.

The stark difference between 2018 and the following 3 years can be seen in the cashflow statement, where in 2018 the cash in flow from operations was able to sustain £300m in investment activities. The operating losses of 2019 and 2020 were offset by significant financing activities of near £243mil in 2019 and £840mil in 2020. This is in the recovery of the current ratio over these periods in Figure 7 - AML Current and Long Term Debt/ Equity vs Industry Trend.

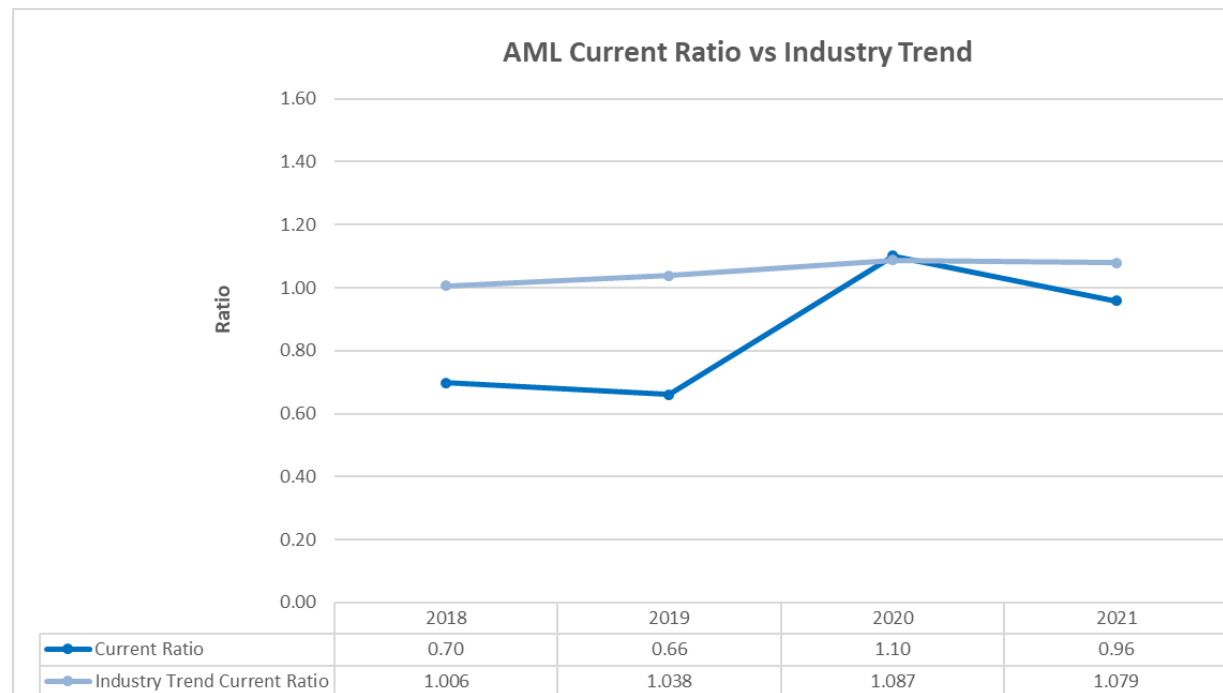


Figure 7 - AML Current and Long Term Debt/ Equity vs Industry Trend

Despite the injection of cash into the business the ongoing net losses force an immediate decline the following year. AML's Q3 2022 report states an additional £654m equity capital which will show an improvement on the final 2022 report (AML, 2022), likely raising the current ratio above the industry trend and into a comfortable position. But in order to maintain this level AML must become more efficient in their operations in order to prevent annual losses.

Each annual report from 2019 shows significant investment in intellectual property and plant and machinery. Efficiency ratios will show if AML are using their assets effectively and retrieving value from their investments.

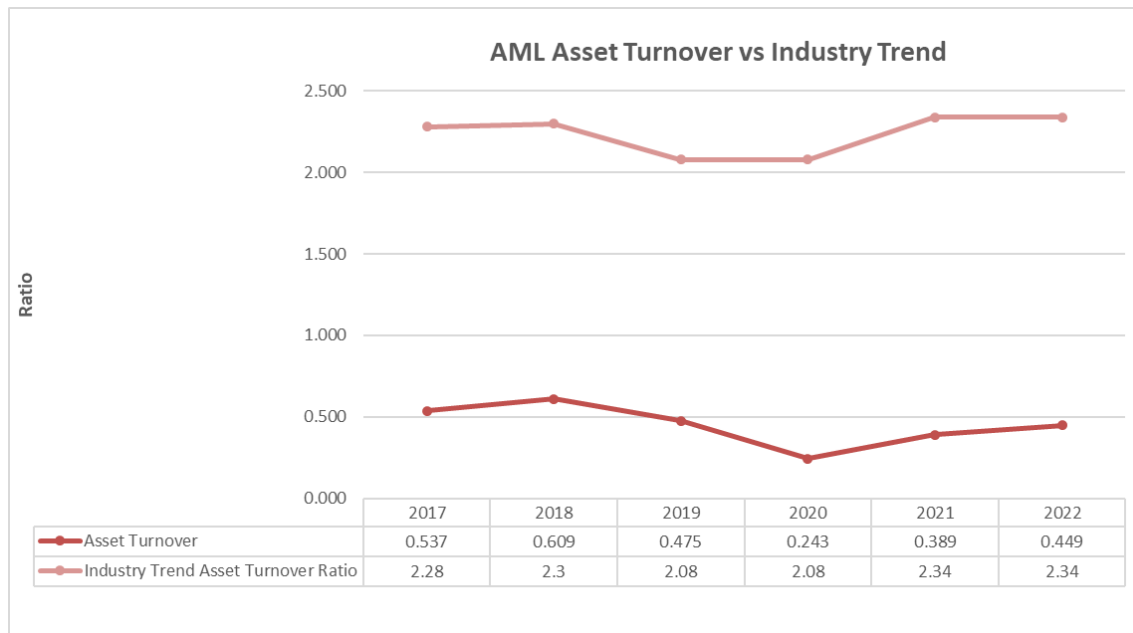


Figure 8 - AML Asset Turnover vs Industry Trend

As shown in Figure 8, with an asset turnover ratio of 0.5, or 50%, AML do not demonstrate an efficient use of their assets, particularly considering the significant investment in their assets since 2018 it would be fair expectation for the asset turnover ratio to increase relative to this investment. Whilst the AML trend follows the industry trend YOY it is over 150% short of the average value and shows no sign of recovering that deficit. At the current asset value it AML need to see 3 to 4 times the revenue than they generate currently.

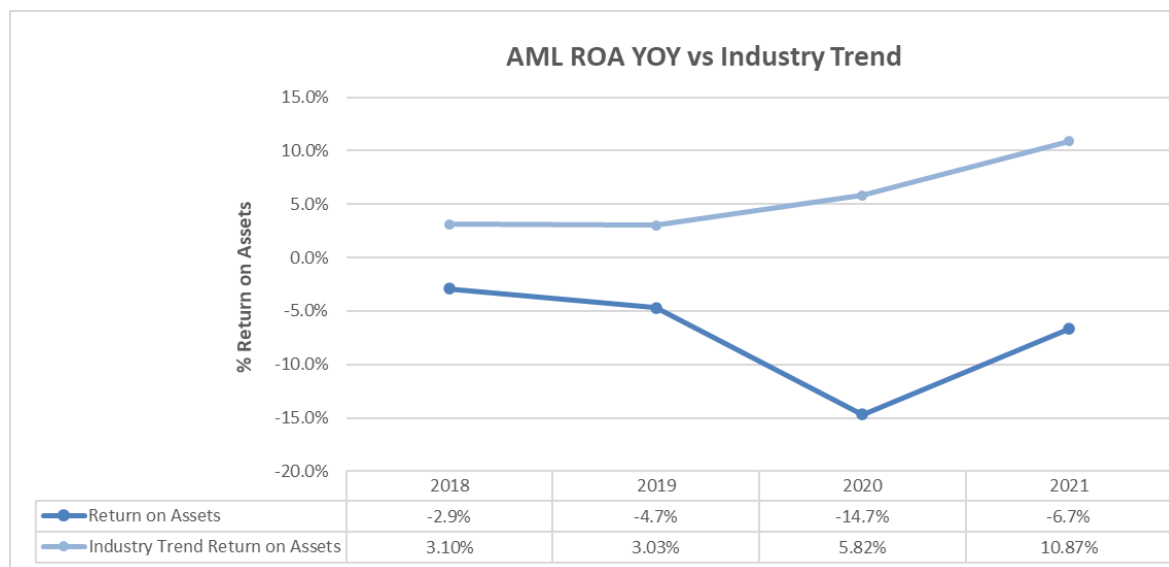


Figure 9 - AML ROA YOY vs Industry Trend

Return on assets (Figure 9) and return on equity (Figure 10) show some recovery from 2020 but continue to fall short of a healthy outlook. With further capital investment from shareholders and higher net losses projected in 2022 both metrics are expected to decline again following the 2022 annual report.

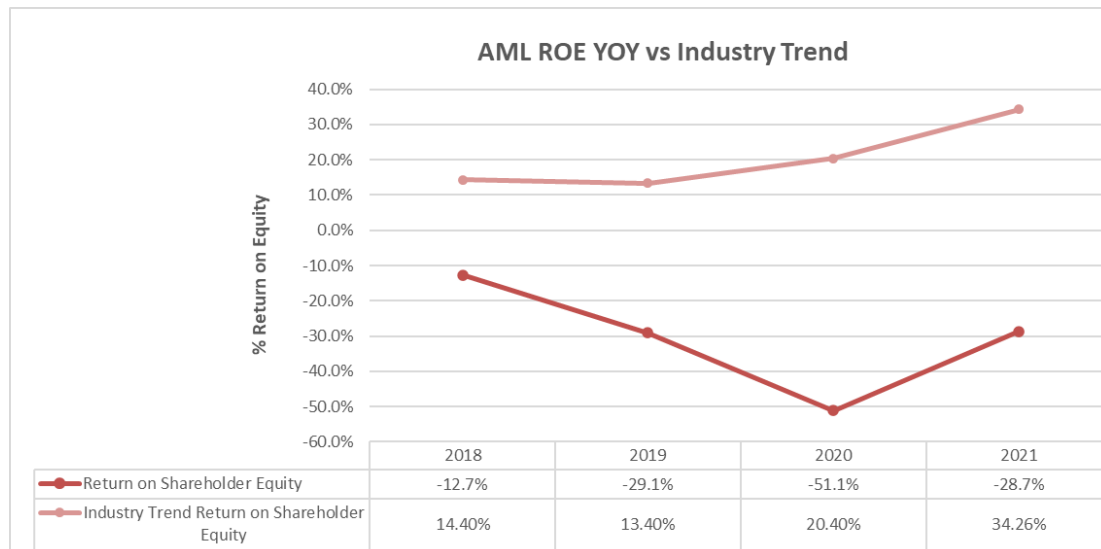


Figure 10 - AML ROE YOY vs Industry Trend

The shareholder investment shows a positive impact on the both current and long-term debt/ equity ratios reducing the debt/ equity level as seen in Figure 11. However, with AML already being highly geared at over 50% it's likely that further funding will also need to come from shareholders rather than from leveraged financing. Therefore, without a considerable reduction in operational costs the ROA and ROE will remain negative.

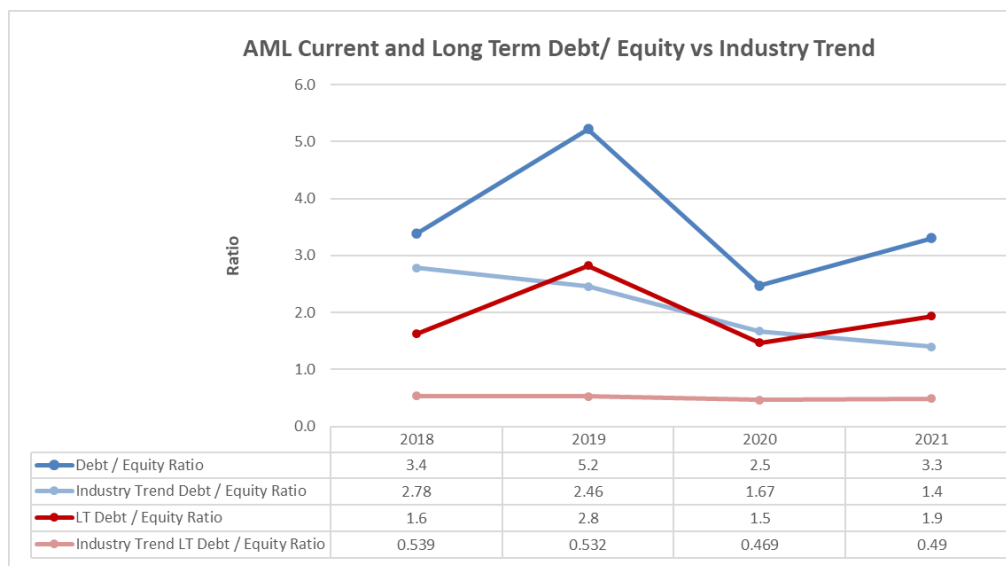


Figure 11 - Current and Long-term Debt/ Equity vs Industry Trend

Shareholders will be ultimately looking at their return on investment. Typical measurables are earnings per share and price per earnings. The earnings per share for AML based on the Q3 report are -86p, an improvement on 2021 mainly due to the additional shares issued for the additional financing.

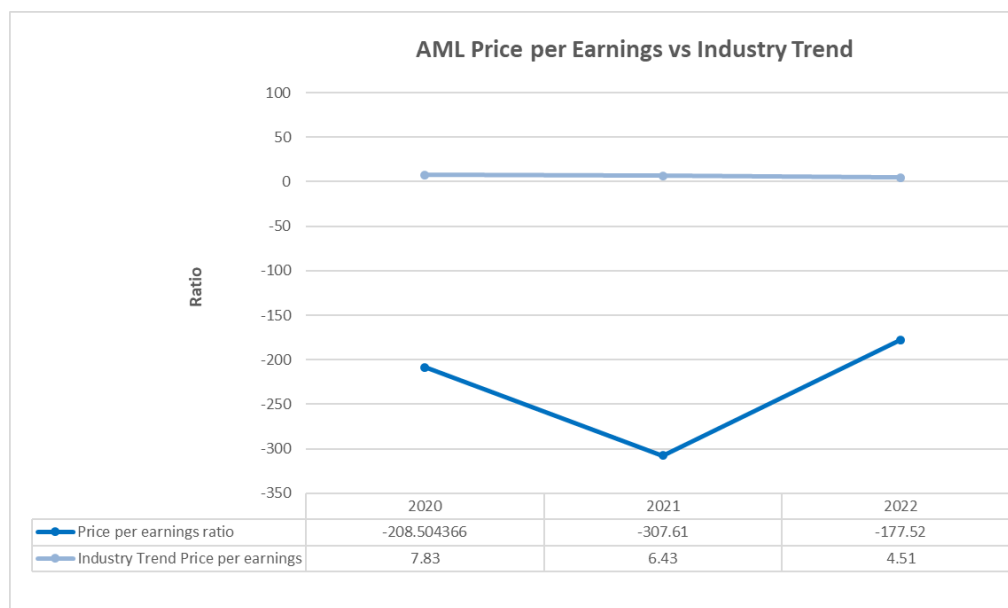


Figure 12 - AML Price per Earnings vs Industry Trend

The price per share shows a good recovery from 2021, but the market value remains speculative, until AML can demonstrate profitability.

Conclusion and Recommendations

AML demonstrate a good gross profit margin, but being in the luxury vehicle market it's typical to carry lower direct GOGS but heavier indirect operating costs than manufacturers in the general domestic vehicles market. With that said the operating loss before taxation is a concern and the significant SG&A cost must be addressed. This could be done by reducing investment in additional capital and other support function and focusing on streamlining operations.

A high financing expense on the income statement indicates heavy borrowing and is contributing heavily to the net losses. This is further demonstrated by high borrowing in both the current and non-current liabilities sections of the balance sheet. This is confirmed by both the gearing and the debt/ equity ratios, indicating that further financing would need to come from investors. Reducing borrowing would help reduce the financing expenses and improve profitability.

Despite de-stocking dealership in an effort to generate revenue the initiate has little effect on inventory turns. There could be an opportunity to focus on the higher end models which hold more profit margin per sale, this would improve the revenue without the need to significantly increase the sales volume.

Despite negative financial position AML is steeped in history as a luxury British carmaker and has been able to attract significant investment from worldwide conglomerates including Lawrence Stroll and his cohorts. The luxury car market is expected to perform better than the general car market in the coming years with a number of manufactures pivoting their product lines toward the luxury market (SMMT, 2022) and AML's revenue has exceed the industry trend post-pandemic, so there could be an optimistic upturn for AML in the coming years.

Considering this the final recommendation on the joint venture opportunity is to delay the decision for up to 18 months until the publication of the 2023 annual report. By this time supply chains are expected to have normalised and it will be clearer if AML are going to reach their mid-term strategic goals of which they currently appear to fall short of.

Appendix A – Calculations

Figures taken from 2018-2021 annual reports and put into excel sheet, 2022 figures taken from the Q3 Report and projected inline with previous Q4 performance.

Income Statement

Revenue	1,274,974,416.08	1,095,300,000	611,800,000	997,300,000	1,096,500,000	876,000,000
COGS	- 834,137,220.60	- 751,600,000	- 500,700,000	- 642,700,000	- 660,700,000	- 496,200,000
Gross Profit	443,294,006.31	343,700,000	111,100,000	354,600,000	435,800,000	379,800,000
Selling and distribution expenses	-	84,800,000	79,600,000	95,000,000	89,800,000	60,000,000
Admin and other expenses	-	335,400,000	354,400,000	277,300,000	293,200,000	171,000,000
other income/ expenses				19,000,000	20,000,000	
Total SG&A	- 606,727,804.88	- 420,200,000	- 434,000,000	- 391,300,000	- 363,000,000	- 231,000,000
Operating Profit	- 150,649,769.59	- 76,500,000	- 322,900,000	- 36,700,000	72,800,000	148,800,000
EBITDA						
Finance Income		36,400,000	40,000,000	16,300,000	4,200,000	35,600,000
Finance Expense	-	173,700,000	183,100,000	83,900,000	145,200,000	99,900,000
Tax		24,500,000	55,500,000	100,000	11,100,000	7,700,000
Total Finance and Tax	- 451,200,000.00	- 112,800,000	- 87,600,000	- 67,700,000	- 129,900,000	- 72,000,000
Net Income	- 598,308,190.48	- 189,300,000	- 410,500,000	- 104,400,000	57,100,000	76,800,000
Declared Earnings per share	- 5.20	-1.659	-5.430	-0.496	-0.310	
Declared Dividends per share		0.000	0.000	0.000	0.000	

Balance Sheet

Assets

Intangible Assets		1,384,100,000	1,336,800,000	1,183,600,000	1,071,700,000	
Total Fixed/ Non-Current Assets		1,974,600,000	1,905,300,000	1,663,600,000	1,418,600,000	1,213,800,000
Stock		196,800,000	207,400,000	200,700,000	165,300,000	
Debtors		243,400,000	177,900,000	249,700,000	240,800,000	
Cash and Cash Equivalents		418,900,000	489,400,000	107,900,000	144,600,000	
Total Variable/ Current Assets		867,900,000	889,500,000	567,500,000	551,600,000	418,300,000

Total Assets		2,842,500,000	2,794,800,000	2,231,100,000	1,970,200,000	1,632,100,000
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Liabilities

Creditors		721,000,000	578,900,000	702,100,000	671,000,000	
Total Current Liabilities		905,200,000	808,300,000	858,200,000	790,300,000	529,500,000

Total Long term/ Non-Current Liabilities		1,276,900,000	1,182,400,000	1,014,000,000	730,500,000	966,500,000
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Total Liabilities		2,182,100,000	1,990,700,000	1,872,200,000	1,520,800,000	1,496,000,000
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Net Assets		660,400,000	804,100,000	358,900,000	449,400,000	136,100,000
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Retained Earnings		-662,400,000	-503,100,000	-13,500,000	99,400,000	-339,400,000
Total Shareholders Equity		660,400,000	804,100,000	358,900,000	449,400,000	136,100,000
Total Tangible Shareholders Equity		-723,700,000	-532,700,000	-824,700,000	-622,300,000	136,100,000

Number of Ordinary Shares	698,757,075	116,459,513	114,933,587	228,002,890	228,002,890	
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Year End Market Value	152.00	500.00	744.70	1,276.10	2,832.60	
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Using the formulas shown in the Background section of the report each of the below ratios were calculated and automated where possible within excel. Note that errors are present in the 2022 project due to a lack of published information.

		Year				
	2022 (projection)	2021	2020	2019	2018	2017
Gross Margin %	34.8%	31.4%	18.2%	35.6%	39.7%	43.4%
Operating Profit %	-11.8%	-7.0%	-52.8%	-3.7%	6.6%	17.0%
Net Profit %	-46.9%	-17.3%	-67.1%	-10.5%	-5.2%	8.8%
Return on Assets	#DIV/0!	-6.7%	-14.7%	-4.7%	-2.9%	4.7%
Return on Fixed Assets	#DIV/0!	-9.6%	-21.5%	-6.3%	-4.0%	6.3%
Equity Multiplier	#DIV/0!	4.304	3.476	6.216	4.384	11.992
Return on Tangible Shareholder Equity	#DIV/0!	26.2%	77.1%	12.7%	9.2%	56.4%
Return on Shareholder Equity	#DIV/0!	-28.7%	-51.1%	-29.1%	-12.7%	56.4%
Current Ratio	#DIV/0!	0.96	1.10	0.66	0.70	0.79
Quick Ratio/ Acid Test Ratio	#DIV/0!	0.74	0.84	0.43	0.49	0.79
Cash Ratio	#DIV/0!	0.46	0.61	0.13	0.18	0.00
Days Sales Outstanding (Debtors)	0.00	81.11	106.14	91.39	80.16	0.00
Inventory Turns	4.24	3.72	2.45	3.51	4.00	#DIV/0!
Days Payable Outstanding (Creditors)	0.00	350.14	422.01	398.73	370.69	0.00
Asset Turnover	0.45	0.39	0.24	0.47	0.61	0.54
Fixed Asset Turnover	0.65	0.56	0.34	0.65	0.83	0.72
Net Asset Turnover	1.93	1.50	1.05	2.47	3.75	6.44
Gearing Ratio	#DIV/0!	65.91%	59.52%	73.86%	61.91%	87.66%
Debt / Equity Ratio	#DIV/0!	330.42%	247.57%	521.65%	338.41%	1099.19%
LT Debt / Equity Ratio	#DIV/0!	193.35%	147.05%	282.53%	162.55%	710.14%
Interest Coverage	#VALUE!	-210%	-807%	-225%	1733%	418%
EPS (Earnings per ordinary share)	- 0.86	- 1.63	-3.5716278	-0.4578889	-0.2504354	#DIV/0!
Price per earnings ratio	- 177.52	- 307.61	-208.50437	-2786.9204	-11310.7	#DIV/0!
Dividend yield ratio						
Dividend cover						

Retrieved average industry performance for common ratios for comparison

Industry averages	2017	2018	2019	2020	2021	2022
Year	2017	2018	2019	2020	2021	2022
Industry Trend Gross Margin %	14.70%	14.80%	15.10%	16.30%	18.10%	18.10%
Industry Trend Operating Profit %	3.10%	2.90%	3.10%	4.60%	6.50%	6.50%
Industry Trend Net Profit %	1.80%	1.30%	1.40%	2.60%	3.90%	3.90%
Industry Trend Return on Assets	4.30%	3.10%	3.03%	5.82%	10.87%	10.87%
Industry Trend Return on Shareholder Equity	18.90%	14.40%	13.40%	20.40%	34.26%	34.26%
Industry Trend Current Ratio	1.059	1.006	1.038	1.087	1.079	1.079
Industry Trend Inventory Turns	5.3	5.3	5.1	6.1	10.2	10.2
Industry Trend Debt / Equity Ratio	2.6	2.78	2.46	1.67	1.4	1.4
Industry Trend LT Debt / Equity Ratio	0.539	0.539	0.532	0.469	0.49	0.49
Industry Trend Price per earnings		6.49	10.47	7.83	6.43	4.51
Industry Trend Asset Turnover Ratio	2.28	2.3	2.08	2.08	2.34	2.34

Plotted charts for visual representation



Appendix B – References

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