

Raya Holding (RAYA) - Financial Analysis Review

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26th July St., Touristic Zone	Phone	+20 2 38276000	Revenue	2,176 (million EGP)
Cairo	Fax	+20 2 38276001	Net Profit	41.61 (million EGP)
12568	Website	www.rayacorp.com	Employees	3,500
Egypt	Exchange	RAYA [Cairo Stock Exchange]	Industry	Technology and Communications

Company Overview

Raya Holdings (Raya) is engaged in providing information technology and telecommunications services in the Middle East region. The company is involved in offering IT solutions and infrastructure services, software development, IT training, call center services, and business process outsourcing services, among others. The company also provides a range of standard value added service and technological solutions. It also ventures into the real estate market with a new line of business. Its client base includes companies from real estate, government, finance, general business, automotive, industrial and telecom sectors.

Key Executives

Name	Title
Medhat Khalil	Chairman
Ahmed Khalil	Director
Amr El Tawil	Director
Malek Sultan	Director
Mohamed El Hamamsy	Director

Source: Annual Report, Company Website, Primary and Secondary Research
GlobalData

Share Data

Raya Holding	
Price (EGP) as on 19-Aug-2010	5.80
EPS (EGP)	0.73
Market Cap (million EGP)	33
Enterprise Value (million EGP)	48
Shares Outstanding (million)	57

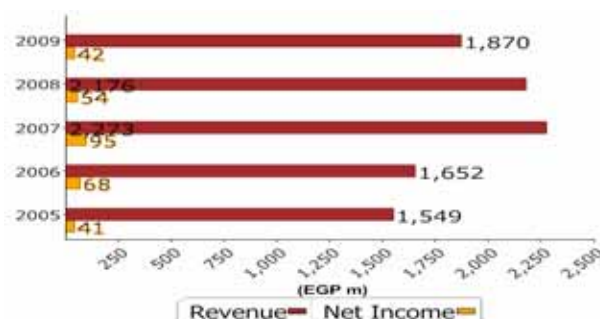
Source: Annual Report, Company Website, Primary and Secondary Research
GlobalData

Key Competitors

Name
Integrated Data Corp.
Orascom Telecom Holding S.A.E.
Macquarie Telecom Group Ltd.
IDEAL Group S.A.
FutureOne, Inc.

Source: Annual Report, Company Website, Primary and Secondary Research
GlobalData

Financial Performance



Source: Annual Report, Company Website, Primary and Secondary Research
GlobalData

Table of Contents

Table of Contents.....	2
List of Tables.....	3
List of Figures.....	3
Section 1 - About the Company.....	4
Raya Holding - Key Facts.....	4
Raya Holding - Key Employees.....	5
Raya Holding - Key Employee Biographies.....	6
Raya Holding - Major Products and Services.....	7
Raya Holding - History.....	8
Raya Holding - Company Statement.....	9
Raya Holding - Locations And Subsidiaries.....	11
Head Office.....	11
Other Locations & Subsidiaries.....	11
Section 2 – Company Analysis.....	12
Raya Holding - Business Description.....	12
Raya Holding - Key Competitors.....	13
Section 3 – Company Financial Ratios.....	14
Financial Ratios - Capital Market Ratios.....	14
Financial Ratios - Annual Ratios.....	14
Performance Chart.....	16
Financial Performance.....	16
Financial Ratios - Interim Ratios.....	17
Financial Ratios - Ratio Charts.....	18
Section 4 – Appendix.....	19
Methodology.....	19
Ratio Definitions.....	19
About GlobalData.....	23
Contact Us.....	23
Disclaimer.....	23

List of Tables

Raya Holding, Key Facts.....	4
Raya Holding, Key Employees.....	5
Raya Holding, Key Employee Biographies.....	6
Raya Holding, Major Products and Services.....	7
Raya Holding, History.....	8
Raya Holding, Other Locations	11
Raya Holding, Key Competitors	13
Raya Holding, Ratios based on current share price.....	14
Raya Holding, Annual Ratios	14
Raya Holding, Interim Ratios.....	17
Currency Codes	19
Capital Market Ratios	19
Equity Ratios	20
Profitability Ratios.....	20
Cost Ratios.....	21
Liquidity Ratios.....	21
Leverage Ratios	22
Efficiency Ratios.....	22

List of Figures

Raya Holding, Performance Chart (2005 - 2009).....	16
Raya Holding, Ratio Charts.....	18

Section 1 - About the Company

Raya Holding - Key Facts

Raya Holding, Key Facts			
Corporate Address	26th July St., Touristic Zone, Cairo, 12568, Egypt	Ticker Symbol, Exchange	RAYA [Cairo Stock Exchange]
Telephone	+20 2 38276000	No. of Employees	3,500
Fax	+20 2 38276001	Fiscal Year End	December
URL	www.rayacorp.com	Revenue (in USD Million)	396.4
Industry	Technology	Revenue (in EGP Million)	2,176.1
Locations	Algeria, Bahrain, Egypt, Kuwait, Qatar, Saudi Arabia, United Arab Emirates, United States		
Source: Annual Report, Company Website, Primary and Secondary Research GlobalData			

Raya Holding - Key Employees

Raya Holding, Key Employees				
Name	Job Title	Board Level	Since	Age
Medhat Khalil	Chairman, Chief Executive Officer	Executive Board		
Ahmed Khalil	Director, Business Development Manager	Executive Board		
Amr El Tawil	Director	Non Executive Board		
Malek Sultan	Director	Non Executive Board		
Mohamed El Hamamsy	Director	Non Executive Board		
Yasser Hashem	Director	Non Executive Board		
Seif Coutry	Director	Non Executive Board		
Mustafa Abdalla	Director	Non Executive Board		
Ashraf Sabry	Director	Non Executive Board		
Mustafa Abdalla	Director	Non Executive Board		
Ashraf Sabry	Director	Non Executive Board		
Ahmed Khalil	Director	Non Executive Board		
Hesham Abdel Rassoul	Chief Executive Officer, Information Technology	Senior Management		
Mohamed Fares	Chief Executive Officer, Raya Trade	Senior Management		
Khaled Shash	Managing Director, Call Center LOB	Senior Management		
Samer El Waziri	Chief Financial Officer	Senior Management		
Reem Asaad	Director, IT & Corporate Communications	Senior Management		
Amani Nafeh	Director, Human Resource	Senior Management		
Ahmed Abd El Sattar	Chief Executive Officer, Raya International Services	Senior Management		
Ahmed Imam	Raya Contact center	Senior Management		

Source: Annual Report, Company Website, Primary and Secondary Research
GlobalData

Raya Holding - Key Employee Biographies

Raya Holding, Key Employee Biographies	
<p>Medhat Khalil</p> <p>Job Title: Chairman, Chief Executive Officer</p> <p>Board Level: Executive Board</p>	<p>Mr. Khalil is the Chairman and the Chief Executive Officer of the company. He has previously served at top positions at IBM Egypt for 15 years. Mr.Khalil was the founder of Protech in 1993 and Oratech in 1997. These two companies became part of Raya Holding in 1998.</p>
<p>Samer El Waziri</p> <p>Job Title: Chief Financial Officer</p> <p>Board Level: Senior Management</p>	<p>Mr Waziri is the Chief Financial Officer of Raya Holding. Prior to this, he was the finance Director and a board member of GlaxoSmithKline, until 2005. Mr. Waziri has 27 years of experience in financial management. He is CMA and a CPA with bachelor of commerce from Aln Shams University.</p>
<p>Source: Annual Report, Company Website, Primary and Secondary Research GlobalData</p>	

Raya Holding - Major Products and Services

Raya is a provider of IT and telecommunication services in the Middle East. The company's key services and solutions include the following:

Raya Holding, Major Products and Services
Infrastructure
Carrier Class Services
Software Development
IT Training
Maintenance
Call Center Offerings
Business Process Outsourcing
Business Solutions
Retail
Distribution
Phono
Source: Annual Report, Company Website, Primary and Secondary Research GlobalData

Raya Holding - History

Raya Holding, History		
2008	New Products/Services	The company expanded its product offerings by adding laptops and ipods.
2007	Acquisitions/Mergers/Takeovers	The company acquired 59.5% stake in C3 Call Center, and thus increasing its stake in the company to 84.5%.
2005	Stock Listings/IPO	Raya went public, with its shares listed on the Cairo Alexandria Stock Exchange.
2002	Plans/Strategy	The company restructured and adopted Raya as its sole brand name for all its subsidiaries.
2000	Corporate Changes/Expansions	The company ventured into Telecommunications and Education (IT training) businesses. It began offering IT training in association with Microsoft Corporation.
1999	Incorporation/Establishment	Raya Holding was formed, following the merger of seven major Egyptian information technology (IT) companies.
Source: Annual Report, Company Website, Primary and Secondary Research GlobalData		

Raya Holding - Company Statement

A statement by Mr. Medhat Khalil, the Chairman and the Chief Executive Officer of Raya Holding is given below. The statement has been taken from the company's 2008 annual report.

2008 was a tough year for the entire market posing new opportunities and challenges for 2009. Raya, keeping that in perspective, adopted a business diversification strategy to benefit from new opportunities such as (1) fast entry into profitable markets and lines of business through strategic business development, (2) geographical expansion of call center operations, direct distribution and mobile maintenance service lines into promising African markets, and of IT operations into the Saudi Arabian market, while (3) maximizing profits through focusing on high gross profit products and services.

Over the past 10 years, we have witnessed periods of economic volatility and uncertainty, but we have always shown our resilience and delivered our objectives year after year. We are doing so again. In 2009 we will prudently manage business fundamentals, draw strength from our diversified lines of business, product mix, experienced & dynamic management team, and maintain a debt-efficient balance sheet.

Business Review

In 2008, we continued to see a sustained growth and a robust revenue stream from the key sectors of our business. Our IT line of business reported revenues of EGP 391.1 million, a YoY increase of 8.4% with EGP 181 million worth of business on hand.

Revenues of our Call Center line of business reached EGP 69.3 million, an increase of 3.5%, reflecting growth in our outsourcing Call Center operations both locally and internationally.

The Trade line of business was affected by the slowdown in consumer spending and low purchasing power resulting from the economic downturn as well as Egypt's ban on new mobile handsets with GPS technology. Raya Trade revenues recorded EGP 1,740.3 million, a YoY decline of 6.2% despite the increase in Handset sales of 3,144 thousand units at YE 08 compared to 2,689 thousand at YE 07.

Furthermore, aggressive competition in the consumer electronic market coupled with price burns are raising financial costs due to slow moving inventory and extended cash cycles. This in addition to fluctuations of foreign currency is putting pressure on Raya Trade's margins.

Although consolidated revenues came in 4% lower YoY, due to the decline witnessed in the Trade line of business, yet, gross profit grew 7% to record EGP 322.7 million at YE 08, implying a 2 percentage point improvement in gross margin to 14.8%. EBITDA grew by 19.9% to reach EGP 132.4 million, while EBITDA Margin increased by 1.2% over YE 07. Net income reported EGP 53.9 million, compared to pro forma net income of EGP 42.4 million (excluding extraordinary items) in 2007, which represents a 27% increase.

Thanks to our systematic management and efficient response to risks, I believe this demonstrated our ability to generate profit with our differentiated lines of business and diversified product mix, superior performance standards and marketing skills.

New Opportunities

Already the leading player in the IT Industry, Raya Holding expanded its investments into the Real Estate development market through the establishment of Raya Lease. The new company's strategy is to develop smart offices/commercial buildings complexes, leveraging on Raya's comprehensive and well grounded expertise in IT systems and infrastructure industry.

Raya Lease will be developing smart buildings complexes for corporate and commercial businesses with genuine infrastructure and variety of IT systems involving state of the art technologies that include IP telephony, video surveillance, infrastructure networks, video conferencing, security, digital signage and energy management. Raya Lease is also planning to establish a facility management function to manage its buildings and properties.

Going Forward

More than ever, and in face of the economic slowdown that is spilling over into our region, Raya's strategic priorities are designed to strengthen and balance Raya's business and deliver sustainable long-term financial performance, while continuously seeking opportunities to drive growth in our existing portfolio and in markets that promise opportunities for high returns.

In 2009 we will focus on (1) improving our overall cash management & working capital, (2) closely monitoring the consumer electronics demand, changing consumer habits & expectations, inventory levels while sustaining growth, (3) and following a strict expense management practice.

In the Trade line of business, we will face the commoditization of cellular phones in the Egyptian market by introducing distribution, retail and maintenance of new product lines of consumer electronics in Egypt, while expanding geographically to tap into emerging markets in Africa parallel to its operations in Egypt, Algeria and Nigeria.

I am confident that despite the challenges, we will continue to show robust performance, a more diversified revenue stream, and create more value for our shareholder acting with caution and putting the interest of our shareholders at the forefront of our minds.

Raya Holding - Locations And Subsidiaries

Head Office

Raya Holding
26th July St.
Touristic Zone
Cairo
12568
Egypt
Tel: +20 2 38276000
Fax: +20 2 38276001

Other Locations & Subsidiaries

Raya Holding, Other Locations	
Block 7A, El Haey El Motamayez Atlas Zone, 6th of October City Giza Egypt Tel: +20 2 38278900 Fax: +20 2 38278902	8 El Atebaa St., Dokki, Giza 12311 Egypt Tel: +20 2 37619366 Fax: +20 2 37619364
211 Building 14 Dubai Internet City Dubai 500324 United Arab Emirates Tel: +971 4 3901150 Fax: +971 4 3908719	P.O Box 62956 Riyadh 11595 Saudi Arabia Tel: +966 1 288 6500 Fax: +966 1 288 6450
8 Route Ben Aknoun, Chataue Neuf El Biar Alger Algeria Tel: +213 21792919 Fax: +213 21792915	1660 International Drive, Suite 400 Mclean Illinois (IL) 22102 United States Tel: +1 703 288 5249 Fax: +1 703 288 5246
Source: Annual Report, Company Website, Primary and Secondary Research GlobalData	

Section 2 – Company Analysis

Raya Holding - Business Description

Raya is a provider of telecommunications and information technology solutions in the Middle East. The company's services portfolio includes data warehousing, document management system, software development, enterprise management, training, and e-learning systems. The company serves industries such as telecommunications, finance, manufacturing, government and others. It also offers value added services and technological business solutions. It employs 3,500 people.

Raya operates its business in five different lines namely, information technology, international services, contact centers, mobile and electronics trade and smart buildings.

The company's Information Technology segment offers host of information technology solutions and related services. Raya provides its clientele with diverse IT solutions include infrastructure solutions, business solutions, and outsourcing data center services. Its IT and telecommunication infrastructure solutions include security services, networking services, enterprise management, Microsoft services, voice & IP communication, carrier class services and video conferencing. The company's business solutions include data warehousing, CRM, enterprise resource planning, business intelligence, enterprise architecture solutions, E-learning solutions and document management systems. Raya also offers outsourcing data center services, which include hosting services, co-location hosting services and shared hosting services. The company offers these services to enterprises in both public and private sectors. Raya offers business solutions based on packaged software that facilitates the customers' daily software-related consultancy, custom software development and training services. Raya IT provides outsourced software engineering and e-payment services.

International Services of the Raya is offered through Raya International Services. It offers IT services to Saudi Arabia, Gulf, Levant, and North Africa with a resource pool based in Egypt. It offers its regional clients an ideal mix of IT solutions, including ERP systems, e-government solutions, software development services and technology infrastructure services.

Raya's Trade segment provides retail, distribution and maintenance services for IT products and major global mobile phone brands. It sells directly to the end consumer through its retail outlets, distributes through an extensive network to wholesalers and provides maintenance for mobile phones and IT products. The products being offered by the company include leading mobile phones brands such as Samsung, Nokia, Sagem and I-mate. Various IT products and accessories being offered by Raya include global IT brands from major companies such as Dell, Hewlett Packard, 3Com, Xerox, Intel, D-link and Microsoft. It has retail chains under brand name Phono

The company's Call Center segment is engaged in offering call center services to the off shore and local call centers. It offers outbound and inbound call center services including customer acquisition, prospecting, and customer care services. It also offers entire range of business process outsourcing services. The company has 2,200 multilingual and certified agents. The company's major call center clientele includes Coca Cola, Unilever, General Motors, CISCO, HTC, Mc Donald's, Dell, Vodafone, Barclays bank and host of other companies from the European, Middle Eastern, Australian, Japanese and the US markets.

The company has 19 subsidiaries across the Middle East, the Europe, North America and Asia Pacific. Some of the significant subsidiaries of the company are Raya Distribution Company, Raya Network Services Company, Raya Saudi Company Ltd., Raya Algeria Company and Best Service Nigeria Company. Raya has classified its geographic operations under Middle East, Europe and North America.

Raya Holding - Key Competitors

Raya Holding, Key Competitors		
Name	Headquarters	Revenue (US\$ m)
FutureOne, Inc.	United States	(Estimated) 15
IDEAL Group S.A.	Greece	(Estimated) 97
Macquarie Telecom Group Ltd.	Australia	211
Orascom Telecom Holding S.A.E.	Egypt	5,065
Integrated Data Corp.		
Source: Annual Report, Company Website, Primary and Secondary Research GlobalData		

Section 3 – Company Financial Ratios

Financial Ratios - Capital Market Ratios

Raya Holding, Ratios based on current share price	
Key Ratios	19-Aug-2010
P/E (Price/Earnings) Ratio	7.96
EV/EBITDA (Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization)	5.85
Enterprise Value/Sales	0.26
Enterprise Value/Operating Profit	10.07
Enterprise Value/Total Assets	0.38
Note: Above ratios are based on share price as of 19-Aug-2010, the above ratios are absolute numbers	
Source: Annual Report, Company Website, Primary and Secondary Research	
GlobalData	

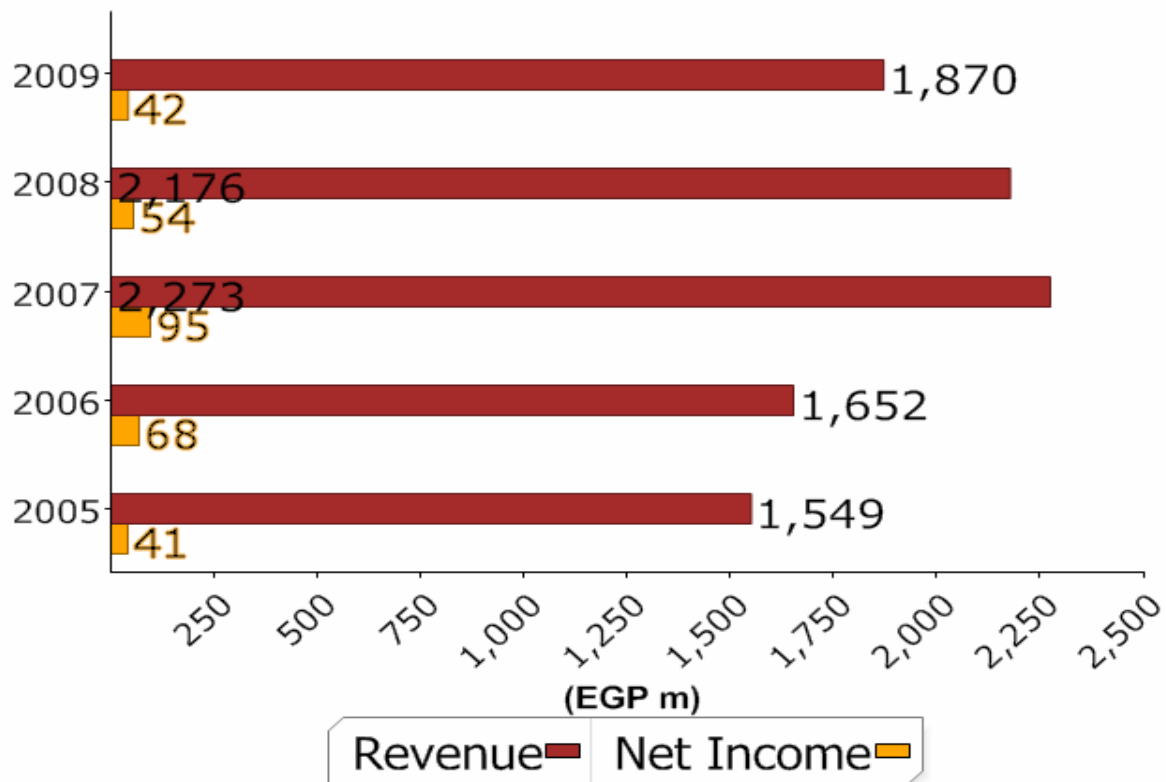
Financial Ratios - Annual Ratios

Raya Holding, Annual Ratios						
Key Ratios	Unit/Currency	2005	2006	2007	2008	2009
Equity Ratios						
EPS (Earnings per Share)	EGP	0.71	1.19	1.67	0.94	0.73
Dividend Cover	Absolute					2,920.72
Book Value per Share	EGP	6.87	8.03	7.63	8.33	8.71
Cash Value per Share	EGP	2.65	3.06	2.34	2.02	2.14
Profitability Ratios						
Gross Margin	%	16.13	14.63	13.23	15.06	13.74
Operating Margin	%	4.48	3.09	4.14	4.86	2.55
Net Profit Margin	%	2.62	4.09	4.18	2.48	2.23
Profit Markup	%	19.23	17.14	15.25	17.41	
PBT Margin (Profit Before Tax)	%	3.13	4.86	5.07	3.40	2.62
Return on Equity	%	10.39	14.83	21.93	11.41	8.41
Return on Capital Employed	%	16.20	9.83	18.46	19.53	8.59
Return on Assets	%	4.63	6.36	8.08	4.35	3.32
Return on Fixed Assets	%	29.30	21.66	28.68	25.80	9.16
Return on Working Capital	%	36.23	18.01	51.84	80.37	138.53
Growth Ratios						
Sales Growth	%	37.23	6.59	37.63	-4.26	-14.08
Operating Income Growth	%	17.56	-26.55	84.58	12.54	-54.94
EBITDA Growth	%	31.81	39.17	28.44	-19.43	-22.44
Net Income Growth	%	40.49	66.24	40.47	-43.16	-22.91
EPS Growth	%	34.26	63.49	29.58	-43.83	-13.90
Working Capital Growth	%	103.30	47.77	-35.89	-27.40	-73.86
Cost Ratios						
Operating Costs (% of Sales)	%	95.52	96.91	95.86	95.14	97.45
Administration Costs (% of Sales)	%	9.89	10.02	8.37	8.73	9.15
Liquidity Ratios						
Current Ratio	Absolute	1.43	1.52	1.27	1.19	1.05

Quick Ratio	Absolute	1.04	1.17	0.88	0.67	0.78
Cash Ratio	Absolute	0.34	0.36	0.31	0.16	0.17
Leverage Ratios						
Debt to Equity Ratio	%	50.83	65.06	77.51	91.53	63
Net Debt to Equity	%	12.72	27.81	48.14	67.23	38.42
Debt to Capital Ratio	%	46.43	57.20	65.87	79.88	56.12
Efficiency Ratios						
Asset Turnover	Absolute	1.77	1.55	1.93	1.75	1.49
Fixed Asset Turnover	Absolute	12.82	10.65	9.78	7.33	7.35
Inventory Turnover	Absolute	7.44	7.43	7.52	5.10	8.57
Current Asset Turnover	Absolute	2.42	2	2.68	2.62	2.56
Capital Employed Turnover	Absolute	3.96	3.62	5.25	4.60	3.78
Working Capital Turnover	Absolute	8.09	5.84	12.53	16.52	54.30
Revenue per Employee	EGP					534,210
Net Income per Employee	EGP					11,888
Capex to Sales	%	2.78	5.78	4.33	4.44	0.20
Source: Annual Report, Company Website, Primary and Secondary Research GlobalData						

Performance Chart

Raya Holding, Performance Chart (2005 - 2009)



Source: Annual Report, Company Website, Primary and Secondary Research
GlobalData

Financial Performance

The company reported revenues of (Egyptian Pound) EGP 1,869.74 million during the fiscal year ended December 2009, a decrease of 14.08% from 2008. The operating profit of the company was EGP 47.70 million during the fiscal year 2009, a decrease of 54.94% from 2008. The net profit of the company was EGP 41.61 million during the fiscal year 2009, a decrease of 22.91% from 2008.

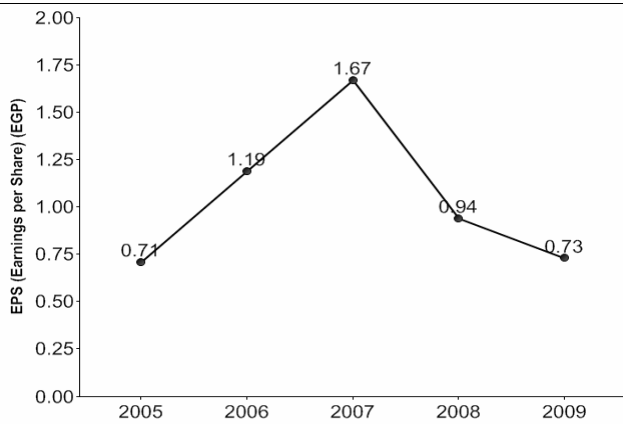
Financial Ratios - Interim Ratios

Raya Holding, Interim Ratios					
Key Ratios	Unit/Currency	Jun-2009	Sep-2009	Dec-2009	Mar-2010
Interim EPS (Earnings per Share)	EGP	0.15	0.23	0.28	0.21
Book Value per Share	EGP	8.22	8.46	8.71	8.93
Gross Margin	%	13.40	13.48	13.95	11.19
Operating Margin	%	0.88	2.75	2.66	2.69
Net Profit Margin	%	1.91	2.79	3.15	1.86
Profit Markup	%	15.48	15.58	16.22	12.60
PBT Margin (Profit Before Tax)	%	2.61	2.69	3.74	2.56
Operating Costs (% of Sales)	%	99.12	97.25	97.34	97.31
Administration Costs (% of Sales)	%	9.72	9.05	9.51	7.31
Current Ratio	Absolute	1.23	1.25	1.05	1.05
Quick Ratio	Absolute	0.84	0.96	0.78	0.82
Debt to Equity Ratio	%	45.85	46.24	63	59.12
Net Debt to Equity	%	37.01	28.23	38.42	30.14
Debt to Capital Ratio	%	40.15	39.27	56.12	53.35
Source: Annual Report, Company Website, Primary and Secondary Research GlobalData					

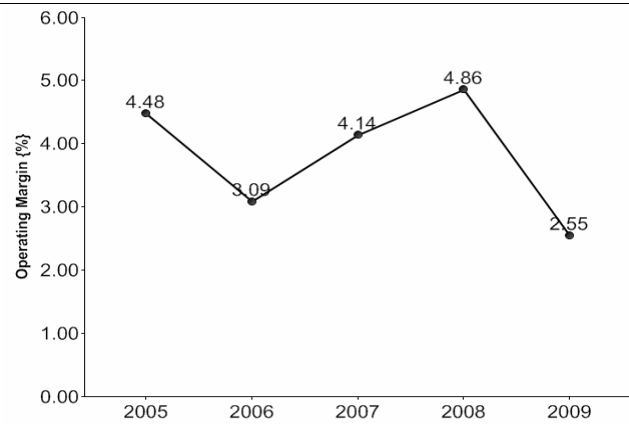
Financial Ratios - Ratio Charts

Raya Holding, Ratio Charts

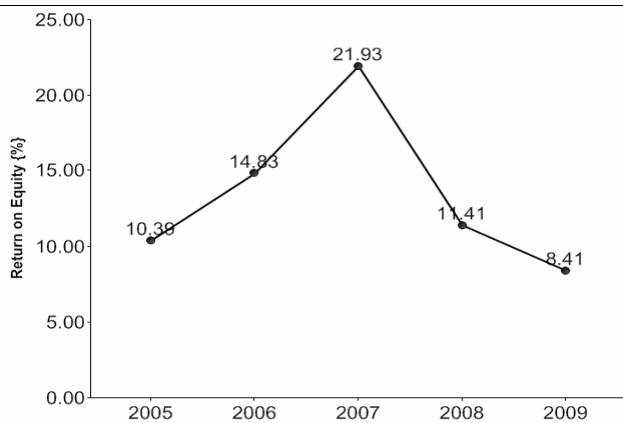
EPS



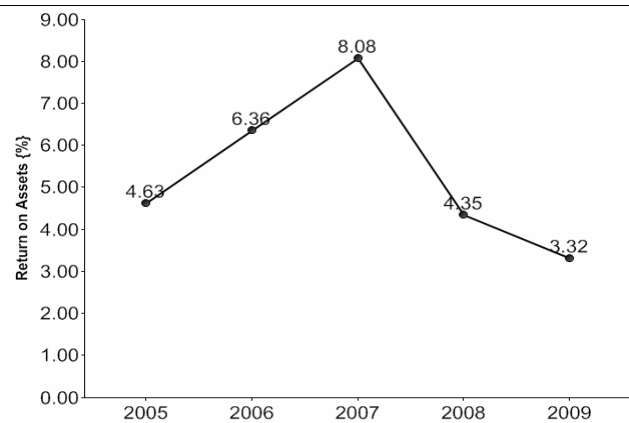
Operating Margin



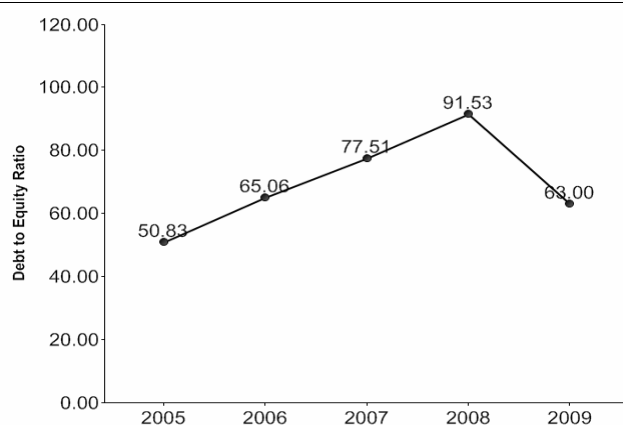
Return on Equity



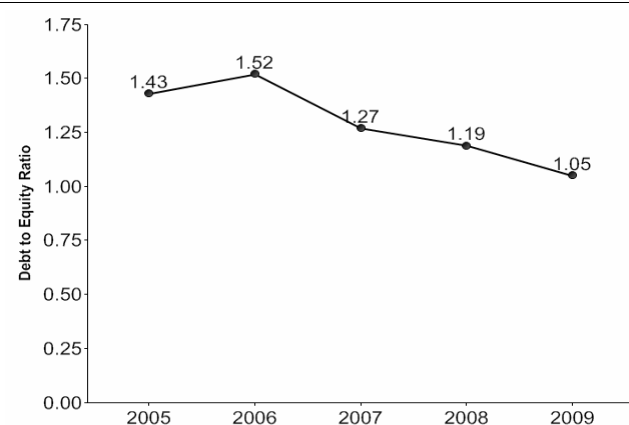
Return on Assets



Debt to Equity Ratio



Current Ratio



Source: Annual Report, Company Website, Primary and Secondary Research
GlobalData

Section 4 – Appendix

The data and analysis within this report is driven by Global Markets & Companies.

Global Markets & Companies gives you key information to drive sales, investment and deal making activity in your business.

Our coverage includes 140,000+ reports on 125,000+ companies (including 85,000+ private) across 200+ countries and 29 industries. The key industries include Alternative Energy, Oil & Gas, Clean Technology, Technology and Telecommunication, Pharmaceutical and Healthcare, Power, Financial Services, Chemical and Metal & Mining.

For more information or to receive a free demo of the services visit

<http://www.global-markets-companies.com/RequestforDemonstration.aspx>

Methodology

GlobalData company reports are based on a core set of research techniques which ensure the best possible level of quality and accuracy of data. The key sources used include:

- Company Websites
- Company Annual Reports
- SEC Filings
- Press Releases
- Proprietary Databases

Currency Codes	
Currency Code	Currency
EGP	Egyptian Pound
GlobalData	

Ratio Definitions

Capital Market Ratios	
Capital Market Ratios measure investor response to owning a company's stock and also the cost of issuing stock.	
Price/Earnings Ratio (P/E)	Price/Earnings (P/E) ratio is a measure of the price paid for a share relative to the annual income earned per share. It is a financial ratio used for valuation: a higher P/E ratio means that investors are paying more for each unit of income, so the stock is more expensive compared to one with lower P/E ratio. A high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. Price per share is as of previous business close, and EPS is from latest annual report. Calculation: Price per Share / Earnings per Share
Enterprise Value/Earnings before Interest, Tax, Depreciation & Amortization (EV/EBITDA)	Enterprise Value/EBITDA (EV/EBITDA) is a valuation multiple that is often used in parallel with, or as an alternative to, the P/E ratio. The main advantage of EV/EBITDA over the PE ratio is that it is unaffected by a company's capital structure. It compares the value of a business, free of debt, to earnings before interest. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / (Net Income + Interest + Tax + Depreciation + Amortization)
Enterprise Value/Sales	Enterprise Value/Sales (EV/Sales) is a ratio that provides an idea of how much it costs to buy the company's sales. EV/Sales is seen as more accurate than Price/Sales because market capitalization does not take into account the amount of debt a company has, which needs to be paid back at some point. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Sales
Enterprise Value/Operating Profit	Enterprise Value/Operating Profit measures the company's enterprise value to the operating profit. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Operating Income

Enterprise Value/Total Assets	Enterprise Value/Total Assets measures the company's enterprise value to the total assets. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: $(\text{Market Cap} + \text{Debt} + \text{Preferred Stock} - \text{Cash \& Cash Equivalents}) / \text{Total Assets}$
Dividend Yield	Dividend Yield shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock. Calculation: $\text{Annual Dividend per Share} / \text{Price per Share}$
GlobalData	

Equity Ratios	
These ratios are based on per share value.	
Earnings per Share (EPS)	Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability. Calculation: $\text{Net Income} / \text{Weighted Average Shares}$
Dividend per Share	Dividend is the distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.
Dividend Cover	Dividend cover is the ratio of company's earnings (net income) over the dividend paid to shareholders. Calculation: $\text{Earnings per share} / \text{Dividend per share}$
Book Value per Share	Book Value per Share measure used by owners of common shares in a firm to determine the level of safety associated with each individual share after all debts are paid accordingly. Calculation: $(\text{Shareholders Equity} - \text{Preferred Equity}) / \text{Outstanding Shares}$
Cash Value per Share	Cash Value per Share is a measure of a company's cash (cash & equivalents on the balance sheet) that is determined by dividing cash & equivalents by the total shares outstanding. Calculation: $\text{Cash \& equivalents} / \text{Outstanding Shares}$
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Profitability Ratios	
Profitability Ratios are used to assess a company's ability to generate earnings, based on revenues generated or resources used. For most of these ratios, having a higher value relative to a competitor's ratio or the same ratio from a previous period is indicative that the company is doing well.	
Gross Margin	Gross margin is the amount of contribution to the business enterprise, after paying for direct-fixed and direct-variable unit costs. Calculation: $\{(\text{Revenue} - \text{Cost of revenue}) / \text{Revenue}\} * 100$
Operating Margin	Operating Margin is a ratio used to measure a company's pricing strategy and operating efficiency. Calculation: $(\text{Operating Income} / \text{Revenues}) * 100$
Net Profit Margin	Net Profit Margin is the ratio of net profits to revenues for a company or business segment - that shows how much of each dollar earned by the company is translated into profits. Calculation: $(\text{Net Profit} / \text{Revenues}) * 100$
Profit Markup	Profit Markup measures the company's gross profitability, as compared to the cost of revenue. Calculation: $\text{Gross Income} / \text{Cost of Revenue}$
PBIT Margin (Profit Before Interest & Tax)	Profit Before Interest & Tax Margin shows the profitability of the company before interest expense & taxation. Calculation: $\{(\text{Net Profit} + \text{Interest} + \text{Tax}) / \text{Revenue}\} * 100$
PBT Margin (Profit Before Tax)	Profit Before Tax Margin measures the pre-tax income over revenues. Calculation: $\{\text{Income Before Tax} / \text{Revenues}\} * 100$
Return on Equity	Return on Equity measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. Calculation: $(\text{Net Income} / \text{Shareholders Equity}) * 100$
Return on Capital	Return on Capital Employed is a ratio that indicates the efficiency and profitability of a company's

Employed	capital investments. ROCE should always be higher than the rate at which the company borrows; otherwise any increase in borrowing will reduce shareholders' earnings. Calculation: $EBIT / (Total Assets - Current Liabilities) * 100$
Return on Assets	Return on Assets is an indicator of how profitable a company is relative to its total assets, the ratio measures how efficient management is at using its assets to generate earnings. Calculation: $(Net Income / Total Assets) * 100$
Return on Fixed Assets	Return on Fixed Assets measures the company's profitability to its fixed assets (property, plant & equipment). Calculation: $(Net Income / Fixed Assets) * 100$
Return on Working Capital	Return on Working Capital measures the company's profitability to its working capital. Calculation: $(Net Income / Working Capital) * 100$
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Cost Ratios	
Cost ratios help to understand the costs the company is incurring as a percentage of sales.	
Operating costs (% of Sales)	Operating costs as percentage of total revenues measures the operating costs that a company incurs compared to the revenues. Calculation: $(Operating Expenses / Revenues) * 100$
Administration costs (% of Sales)	Administration costs as percentage of total revenue measures the selling, general and administrative expenses that a company incurs compared to the revenues. Calculation: $(Administrative Expenses / Revenues) * 100$
Interest costs (% of Sales)	Interest costs as percentage of total revenues measures the interest expense that a company incurs compared to the revenues. Calculation: $(Interest Expenses / Revenues) * 100$
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Liquidity Ratios	
Liquidity ratios are used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. Bankruptcy analysts and mortgage originators frequently use the liquidity ratios to determine whether a company will be able to continue as a going concern.	
Current Ratio	Current Ratio measures a company's ability to pay its short-term obligations. The ratio gives an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point. Calculation: $Current Assets / Current Liabilities$
Quick Ratio	Quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. Calculation: $(Current Assets - Inventories) / Current Liabilities$
Cash Ratio	Cash ratio is the most stringent and conservative of the three short-term liquidity ratio. It only looks at the most liquid short-term assets of the company, which are those that can be most easily used to pay off current obligations. It also ignores inventory and receivables, as there are no assurances that these two accounts can be converted to cash in a timely matter to meet current liabilities. Calculation: $\{(Cash \& Bank Balance + Marketable Securities) / Current Liabilities\}$
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Leverage Ratios	
Leverage ratios are used to calculate the financial leverage of a company to get an idea of the company's methods of financing or to measure its ability to meet financial obligations. There are several different ratios, but the main factors looked at include debt, equity, assets and interest expenses.	
Debt to Equity Ratio	Debt to Equity Ratio is a measure of a company's financial leverage. The debt/equity ratio also depends on the industry in which the company operates. For example, capital-intensive industries tend to have a higher debt-equity ratio. Calculation: Total Liabilities / Shareholders Equity
Debt to Capital Ratio	Debt to capital ratio gives an idea of a company's financial structure, or how it is financing its operations, along with some insight into its financial strength. The higher the debt-to-capital ratio, the more debt the company has compared to its equity. This indicates to investors whether a company is more prone to using debt financing or equity financing. A company with high debt-to-capital ratios, compared to a general or industry average, may show weak financial strength because the cost of these debts may weigh on the company and increase its default risk. Calculation: {Total Debt / (Total assets - Current Liabilities)}
Interest Coverage Ratio	Interest Coverage Ratio is used to determine how easily a company can pay interest on outstanding debt, calculated as earnings before interest & tax by interest expense. Calculation: EBIT / Interest Expense
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Efficiency Ratios	
Efficiency ratios measure a company's effectiveness in various areas of its operations, essentially looking at maximizing its use of resources.	
Fixed Asset Turnover	Fixed Asset Turnover ratio indicates how well the business is using its fixed assets to generate sales. A higher ratio indicates the business has less money tied up in fixed assets for each currency unit of sales revenue. A declining ratio may indicate that the business is over-invested in plant, equipment, or other fixed assets. Calculation: Net Sales / Fixed Assets
Asset Turnover	Asset turnover ratio measures the efficiency of a company's use of its assets in generating sales revenue to the company. A higher asset turnover ratio shows that the company has been more effective in using its assets to generate revenues. Calculation: Net Sales / Total Assets
Current Asset Turnover	Current Asset Turnover indicates how efficiently the business uses its current assets to generate sales. Calculation: Net Sales / Current Assets
Inventory Turnover	Inventory Turnover ratio shows how many times a company's inventory is sold and replaced over a period. A low turnover implies poor sales and, therefore, excess inventory. A high ratio implies either strong sales or ineffective buying. Calculation: Cost of Goods Sold / Inventory
Working Capital Turnover	Working Capital Turnover is a measurement to compare the depletion of working capital to the generation of sales. This provides some useful information as to how effectively a company is using its working capital to generate sales. Calculation: Net Sales / Working Capital
Capital Employed Turnover	Capital employed turnover ratio measures the efficiency of a company's use of its equity in generating sales revenue to the company. Calculation: Net Sales / Shareholders Equity
Capex to sales	Capex to Sales ratio measures the company's expenditure (investments) on fixed and related assets' effectiveness when compared to the sales generated. Calculation: (Capital Expenditure / Sales) *100
Net income per Employee	Net income per Employee looks at a company's net income in relation to the number of employees they have. Ideally, a company wants a higher profit per employee possible, as it denotes higher productivity. Calculation: Net Income / No. of Employees

Revenue per Employee	Revenue per Employee measures the average revenue generated per employee of a company. This ratio is most useful when compared against other companies in the same industry. Generally, a company seeks the highest revenue per employee. Calculation: Revenue / No. of Employees
Efficiency Ratio	Efficiency Ratio is used to calculate a bank's efficiency. An increase means the company is losing a larger percentage of its income to expenses. If the efficiency ratio is getting lower, it is good for the bank and its shareholders. Calculation: Non-interest expense / Total Interest Income
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Notes

- Financial information of the company is taken from the most recently published annual reports or SEC filings
- The financial and operational data reported for the company is as per the industry defined standards
- Revenue converted to USD at average annual conversion rate as of fiscal year end

About GlobalData

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