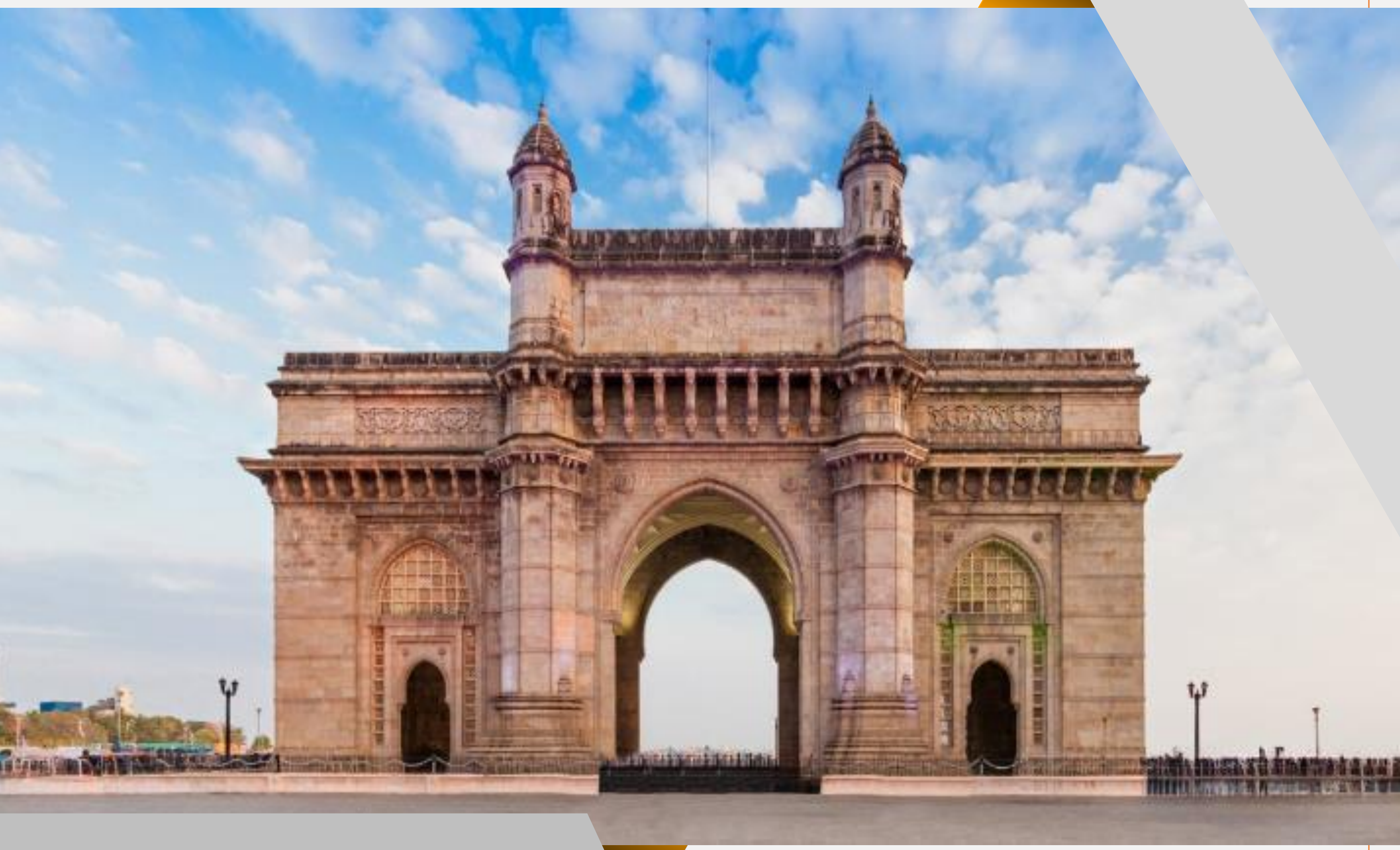

# India Valuation Guide 2023

August 2023

# Foreword

An integral part of the valuation process is having sufficient data to make proper judgements on comparability and risk. The KNAV team has developed this India Valuation Guide of public entities in India, which will be helpful to not only valuation analysts, but other professionals involved with investment analysis as well. The Guide provides data on the financial performance of companies within 17 different industries which comprise a substantial portion of the Indian economy. The data provided in the Guide will be helpful to analysts working with companies within these 17 sectors, benchmark financial performance and risk among their publicly traded peers.

India has one of the fastest growing economies in the world. According to the World Bank, India's has emerged as a "global player" as it continues to integrate into the world's economy. Because of its emergence as a global player in the world economy, companies within India have expanded rapidly as well. For example, the "Nifty Fifty", a weighted average of the market capitalization of 50 of the largest companies within India has grown almost 70% in the last five years. India's increasing importance in the world economy requires proper data to assist with valuations.

International Valuation Standards ("IVS") requires proper evidence to support the judgement with a valuation . IVS 20.2 notes, "sufficient evidence must be assembled by means such as inspection, inquiry, computation and analysis to ensure that the valuation is properly supported."

The KNAV India Valuation Guide provides not only ratios on returns, activity, profitability and capital expenditures, but also price multiples and cost of capital data on company's various industries. The way the data is presented by breaking out to high, lows, averages and different percentiles is extremely helpful "evidence" for valuation analysts in measuring the value companies in India.

The KNAV team has compiled information in one publication with indications of comparability, risk and value. The KNAV India Valuation Guide is a must have for anyone performing valuations of companies in India.

**Mark L. Zyla**

Former Chairman, Standards Review Board
International Valuation Standards Council
London, England
August 2023


# India Valuation Guide 2023

## PREFACE

### Dear Reader,

It is with great pleasure that we present to you this comprehensive India Valuation Guide, aimed at providing invaluable insights into the world of financial valuations, including key ratios, margins, multiples, and other critical valuation metrics. In an ever-evolving economic landscape, this guide intends to provide guidance on key valuation metrics and multiples, offer insights into the current state of various industries in the Indian market thereby becoming crucial for businesses, investors, and financial professionals alike. This guide seeks to equip you with the necessary tools to navigate this intricate domain.

Valuation, as a discipline, lies at the heart of sound financial decision-making. Whether you are assessing the worth of a startup, evaluating the performance of a mature corporation, or estimating the fair value of an investment, the principles and techniques of valuation form the bedrock upon which critical choices are made.

In the business valuation process, industry metrics play a vital role in ensuring informed and accurate assessments. These metrics provide valuable context and benchmarks, enabling valuators to evaluate a company's financial performance in relation to its peers within the industry. Firstly, industry metrics offer a contextual understanding of growth rates, profitability, and risk factors, helping to gauge the company's position within its market landscape. Secondly, they serve as benchmarks for comparison, identifying areas of strength and weakness, which aids both buyers and sellers during negotiations. Moreover, industry-specific risk metrics enable accurate risk assessments, crucial for determining discount rates and adjusting cash flows in the valuation process.

Industry metrics also provide insights into growth prospects, guiding the projection of future cash flows and appropriate growth rates for forecasting purposes. Market sentiment and investor perceptions related to specific sectors are also illuminated by industry metrics, particularly valuable for publicly traded companies, where market sentiment can influence valuation multiples. In both market and income approaches to valuation, industry metrics are instrumental, helping select appropriate guideline companies, estimating growth rates, profitability margins, and terminal values.

Additionally, referring to industry metrics enhances the credibility of the valuation report, demonstrating that relevant industry-specific factors were considered in the assessment. This aspect is crucial in making the report more defensible in cases of scrutiny or litigation. Lastly, industry metrics assist in validating the reasonableness of a company's financial forecasts, any material deviations from industry norms prompt further analysis and validation.

One of the central themes of this guide is the examination of metrics that play a pivotal role in valuation analysis. These serve as indispensable tools in assessing a company's financial health, identifying growth potential, and benchmarking against industry peers. Armed with this knowledge, the reader will be better equipped to interpret financial statements and make informed decisions based on quantitative evidence.

In the following pages, we present a comprehensive array of important metrics that encompass a wide range of financial aspects, including return ratios, debt ratios, activity ratios, multiples, liquidity ratios, capital expenditure and depreciation ratios, working capital ratios, and betas. Covering 17 major industries, the data reflects a diverse set of constituents from the BSE and NSE.

To ensure utmost accuracy and reliability of this data, we have taken care to adjust for outliers, thereby avoiding any extreme values that could skew the analysis. By diligently curating the information, we aim to provide you with a robust and insightful resource, enabling a more informed and confident approach to valuation industry multiples.

Furthermore, we acknowledge that valuation is a nuanced process, and there is no one-size-fits-all approach. Each company and industry present unique challenges and intricacies, necessitating tailored methodologies to ensure accurate and reliable valuations.

While our guide provides valuable industry metrics, it is crucial to exercise caution when using them. These metrics serve as reference points rather than fixed assumptions.

They should be employed in conjunction with the valuer's judgment and expertise, supported by consideration of certain qualitative aspects

It is the harmonious integration of quantitative data and qualitative insights that leads to well-grounded and defensible valuation conclusions.

Last but not the least, we wholeheartedly attribute the creation of this Valuation India Valuation Guide to the unwavering dedication and talent of our exceptional team members. Their invaluable contributions, comprising their expertise, experience, and passion, have been instrumental in crafting a resource that we proudly present today. To our team, we extend our deepest gratitude for their commitment and collaborative spirit, which has shaped this guide into a valuable companion for professionals at all stages of their careers. It is their collective efforts that have made this endeavour possible, and we are immensely thankful for their unwavering support and dedication.

In conclusion, we hope that this guide will empower you to embrace the art and science of valuation with enthusiasm and confidence. As you embark on this journey through the intricacies of financial analysis, we wish you success in unlocking the value that lies hidden within the numbers.

## Here's to Informed Valuations !

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# About the guide

We believe the primary user of the guide would be either a valuation professional performing appraisals of Indian companies and/or an auditor who is reviewing the fair value of a particular asset, which exercise has been performed either by the auditee or their independent valuer. We have strived to be extremely transparent in our process and thoughts behind certain assumptions used to prepare this guide which, have been discussed in this section.

After almost five years of using and improvising this India Valuation Guide for our internal benchmarking and valuation purposes, we are delighted to share the 2023 version with all our readers, and we hope you find this useful! We intend to make this an annual publication, with adding more data points and qualitative analysis in future versions. We would love you hear your feedback, reviews opinions, critique, whatever can help us make this publication add value to what you do. For the purpose of the financial data points, we have considered financial information published for the year ended **March 31, 2023.** Please feel free to reach out to us at markets@knavcpa.com for any questions or comments.

## Our process

The section below list the process followed to select our companies and industries:

**Step 1 :** Our team evaluated the top 600 companies listed on the Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") based on the Market capitalization as of March 31, 2023. The data set was kept limited since the existence of several smaller and non-operating companies may have resulted in a very polluted data set. The final number of companies which form a part of this analyses is 408 companies post elimination of companies due to lack of data or irregularities in the data extracted.

**Step 2 :** Only companies with a trading history of at least 1 year were considered for further analysis.

**Step 3 :** These companies were then classified based on over 20 industries using the industry classification followed by the BSE.

**Step 4 :** Analysed the number of companies and comparability of companies in each industry, and our expertise on the industries under consideration, a list of 17 industries were shortlisted, which were then used for compiling this publication.

**Step 5 :** Each industry was carefully evaluated for any data inconsistencies and irregularities. For the final list of companies, we have provided over 30 financial ratios/ margins/ multiples as of **March 31, 2023** grouped by BSE's industry classification. For each parameter we have provided the average, median, the lower quartile (25th percentile) and the higher quartile (75th percentile)

**Step 6 :** All financial data has been sourced from S&P Capital IQ Pro and the subject company's annual reports.

## Our data analysis

There are two ways of interpreting industry data, one is to look at all companies in the particular industry and look at the various statistical data points or, second is to adjust the data for outliers to ensure the selected companies represents a close set of statistical data points. This guide provides both these data points for each industry. The appropriateness of either of the data set would be left to the judgement of the user.

## Outlier analysis

We have strived to be eliminate any subjectivity in the selection of outliers and have relied upon statistical techniques to identify and eliminate outliers in each data point. We used the Confidence interval concept to remove data points which fall beyond the 99% percentile of the data set. A confidence interval for a variable represents a range of values within which a variable can be estimated to fit with a pre-defined probability. For example, a 99% confidence interval implies a range of values that you can be 99% certain contains the population mean. Thus, any variables lying beyond the 99% confidence interval range have been disregarded as outliers. A 99% confidence interval implies covering most of the data by excluding extremely diverse outliers from the data set. Based on the concept of confidence interval, the following steps were then followed to isolate the relevant data:

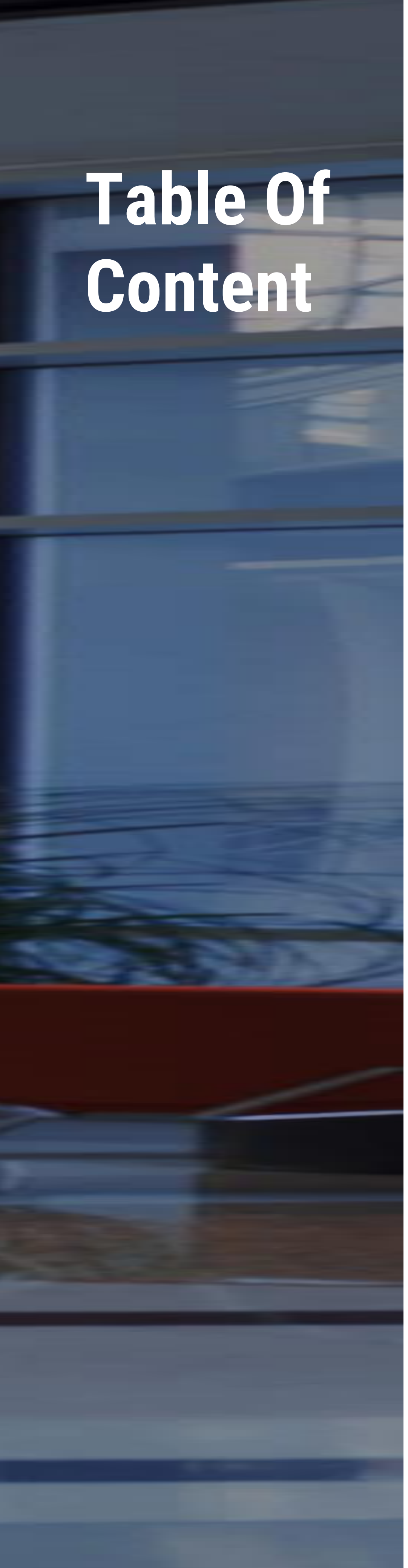
**Step 1 :** The confidence interval has been computed by applying a confidence limit of 99%.

**Step 2 :** By adding and subtracting the confidence interval to the mean, an upper interval and lower interval has been computed for the respective data points. To ensure no negative data points for certain financial parameters, the lower interval has been considered to be greater than or equal to zero.

**Step 3 :** Only multiples/ratios within the upper and the lower intervals were then considered for the computation of the average, median, 25th and 75th percentile, high and low industry multiples/ratios presented.

Our data points have been computed based on statistical measures of individual data points of each company in an industry. For e.g.: the median EBITDA margin of the specific industry is computed based on the mean of EBITDA margins of all companies in that industry. The formulae used for computation of the data sets have been listed down in **Section 4: Interpretation and computation of ratios and multiples** along with a small write up on the significance of each formula. Additionally, a list of companies being considered for each industry is also provided on our website, the link for which is available **here.** Also, we have refrained from providing individual data point for individual companies since it would conflict with our terms of agreement with the database provider S&P Capital IQ Pro.

Along with Industry wise margins, multiples, and other financial parameters, we have also provided an estimate of cost of equity and the Weighted average cost of capital ("WACC") for companies in these industries. The cost of cost of equity is computed using the standard Capital Asset Pricing Model ("CAPM") and the WACC is computed using the Cost of debt and debt to capital ratio computed in our data set. While this may not be an entirely accurate return expectation but can serve as an acceptable benchmark for users to get a sense on the fairness of their own estimate of WACC. This guide is a culmination of KNAV's decades of experience in performing valuations across the globe, our study of various data points available globally and the lack of a comprehensive and reliable database in India, which finance professionals can rely on for their analyses.



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**Industry Ratio**

# Automobile and auto components

Encompasses both manufacturers and traders engaged in producing and selling passenger/utility vehicles, as well as two and three-wheelers. This sector also involves the trading and distribution of passenger cars, utility vehicles, and 2/3 wheelers. Also includes the production and distribution of automobile components and accessories

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 15.9% | 9.0% | 12.8% |
| Median | 15.6% | 7.8% | 10.5% |
| 25th percentile | 10.9% | 6.3% | 8.7% |
| 75th percentile | 20.0% | 11.9% | 15.4% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 24.3% | 12.5% |
| Median | 4.8% | 4.6% |
| 25th percentile | 1.0% | 1.0% |
| 75th percentile | 20.9% | 17.2% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 47 | 81 | 79 |
| Median | 41 | 71 | 76 |
| 25th percentile | 29 | 53 | 65 |
| 75th percentile | 53 | 95 | 93 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 22.7% |
| Median | 18.6% |
| 25th percentile | 13.8% |
| 75th percentile | 24.2% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 2.4x | 35.5x | 4.8x |
| Median | 1.9x | 30.9x | 4.2x |
| 25th percentile | 1.2x | 23.1x | 2.5x |
| 75th percentile | 3.1x | 41.7x | 6.1x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.5x | 17.9x |
| Median | 2.0x | 15.2x |
| 25th percentile | 1.4x | 11.0x |
| 75th percentile | 3.2x | 23.4x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 36.3% | 13.4% | 6.7% |
| Median | 35.3% | 12.2% | 6.7% |
| 25th percentile | 30.6% | 10.7% | 4.1% |
| 75th percentile | 40.1% | 15.3% | 8.5% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.5x | 0.9x |
| Median | 1.3x | 0.6x |
| 25th percentile | 1.1x | 0.5x |
| 75th percentile | 1.8x | 1.1x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 6.0% | 3.2% | 70.9% |
| Median | 4.6% | 3.0% | 58.3% |
| 25th percentile | 3.2% | 2.1% | 45.3% |
| 75th percentile | 7.4% | 4.0% | 83.2% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 22.8% | 13.8% |
| Median | 18.5% | 13.7% |
| 25th percentile | 11.8% | 2.0% |
| 75th percentile | 32.1% | 21.0% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.77 | 0.81 | 0.85 |
| Median | 0.78 | 0.83 | 0.86 |
| 25th percentile | 0.65 | 0.69 | 0.71 |
| 75th percentile | 0.92 | 0.93 | 0.98 |

## Cost of equity

| | % |
|---|---|
| Average | 14.4% |
| Median | 14.5% |
| 25th percentile | 13.3% |
| 75th percentile | 15.5% |

**Return ratios**

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 15.4% | 8.5% | 12.8% |
| Median | 15.1% | 8.0% | 12.6% |
| 25th percentile | 14.0% | 7.9% | 11.9% |
| 75th percentile | 17.2% | 8.8% | 13.8% |

**Debt ratios**

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 15.4% | 11.3% |
| Median | 10.8% | 11.3% |
| 25th percentile | 6.7% | 7.6% |
| 75th percentile | 20.9% | 14.2% |

**Activity ratios**

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 46 | 82 | 78 |
| Median | 49 | 84 | 77 |
| 25th percentile | 41 | 71 | 75 |
| 75th percentile | 50 | 94 | 84 |

**Historical CAGR% (3 yr)**

| | Revenue growth |
|---|---|
| Average | 19.8% |
| Median | 19.1% |
| 25th percentile | 16.1% |
| 75th percentile | 23.5% |

**Price multiples**

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 2.2x | 34.2x | 4.6x |
| Median | 2.2x | 32.9x | 4.6x |
| 25th percentile | 2.0x | 30.5x | 3.9x |
| 75th percentile | 2.4x | 37.7x | 5.1x |

**Enterprise value (EV) multiples**

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.4x | 16.3x |
| Median | 2.2x | 15.6x |
| 25th percentile | 2.1x | 15.0x |
| 75th percentile | 2.6x | 16.4x |

**Profitability ratios**

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 36.0% | 12.8% | 6.8% |
| Median | 35.7% | 12.8% | 6.8% |
| 25th percentile | 34.8% | 12.2% | 6.0% |
| 75th percentile | 37.4% | 13.2% | 7.6% |

**Liquidity ratios**

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.6x | 0.8x |
| Median | 1.6x | 0.7x |
| 25th percentile | 1.4x | 0.6x |
| 75th percentile | 1.7x | 1.0x |

**Capital expenditure and depreciation ratios**

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 5.6% | 3.0% | 66.7% |
| Median | 5.7% | 3.0% | 63.5% |
| 25th percentile | 4.8% | 2.8% | 60.2% |
| 75th percentile | 5.9% | 3.3% | 75.8% |

**Working capital ratios**

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 21.3% | 14.4% |
| Median | 19.2% | 14.7% |
| 25th percentile | 18.3% | 13.3% |
| 75th percentile | 23.9% | 16.3% |

**Betas (levered)**

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.77 | 0.82 | 0.85 |
| Median | 0.78 | 0.83 | 0.85 |
| 25th percentile | 0.74 | 0.79 | 0.81 |
| 75th percentile | 0.79 | 0.85 | 0.88 |

**Cost of equity**

| | % |
|---|---|
| Average | 14.4% |
| Median | 14.4% |
| 25th percentile | 14.1% |
| 75th percentile | 14.7% |

# Banks

Covers three main sectors: public sector, private sector, and other banks that do not fall into either category. These other banks include small finance banks, payment banks, and foreign banks.

## Return ratios

| | Return on assets | Earning asset yield | Gross loans/ total deposits |
|---|---|---|---|
| Average | 1.1% | 6.9% | 79.7% |
| Median | 1.0% | 7.0% | 80.2% |
| 25th percentile | 0.7% | 6.2% | 70.2% |
| 75th percentile | 1.4% | 7.9% | 87.3% |

## Profitability

| | Net interest margin |
|---|---|
| Average | 3.7% |
| Median | 3.4% |
| 25th percentile | 2.8% |
| 75th percentile | 4.4% |

## Capital adequacy ratios

| | Tier 1 capital | Tier 2 capital | Total capital ratio |
|---|---|---|---|
| Average | 14.5% | 2.2% | 18.0% |
| Median | 14.2% | 2.1% | 17.0% |
| 25th percentile | 12.9% | 1.5% | 16.2% |
| 75th percentile | 16.7% | 2.8% | 18.5% |

## Price multiples

| | Price/LTM EPS | Price/BV |
|---|---|---|
| Average | 13.6x | 1.3x |
| Median | 10.6x | 1.1x |
| 25th percentile | 7.3x | 0.7x |
| 75th percentile | 15.8x | 1.5x |

## NPA/NPL ratios

| | Gross NPA/ total assets | Gross NPA | Net NPA |
|---|---|---|---|
| Average | 2.6% | 4.3% | 1.1% |
| Median | 2.1% | 3.6% | 0.9% |
| 25th percentile | 1.4% | 2.2% | 0.5% |
| 75th percentile | 3.5% | 6.0% | 1.7% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.11 | 1.08 | 1.03 |
| Median | 1.05 | 1.09 | 1.02 |
| 25th percentile | 0.91 | 0.88 | 0.80 |
| 75th percentile | 1.31 | 1.23 | 1.25 |

## Cost of equity

| | % |
|---|---|
| Average | 16.0% |
| Median | 15.8% |
| 25th percentile | 14.1% |
| 75th percentile | 17.8% |

## Return ratios

| | Return on assets | Earning asset yield | Gross loans/ total deposits |
|---|---|---|---|
| Average | 1.0% | 6.8% | 80.3% |
| Median | 1.0% | 6.8% | 82.7% |
| 25th percentile | 0.9% | 6.4% | 73.2% |
| 75th percentile | 1.2% | 7.3% | 84.8% |

## Profitability

| | Net interest margin |
|---|---|
| Average | 3.7% |
| Median | 3.7% |
| 25th percentile | 3.3% |
| 75th percentile | 4.1% |

## Capital adequacy ratios

| | Tier 1 capital | Tier 2 capital | Total capital ratio |
|---|---|---|---|
| Average | 14.1% | 2.1% | 17.4% |
| Median | 13.9% | 2.1% | 17.1% |
| 25th percentile | 13.0% | 1.8% | 16.7% |
| 75th percentile | 15.1% | 2.4% | 18.0% |

## Price multiples

| | Price/LTM EPS | Price/BV |
|---|---|---|
| Average | 13.0x | 1.3x |
| Median | 13.1x | 1.3x |
| 25th percentile | 10.9x | 1.1x |
| 75th percentile | 14.6x | 1.4x |

## NPA/NPL ratios

| | Gross NPA/ total assets | Gross NPA | Net NPA |
|---|---|---|---|
| Average | 2.4% | 4.2% | 1.0% |
| Median | 2.4% | 4.4% | 1.0% |
| 25th percentile | 2.1% | 3.6% | 0.9% |
| 75th percentile | 2.6% | 4.8% | 1.1% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.07 | 1.07 | 0.99 |
| Median | 1.06 | 1.09 | 1.00 |
| 25th percentile | 1.01 | 0.98 | 0.91 |
| 75th percentile | 1.12 | 1.13 | 1.06 |

## Cost of equity

| | % |
|---|---|
| Average | 15.6% |
| Median | 15.7% |
| 25th percentile | 15.0% |
| 75th percentile | 16.2% |

# Chemicals & petrochemicals

Manufacturers of commodity chemicals, specialty chemicals, petrochemicals, and carbon black. Including businesses involved in the production, supply, and distribution of dyes and pigments, explosives, printing inks, and industrial gases.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 19.5% | 12.9% | 16.7% |
| Median | 18.2% | 11.1% | 14.5% |
| 25th percentile | 11.5% | 7.9% | 9.9% |
| 75th percentile | 24.2% | 17.1% | 20.2% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 13.0% | 8.5% |
| Median | 4.3% | 4.1% |
| 25th percentile | 0.3% | 0.3% |
| 75th percentile | 14.8% | 12.9% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 52 | 106 | 70 |
| Median | 54 | 79 | 64 |
| 25th percentile | 37 | 62 | 43 |
| 75th percentile | 65 | 111 | 85 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 26.3% |
| Median | 23.8% |
| 25th percentile | 18.0% |
| 75th percentile | 31.8% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.9x | 34.8x | 5.1x |
| Median | 2.3x | 27.3x | 3.8x |
| 25th percentile | 1.1x | 13.7x | 2.1x |
| 75th percentile | 5.5x | 42.1x | 7.0x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 4.0x | 19.5x |
| Median | 2.4x | 15.1x |
| 25th percentile | 1.1x | 8.6x |
| 75th percentile | 5.3x | 25.6x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 39.0% | 19.6% | 12.0% |
| Median | 40.5% | 17.6% | 10.7% |
| 25th percentile | 31.6% | 12.9% | 7.8% |
| 75th percentile | 46.3% | 25.0% | 14.7% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.5x | 1.5x |
| Median | 1.9x | 1.0x |
| 25th percentile | 1.5x | 0.7x |
| 75th percentile | 3.0x | 1.7x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 11.3% | 3.1% | 55.3% |
| Median | 9.7% | 2.6% | 33.0% |
| 25th percentile | 3.7% | 2.1% | 20.0% |
| 75th percentile | 15.7% | 3.8% | 59.1% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 32.7% | 20.5% |
| Median | 25.0% | 18.7% |
| 25th percentile | 20.0% | 12.1% |
| 75th percentile | 43.3% | 26.7% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.83 | 0.78 | 0.85 |
| Median | 0.81 | 0.75 | 0.83 |
| 25th percentile | 0.61 | 0.65 | 0.69 |
| 75th percentile | 1.09 | 0.89 | 0.99 |

### Cost of equity

| | % |
|---|---|
| Average | 14.4% |
| Median | 14.3% |
| 25th percentile | 13.1% |
| 75th percentile | 15.6% |

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 19.6% | 12.6% | 16.9% |
| Median | 19.2% | 12.8% | 16.9% |
| 25th percentile | 17.3% | 11.1% | 14.3% |
| 75th percentile | 22.5% | 14.0% | 19.7% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 9.9% | 7.1% |
| Median | 7.0% | 6.4% |
| 25th percentile | 4.0% | 4.4% |
| 75th percentile | 15.3% | 8.0% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 53 | 98 | 69 |
| Median | 54 | 101 | 69 |
| 25th percentile | 49 | 79 | 62 |
| 75th percentile | 57 | 109 | 75 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 25.2% |
| Median | 24.9% |
| 25th percentile | 23.2% |
| 75th percentile | 26.7% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.8x | 34.5x | 4.4x |
| Median | 3.8x | 34.9x | 4.0x |
| 25th percentile | 2.8x | 26.2x | 3.7x |
| 75th percentile | 4.8x | 41.1x | 4.8x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.9x | 19.9x |
| Median | 3.8x | 19.8x |
| 25th percentile | 3.2x | 16.4x |
| 75th percentile | 4.7x | 23.4x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 40.4% | 18.2% | 11.7% |
| Median | 40.9% | 17.7% | 10.9% |
| 25th percentile | 39.9% | 17.1% | 10.7% |
| 75th percentile | 42.1% | 19.2% | 13.7% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.3x | 1.3x |
| Median | 2.4x | 1.2x |
| 25th percentile | 2.1x | 1.1x |
| 75th percentile | 2.5x | 1.4x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 11.7% | 3.1% | 50.4% |
| Median | 11.2% | 3.0% | 52.2% |
| 25th percentile | 9.4% | 2.6% | 37.9% |
| 75th percentile | 13.8% | 3.5% | 58.5% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 32.0% | 20.1% |
| Median | 33.4% | 19.4% |
| 25th percentile | 26.0% | 17.8% |
| 75th percentile | 36.6% | 23.3% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.83 | 0.78 | 0.85 |
| Median | 0.85 | 0.78 | 0.84 |
| 25th percentile | 0.75 | 0.74 | 0.81 |
| 75th percentile | 0.90 | 0.82 | 0.88 |

## Cost of equity

| | % |
|---|---|
| Average | 14.4% |
| Median | 14.4% |
| 25th percentile | 14.1% |
| 75th percentile | 14.7% |

# Consumer durables

Manufacturers and distributors of bicycles, furniture, and furnishings such as plywood, ceramics, granite, and marble. Also includes businesses in sanitaryware, paints, houseware, household appliances, consumer electronics, plastic products for everyday use, gems and jewelry, watches, leisure products, leather products, and footwear.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 16.9% | 9.1% | 13.2% |
| Median | 15.5% | 7.6% | 11.7% |
| 25th percentile | 10.9% | 5.9% | 7.7% |
| 75th percentile | 22.4% | 12.4% | 17.6% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 5.4% | 4.7% |
| Median | 3.2% | 3.1% |
| 25th percentile | 1.4% | 1.3% |
| 75th percentile | 5.4% | 5.0% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 43 | 124 | 79 |
| Median | 40 | 106 | 78 |
| 25th percentile | 25 | 76 | 59 |
| 75th percentile | 50 | 166 | 97 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 14.6% |
| Median | 14.2% |
| 25th percentile | 9.7% |
| 75th percentile | 19.7% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.6x | 55.9x | 7.8x |
| Median | 2.9x | 48.3x | 6.3x |
| 25th percentile | 1.9x | 36.4x | 4.3x |
| 75th percentile | 4.5x | 64.5x | 11.4x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.6x | 30.0x |
| Median | 2.9x | 27.2x |
| 25th percentile | 2.1x | 24.0x |
| 75th percentile | 4.3x | 37.8x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 36.7% | 12.1% | 7.1% |
| Median | 35.5% | 11.4% | 6.7% |
| 25th percentile | 29.2% | 6.7% | 3.9% |
| 75th percentile | 45.5% | 15.3% | 9.4% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.9x | 1.0x |
| Median | 1.8x | 1.0x |
| 25th percentile | 1.4x | 0.7x |
| 75th percentile | 2.3x | 1.3x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 5.2% | 2.7% | 104.8% |
| Median | 2.8% | 2.1% | 67.7% |
| 25th percentile | 1.5% | 1.6% | 24.9% |
| 75th percentile | 5.1% | 3.1% | 101.6% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 27.9% | 16.1% |
| Median | 27.3% | 15.2% |
| 25th percentile | 19.3% | 6.6% |
| 75th percentile | 32.9% | 21.2% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.64 | 0.62 | 0.68 |
| Median | 0.60 | 0.60 | 0.67 |
| 25th percentile | 0.46 | 0.50 | 0.54 |
| 75th percentile | 0.81 | 0.69 | 0.77 |

### Cost of equity

| | % |
|---|---|
| Average | 13.0% |
| Median | 13.0% |
| 25th percentile | 11.9% |
| 75th percentile | 13.7% |

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 16.6% | 8.9% | 12.9% |
| Median | 16.4% | 8.5% | 13.0% |
| 25th percentile | 13.8% | 7.9% | 11.6% |
| 75th percentile | 18.7% | 9.6% | 14.2% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 4.6% | 4.2% |
| Median | 4.3% | 4.1% |
| 25th percentile | 3.2% | 3.1% |
| 75th percentile | 5.5% | 4.9% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 43 | 114 | 78 |
| Median | 43 | 107 | 79 |
| 25th percentile | 36 | 102 | 72 |
| 75th percentile | 47 | 121 | 84 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 14.2% |
| Median | 14.2% |
| 25th percentile | 12.6% |
| 75th percentile | 15.7% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.5x | 56.5x | 6.8x |
| Median | 3.4x | 57.1x | 6.7x |
| 25th percentile | 2.8x | 48.7x | 6.2x |
| 75th percentile | 3.9x | 64.5x | 7.0x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.5x | 28.2x |
| Median | 3.6x | 27.0x |
| 25th percentile | 2.8x | 25.5x |
| 75th percentile | 4.0x | 30.6x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 35.9% | 12.1% | 7.0% |
| Median | 35.5% | 11.7% | 6.9% |
| 25th percentile | 31.8% | 11.3% | 6.3% |
| 75th percentile | 38.8% | 12.7% | 7.9% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.9x | 1.0x |
| Median | 2.0x | 1.0x |
| 25th percentile | 1.8x | 0.9x |
| 75th percentile | 2.1x | 1.0x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 4.5% | 2.6% | 88.2% |
| Median | 4.5% | 2.4% | 80.9% |
| 25th percentile | 3.6% | 2.1% | 66.0% |
| 75th percentile | 5.2% | 3.0% | 99.0% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 28.1% | 16.2% |
| Median | 28.5% | 15.9% |
| 25th percentile | 25.7% | 14.9% |
| 75th percentile | 29.9% | 17.7% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.63 | 0.61 | 0.69 |
| Median | 0.61 | 0.61 | 0.69 |
| 25th percentile | 0.57 | 0.56 | 0.65 |
| 75th percentile | 0.69 | 0.66 | 0.73 |

## Cost of equity

| | % |
|---|---|
| Average | 13.1% |
| Median | 13.1% |
| 25th percentile | 12.8% |
| 75th percentile | 13.4% |

# Construction materials

Includes companies involved in designing, constructing, and maintaining various infrastructures such as roads, bridges, canals, dams, and similar projects. Additionally, it also includes companies engaged in engineering, procurement, and commercial projects.

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 5.1% | 3.5% | 4.9% |
| Median | 6.6% | 3.7% | 4.8% |
| 25th percentile | 2.1% | 1.8% | 2.5% |
| 75th percentile | 9.2% | 4.7% | 7.4% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 25.1% | 16.3% |
| Median | 20.2% | 16.7% |
| 25th percentile | 3.9% | 3.8% |
| 75th percentile | 35.0% | 25.5% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 20 | 83 | 78 |
| Median | 19 | 79 | 81 |
| 25th percentile | 16 | 74 | 53 |
| 75th percentile | 20 | 88 | 87 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 11.5% |
| Median | 13.6% |
| 25th percentile | 7.9% |
| 75th percentile | 14.8% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 2.0x | 87.2x | 2.6x |
| Median | 1.7x | 37.7x | 2.3x |
| 25th percentile | 1.1x | 22.1x | 1.6x |
| 75th percentile | 2.3x | 59.5x | 3.5x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.2x | 12.0x |
| Median | 1.6x | 15.0x |
| 25th percentile | 1.6x | 12.9x |
| 75th percentile | 2.7x | 19.6x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 51.6% | 12.1% | 4.1% |
| Median | 55.4% | 13.0% | 4.4% |
| 25th percentile | 48.4% | 10.0% | 1.6% |
| 75th percentile | 55.8% | 16.7% | 6.7% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.2x | 0.6x |
| Median | 1.3x | 0.6x |
| 25th percentile | 0.9x | 0.4x |
| 75th percentile | 1.4x | 0.8x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 11.3% | 5.6% | 102.5% |
| Median | 10.2% | 4.8% | 45.8% |
| 25th percentile | 6.1% | 4.1% | 33.6% |
| 75th percentile | 17.5% | 6.0% | 92.5% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 13.5% | 0.5% |
| Median | 14.9% | -1.9% |
| 25th percentile | 6.3% | -6.8% |
| 75th percentile | 24.5% | 5.8% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.88 | 0.79 | 0.85 |
| Median | 0.81 | 0.84 | 0.88 |
| 25th percentile | 0.76 | 0.70 | 0.77 |
| 75th percentile | 0.97 | 0.89 | 0.95 |

## Cost of equity

| | % |
|---|---|
| Average | 14.4% |
| Median | 14.7% |
| 25th percentile | 13.7% |
| 75th percentile | 15.3% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 6.2% | 3.7% | 5.1% |
| Median | 6.6% | 3.7% | 4.8% |
| 25th percentile | 5.4% | 3.6% | 4.7% |
| 75th percentile | 6.8% | 3.9% | 5.8% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 24.9% | 17.7% |
| Median | 24.4% | 19.0% |
| 25th percentile | 21.0% | 16.7% |
| 75th percentile | 29.7% | 20.2% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 19 | 82 | 81 |
| Median | 19 | 81 | 82 |
| 25th percentile | 17 | 78 | 81 |
| 75th percentile | 20 | 87 | 85 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 13.3% |
| Median | 13.8% |
| 25th percentile | 12.3% |
| 75th percentile | 14.2% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 1.9x | 52.3x | 2.4x |
| Median | 1.8x | 40.5x | 2.3x |
| 25th percentile | 1.6x | 33.1x | 2.0x |
| 75th percentile | 2.3x | 57.2x | 2.5x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.0x | 16.0x |
| Median | 1.6x | 15.0x |
| 25th percentile | 1.6x | 13.4x |
| 75th percentile | 2.5x | 19.1x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 53.4% | 12.1% | 4.7% |
| Median | 55.5% | 11.9% | 4.4% |
| 25th percentile | 50.4% | 11.3% | 4.1% |
| 75th percentile | 55.7% | 8.9% | 5.7% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.2x | 0.6x |
| Median | 1.3x | 0.6x |
| 25th percentile | 1.2x | 0.5x |
| 75th percentile | 1.3x | 0.6x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 9.9% | 5.1% | 46.2% |
| Median | 10.0% | 4.9% | 39.3% |
| 25th percentile | 9.6% | 4.6% | 30.2% |
| 75th percentile | 10.7% | 5.4% | 48.7% |

### Working capital ratios

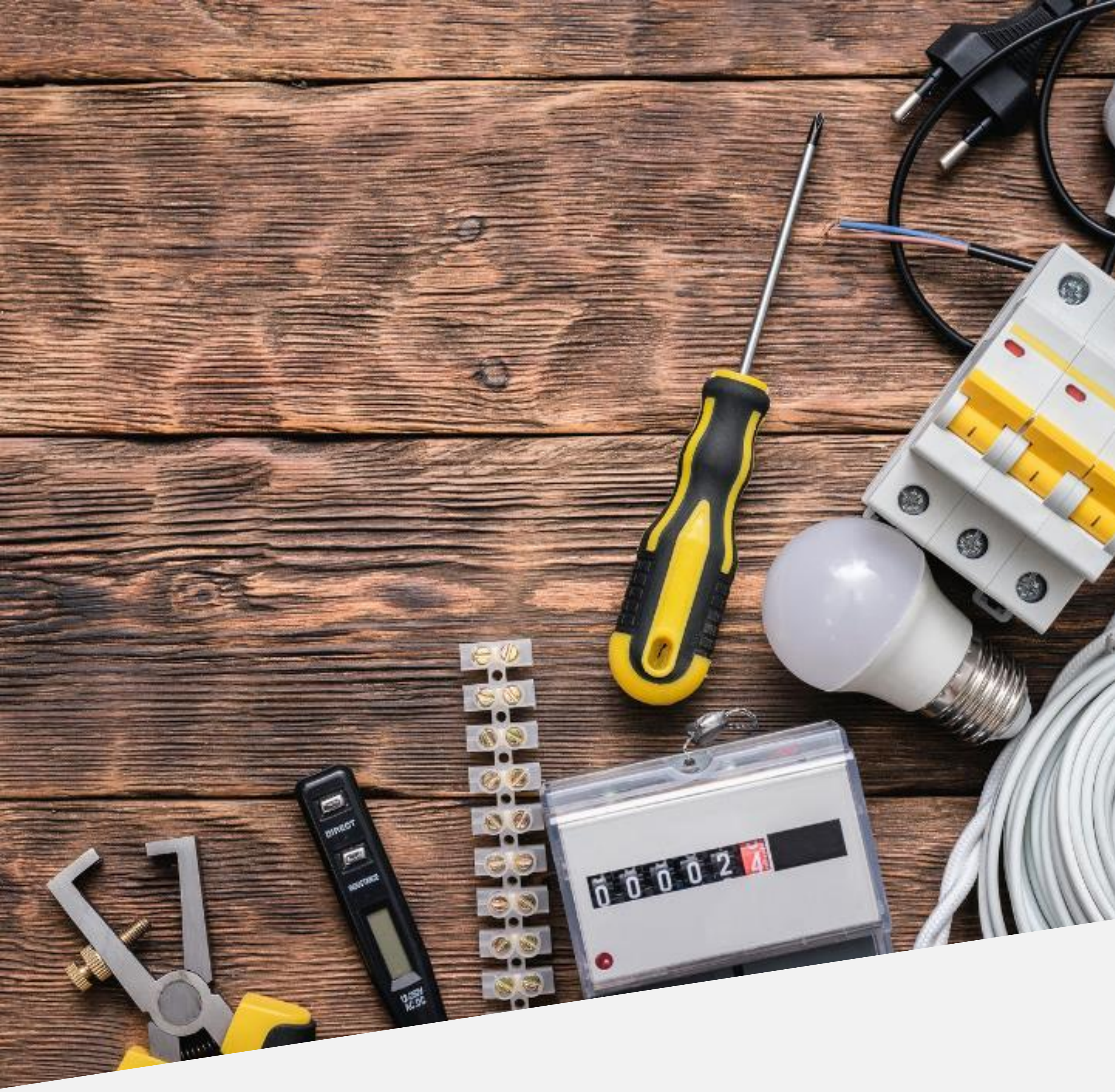
| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 15.0% | 4.9% |
| Median | 14.8% | 5.5% |
| 25th percentile | 14.1% | 4.2% |
| 75th percentile | 17.5% | 6.1% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.87 | 0.83 | 0.84 |
| Median | 0.83 | 0.84 | 0.85 |
| 25th percentile | 0.80 | 0.83 | 0.79 |
| 75th percentile | 0.94 | 0.85 | 0.89 |

### Cost of equity

| | % |
|---|---|
| Average | 14.3% |
| Median | 14.5% |
| 25th percentile | 13.9% |
| 75th percentile | 14.8% |



# Electrical equipment

Manufacturers and distributors of power generating equipment and other heavy machinery, including power turbines, transmission towers, and similar items.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | -6.1% | 7.1% | 16.4% |
| Median | 11.5% | 6.2% | 10.5% |
| 25th percentile | 3.3% | 3.2% | 7.9% |
| 75th percentile | 23.3% | 9.7% | 17.4% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 8.1% | 6.7% |
| Median | 2.4% | 2.3% |
| 25th percentile | 0.0% | 0.0% |
| 75th percentile | 11.8% | 10.1% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 113 | 89 | 142 |
| Median | 89 | 79 | 147 |
| 25th percentile | 66 | 49 | 103 |
| 75th percentile | 125 | 99 | 171 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 13.1% |
| Median | 11.5% |
| 25th percentile | 5.9% |
| 75th percentile | 14.6% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.8x | 59.2x | 9.5x |
| Median | 3.2x | 55.9x | 8.7x |
| 25th percentile | 0.9x | 33.1x | 3.7x |
| 75th percentile | 6.4x | 61.9x | 11.6x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.7x | 41.4x |
| Median | 3.0x | 42.5x |
| 25th percentile | 0.9x | 16.1x |
| 75th percentile | 6.0x | 51.2x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 33.6% | 9.8% | 11.4% |
| Median | 31.1% | 8.7% | 5.6% |
| 25th percentile | 27.4% | 5.3% | 2.1% |
| 75th percentile | 35.8% | 12.9% | 12.8% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.4x | 1.0x |
| Median | 1.3x | 1.0x |
| 25th percentile | 1.1x | 0.7x |
| 75th percentile | 1.7x | 1.3x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 2.1% | 1.6% | 161.0% |
| Median | 1.2% | 1.2% | 86.4% |
| 25th percentile | 0.9% | 1.0% | 46.7% |
| 75th percentile | 1.8% | 1.7% | 169.3% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 29.2% | 7.0% |
| Median | 25.5% | 4.5% |
| 25th percentile | 12.9% | -3.1% |
| 75th percentile | 40.2% | 17.8% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.79 | 0.67 | 0.69 |
| Median | 0.73 | 0.61 | 0.63 |
| 25th percentile | 0.57 | 0.50 | 0.54 |
| 75th percentile | 0.82 | 0.75 | 0.74 |

### Cost of equity

| | % |
|---|---|
| Average | 13.1% |
| Median | 12.6% |
| 25th percentile | 11.9% |
| 75th percentile | 13.5% |

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 14.7% | 5.9% | 12.2% |
| Median | 11.5% | 6.2% | 10.5% |
| 25th percentile | 4.8% | 4.7% | 9.2% |
| 75th percentile | 22.8% | 7.2% | 14.8% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 1.4% | 1.4% |
| Median | 0.1% | 0.2% |
| 25th percentile | 0.0% | 0.0% |
| 75th percentile | 2.6% | 2.7% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 92 | 80 | 146 |
| Median | 89 | 80 | 147 |
| 25th percentile | 76 | 68 | 129 |
| 75th percentile | 106 | 92 | 151 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 11.7% |
| Median | 12.2% |
| 25th percentile | 10.9% |
| 75th percentile | 13.0% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 2.7x | 60.5x | 9.4x |
| Median | 3.2x | 57.2x | 9.0x |
| 25th percentile | 2.4x | 55.7x | 7.7x |
| 75th percentile | 3.2x | 61.9x | 11.6x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.5x | 47.5x |
| Median | 3.1x | 48.1x |
| 25th percentile | 2.7x | 43.5x |
| 75th percentile | 3.9x | 51.9x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 33.1% | 10.5% | 7.3% |
| Median | 32.9% | 11.7% | 5.6% |
| 25th percentile | 29.7% | 8.2% | 2.1% |
| 75th percentile | 35.4% | 12.9% | 11.9% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.3x | 0.9x |
| Median | 1.3x | 0.9x |
| 25th percentile | 1.2x | 0.7x |
| 75th percentile | 1.4x | 1.0x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 1.6% | 1.4% | 104.9% |
| Median | 1.5% | 1.3% | 86.4% |
| 25th percentile | 1.0% | 1.1% | 51.6% |
| 75th percentile | 1.8% | 1.6% | 135.9% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 32.5% | 7.6% |
| Median | 31.6% | 5.4% |
| 25th percentile | 25.5% | 3.4% |
| 75th percentile | 38.9% | 7.7% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.70 | 0.62 | 0.64 |
| Median | 0.73 | 0.61 | 0.63 |
| 25th percentile | 0.61 | 0.50 | 0.57 |
| 75th percentile | 0.79 | 0.72 | 0.71 |

## Cost of equity

| | % |
|---|---|
| Average | 12.7% |
| Median | 12.6% |
| 25th percentile | 12.1% |
| 75th percentile | 13.3% |

# Fertilizers and Agrochemicals

Manufacturers of fertilizers, agrochemicals, and pesticides.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 22.7% | 10.3% | 16.5% |
| Median | 17.5% | 10.3% | 14.3% |
| 25th percentile | 15.1% | 7.8% | 11.1% |
| 75th percentile | 23.2% | 12.1% | 21.1% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 18.8% | 11.6% |
| Median | 2.6% | 2.5% |
| 25th percentile | 0.3% | 0.3% |
| 75th percentile | 27.8% | 20.6% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 61 | 108 | 80 |
| Median | 52 | 105 | 70 |
| 25th percentile | 30 | 61 | 35 |
| 75th percentile | 88 | 146 | 97 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 21.2% |
| Median | 25.4% |
| 25th percentile | 13.2% |
| 75th percentile | 30.7% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 2.0x | 19.6x | 3.6x |
| Median | 1.0x | 14.3x | 2.1x |
| 25th percentile | 0.4x | 9.2x | 1.4x |
| 75th percentile | 2.8x | 28.7x | 5.8x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 1.9x | 12.4x |
| Median | 1.1x | 7.8x |
| 25th percentile | 0.4x | 6.1x |
| 75th percentile | 2.8x | 18.3x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 30.7% | 13.2% | 8.3% |
| Median | 30.6% | 13.1% | 7.6% |
| 25th percentile | 22.2% | 8.9% | 3.9% |
| 75th percentile | 38.5% | 18.0% | 10.9% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.4x | 1.4x |
| Median | 1.7x | 1.0x |
| 25th percentile | 1.5x | 0.7x |
| 75th percentile | 2.8x | 1.7x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 2.2% | 2.0% | 2755.4% |
| Median | 1.8% | 1.5% | 81.4% |
| 25th percentile | 1.3% | 1.1% | 45.8% |
| 75th percentile | 3.0% | 2.8% | 123.8% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 32.1% | 18.7% |
| Median | 31.1% | 17.9% |
| 25th percentile | 14.9% | 11.4% |
| 75th percentile | 40.9% | 24.8% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.78 | 0.73 | 0.78 |
| Median | 0.72 | 0.67 | 0.73 |
| 25th percentile | 0.50 | 0.58 | 0.67 |
| 75th percentile | 0.96 | 0.88 | 0.94 |

### Cost of equity

| | % |
|---|---|
| Average | 13.8% |
| Median | 13.5% |
| 25th percentile | 13.0% |
| 75th percentile | 15.2% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 19.0% | 10.6% | 16.2% |
| Median | 17.5% | 11.2% | 14.4% |
| 25th percentile | 15.3% | 9.1% | 14.0% |
| 75th percentile | 23.9% | 12.0% | 19.0% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 8.9% | 6.0% |
| Median | 1.1% | 3.5% |
| 25th percentile | 0.2% | 1.5% |
| 75th percentile | 15.3% | 12.2% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 54 | 118 | 71 |
| Median | 52 | 130 | 72 |
| 25th percentile | 49 | 93 | 56 |
| 75th percentile | 57 | 141 | 87 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 23.1% |
| Median | 25.4% |
| 25th percentile | 22.0% |
| 75th percentile | 26.6% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 1.6x | 16.3x | 2.5x |
| Median | 1.2x | 14.3x | 2.1x |
| 25th percentile | 1.0x | 12.9x | 1.7x |
| 75th percentile | 1.9x | 20.2x | 3.0x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 1.6x | 10.0x |
| Median | 1.3x | 7.8x |
| 25th percentile | 1.1x | 7.2x |
| 75th percentile | 1.9x | 12.3x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 31.1% | 13.1% | 8.8% |
| Median | 30.6% | 13.1% | 9.2% |
| 25th percentile | 29.1% | 11.7% | 7.2% |
| 75th percentile | 33.4% | 14.5% | 10.0% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.8x | 1.0x |
| Median | 1.7x | 0.9x |
| 25th percentile | 1.6x | 0.8x |
| 75th percentile | 1.8x | 1.1x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 1.9% | 1.7% | 83.4% |
| Median | 1.8% | 1.5% | 67.7% |
| 25th percentile | 1.5% | 1.1% | 43.7% |
| 75th percentile | 2.1% | 2.0% | 110.7% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 33.7% | 18.8% |
| Median | 33.3% | 18.7% |
| 25th percentile | 30.6% | 13.7% |
| 75th percentile | 37.0% | 24.4% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.81 | 0.70 | 0.72 |
| Median | 0.72 | 0.67 | 0.71 |
| 25th percentile | 0.70 | 0.67 | 0.67 |
| 75th percentile | 0.95 | 0.72 | 0.76 |

### Cost of equity

| | % |
|---|---|
| Average | 13.4% |
| Median | 13.2% |
| 25th percentile | 13.0% |
| 75th percentile | 13.7% |

# Healthcare services

The healthcare industry encompasses various types of companies. Companies involved in the development, manufacturing, and distribution of biotechnology products and medical equipment’s; companies that own and operate healthcare facilities, as well as those providing diagnostic services like pathological laboratories. and companies dedicated to healthcare research and analytics.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 16.3% | 9.7% | 12.2% |
| Median | 15.1% | 9.1% | 11.4% |
| 25th percentile | 12.6% | 7.1% | 9.3% |
| 75th percentile | 18.0% | 12.3% | 13.8% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 10.1% | 8.1% |
| Median | 5.8% | 5.4% |
| 25th percentile | 4.0% | 3.8% |
| 75th percentile | 7.2% | 6.7% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 38 | 29 | 89 |
| Median | 37 | 17 | 76 |
| 25th percentile | 29 | 14 | 66 |
| 75th percentile | 50 | 29 | 108 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 18.8% |
| Median | 14.4% |
| 25th percentile | 11.2% |
| 75th percentile | 17.7% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 5.2x | 50.7x | 6.0x |
| Median | 5.2x | 43.3x | 6.1x |
| 25th percentile | 3.4x | 33.4x | 5.4x |
| 75th percentile | 7.4x | 54.3x | 7.3x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 5.3x | 22.5x |
| Median | 5.3x | 22.3x |
| 25th percentile | 3.5x | 19.0x |
| 75th percentile | 7.3x | 25.2x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 55.7% | 23.2% | 11.8% |
| Median | 58.3% | 23.5% | 12.3% |
| 25th percentile | 37.5% | 17.5% | 8.2% |
| 75th percentile | 63.4% | 27.2% | 14.7% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.8x | 1.5x |
| Median | 1.5x | 1.2x |
| 25th percentile | 1.1x | 0.9x |
| 75th percentile | 2.0x | 1.8x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 10.9% | 7.0% | 102.1% |
| Median | 7.6% | 6.1% | 66.4% |
| 25th percentile | 6.6% | 5.0% | 50.6% |
| 75th percentile | 12.6% | 8.0% | 112.3% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 21.4% | -0.9% |
| Median | 12.8% | -1.8% |
| 25th percentile | 10.4% | -5.4% |
| 75th percentile | 36.9% | 4.3% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.53 | 0.50 | 0.56 |
| Median | 0.54 | 0.52 | 0.55 |
| 25th percentile | 0.40 | 0.47 | 0.48 |
| 75th percentile | 0.68 | 0.54 | 0.61 |

### Cost of equity

| | % |
|---|---|
| Average | 12.0% |
| Median | 11.9% |
| 25th percentile | 11.3% |
| 75th percentile | 12.4% |

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 16.1% | 9.3% | 11.3% |
| Median | 15.2% | 9.1% | 11.4% |
| 25th percentile | 14.5% | 7.9% | 10.6% |
| 75th percentile | 16.4% | 10.6% | 12.3% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 5.0% | 5.0% |
| Median | 5.2% | 5.3% |
| 25th percentile | 3.6% | 4.0% |
| 75th percentile | 6.2% | 5.8% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 36 | 16 | 81 |
| Median | 34 | 17 | 76 |
| 25th percentile | 31 | 14 | 70 |
| 75th percentile | 40 | 17 | 89 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 14.8% |
| Median | 13.9% |
| 25th percentile | 11.0% |
| 75th percentile | 16.1% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 4.6x | 44.3x | 6.4x |
| Median | 5.1x | 43.3x | 6.5x |
| 25th percentile | 3.7x | 37.4x | 5.8x |
| 75th percentile | 5.2x | 48.2x | 6.9x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 4.8x | 21.9x |
| Median | 5.2x | 22.3x |
| 25th percentile | 4.0x | 20.6x |
| 75th percentile | 5.5x | 23.0x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 59.9% | 23.6% | 12.7% |
| Median | 59.6% | 24.3% | 12.4% |
| 25th percentile | 57.9% | 22.1% | 12.0% |
| 75th percentile | 61.5% | 26.0% | 14.0% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.6x | 1.3x |
| Median | 1.6x | 1.2x |
| 25th percentile | 1.3x | 0.9x |
| 75th percentile | 1.9x | 1.7x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 8.9% | 6.2% | 79.2% |
| Median | 7.6% | 6.1% | 66.4% |
| 25th percentile | 7.0% | 5.6% | 54.0% |
| 75th percentile | 9.5% | 6.9% | 99.4% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 13.2% | NM |
| Median | 12.0% | NM |
| 25th percentile | 10.8% | NM |
| 75th percentile | 12.9% | NM |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.54 | 0.52 | 0.56 |
| Median | 0.54 | 0.52 | 0.56 |
| 25th percentile | 0.50 | 0.51 | 0.54 |
| 75th percentile | 0.58 | 0.52 | 0.57 |

## Cost of equity

| | % |
|---|---|
| Average | 12.0% |
| Median | 12.1% |
| 25th percentile | 11.8% |
| 75th percentile | 12.1% |

# Industrial products

Manufacturers and distributors of electrical cables/wires, castings/forgings, packaging materials, plastic products, rubber, glass, products of aluminum, copper, zinc, iron and steel, abrasives and bearings, compressors, pumps, diesel engines, and electrodes and refractories.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 17.4% | 10.8% | 15.0% |
| Median | 19.2% | 11.1% | 15.4% |
| 25th percentile | 12.2% | 7.4% | 9.6% |
| 75th percentile | 21.4% | 13.3% | 18.4% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 10.8% | 7.6% |
| Median | 2.2% | 2.2% |
| 25th percentile | 0.2% | 0.2% |
| 75th percentile | 11.0% | 9.9% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 60 | 141 | 71 |
| Median | 60 | 124 | 67 |
| 25th percentile | 38 | 85 | 52 |
| 75th percentile | 74 | 168 | 96 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 19.4% |
| Median | 17.1% |
| 25th percentile | 13.9% |
| 75th percentile | 20.9% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.4x | 32.9x | 5.9x |
| Median | 2.8x | 32.1x | 5.2x |
| 25th percentile | 1.7x | 18.6x | 2.6x |
| 75th percentile | 4.8x | 43.1x | 8.0x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.3x | 22.0x |
| Median | 2.8x | 21.7x |
| 25th percentile | 1.7x | 13.0x |
| 75th percentile | 4.8x | 28.8x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 40.3% | 15.2% | 9.2% |
| Median | 39.4% | 14.6% | 8.9% |
| 25th percentile | 31.0% | 12.5% | 6.2% |
| 75th percentile | 48.4% | 18.5% | 12.6% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.6x | 1.5x |
| Median | 2.5x | 1.2x |
| 25th percentile | 1.7x | 0.8x |
| 75th percentile | 2.8x | 1.8x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 5.5% | 2.7% | 92.7% |
| Median | 3.8% | 2.4% | 60.0% |
| 25th percentile | 2.2% | 1.7% | 42.0% |
| 75th percentile | 6.4% | 3.3% | 106.3% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 42.2% | 24.1% |
| Median | 36.3% | 20.5% |
| 25th percentile | 29.3% | 14.5% |
| 75th percentile | 47.5% | 29.3% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.79 | 0.70 | 0.77 |
| Median | 0.76 | 0.68 | 0.78 |
| 25th percentile | 0.57 | 0.55 | 0.66 |
| 75th percentile | 0.97 | 0.85 | 0.91 |

### Cost of equity

| | % |
|---|---|
| Average | 13.8% |
| Median | 13.8% |
| 25th percentile | 12.9% |
| 75th percentile | 14.9% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 19.1% | 11.5% | 15.4% |
| Median | 20.2% | 12.1% | 15.7% |
| 25th percentile | 17.5% | 10.4% | 14.3% |
| 75th percentile | 20.8% | 12.3% | 16.9% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 8.5% | 7.4% |
| Median | 7.6% | 7.1% |
| 25th percentile | 5.4% | 5.7% |
| 75th percentile | 11.0% | 8.5% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 59 | 146 | 69 |
| Median | 61 | 146 | 68 |
| 25th percentile | 54 | 126 | 67 |
| 75th percentile | 63 | 168 | 71 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 17.5% |
| Median | 17.4% |
| 25th percentile | 15.5% |
| 75th percentile | 19.3% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.3x | 31.9x | 5.6x |
| Median | 3.3x | 32.1x | 5.8x |
| 25th percentile | 2.9x | 25.9x | 5.1x |
| 75th percentile | 3.7x | 36.9x | 6.0x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.4x | 21.4x |
| Median | 3.4x | 21.2x |
| 25th percentile | 3.1x | 19.0x |
| 75th percentile | 3.9x | 23.3x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 40.5% | 14.5% | 9.1% |
| Median | 39.8% | 14.3% | 8.9% |
| 25th percentile | 38.0% | 13.7% | 7.8% |
| 75th percentile | 43.2% | 15.0% | 10.4% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.6x | 1.4x |
| Median | 2.6x | 1.4x |
| 25th percentile | 2.5x | 1.2x |
| 75th percentile | 2.7x | 1.7x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 5.1% | 2.6% | 74.3% |
| Median | 5.3% | 2.5% | 62.6% |
| 25th percentile | 3.6% | 2.4% | 57.4% |
| 75th percentile | 6.2% | 2.9% | 83.3% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 40.3% | 23.9% |
| Median | 38.9% | 23.9% |
| 25th percentile | 36.6% | 21.3% |
| 75th percentile | 43.8% | 25.9% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.78 | 0.69 | 0.76 |
| Median | 0.76 | 0.68 | 0.77 |
| 25th percentile | 0.74 | 0.66 | 0.73 |
| 75th percentile | 0.81 | 0.70 | 0.79 |

### Cost of equity

| | % |
|---|---|
| Average | 13.7% |
| Median | 13.7% |
| 25th percentile | 13.5% |
| 75th percentile | 13.9% |


# Information Technology

The category of companies under information technology ("IT") industry comprises various types of businesses. Companies involved in software development, IT consulting, and data analytics along with manufacturers and distributors of computer hardware and equipment.

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 22.3% | 13.0% | 18.0% |
| Median | 21.7% | 11.9% | 17.3% |
| 25th percentile | 15.7% | 9.2% | 12.2% |
| 75th percentile | 25.7% | 16.2% | 22.3% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 3.2% | 2.9% |
| Median | 1.4% | 1.4% |
| 25th percentile | 0.6% | 0.6% |
| 75th percentile | 3.8% | 3.6% |

## Activity ratios

| | Days of sales | Days of payables |
|---|---|---|
| Average | 84 | 36 |
| Median | 82 | 29 |
| 25th percentile | 69 | 19 |
| 75th percentile | 92 | 46 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 19.9% |
| Median | 16.0% |
| 25th percentile | 12.7% |
| 75th percentile | 24.6% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 4.7x | 30.0x | 6.3x |
| Median | 2.9x | 24.9x | 4.7x |
| 25th percentile | 1.9x | 19.4x | 3.0x |
| 75th percentile | 5.9x | 39.5x | 8.7x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 4.5x | 20.7x |
| Median | 2.9x | 16.5x |
| 25th percentile | 1.9x | 11.6x |
| 75th percentile | 5.5x | 26.5x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 36.4% | 20.1% | 14.6% |
| Median | 38.0% | 18.1% | 12.1% |
| 25th percentile | 29.1% | 15.2% | 8.9% |
| 75th percentile | 42.9% | 22.8% | 16.7% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 3.4x | 3.2x |
| Median | 2.1x | 2.1x |
| 25th percentile | 1.7x | 1.5x |
| 75th percentile | 2.8x | 2.8x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 2.6% | 2.9% | 197.0% |
| Median | 1.7% | 2.7% | 136.0% |
| 25th percentile | 1.0% | 2.2% | 105.7% |
| 75th percentile | 3.5% | 3.6% | 222.3% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 43.8% | 10.2% |
| Median | 30.2% | 10.1% |
| 25th percentile | 24.1% | 6.7% |
| 75th percentile | 55.8% | 13.3% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.02 | 0.80 | 0.80 |
| Median | 1.03 | 0.80 | 0.73 |
| 25th percentile | 0.83 | 0.70 | 0.66 |
| 75th percentile | 1.24 | 0.93 | 0.89 |

## Cost of equity

| | % |
|---|---|
| Average | 14.0% |
| Median | 13.5% |
| 25th percentile | 12.8% |
| 75th percentile | 14.8% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 22.4% | 13.3% | 18.8% |
| Median | 22.6% | 13.6% | 19.1% |
| 25th percentile | 20.9% | 11.9% | 16.0% |
| 75th percentile | 24.9% | 14.6% | 21.4% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 2.4% | 2.2% |
| Median | 1.8% | 1.6% |
| 25th percentile | 1.4% | 1.3% |
| 75th percentile | 3.0% | 2.7% |

### Activity ratios

| | Days of sales | Days of payables |
|---|---|---|
| Average | 84 | 32 |
| Median | 84 | 29 |
| 25th percentile | 80 | 28 |
| 75th percentile | 90 | 35 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 19.7% |
| Median | 20.0% |
| 25th percentile | 16.1% |
| 75th percentile | 24.0% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 4.2x | 28.4x | 6.1x |
| Median | 4.0x | 27.8x | 5.5x |
| 25th percentile | 3.2x | 26.2x | 4.7x |
| 75th percentile | 4.9x | 29.8x | 7.4x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 4.0x | 18.7x |
| Median | 4.0x | 19.0x |
| 25th percentile | 2.9x | 18.1x |
| 75th percentile | 4.2x | 19.4x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 37.7% | 19.5% | 13.7% |
| Median | 38.0% | 18.9% | 12.9% |
| 25th percentile | 35.4% | 17.7% | 11.9% |
| 75th percentile | 40.5% | 21.3% | 15.8% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.3x | 2.1x |
| Median | 2.1x | 2.1x |
| 25th percentile | 1.7x | 1.5x |
| 75th percentile | 2.7x | 2.6x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 2.0% | 2.8% | 176.8% |
| Median | 1.9% | 2.7% | 169.7% |
| 25th percentile | 1.7% | 2.6% | 127.6% |
| 75th percentile | 2.0% | 3.1% | 215.3% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 42.9% | 10.3% |
| Median | 39.6% | 10.3% |
| 25th percentile | 30.6% | 8.5% |
| 75th percentile | 55.9% | 11.4% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.03 | 0.79 | 0.79 |
| Median | 1.03 | 0.80 | 0.80 |
| 25th percentile | 1.00 | 0.74 | 0.73 |
| 75th percentile | 1.07 | 0.83 | 0.82 |

### Cost of equity

| | % |
|---|---|
| Average | 13.9% |
| Median | 14.0% |
| 25th percentile | 13.5% |
| 75th percentile | 14.2% |

# Metals

The category of companies under metal sector includes a wide range of businesses. Manufacturers and distributors dealing with ferrous and non-ferrous metals, as well as diversified metals. Additionally, it encompasses companies engaged in mining, production, and distribution of industrial materials, with the exception of coal.

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 11.4% | 9.9% | 14.1% |
| Median | 11.4% | 7.6% | 10.4% |
| 25th percentile | 7.6% | 5.3% | 7.7% |
| 75th percentile | 19.1% | 9.7% | 16.5% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 31.1% | 20.1% |
| Median | 20.5% | 16.7% |
| 25th percentile | 8.7% | 8.0% |
| 75th percentile | 53.5% | 34.1% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 22 | 105 | 89 |
| Median | 16 | 99 | 81 |
| 25th percentile | 10 | 83 | 57 |
| 75th percentile | 31 | 125 | 94 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 31.8% |
| Median | 24.4% |
| 25th percentile | 19.8% |
| 75th percentile | 40.7% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 1.9x | 8.4x | 3.1x |
| Median | 1.0x | 11.5x | 2.0x |
| 25th percentile | 0.6x | 8.7x | 1.1x |
| 75th percentile | 2.0x | 16.7x | 4.7x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.0x | 5.3x |
| Median | 1.1x | 6.9x |
| 25th percentile | 0.8x | 5.1x |
| 75th percentile | 2.4x | 10.0x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 44.4% | 16.6% | 6.6% |
| Median | 43.3% | 13.0% | 6.0% |
| 25th percentile | 29.1% | 10.4% | 2.4% |
| 75th percentile | 51.4% | 24.4% | 8.0% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.4x | 0.6x |
| Median | 1.1x | 0.5x |
| 25th percentile | 0.8x | 0.4x |
| 75th percentile | 1.6x | 0.7x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 10.3% | 4.4% | 53.1% |
| Median | 9.3% | 4.0% | 50.3% |
| 25th percentile | 5.6% | 2.5% | 34.1% |
| 75th percentile | 11.6% | 5.0% | 73.3% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 18.6% | 6.0% |
| Median | 13.8% | 4.6% |
| 25th percentile | 7.9% | -2.2% |
| 75th percentile | 17.7% | 11.3% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.12 | 1.04 | 1.08 |
| Median | 1.11 | 1.06 | 1.15 |
| 25th percentile | 0.94 | 0.86 | 0.89 |
| 75th percentile | 1.36 | 1.19 | 1.23 |

## Cost of equity

| | % |
|---|---|
| Average | 16.4% |
| Median | 16.9% |
| 25th percentile | 14.8% |
| 75th percentile | 17.6% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 12.2% | 7.6% | 11.3% |
| Median | 11.4% | 7.6% | 10.4% |
| 25th percentile | 8.4% | 5.5% | 8.3% |
| 75th percentile | 15.8% | 9.4% | 14.5% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 26.5% | 17.7% |
| Median | 23.8% | 16.7% |
| 25th percentile | 16.9% | 14.1% |
| 75th percentile | 31.7% | 20.1% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 19 | 97 | 84 |
| Median | 16 | 98 | 85 |
| 25th percentile | 15 | 91 | 75 |
| 75th percentile | 18 | 101 | 94 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 27.4% |
| Median | 23.6% |
| 25th percentile | 20.0% |
| 75th percentile | 31.6% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 1.0x | 13.5x | 2.4x |
| Median | 1.0x | 11.5x | 2.1x |
| 25th percentile | 0.9x | 9.5x | 2.0x |
| 75th percentile | 1.0x | 15.9x | 2.4x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 1.2x | 7.5x |
| Median | 1.1x | 6.5x |
| 25th percentile | 1.0x | 5.1x |
| 75th percentile | 1.3x | 8.0x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 45.1% | 15.6% | 5.2% |
| Median | 45.2% | 13.0% | 5.9% |
| 25th percentile | 41.5% | 11.9% | 3.0% |
| 75th percentile | 47.1% | 18.2% | 6.5% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.2x | 0.5x |
| Median | 1.3x | 0.5x |
| 25th percentile | 1.0x | 0.4x |
| 75th percentile | 1.4x | 0.6x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 10.3% | 4.1% | 51.8% |
| Median | 10.6% | 4.2% | 50.3% |
| 25th percentile | 9.2% | 3.7% | 43.2% |
| 75th percentile | 11.4% | 4.8% | 57.6% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 14.1% | 6.9% |
| Median | 14.7% | 8.4% |
| 25th percentile | 9.9% | 1.4% |
| 75th percentile | 17.2% | 11.3% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.08 | 1.06 | 1.14 |
| Median | 1.02 | 1.06 | 1.15 |
| 25th percentile | 0.98 | 1.00 | 1.13 |
| 75th percentile | 1.21 | 1.15 | 1.17 |

### Cost of equity

| | % |
|---|---|
| Average | 16.9% |
| Median | 17.0% |
| 25th percentile | 16.8% |
| 75th percentile | 17.1% |

# Oil, Gas, and Consumable Fuels

Companies involved in oil exploration and production, as well as those responsible for distributing both oil and coal. Also encompasses businesses offering offshore drilling services, storage, and transportation facilities to oil companies. Additionally, manufacturers of oil extraction equipment are part of this category. Includes companies engaged in refining and marketing oil, gas, and petroleum products, including lubricants and distributors of natural gases

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 22.2% | 10.8% | 17.2% |
| Median | 20.4% | 11.8% | 16.6% |
| 25th percentile | 9.9% | 5.4% | 7.9% |
| 75th percentile | 25.0% | 14.0% | 21.2% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 54.2% | 24.4% |
| Median | 18.5% | 14.8% |
| 25th percentile | 1.3% | 1.2% |
| 75th percentile | 89.4% | 46.5% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 18 | 36 | 37 |
| Median | 19 | 30 | 25 |
| 25th percentile | 11 | 6 | 18 |
| 75th percentile | 22 | 51 | 35 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 20.0% |
| Median | 18.8% |
| 25th percentile | 15.0% |
| 75th percentile | 27.0% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 2.1x | 21.3x | 3.7x |
| Median | 0.8x | 11.6x | 1.6x |
| 25th percentile | 0.2x | 4.8x | 1.0x |
| 75th percentile | 1.7x | 20.1x | 3.1x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.2x | 12.3x |
| Median | 0.8x | 6.7x |
| 25th percentile | 0.3x | 3.4x |
| 75th percentile | 1.8x | 11.9x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 24.5% | 14.2% | 8.4% |
| Median | 18.7% | 14.0% | 6.6% |
| 25th percentile | 10.3% | 7.4% | 4.0% |
| 75th percentile | 29.2% | 19.6% | 12.3% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.3x | 0.9x |
| Median | 1.0x | 0.6x |
| 25th percentile | 0.8x | 0.2x |
| 75th percentile | 1.5x | 1.1x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 8.0% | 2.6% | 54.9% |
| Median | 6.4% | 2.2% | 39.8% |
| 25th percentile | 2.2% | 1.4% | 31.2% |
| 75th percentile | 10.3% | 3.4% | 71.8% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 7.7% | -2.6% |
| Median | 4.0% | -1.7% |
| 25th percentile | 0.3% | -5.7% |
| 75th percentile | 16.6% | 3.8% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.71 | 0.69 | 0.77 |
| Median | 0.66 | 0.68 | 0.74 |
| 25th percentile | 0.52 | 0.59 | 0.67 |
| 75th percentile | 0.84 | 0.78 | 0.87 |

### Cost of equity

| | % |
|---|---|
| Average | 13.8% |
| Median | 13.5% |
| 25th percentile | 13.0% |
| 75th percentile | 14.6% |

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 21.1% | 11.9% | 16.9% |
| Median | 20.8% | 12.7% | 17.6% |
| 25th percentile | 19.3% | 10.9% | 14.9% |
| 75th percentile | 23.9% | 14.0% | 18.8% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 50.6% | 22.0% |
| Median | 47.4% | 18.9% |
| 25th percentile | 23.4% | 16.1% |
| 75th percentile | 76.4% | 24.8% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 20 | 37 | 28 |
| Median | 21 | 34 | 27 |
| 25th percentile | 19 | 32 | 25 |
| 75th percentile | 22 | 35 | 30 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 18.6% |
| Median | 18.5% |
| 25th percentile | 17.8% |
| 75th percentile | 19.5% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 0.9x | 13.3x | 2.1x |
| Median | 0.8x | 11.6x | 1.4x |
| 25th percentile | 0.2x | 5.2x | 0.9x |
| 75th percentile | 1.5x | 18.9x | 2.4x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 1.0x | 8.1x |
| Median | 0.7x | 6.7x |
| 25th percentile | 0.3x | 3.6x |
| 75th percentile | 1.7x | 11.3x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 26.0% | 14.2% | 8.4% |
| Median | 27.6% | 14.3% | 8.3% |
| 25th percentile | 23.5% | 9.5% | 5.6% |
| 75th percentile | 28.9% | 18.2% | 11.0% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.2x | 0.7x |
| Median | 1.1x | 0.7x |
| 25th percentile | 1.0x | 0.6x |
| 75th percentile | 1.3x | 0.9x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 7.5% | 2.7% | 49.4% |
| Median | 7.1% | 2.6% | 44.1% |
| 25th percentile | 6.2% | 2.4% | 32.3% |
| 75th percentile | 7.9% | 3.3% | 70.4% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 4.6% | NM |
| Median | 4.0% | NM |
| 25th percentile | 3.9% | NM |
| 75th percentile | 4.5% | NM |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.72 | 0.68 | 0.76 |
| Median | 0.68 | 0.68 | 0.74 |
| 25th percentile | 0.64 | 0.66 | 0.73 |
| 75th percentile | 0.81 | 0.70 | 0.78 |

## Cost of equity

| | % |
|---|---|
| Average | 13.7% |
| Median | 13.5% |
| 25th percentile | 13.5% |
| 75th percentile | 13.8% |

# Pharmaceuticals and Biotechnology

The category of companies under Pharma industry comprises two main groups. It includes manufacturers and distributors of pharmaceuticals, as well as companies actively involved in the research and development of pharmaceutical products.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 12.2% | 9.2% | 11.5% |
| Median | 15.7% | 10.6% | 12.4% |
| 25th percentile | 7.9% | 6.7% | 7.8% |
| 75th percentile | 21.0% | 13.3% | 17.1% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 10.2% | 7.3% |
| Median | 1.8% | 1.7% |
| 25th percentile | 0.3% | 0.3% |
| 75th percentile | 12.2% | 10.9% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 68 | 207 | 117 |
| Median | 68 | 201 | 110 |
| 25th percentile | 50 | 147 | 87 |
| 75th percentile | 92 | 260 | 139 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 11.8% |
| Median | 10.3% |
| 25th percentile | 6.6% |
| 75th percentile | 15.6% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 4.7x | 26.9x | 5.0x |
| Median | 3.5x | 26.7x | 3.5x |
| 25th percentile | 2.2x | 18.5x | 2.4x |
| 75th percentile | 5.9x | 41.5x | 6.5x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 4.6x | 18.7x |
| Median | 3.6x | 16.7x |
| 25th percentile | 2.1x | 11.2x |
| 75th percentile | 5.8x | 21.4x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 61.1% | 19.3% | 10.8% |
| Median | 62.0% | 22.6% | 13.0% |
| 25th percentile | 55.6% | 15.2% | 7.6% |
| 75th percentile | 66.7% | 27.6% | 20.4% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.9x | 1.8x |
| Median | 2.4x | 1.6x |
| 25th percentile | 1.8x | 0.9x |
| 75th percentile | 3.1x | 2.0x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 8.6% | 4.3% | 83.6% |
| Median | 6.1% | 4.3% | 69.7% |
| 25th percentile | 4.2% | 3.2% | 47.1% |
| 75th percentile | 9.4% | 5.1% | 118.4% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 55.2% | 24.3% |
| Median | 45.4% | 27.9% |
| 25th percentile | 35.6% | 21.1% |
| 75th percentile | 61.2% | 32.8% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.53 | 0.46 | 0.55 |
| Median | 0.48 | 0.41 | 0.54 |
| 25th percentile | 0.34 | 0.31 | 0.41 |
| 75th percentile | 0.69 | 0.57 | 0.67 |

### Cost of equity

| | % |
|---|---|
| Average | 11.9% |
| Median | 11.8% |
| 25th percentile | 10.7% |
| 75th percentile | 12.9% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 14.0% | 9.8% | 11.7% |
| Median | 15.1% | 10.6% | 12.3% |
| 25th percentile | 10.0% | 7.9% | 8.8% |
| 75th percentile | 17.8% | 11.4% | 14.6% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 9.2% | 6.8% |
| Median | 8.9% | 6.8% |
| 25th percentile | 3.7% | 3.5% |
| 75th percentile | 13.4% | 9.7% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 66 | 199 | 114 |
| Median | 63 | 201 | 110 |
| 25th percentile | 60 | 179 | 110 |
| 75th percentile | 70 | 220 | 121 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 11.3% |
| Median | 11.2% |
| 25th percentile | 10.2% |
| 75th percentile | 12.1% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 4.5x | 25.9x | 4.4x |
| Median | 4.7x | 25.9x | 4.1x |
| 25th percentile | 3.4x | 21.7x | 3.6x |
| 75th percentile | 5.4x | 28.5x | 4.8x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 4.4x | 17.9x |
| Median | 4.5x | 17.6x |
| 25th percentile | 3.5x | 16.1x |
| 75th percentile | 5.2x | 20.0x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 61.4% | 20.4% | 11.3% |
| Median | 62.4% | 21.6% | 11.4% |
| 25th percentile | 59.7% | 15.3% | 7.6% |
| 75th percentile | 63.4% | 24.4% | 15.9% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.7x | 1.7x |
| Median | 2.5x | 1.7x |
| 25th percentile | 2.4x | 1.6x |
| 75th percentile | 2.8x | 1.9x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 6.8% | 4.5% | 71.9% |
| Median | 6.2% | 4.4% | 69.7% |
| 25th percentile | 6.0% | 4.0% | 67.0% |
| 75th percentile | 7.9% | 4.8% | 72.5% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 55.1% | 27.8% |
| Median | 55.7% | 27.9% |
| 25th percentile | 52.1% | 24.5% |
| 75th percentile | 58.4% | 31.0% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.49 | 0.43 | 0.55 |
| Median | 0.48 | 0.41 | 0.56 |
| 25th percentile | 0.44 | 0.40 | 0.52 |
| 75th percentile | 0.52 | 0.47 | 0.58 |

### Cost of equity

| | % |
|---|---|
| Average | 11.9% |
| Median | 12.0% |
| 25th percentile | 11.7% |
| 75th percentile | 12.2% |

# Power

Producers and transmitters of both renewable and non-renewable power, as well as entities engaged in the trading of electricity.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 10.5% | 5.1% | 6.5% |
| Median | 11.7% | 4.9% | 5.6% |
| 25th percentile | 9.2% | 3.0% | 4.5% |
| 75th percentile | 17.0% | 6.5% | 7.8% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 132.2% | 45.8% |
| Median | 92.6% | 43.3% |
| 25th percentile | 61.9% | 38.0% |
| 75th percentile | 138.4% | 54.7% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 95 | 58 | 93 |
| Median | 71 | 44 | 55 |
| 25th percentile | 64 | 38 | 40 |
| 75th percentile | 107 | 57 | 79 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 12.5% |
| Median | 8.1% |
| 25th percentile | 4.7% |
| 75th percentile | 18.1% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.1x | 24.4x | 2.8x |
| Median | 1.0x | 10.0x | 1.0x |
| 25th percentile | 0.7x | 7.0x | 0.6x |
| 75th percentile | 3.8x | 14.9x | 2.1x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 5.2x | 12.5x |
| Median | 2.6x | 10.4x |
| 25th percentile | 1.9x | 7.2x |
| 75th percentile | 6.4x | 12.6x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 53.7% | 38.5% | 14.3% |
| Median | 45.8% | 30.0% | 9.5% |
| 25th percentile | 30.1% | 19.8% | 7.7% |
| 75th percentile | 77.6% | 48.6% | 26.6% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.0x | 0.7x |
| Median | 1.0x | 0.7x |
| 25th percentile | 0.8x | 0.5x |
| 75th percentile | 1.1x | 0.8x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 31.7% | 11.2% | 120.0% |
| Median | 14.0% | 9.8% | 64.3% |
| 25th percentile | 5.0% | 7.8% | 37.2% |
| 75th percentile | 37.3% | 12.3% | 158.2% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 21.0% | -1.2% |
| Median | 21.4% | 7.5% |
| 25th percentile | 10.9% | -7.5% |
| 75th percentile | 41.25 | 17.2% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.90 | 0.70 | 0.72 |
| Median | 0.97 | 0.67 | 0.70 |
| 25th percentile | 0.62 | 0.56 | 0.60 |
| 75th percentile | 1.06 | 0.80 | 0.79 |

### Cost of equity

| | % |
|---|---|
| Average | 13.4% |
| Median | 13.1% |
| 25th percentile | 12.3% |
| 75th percentile | 13.9% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 12.8% | 5.1% | 6.0% |
| Median | 12.0% | 4.9% | 5.7% |
| 25th percentile | 10.4% | 4.7% | 5.5% |
| 75th percentile | 14.7% | 5.5% | 6.6% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 109.2% | 44.5% |
| Median | 97.1% | 43.3% |
| 25th percentile | 80.4% | 40.5% |
| 75th percentile | 128.0% | 46.9% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 86 | 46 | 52 |
| Median | 83 | 44 | 49 |
| 25th percentile | 70 | 40 | 37 |
| 75th percentile | 101 | 53 | 63 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 10.0% |
| Median | 8.1% |
| 25th percentile | 6.2% |
| 75th percentile | 14.2% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 1.8x | 11.1x | 1.2x |
| Median | 1.0x | 10.0x | 1.0x |
| 25th percentile | 0.7x | 7.7x | 0.6x |
| 75th percentile | 3.5x | 11.0x | 1.9x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.8x | 10.1x |
| Median | 2.6x | 10.4x |
| 25th percentile | 2.1x | 8.3x |
| 75th percentile | 5.9x | 11.4x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 48.7% | 34.0% | 9.8% |
| Median | 51.0% | 32.0% | 9.4% |
| 25th percentile | 40.6% | 27.9% | 8.5% |
| 75th percentile | 55.2% | 39.6% | 10.3% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.0x | 0.6x |
| Median | 1.0x | 0.6x |
| 25th percentile | 0.9x | 0.5x |
| 75th percentile | 1.1x | 0.7x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 18.3% | 10.3% | 98.1% |
| Median | 13.9% | 11.1% | 85.5% |
| 25th percentile | 5.0% | 8.5% | 55.9% |
| 75th percentile | 25.7% | 11.5% | 129.9% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 25.2% | 12.4% |
| Median | 21.4% | 13.3% |
| 25th percentile | 11.7% | 6.9% |
| 75th percentile | 39.4% | 16.8% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.94 | 0.68 | 0.72 |
| Median | 0.99 | 0.68 | 0.73 |
| 25th percentile | 0.91 | 0.64 | 0.65 |
| 75th percentile | 1.01 | 0.71 | 0.78 |

### Cost of equity

| | % |
|---|---|
| Average | 13.4% |
| Median | 13.5% |
| 25th percentile | 12.8% |
| 75th percentile | 13.9% |

# Textiles

Manufacturers and distributors of garments and apparel, fabrics, and yarn. It includes companies engaged in spinning of cotton/synthetic/other yarn and cotton ginning operations.

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 15.3% | 7.9% | 11.0% |
| Median | 14.2% | 8.2% | 10.2% |
| 25th percentile | 8.6% | 5.4% | 6.2% |
| 75th percentile | 21.0% | 10.7% | 15.2% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 47.6% | 16.9% |
| Median | 11.7% | 10.4% |
| 25th percentile | 6.0% | 5.6% |
| 75th percentile | 22.6% | 18.1% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 46 | 125 | 64 |
| Median | 39 | 155 | 57 |
| 25th percentile | 29 | 75 | 29 |
| 75th percentile | 51 | 166 | 79 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 13.3% |
| Median | 12.6% |
| 25th percentile | 9.2% |
| 75th percentile | 17.1% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 4.5x | 1.5x | 8.4x |
| Median | 1.8x | 24.4x | 3.6x |
| 25th percentile | 0.8x | 14.2x | 2.2x |
| 75th percentile | 3.5x | 32.5x | 6.9x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 4.9x | 158.8x |
| Median | 2.9x | 16.2x |
| 25th percentile | 1.1x | 9.1x |
| 75th percentile | 4.4x | 27.0x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 37.1% | 11.2% | 4.5% |
| Median | 38.9% | 12.4% | 6.2% |
| 25th percentile | 27.1% | 7.9% | 2.5% |
| 75th percentile | 44.7% | 15.5% | 8.9% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.7x | 0.7x |
| Median | 1.5x | 0.7x |
| 25th percentile | 1.3x | 0.4x |
| 75th percentile | 1.9x | 0.9x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 8.1% | 3.4% | 146.2% |
| Median | 3.5% | 2.8% | 55.1% |
| 25th percentile | 2.0% | 1.6% | 35.0% |
| 75th percentile | 7.1% | 4.9% | 170.6% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 31.2% | 24.4% |
| Median | 32.1% | 25.5% |
| 25th percentile | 21.1% | 14.7% |
| 75th percentile | 43.5% | 35.8% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.70 | 0.63 | 0.67 |
| Median | 0.76 | 0.65 | 0.68 |
| 25th percentile | 0.54 | 0.59 | 0.63 |
| 75th percentile | 0.97 | 0.72 | 0.75 |

## Cost of equity

| | % |
|---|---|
| Average | 12.9% |
| Median | 13.0% |
| 25th percentile | 12.6% |
| 75th percentile | 13.6% |

## Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 13.5% | 7.9% | 11.5% |
| Median | 11.0% | 8.2% | 11.9% |
| 25th percentile | 9.8% | 6.8% | 8.5% |
| 75th percentile | 19.5% | 9.7% | 14.4% |

## Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 13.7% | 11.1% |
| Median | 10.3% | 9.4% |
| 25th percentile | 5.2% | 4.9% |
| 75th percentile | 18.1% | 15.2% |

## Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 39 | 144 | 61 |
| Median | 39 | 160 | 57 |
| 25th percentile | 34 | 139 | 49 |
| 75th percentile | 44 | 164 | 73 |

## Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 13.0% |
| Median | 12.6% |
| 25th percentile | 10.6% |
| 75th percentile | 15.6% |

## Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 2.5x | 27.2x | 4.0x |
| Median | 1.5x | 24.6x | 3.3x |
| 25th percentile | 0.8x | 16.4x | 2.4x |
| 75th percentile | 3.1x | 31.8x | 5.3x |

## Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.9x | 18.8x |
| Median | 2.4x | 16.2x |
| 25th percentile | 1.1x | 9.7x |
| 75th percentile | 3.8x | 24.0x |

## Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 38.9% | 12.2% | 5.4% |
| Median | 40.7% | 12.4% | 6.0% |
| 25th percentile | 35.1% | 10.2% | 4.0% |
| 75th percentile | 42.9% | 14.3% | 6.7% |

## Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.6x | 0.7x |
| Median | 1.5x | 0.7x |
| 25th percentile | 1.4x | 0.6x |
| 75th percentile | 1.7x | 0.8x |

## Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 4.5% | 3.1% | 84.5% |
| Median | 3.5% | 2.8% | 46.7% |
| 25th percentile | 1.8% | 1.7% | 31.2% |
| 75th percentile | 6.1% | 4.1% | 119.0% |

## Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 29.8% | 23.9% |
| Median | 29.9% | 22.0% |
| 25th percentile | 23.0% | 17.4% |
| 75th percentile | 36.6% | 31.1% |

## Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.71 | 0.64 | 0.67 |
| Median | 0.74 | 0.63 | 0.67 |
| 25th percentile | 0.58 | 0.60 | 0.64 |
| 75th percentile | 0.81 | 0.69 | 0.69 |

## Cost of equity

| | % |
|---|---|
| Average | 12.9% |
| Median | 12.9% |
| 25th percentile | 12.7% |
| 75th percentile | 13.1% |

# Fast Moving Consumer Goods

Manufacturers and distributors of various products. This includes agricultural food and related items, beverages, cigarettes, and tobacco products, as well as personal consumable and discretionary items, and household products.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 25.4% | 12.8% | 20.1% |
| Median | 19.7% | 10.2% | 13.1% |
| 25th percentile | 12.0% | 6.7% | 8.2% |
| 75th percentile | 30.9% | 16.2% | 21.0% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 14.4% | 8.6% |
| Median | 3.8% | 3.6% |
| 25th percentile | 0.5% | 0.5% |
| 75th percentile | 13.9% | 12.2% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 25 | 116 | 64 |
| Median | 20 | 99 | 53 |
| 25th percentile | 13 | 69 | 32 |
| 75th percentile | 31 | 143 | 94 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 14.5% |
| Median | 11.0% |
| 25th percentile | 8.6% |
| 75th percentile | 15.9% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.9x | 38.3x | 9.9x |
| Median | 2.7x | 29.3x | 4.5x |
| 25th percentile | 1.1x | 14.7x | 2.1x |
| 75th percentile | 6.4x | 57.0x | 11.1x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.9x | 25.2x |
| Median | 2.7x | 23.3x |
| 25th percentile | 1.4x | 12.5x |
| 75th percentile | 6.4x | 35.5x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 39.1% | 16.5% | 10.9% |
| Median | 41.9% | 14.8% | 11.4% |
| 25th percentile | 27.5% | 10.3% | 5.5% |
| 75th percentile | 50.9% | 21.8% | 14.8% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.9x | 0.8x |
| Median | 1.6x | 0.8x |
| 25th percentile | 1.3x | 0.4x |
| 75th percentile | 1.9x | 1.0x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 5.3% | 2.4% | 93.1% |
| Median | 3.3% | 2.3% | 59.6% |
| 25th percentile | 1.9% | 1.5% | 36.8% |
| 75th percentile | 4.4% | 3.0% | 123.1% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 25.4% | 14.7% |
| Median | 19.5% | 8.4% |
| 25th percentile | 11.4% | 3.3% |
| 75th percentile | 35.4% | 17.1% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.68 | 0.60 | 0.67 |
| Median | 0.64 | 0.56 | 0.65 |
| 25th percentile | 0.48 | 0.48 | 0.55 |
| 75th percentile | 0.87 | 0.73 | 0.79 |

### Cost of equity

| | % |
|---|---|
| Average | 13.0% |
| Median | 12.8% |
| 25th percentile | 11.9% |
| 75th percentile | 14.0% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 24.2% | 12.4% | 17.3% |
| Median | 21.1% | 10.8% | 14.5% |
| 25th percentile | 19.7% | 10.2% | 13.4% |
| 75th percentile | 29.2% | 14.5% | 20.6% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 8.7% | 6.5% |
| Median | 4.7% | 4.5% |
| 25th percentile | 4.0% | 4.2% |
| 75th percentile | 13.9% | 8.5% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 24 | 113 | 57 |
| Median | 22 | 111 | 54 |
| 25th percentile | 20 | 100 | 52 |
| 75th percentile | 28 | 126 | 57 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 12.9% |
| Median | 12.7% |
| 25th percentile | 11.2% |
| 75th percentile | 14.1% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.9x | 34.3x | 8.7x |
| Median | 4.1x | 30.5x | 7.2x |
| 25th percentile | 3.0x | 27.6x | 5.4x |
| 75th percentile | 4.7x | 40.8x | 11.5x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.8x | 25.9x |
| Median | 4.0x | 26.8x |
| 25th percentile | 2.8x | 22.9x |
| 75th percentile | 4.6x | 28.8x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 42.8% | 16.4% | 11.8% |
| Median | 42.4% | 17.4% | 12.8% |
| 25th percentile | 41.8% | 13.9% | 9.6% |
| 75th percentile | 44.3% | 18.8% | 13.3% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 1.7x | 0.9x |
| Median | 1.7x | 0.9x |
| 25th percentile | 1.5x | 0.8x |
| 75th percentile | 1.8x | 1.0x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 4.3% | 2.4% | 90.2% |
| Median | 4.2% | 2.5% | 88.1% |
| 25th percentile | 3.7% | 2.1% | 62.3% |
| 75th percentile | 4.5% | 2.7% | 115.3% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 25.3% | 13.2% |
| Median | 26.4% | 13.2% |
| 25th percentile | 19.4% | 10.1% |
| 75th percentile | 29.6% | 15.4% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 0.68 | 0.59 | 0.66 |
| Median | 0.65 | 0.59 | 0.65 |
| 25th percentile | 0.63 | 0.56 | 0.64 |
| 75th percentile | 0.75 | 0.61 | 0.67 |

### Cost of equity

| | % |
|---|---|
| Average | 12.8% |
| Median | 12.8% |
| 25th percentile | 12.7% |
| 75th percentile | 12.9% |


# Media, Entertainment, and Publication

Companies providing advertising, public relations and marketing services, publishers of newspapers, magazines and other periodicals, and web-based media services.

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 3.2% | 4.7% | 5.6% |
| Median | 2.5% | 2.5% | 3.6% |
| 25th percentile | -2.7% | 1.2% | 1.4% |
| 75th percentile | 8.7% | 6.6% | 8.2% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 36.2% | 16.7% |
| Median | 1.4% | 1.4% |
| 25th percentile | 0.8% | 0.7% |
| 75th percentile | 71.2% | 36.9% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 72 | 188 | 77 |
| Median | 77 | 227 | 72 |
| 25th percentile | 54 | 54 | 66 |
| 75th percentile | 80 | 300 | 80 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 13.0% |
| Median | 4.5% |
| 25th percentile | 2.8% |
| 75th percentile | 8.7% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.5x | 21.7x | 2.1x |
| Median | 3.1x | 34.3x | 1.9x |
| 25th percentile | 1.7x | -10.1x | 1.5x |
| 75th percentile | 4.2x | 61.4x | 2.3x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 3.8x | 37.6x |
| Median | 2.8x | 25.3x |
| 25th percentile | 2.5x | 19.6x |
| 75th percentile | 4.6x | 41.1x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 47.9% | 21.6% | 9.5% |
| Median | 50.4% | 14.0% | 2.0% |
| 25th percentile | 30.7% | 6.7% | -0.4% |
| 75th percentile | 64.3% | 29.0% | 14.4% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 3.0x | 1.9x |
| Median | 3.0x | 0.9x |
| 25th percentile | 1.1x | 0.2x |
| 75th percentile | 4.2x | 2.6x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 10.4% | 7.1% | 173.3% |
| Median | 12.3% | 4.2% | 85.3% |
| 25th percentile | 6.7% | 2.4% | 18.8% |
| 75th percentile | 14.6% | 9.1% | 192.5% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 90.4% | 47.8% |
| Median | 108.8% | 26.8% |
| 25th percentile | 77.5% | 16.9% |
| 75th percentile | 118.9% | 92.2% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.01 | 0.99 | 0.93 |
| Median | 1.11 | 1.06 | 0.95 |
| 25th percentile | 0.92 | 0.89 | 0.88 |
| 75th percentile | 1.18 | 1.08 | 1.06 |

### Cost of equity

| | % |
|---|---|
| Average | 15.1% |
| Median | 15.3% |
| 25th percentile | 14.7% |
| 75th percentile | 16.2% |

### Return ratios

| | Return on equity | Return on assets | Return on capital |
|---|---|---|---|
| Average | 5.6% | 3.0% | 3.8% |
| Median | 3.2% | 2.2% | 2.8% |
| 25th percentile | 2.4% | 0.8% | 1.1% |
| 75th percentile | 6.3% | 3.9% | 4.9% |

### Debt ratios

| | Debt/equity | Debt/capital |
|---|---|---|
| Average | 11.3% | 7.5% |
| Median | 1.1% | 1.0% |
| 25th percentile | 0.4% | 0.4% |
| 75th percentile | 1.4% | 1.4% |

### Activity ratios

| | Days of sales | Days of inventory | Days of payables |
|---|---|---|---|
| Average | 69 | 253 | 73 |
| Median | 77 | 287 | 72 |
| 25th percentile | 63 | 227 | 69 |
| 75th percentile | 77 | 296 | 74 |

### Historical CAGR% (3 yr)

| | Revenue growth |
|---|---|
| Average | 5.5% |
| Median | 4.5% |
| 25th percentile | 3.2% |
| 75th percentile | 5.1% |

### Price multiples

| | Price/revenue | Price/earnings | Market/book |
|---|---|---|---|
| Average | 3.0x | 28.8x | 1.9x |
| Median | 3.1x | 34.3x | 1.9x |
| 25th percentile | 2.5x | 22.0x | 1.8x |
| 75th percentile | 4.0x | 38.3x | 2.1x |

### Enterprise value (EV) multiples

| | EV/revenue | EV/EBITDA |
|---|---|---|
| Average | 2.5x | 25.3x |
| Median | 2.5x | 23.5x |
| 25th percentile | 2.4x | 18.6x |
| 75th percentile | 2.8x | 27.3x |

### Profitability ratios

| | Gross margin | EBITDA margin | Net profit margin |
|---|---|---|---|
| Average | 42.6% | 14.6% | 7.8% |
| Median | 40.9% | 12.0% | 2.8% |
| 25th percentile | 31.0% | 5.0% | 1.6% |
| 75th percentile | 52.4% | 24.4% | 9.0% |

### Liquidity ratios

| | Current ratio | Quick ratio |
|---|---|---|
| Average | 2.7x | 1.1x |
| Median | 3.0x | 0.6x |
| 25th percentile | 1.3x | 0.2x |
| 75th percentile | 4.1x | 1.9x |

### Capital expenditure and depreciation ratios

| | Capex/revenue | D&A/revenue | D&A/Capex |
|---|---|---|---|
| Average | 13.3% | 4.9% | 87.5% |
| Median | 13.1% | 3.5% | 52.7% |
| 25th percentile | 12.2% | 2.3% | 18.1% |
| 75th percentile | 14.3% | 5.0% | 110.2% |

### Working capital ratios

| | DFWC/revenue | DFCFWC/revenue |
|---|---|---|
| Average | 106.4% | 36.6% |
| Median | 109.2% | 25.8% |
| 25th percentile | 95.6% | 20.8% |
| 75th percentile | 123.6% | 41.5% |

### Betas (levered)

| | 1 yr | 3 yr | 5 yr |
|---|---|---|---|
| Average | 1.09 | 1.00 | 0.99 |
| Median | 1.12 | 1.06 | 0.99 |
| 25th percentile | 1.00 | 0.94 | 0.92 |
| 75th percentile | 1.20 | 1.06 | 1.07 |

### Cost of equity

| | % |
|---|---|
| Average | 15.6% |
| Median | 15.6% |
| 25th percentile | 15.1% |
| 75th percentile | 16.3% |

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# Interpretation And Computation Of Ratios And Multiples

## Return on equity (ROE)

Return on equity measures the profitability of a company in relation to the shareholders' equity. It shows how much profit a company generates for each dollar of shareholders' equity. It is a key indicator of a company's efficiency in utilizing its equity capital to generate profits for its shareholders. Higher ROE values generally indicate better financial performance and effectiveness in using shareholders' investments.

| Formula | Net income to common excluding extra items/ Average common equity | |
|---|---|---|
| *1* | *Net income to common excluding extra items* | *= Revenue from Operations*<br>*- Cost of Revenue*<br>*+/- Other Operating Income/ Expense*<br>*+/- Changes in Inventory*<br>*+/- Interest Income/ Expense*<br>*+/- Investment Income/ Expense*<br>*+/- Other Non-Operating Income/ Expense*<br>*- Depreciation and Amortization*<br>*- Provision for Income Taxes*<br>*+/- Unusual Items* |
| *2* | *Average common equity* | *= Average of opening and closing common equity* |
| *3* | *Common equity (book value)* | *= Common Stock and Add Paid in Capital*<br>*+ Retained Earnings*<br>*+ Treasury Stock and Other* |

## Return on assets (ROA)

The return on assets formula is a financial ratio that measures a company's profitability in relation to its total assets. ROA shows how efficiently a company utilizes its assets to generate profits. It provides insight into the company's ability to generate earnings from its investments in assets. A higher ROA value generally indicates better financial performance, as the company is effectively using its assets to generate profits.

| Formula | EBIT*(1- corporate tax rate)/ Average total assets | |
|---|---|---|
| *1* | *EBIT* | *= Total Revenue*<br>*- Cost of Revenue*<br>*- Selling General & Administrative Expenses*<br>*- Depreciation & Amortization*<br>*- Other Operating Expense* |
| *2* | *Average total assets* | *= Average of opening and closing total assets* |
| *3* | *Total assets* | *= Total Receivables*<br>*+ Cash & Short-Term Investments*<br>*+ Net Property, Plant & Equipment*<br>*+ Other Intangibles*<br>*+ Inventory*<br>*+ Long-term Investments*<br>*+ Goodwill*<br>*+ Other Current Assets*<br>*+ Other Assets* |

## Return on capital (ROC)

The return on capital is a financial metric that assesses a company's profitability and efficiency in generating returns from both debt and equity capital. In essence, ROC evaluates how effectively a company uses both borrowed funds (debt) and shareholders' investments (equity) to generate profits. This metric is helpful for understanding the overall performance of the company's capital structure. A higher ROC value generally indicates that the company is efficiently utilizing its capital to generate returns for its investors and creditors.

| Formula | EBIT*(1- corporate tax rate)/ Average total capital | |
|---|---|---|
| 1 | *EBIT* | *= Total Revenue*<br>*- Cost of Revenue*<br>*- Selling General & Administrative Expenses*<br>*- Depreciation & Amortization*<br>*- Other Operating Expense* |
| 2 | *Average total capital* | *= Average of opening and closing capital* |
| 3 | *Total capital (book value)* | *= Common equity*<br>*+ Total Debt*<br>*+ Preferred stock* |
| 4 | *Common equity* | *= Common Stock and Add Paid in Capital*<br>*+ Retained Earnings*<br>*+ Treasury Stock and Other* |
| 5 | *Total Debt* | *= Short-term Borrowings*<br>*+ Current Portion of Long-Term Debt*<br>*+ Current Portion of Leases*<br>*+ Long-Term Debt*<br>*+ Long-Term Leases* |

# Debt ratios

## Debt/Equity (D/E)

The debt-to-equity ratio is a financial metric that compares a company's total debt to its shareholders' equity. The D/E ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. A high D/E ratio suggests that the company relies more on debt financing, which can increase financial risk but may also lead to higher potential returns. On the other hand, a low D/E ratio indicates a more conservative financing structure, with less reliance on debt and potentially lower risk.

| Formula | Total Debt/ Market capitalization | |
|---|---|---|
| 1 | *Total Debt* | *= Short-term Borrowings*<br>*+ Current Portion of Long-Term Debt*<br>*+ Current Portion of Leases*<br>*+ Long-Term Debt*<br>*+ Long-Term Leases* |
| 2 | *Market capitalization* | *= No. of equity shares outstanding*Market price per share* |

## Debt/ Total capital (D/C)

The debt-to-capital ratio is a financial metric that compares a company's total debt to its total capital, which includes both debt and equity. In essence, the D/C ratio measures the proportion of a company's capital that is financed through debt. It provides insights into the company's financial leverage and risk. A high D/C ratio indicates that a significant portion of the company's capital comes from debt, which can increase financial risk but may also offer higher potential returns. On the other hand, a low D/C ratio suggests a more conservative capital structure, with less reliance on debt financing and potentially lower risk.

| Formula | Total Debt/ Market value of Invested Capital | |
|---|---|---|
| 1 | *Total Debt* | *= Short-term Borrowings<br>+ Current Portion of Long-Term Debt<br>+ Current Portion of Leases<br>+ Long-Term Debt<br>+ Long-Term Leases* |
| 2 | *Market value of Invested Capital* | *= Market Capitalization<br>+ Preferred stock<br>+ Minority interest<br>+ Total Debt* |
| 3 | *Market capitalization* | *= No. of equity shares outstanding*Market price per share* |
| 4 | *Minority interest* | *Portion of equity in a non-wholly owned, consolidated subsidiary that is attributable to the minority owners.* |

# Activity ratios

## Days of sales (DSO)

The days of sales is a financial metric that measures the average number of days it takes for a company to collect revenue from its customers. This ratio is an activity ratio quantifying a firm's effectiveness in extending credit and in collecting debts. A lower number of days of sales indicates that the company is collecting payments more quickly, which is generally a positive sign of effective credit and collection policies. Conversely, a higher number of days of sales suggests that the company takes longer to collect payments, which may indicate potential issues with cash flow or credit policies. Reducing the days of sales can help improve a company's cash flow and overall financial performance.

| Formula | = (Average accounts receivable/ Revenue) *Number of days in a period | |
|---|---|---|
| *1* | *Average accounts receivable* | *= Average of opening and closing accounts receivable (adjusted for allowance for doubtful accounts receivable)* |

## Days of inventory (DIO)

The day of inventory is a financial metric that measures the average number of days it takes for a company to sell its inventory. It helps to assess how efficiently a company manages its inventory. A lower number of days of inventory indicates that the company is selling its inventory more quickly, which is generally a positive sign as it suggests effective inventory management and turnover. On the other hand, a higher number of days of inventory implies that the company takes longer to sell its inventory, which may indicate overstocking or slow-moving products, potentially tying up capital and affecting profitability.

| Formula | = (Average inventory/ Cost of Goods Sold) *Number of Days in a Period | |
|---|---|---|
| 1 | *Average inventory* | *= Average of opening and closing inventory* |

## Days of payables (DPO)

The days of payables is a financial metric that measures the average number of days it takes for a company to pay its suppliers and vendors. It helps to assess the efficiency of a company's accounts payable management. A higher number of days of payables indicates that the company takes longer to pay its suppliers, which may suggest favourable credit terms and better cash flow management. On the other hand, a lower number of days of payables may indicate that the company pays its suppliers more quickly, which could be an advantage in maintaining good supplier relationships and potentially securing early payment discounts.

| Formula | = (Average accounts payable/ (Cost of Goods Sold - Opening inventory - Closing inventory)) *Number of Days in a Period | |
|---|---|---|
| 1 | *Average accounts payable* | *= Average of opening and closing accounts payable* |

# Growth ratios

The compound annual growth rate (CAGR) is the mean annual growth rate of an investment over a specified period longer than one year. It is calculated by dividing the investment value at the end by the beginning investment value, raising the result to the power of one divided by the period length. Subsequently one is subtracted to arrive at the CAGR.

We have presented the 3-year Revenue in our analysis.

3 year - Revenue CAGR

| Formula | = (Total Revenue (yr. 3)/ Total Revenue (yr. 0)) ^ (1/3)-1 |
|---|---|

# Price multiples

Equity value multiples are used to arrive at an equity valuation for an entity after factoring leverage. A key assumption of any fundamental value technique is that the value of the security is driven by the fundamentals of the entity's underlying business.

## Price/ Revenue

The price to revenue is a valuation ratio that compares a company's stock price to its revenues. It can be calculated either by dividing the company's market capitalization by its total revenue over a 12-month period, or on a per-share basis by dividing the stock price by revenue per share for a 12-month period. In our database, we have calculated it by dividing the market capitalization by total revenue.

| Formula | = Market capitalization/ Total revenue | |
|---|---|---|
| 1 | *Market capitalization* | *= No. of equity shares outstanding*Market price per share* |

## Price/ Earnings (P/E) ratio

The price to earnings ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The ratio is calculated by dividing the current stock price by earnings per share.

| Formula | = Price per share/ Earnings per share | |
|---|---|---|
| 1 | *Earnings per share* | *= Net income to common excluding extra items/ Weighted Average Basic Shares Outstanding* |
| 2 | *Net income to common excluding extra items* | *= Revenue from Operations<br>- Cost of Revenue<br>+/- Other Operating Income/ Expense<br>+/- Changes in Inventory<br>+/- Interest Income/ Expense<br>+/- Investment Income/ Expense<br>+/- Other Non-Operating Income/ Expense<br>- Depreciation and Amortization<br>- Provision for Income Taxes<br>+/- Unusual Items* |

## Market/ Book

The market to book ratio is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the book value per share.

| Formula | **= Price per share/ Book value per share** | |
|---|---|---|
| 1 | *Book value per share* | *= (Total common equity<br>+ Total minority interest)<br>/ Total no. of common shares outstanding* |
| 2 | *Common equity* | *= Common Stock and Add Paid in Capital<br>+ Retained Earnings<br>+ Treasury Stock and Other* |

# Enterprise value (EV) multiples

The enterprise value is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. Enterprise value is calculated as the market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents.

An enterprise multiple is a ratio used to determine the value of a company. Some analysts prefer enterprise value multiples over equity value multiples as the former allows for direct comparison across firms, regardless of capital structure. The enterprise multiple looks at an entity as a potential acquirer would, taking into account the company's debt and not just the equity component as we observed while analysing the equity multiples.

## EV/ Revenue

The EV/ Revenue gives investors a quantifiable metric of how much it costs to purchase the company's sales. This measure is an expansion of the price-to-sales (P/S) valuation, which uses market capitalization instead of enterprise value. It is calculated by dividing enterprise value by total revenue for the financial year.

| Formula | = Total enterprise value/ Total Revenue | |
|---|---|---|
| 1 | *Total enterprise value* | *= Market value of Invested Capital<br>- Cash and cash equivalents* |
| 2 | *Market value of Invested Capital* | *= Market Capitalization<br>+ Preferred stock<br>+ Minority interest<br>+ Total Debt* |
| 3 | *Market capitalization* | *= No. of equity shares outstanding*Market price per share* |
| 4 | *Minority interest* | *Portion of equity in a non-wholly owned, consolidated subsidiary that is attributable to the minority owners.* |
| 5 | *Total Debt* | *= Short-term Borrowings<br>+ Current Portion of Long-Term Debt<br>+ Current Portion of Leases<br>+ Long-Term Debt<br>+ Long-Term Leases* |
| 6 | *Cash and cash equivalents* | *The total of cash, cash equivalents and short-term investments reported on the company's balance sheet. Includes cash, cash in hand, cash at bank, cash and cash equivalents, bank balances, short-term deposits, deposits. Any adjustments for surplus cash credit or restricted cash are handled through separate adjustments. Restricted cash is included here under International Financial Reporting Standards ("IFRS")* |

# EV/ EBITDA

The EV/ EBITDA equals a company's enterprise value divided by earnings before interest, tax, depreciation, and amortization (EBITDA) for the financial year. It is a measure of the cost of a stock which is more frequently valid for comparisons across companies than the price-to-earnings ratio.

| Formula | = Total enterprise value/ EBITDA | |
|---|---|---|
| 1 | *Total enterprise value* | *As defined above* |

We have also presented Historical EV/Revenue multiples for periods FY-1, FY-2 and FY-3 and Historical EV/ EBITDA multiples for the periods FY-1 and FY-2 in our analysis.

# Profitability ratios

A profitability ratio measures a company's performance. They highlight how effectively the profitability of a company is being managed within sights into the financial health and performance of the entity and provides a basis of comparison against other similarly situated companies.

## Gross margin

The gross margin is a financial metric that measures the profitability of a company's core business operations. The gross margin represents the percentage of revenue that exceeds the direct costs of producing the goods or services sold by the company. A higher gross margin generally indicates that the company is generating more profit from each sale, which is a positive sign of operational efficiency and pricing strategy.

| Formula | = Gross profit/ Revenue | |
|---|---|---|
| 1 | *Gross profit* | *= Revenue from Operations*<br>*- Cost of revenue* |
| 2 | *Cost of revenue* | *= Cost of Materials Consumed*<br>*+/- Changes in Inventory* |

## EBITDA margin

The EBITDA margin is a financial metric that assesses the operational profitability of a company. The EBITDA margin represents the percentage of total revenue that the company retains as EBITDA, which is a measure of its operating performance before accounting for non-operating expenses such as interest, taxes, depreciation, and amortization. A higher EBITDA margin typically indicates that the company's core operations are more profitable, without the influence of financing decisions or tax-related matters.

| Formula0 | = EBITDA/ Revenue | |
|---|---|---|
| 1 | *EBITDA* | *= Revenue from Operations*<br>*- Cost of Revenue*<br>*- Selling General & Administrative Expenses*<br>*- Other Operating Expense* |
| 2 | *Cost of revenue* | *As defined above* |

## Net profit margin

The net profit margin is a financial metric that measures the profitability of a company's overall operations. The net profit margin represents the percentage of total revenue that the company retains as net profit after deducting all expenses, including the cost of goods sold, operating expenses, interest, taxes, and other non-operating costs. A higher net profit margin generally indicates that the company is effectively controlling costs and operating efficiently, leading to higher profitability. On the other hand, a lower net profit margin may suggest that the company is facing challenges in controlling expenses or experiencing lower revenues.

| Formula | = Net income to company/ Revenue | |
|---|---|---|
| 1 | *Net income to company* | *= Revenue from Operations*<br>*- Cost of Revenue*<br>*- Other Operating Expense*<br>*- Other Non-Operating Expense*<br>*- Net Interest Expense*<br>*- Income Tax Expense* |
| 2 | *Cost of revenue* | *As defined above* |

# Liquidity ratios

## Current ratio

The current ratio is a financial metric that measures a company's short-term liquidity and its ability to pay off its current liabilities using its current assets. In simple terms, the current ratio helps assess a company's ability to meet its short-term financial obligations. It compares the company's current assets, which are assets that are expected to be converted into cash within one year, to its current liabilities, which are debts and obligations due within the same period.

A current ratio above 1 indicates that the company has more current assets than current liabilities, suggesting that it is likely to be able to meet its short-term obligations. A current ratio below 1 may indicate that the company may face difficulties in paying off its short-term debts with its current assets alone, potentially indicating liquidity issues.

| Formula | = Total current assets/ Total current liabilities | |
|---|---|---|
| 1 | *Total current assets* | *= Cash & Short-Term Investments*<br>*+ Total Receivables*<br>*+ Inventory*<br>*+ Prepaid Expense*<br>*+ Other Current Assets* |
| 2 | *Total current liabilities* | *= Accounts Payable*<br>*+ Accrued Expense*<br>*+ Short-term Borrowings*<br>*+ Current Long-Term Debt and Leases*<br>*+ Other Current Liabilities* |

## Quick ratio

The quick ratio, also known as the acid-test ratio, is a financial metric that assesses a company's short-term liquidity and ability to pay off its current liabilities without relying on the sale of inventory. In simple terms, the quick ratio measures how well a company can meet its immediate short-term obligations using its most liquid assets, excluding inventory. Inventory is excluded because it may take time to convert into cash, and in times of financial stress, it may not be easy to sell at its full value.

A quick ratio above 1 indicates that the company can cover its current liabilities with its quick assets, which typically include cash, cash equivalents, marketable securities, and accounts receivable. This is generally seen as a positive sign of good liquidity and financial health. On the other hand, a quick ratio below 1 suggests that the company may face difficulties in paying off its short-term obligations without relying on selling inventory.

| **Formula** | **= Current assets/ Total current liabilities** | |
|---|---|---|
| 1 | *Current assets* | *'= Cash & Short-Term Investments*<br>*+ Accounts Receivables*<br>*+ Other Receivables* |
| 2 | *Total current liabilities* | *As defined above* |

# Capital expenditure and depreciation ratios.

## Capex/Revenue

Capital expenditure to revenue is a financial metric that measures how much a company is investing in capital assets relative to its generated revenue. Capital assets are long-term, significant investments such as property, plants, and equipment (PPE). The metric is generally expressed as a percentage and provides an indication of a company's investment strategy. A high ratio suggests that a company is heavily investing in its future growth or maintaining its existing assets, while a low ratio suggests the opposite. However, whether a high or low ratio is 'good' or 'bad' can depend heavily on the industry, the company's stage of growth, and other factors.

| **Formula** | **= Capital expenditure/ Revenue** | |
|---|---|---|
| 1 | *Capital expenditure* | *Capital expenditure include acquiring fixed assets, upgrading existing assets, capitalized research and development ("R&D"), investments in infrastructure, software and licenses, expansion projects, and significant maintenance and repairs of fixed assets.* |

## D&A / Revenue

Depreciation & amortization to revenue is a financial metric that measures the proportion of a company's revenue that is allocated to depreciating or amortizing its fixed assets and intangible assets, respectively. A high ratio suggests that a large proportion of a company's revenue is being used to account for the decrease in value of its assets, while a low ratio suggests the opposite. This can give an indication of a company's capital intensity, the age of its assets, and its strategy around investing in assets. The interpretation of this ratio can depend on the industry and the nature of the company's assets.

| Formula | = Total depreciation and amortization expense/ Revenue | |
|---|---|---|
| 1 | *Total depreciation and amortization expense* | *= Depreciation on Right of Use Assets*<br>*+ Depreciation and Amortization* |
| 2 | *Depreciation and amortization* | *Depreciation and amortization include the allocation of the cost of tangible assets (depreciation) and intangible assets (amortization) over their respective useful lives.* |

## D&A / Capex

Depreciation & amortization to capital expenditure is a financial metric that measures the proportion of a company's capital expenditures that are allocated to depreciating or amortizing its fixed assets and intangible assets, respectively. A high ratio suggests that a large proportion of a company's capital expenditures is being used to account for the decrease in value of its assets, while a low ratio suggests the opposite. This can give an indication of how quickly a company's assets are depreciating or amortizing relative to how much it's investing in new assets.

| Formula | = Total depreciation & amortization expense/ Capital expenditure | |
|---|---|---|
| 1 | *Total depreciation and amortization expense* | *As defined above* |
| 2 | *Capital expenditure* | *As defined above* |

# Working capital ratios

## DFWC/ Revenue

Debt-free working capital is a measure that represents the excess of current assets over current liabilities, excluding any interest-bearing debt. It provides insight into the company's ability to cover its short-term obligations without considering the impact of debt. This metric provides insights into the company's liquidity position and its capacity to handle short-term financial obligations using its operational cash flow and non-debt-related assets. A higher percentage may indicate a strong ability to cover short-term obligations without relying on debt, while a lower percentage may suggest potential liquidity risks.

| Formula | = DFWC/ Revenue | |
|---|---|---|
| 1 | *DFWC* | *= Total current assets*<br>*- Total current liabilities*<br>*+ Short-term borrowings*<br>*+ Current Portion of Long-Term Debt*<br>*+ Current Portion of Leases* |
| 2 | *Total current assets* | *= Cash & Short-Term Investments*<br>*+ Total Receivables*<br>*+ Inventory*<br>*+ Prepaid Expense*<br>*+ Other Current Assets* |
| 3 | *Total current liabilities* | *= Accounts Payable*<br>*+ Accrued Expense*<br>*+ Short-term Borrowings*<br>*+ Current Long-Term Debt and Leases*<br>*+ Other Current Liabilities* |

## DFCFWC/ Revenue

Debt-free cash-free working capital is a measure that represents the excess of current assets over current liabilities, excluding any interest-bearing debt and cash. It provides a snapshot of the company's ability to cover its short-term obligations without relying on borrowed funds or cash reserves. This metric provides insights into the company's liquidity position and its capacity to handle short-term financial obligations using its operational cash flow and non-debt-related assets. A higher percentage may indicate a strong ability to cover short-term obligations without relying on debt or cash reserves, while a lower percentage may suggest potential liquidity risks.

| Formula | = DFCFWC/ Revenue | |
|---|---|---|
| 1 | *DFCFWC* | *= Total current assets*<br>*- Total current liabilities*<br>*+ Short-term borrowings*<br>*+ Current Portion of Long-Term Debt*<br>*+ Current Portion of Leases*<br>*- Cash & Short-Term Investments* |
| 2 | *Total current assets* | *As defined above* |
| 3 | *Total current liabilities* | *As defined above* |

# Beta

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Beta is used in the capital asset pricing model (CAPM) to calculate the expected return of an asset.

The BSE Sensex index is considered a benchmark for the purpose of computing beta.

The BSE Sensex index is the Bombay Stock Exchange's benchmark broad-based stock market index for the Indian equity market. It represents the weighted average of 30 Indian company stocks and is a free-float market capitalization.

**1-year beta**
It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 1 year.

**3-year beta**
It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 3 years.

**5-year beta**
It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 5 years.

**Cost of equity ("Ke")**

# Risk-free rate ("Rf")

The risk-free rate is the rate available on instruments considered to have virtually no possibility of default, such as Government of India securities. The yield on the 10-year Government bond as of March 31, 2023, i.e., 7.3% has been considered as the risk-free rate.

# Equity risk premium ("ERP")

The equity risk premium is the additional return that investors expect to earn in excess of government securities to compensate for the additional risk, or the degree of uncertainty, that the expected future equity returns will not be realized. It is a forward-looking concept in that the discount rate should reflect what investors think the risk premium will be going forward. The premium represents large company total returns over long-term government bond income returns. The equity risk premium considered is 8.4%.

| **Formula** | = Average of last 10-year annual return on BSE Sensex - Average of last 10-year yield on 10-year Government bond | |
|---|---|---|
| *1* | *Annual return on BSE Sensex* | *'= ((Ending BSE Sensex - Beginning BSE Sensex + Dividend)/Beginning BSE Sensex) *100* |

## Cost of equity

The cost of equity based on the CAPM is the expected return required by investors for holding a company's stock. It represents the rate of return that compensates investors for the risk they take by investing in the company's equity. CAPM calculates the cost of equity by considering the risk-free rate of return, the stock's beta (a measure of its volatility compared to the overall market), and the market risk premium (the additional return investors expect for taking on market risk). Ultimately, the cost of equity reflects the minimum return a company must generate on its projects to maintain its stock's value and attract investors.

| Formula | = Rf + (ERP * β) | |
|---|---|---|
| 1 | *Rf* | *As defined above* |
| 2 | *ERP* | *As defined above* |
| 3 | *Beta ("β")* | *The beta considered for computing Ke is the 5-year beta, which is the slope of the daily regression of change in stock relative to BSE Sensex for the past 5 years.* |

# Banks specific ratios

Some industries have unique characteristics that require analysis beyond the conventional ratios. The companies falling under such industries have been analysed using industry specific ratios.

## Return ratios.

### Return on assets ("ROA")

The return on assets for banks is a financial metric used to evaluate a bank's profitability and efficiency in generating earnings from its assets. The ROA ratio indicates how effectively the bank is utilizing its assets to generate profits. A higher ROA suggests that the bank is more efficient in using its assets to earn income, while a lower ROA may indicate that the bank's assets are not generating sufficient earnings.

| Formula | = (Earnings from Continuing Operations/ Average total assets) *100 | |
|---|---|---|
| 1 | *Earnings from Continuing Operations* | *= Total Revenue*<br>*- Other Operating Expenses*<br>*- Other Non-Operating Expenses*<br>*- Income Tax Expense*<br>*+/- Unusual items* |
| 2 | *Average total assets* | *= Average of opening and closing total assets* |
| 3 | *Total assets* | *= Cash and Equivalents*<br>*+ Total Investments*<br>*+ Net Loans*<br>*+ Net Property, Plant & Equipment*<br>*+ Goodwill*<br>*+ Other Current and Non-current Assets* |

## Earning asset yield

The earning asset yield for banks is a financial metric that measures the rate of return or yield generated by a bank's earning assets. The earning asset yield ratio provides insight into how effectively the bank is generating interest income from its earning assets. A higher earning asset yield indicates that the bank's earning assets are generating a higher rate of return, which is generally favourable for the bank's profitability. On the other hand, a lower earning asset yield may suggest that the bank's earning assets are not generating as much income relative to their value. This metric is valuable for assessing the bank's ability to deploy its assets to generate interest income and can be used to compare the performance of different banks within the industry.

| Formula | = (Interest Income / Average Interest-Earning Assets) *100 | |
|---|---|---|
| 1 | *Interest income* | *Total interest income earned from loans, investments, and interest-bearing securities.* |
| 2 | *Average interest-earning assets* | *Average of opening and closing interest-earning assets.* |
| 3 | *Interest-earning assets* | *Loans, investments, and interest-bearing securities which include debt and equity securities, loans and leases, balances from other depositories, federal funds sold, trading accounts.* |

## Gross loan/ Total deposits

The gross loan/ total deposits for banks is a financial metric that measures the proportion of a bank's total loans to its total customer deposits. This ratio is essential for assessing the bank's loan-to-deposit ratio, which indicates the bank's reliance on customer deposits to fund its lending activities. A higher ratio suggests that the bank is lending a significant portion of its customer deposits, which may increase the risk of liquidity issues if a large number of depositors simultaneously request withdrawals. Conversely, a lower ratio may indicate that the bank is more conservative in its lending practices and maintains a higher proportion of customer deposits as reserves or invests in other liquid assets. However, an excessively low ratio might imply that the bank is not effectively utilizing its customer deposits to generate earnings through lending.

| Formula | = (Gross loans/ Total deposits) * 100 | |
|---|---|---|
| 1 | *Gross loans* | *This represents the aggregate value of all loans extended by the bank to its customers, including various types of loans such as mortgages, personal loans, business loans, etc.* |
| 2 | *Total deposits* | *= Interest Bearing Deposits*<br>*+ Non-Interest-Bearing Deposits* |

# Profitability ratios

## Net interest margin (NIM)

The net interest margin ratio represents the net interest income as a percentage of average total interest-earning assets. It indicates the net yield on interest-earning assets. In simpler terms, it calculates the profit margin of a bank's interest-earning activities, indicating how efficiently a bank can generate income from its interest-earning assets compared to the cost of funds (interest expenses) it pays to depositors and lenders. A higher NIM typically signifies that the bank is earning more from its interest-earning activities relative to its costs, which is generally a positive sign for its profitability. On the other hand, a lower NIM might indicate that the bank is facing challenges in generating sufficient income to cover its interest expenses, potentially impacting its profitability.

| Formula | **= (Net Interest Income/ Average Interest-Earning Assets) * 100** | |
|---|---|---|
| 1 | *Net Interest Income* | *Net Interest Income (NII) represents the difference between the interest income earned on loans, investments, and other interest-earning assets and the interest expenses paid on deposits and other interest-bearing liabilities.* |
| 2 | *Average interest-earning assets* | *Average of opening and closing interest-earning assets* |
| 3 | *Interest-earning assets* | *As defined above* |

# Capital adequacy ratios.

## Tier 1 capital

Tier 1 capital is a key financial metric used by regulators and analysts to assess a bank's financial strength and ability to absorb losses. It represents the core capital of a bank, mainly consisting of equity capital and disclosed reserves, which provide a strong buffer against unexpected losses. Tier 1 capital is a crucial measure of a bank's financial stability and its ability to maintain solvency under adverse economic conditions. Regulators often require banks to maintain a minimum Tier 1 capital ratio, which is calculated by dividing the Tier 1 capital by the bank's risk-weighted assets. This ratio ensures that banks have sufficient capital to withstand financial stress and protect depositors and other stakeholders. Higher Tier 1 capital ratios indicate a more robust and resilient bank, while lower ratios may suggest potential vulnerability to financial shocks.

| Formula | **= ((Common Equity Tier 1 (CET1) Capital + Additional Tier 1 (AT1) Capital)/ Total Risk-Weighted Assets) *100** | |
|---|---|---|
| 1 | *Common Equity Tier 1 (CET1) Capital* | *This component includes the bank's common equity, which represents the most basic form of ownership interest in the bank. It includes common shares, retained earnings, and other comprehensive income but excludes any other capital instruments.* |
| 2 | *Additional Tier 1 (AT1) Capital* | *This component includes non-common equity capital instruments, such as preferred shares or hybrid instruments, which have features that allow them to absorb losses and strengthen the bank's capital position.* |
| 3 | *Total Risk-Weighted Assets* | *This refers to the total value of a bank's assets, weighted according to their risk levels. Different assets carry different risk weights based on their credit risk, market risk, and operational risk. The risk-weights are assigned by regulatory guidelines.* |

## Tier 2 capital

Tier 2 capital is another important financial metric used by regulators and analysts to evaluate a bank's financial strength and ability to absorb losses. It represents the supplementary capital of a bank, which provides an additional layer of protection beyond Tier 1 capital. Maintaining sufficient Tier 2 capital is essential for a bank to comply with regulatory requirements and safeguard its financial stability in times of economic stress. A strong Tier 2 capital position indicates that the bank has an additional layer of protection to weather adverse economic conditions and maintain solvency.

| Formula | **= ((Tier 2 Debt + Additional Tier 1 (AT1) Capital Disallowed from Tier 1)/ Total Risk-Weighted Assets) *100** | |
|---|---|---|
| 1 | *Tier 2 Debt* | *This component includes subordinated debt and other instruments that have specific features to absorb losses and enhance the bank's capital position. Subordinated debt holders are paid only after other senior debt holders and depositors, making it riskier and qualifying it as supplementary capital.* |
| 2 | *Additional Tier 1 (AT1) Capital Disallowed from Tier 1* | *Some elements of Additional Tier 1 capital that are included in the Tier 1 capital calculation may not be counted again in the Tier 2 capital calculation. These elements are disallowed to avoid double-counting.* |
| 3 | *Total Risk-Weighted Assets* | *As defined above* |

## Total capital ratio

The total capital ratio is a critical financial metric used by regulators and analysts to assess a bank's overall financial strength and capital adequacy. It indicates the proportion of a bank's total capital in relation to its risk-weighted assets. The Total Capital Ratio is a critical measure of a bank's capital adequacy as it shows how well the bank is capitalized to handle potential losses and unexpected financial shocks. Regulators set minimum capital adequacy requirements, which banks must meet to ensure financial stability and protect against insolvency. A higher Total Capital Ratio indicates that the bank has a stronger capital position relative to its risk exposures, providing greater resilience in turbulent economic conditions. Conversely, a lower Total Capital Ratio might indicate that the bank's capital is relatively weaker, which could signal potential vulnerabilities in its ability to withstand financial stress.

| Formula | **= Total Capital Ratio = (Total Capital / Total Risk-Weighted Assets) *100** | |
|---|---|---|
| 1 | *Total Capital* | *= Tier 1 capital (CET1 + AT1)<br>+ Tier 2 capital (subordinated debt and certain AT1 disallowed from Tier 1)* |
| 2 | *Total Risk-Weighted Assets* | *As defined above* |

# Price multiples

## Price/ LTM EPS ratio

The Price to Last twelve months ("LTM") EPS ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The ratio is calculated by dividing the current stock price by earnings per share for the last twelve months.

| Formula | = Price per share/ LTM Earnings per share | |
|---|---|---|
| 1 | *LTM Earnings per share* | *= LTM Net income to common excluding extra items/ Weighted Average Basic Shares Outstanding* |
| 2 | *LTM Net income to common excl. extra items* | *= Revenue from Operations*<br>*- Cost of Revenue*<br>*+/- Other Operating Income/ Expense*<br>*+/- Other Non-Operating Income/ Expense*<br>*- Depreciation and Amortization*<br>*- Provision for Income Taxes*<br>*+/- Unusual Items* |

## Price/ Book

The price to book ratio is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the book value per share.

| Formula | = Price per share/ Book value per share | |
|---|---|---|
| 1 | *Book value per share* | *= (Total common equity*<br>*+ Total minority interest)*<br>*/ Total no. of common shares outstanding* |
| 2 | *Common equity* | *= Common Stock and Add Paid in Capital*<br>*+ Retained Earnings*<br>*+ Treasury Stock and Other* |

# NPA/NPL ratios

## Gross NPA/ Total assets

The Gross Non-Performing Assets (NPA) to Total Assets is a financial metric for banks that measures the quality of a bank's assets, specifically how much of its total assets are non-performing. A high ratio indicates that a large proportion of a bank's assets are non-performing, suggesting a higher level of credit risk and potential for loss. Conversely, a low ratio indicates a lower level of credit risk, suggesting that the bank has a healthier loan portfolio.

| Formula | = (Gross Non-Performing Assets / Total Assets) | |
|---|---|---|
| 1 | *Gross Non-Performing assets* | *Gross Non-Performing Assets refer to the sum of all loan assets that are classified as non-performing as per the bank's asset classification norms. NPAs are loans where the borrower has defaulted or is in arrears, typically classified as such when loan payments have not been made for 90 days or more.* |
| 2 | *Total assets* | *= Cash and Equivalents*<br>*+ Total Investments*<br>*+ Net Loans*<br>*+ Net Property, Plant & Equipment*<br>*+ Goodwill*<br>*+ Other Current and Non-current Assets* |

## Gross NPA

Gross Non-Performing Assets is a measure used in banking to indicate the value of loans where the borrowers have defaulted or are late on their payments. These are typically classified as such when loan payments have not been made for 90 days or more, but the exact classification can vary by country and by bank. Gross NPA provides an indication of the quality of a bank's loan portfolio. A high level of Gross NPAs suggests that a large number of loans in the bank's portfolio are not being repaid, which could potentially lead to significant losses for the bank. It also indicates that the bank might have been less diligent in its lending practices. Conversely, a low level of Gross NPAs suggests that most of the bank's loans are being repaid as scheduled.

| Formula | = Sum of all Non-Performing Loans/ Gross loans | |
|---|---|---|
| 1 | *Non- Performing loan* | *'A Non-Performing Loan is a sum of borrowed money upon which the debtor has not made the scheduled payments for a specified period (usually 90 days for commercial banking loans).* |
| 2 | *Gross loans* | *This represents the aggregate value of all loans extended by the bank to its customers, including various types of loans such as mortgages, personal loans, business loans, etc.* |

## Net NPA

Net Non-Performing Assets for a bank refers to the value of non-performing loans that are not covered by provisions or reserves. In other words, it's the portion of defaulted loans that are potentially a total loss for the bank. Net NPA provides an indication of the potential losses the bank faces from defaulted loans, after taking into account the funds it has set aside to cover those losses. A high level of Net NPAs suggests that a bank faces potentially significant losses and might have been less diligent in its lending practices or its provisioning. Conversely, a low level of Net NPAs suggests that the bank has either a healthy loan portfolio or has made sufficient provisions to cover potential losses.

| Formula | = (Gross NPA - Provisions)/ Gross loans | |
|---|---|---|
| 1 | *Gross NPA* | *Gross NPA is the sum of all loan assets that are classified as non-performing as per the bank's asset classification norms.* |
| 2 | *Provisions* | *Provisions are the funds that the bank sets aside to cover potential losses from non-performing loans.* |
| 3 | *Gross loans* | *As defined above* |

## Beta

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Beta is used in the capital asset pricing model (CAPM) to calculate the expected return of an asset. The BSE Sensex index is considered a benchmark for the purpose of computing beta. The BSE Sensex index is the Bombay Stock Exchange's benchmark broad-based stock market index for the Indian equity market. It represents the weighted average of 30 Indian company stocks and is a free-float market capitalization.

| 1-year beta | 3-year beta | 5-year beta |
|---|---|---|
| It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 1 year. | It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 3 years. | It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 5 years |

# Glossary

| Term | Description |
|---|---|
| AP Turnover | Accounts Payable Turnover |
| AR Turnover | Accounts Receivables Turnover |
| CAGR | Compound Annual Growth Rate |
| Capex | Capital Expenditure |
| Curr. Port. of LT Debt | Current Portion of Long-term Debt |
| CY | Current Year |
| D&A | Depreciation and Amortisation |
| DFCFWC | Debt Free Cash Free Working Capital |
| DFWC | Debt Free Working Capital |
| EBIT | Earnings Before Interest and Taxes |
| EBITDA | Earnings Before Interest, Taxes, Depreciation, and Amortization |
| EBT | Earnings Before Tax |
| EPS | Earnings Per Share |
| EV | Enterprise Value |
| IFRS | International financial reporting standards |
| LTM | Last twelve months |
| LY | Last Year |
| MVIC | Market Value of Invested Capital |
| N/A | Not Applicable |
| NM | Not Material |
| NPA | Non-Performing Assets |
| NPL | Non-Performing Loans |
| P/E | Price–Earnings Ratio |

# Sources of information

| Sr No. | Source |
|---|---|
| 1 | S&P Capital IQ Pro Database |
| 2 | BSE Website |
| 3 | NSE Website |
| 4 | Companies Financial Statements |
| 5 | Analyst Research Reports |

# Limiting conditions

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