

Calculations of ratios - an example

Formula	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
Adjusted Profit/Loss for the Period excl. Minorities	33.0	37.4	36.8	62.3	79.4	Adjusted Profit/Loss for the Period excl. Minorities - Non-recurring Items After Tax
NOPLAT	61.8	74.5	84.5	95.2	102.9	
EBITA	92	112	115	140	150	
- Taxes on EBITA	30.2	37.5	30.5	44.8	47.1	
Total Income Tax	19	27	21	36	41	
- TC x (Net Interest + Net Non-operating Income)	(11.22)	(10.54)	(9.52)	(8.84)	(6.12)	
Net Working Capital (NWC) (DKKm)						
Inventories	125	131	144	185	190	Inventories
+ Trade Receivables	175	186	200	258	266	+ Receivables
+ Other Receivables, Prepayment and Accrued Income	7	7	8	10	11	+ Other Operating Current Assets
- Trade Payables	100	105	117	153	157	- Trade Payables
- Other payables, Accrued Expenses and Deferred Income	10	11	12	15	16	- Other Operating Current Liabilities
= Net Working Capital (NWC)	197	209	225	286	294	= Net Working Capital
Net Interest-bearing Debt						
Interest-bearing Liabilities	369	402	429	524	474	Interest-bearing Liabilities
- Interest-bearing Assets (Cash)	30	70	125	150	150	- Interest-bearing Assets (Cash)
= Net Interest-bearing Debt	339	332	304	374	324	= Net interest-bearing Debt
Invested Capital excl. Goodwill (DKKm)						
NWC	197	209	225	286	294	NWC
+ Non-current Tangible Assets	300	312	349	454	463	+ Non-current Tangible Assets
+ Non-current Intangible Assets excl. Goodwill	10	12	12	11	13	+ Non-current Intangible Assets excl. Goodwill
- Other Provisions	2	3	3	4	4	- Other Provisions
- Other Operating Non-current Liabilities	0	0	0	0	0	- Other Operating Non-current Liabilities
= Invested Capital excl. Goodwill	505	530	583	747	766	= Invested Capital excl. Goodwill
Invested Capital incl. Goodwill (DKKm)						
Invested Capital excl. Goodwill	505	530	583	747	766	Invested Capital excl. Goodwill
+ Recognised Goodwill	100	100	80	140	140	+ Recognised Goodwill
+ Accumulated Amortisations	2	4	6	9	12	+ Accumulated Amortisations
= Invested Capital incl. Goodwill	607	634	669	896	918	= Invested Capital incl. Goodwill
Net Asset Value (NAV) (DKKm)						
Equity	270	300	352	493	553	Equity
+ Net Surplus Values in Assets and Liabilities	5	7	8	10	10	+ Net Surplus Values in Assets and Liabilities
= Net Asset Value	275	307	360	503	563	= Net Asset Value
Cash Earnings - CE (DKKm)						
Profit/Loss for the Period excl. Minorities	33	42	32	65	78	Profit/Loss for the Period
+ Depreciation, Amortisation, Write-downs	32	33	57	48	49	+ Depreciation, Amortisation, Write-downs
- Revaluations	0	0	0	0	0	- Revaluations
- Share in Associates	2	3	3	5	4	- Share in associates
- Minorities' Share of Depreciation, Amortisation, Write-downs	4	6	8	7	6	- Minorities' Share of Depri., Amort., WD's.
+ Expensed Share-based Payments	0	1	0	3	0	+ Expensed Share-based Payments

= Cash Earnings	59	67	78	104	117	= Cash Earnings
Cash Flow From Operations - CFFO (DKKm)		95	103	81	141	NOPLAT ± Change in Net Working Capital ± Change in Provisions
Free Cash Flow to Firm - FCFF (DKKm)		43	24	(132)	80	CFFO - Capex
Free Cash Flow to Equity - FCFE (DKKm)		22	6	(149)	68	FCFF ± Net Financials + Share of Profit or Loss in Associates After Tax - Tax on Net Financials
Share Price (Price) (DKK)	145	193	150	250	375	Latest share price or the share price on a specific day multiplied by the Accumulated Dilution Adjustment Factor
Market Capitalisation (Market Cap) (DKKm)	450	600	495	925	1388	Number of Shares x Share Price
Enterprise Value (EV) (DKKm)						
Market Cap	450	600	495	925	1388	Market Cap
+ Net Interest-bearing Debt	339	332	304	374	324	+ Net Interest-bearing Debt
+ Market Value of Minorities	60	120	144	120	120	+ Market Value of Minorities
- Market Value of Share of Associates	14	20	20	34	27	- Market Value of Share of Associates
- Market Value of Other Non-operating Assets	0	0	0	0	0	- Market Value of Other Non-operating Assets
= Enterprise Value	835	1031	922	1385	1804	= Enterprise Value
Number of Full-time Employees	100	120	120	110	115	From additional information
Average Number of Full-time Employees	95	112	120	115	112	Restated Average Number of Full-time Employees over a given period
Return on Invested Capital excl. Goodwill (ROIC excl. GW) (%)		21.7%	20.7%	21.1%	19.8%	$\frac{\text{EBITA}}{\text{Average Invested Capital excl. GW}}$
Return on Invested Capital incl. Goodwill (ROIC incl. GW) (%)		18.1%	17.7%	17.9%	16.5%	$\frac{\text{EBITA}}{\text{Average Invested Capital incl. GW}}$
After-Tax Return on Invested Capital excl. Goodwill (ROIC excl. GW) (%)		14.4%	15.2%	14.3%	13.6%	$\frac{\text{NOPLAT}}{\text{Average Invested Capital excl. GW}}$
After-Tax Return on Invested Capital incl. Goodwill (ROIC incl. GW) (%)		12.0%	13.0%	12.2%	11.3%	$\frac{\text{NOPLAT}}{\text{Average Invested Capital incl. GW}}$
Return on Equity (ROE) (%)		14.7%	9.8%	15.4%		$\frac{\text{Profit for the Period excl. Minorities}}{\text{Average Equity excl. Minorities}}$
$\frac{\text{Sales}}{\text{Assets (X)}}$		0.91	0.90	0.92	0.84	$\frac{\text{Sales}}{\text{Average Total Assets}}$
$\frac{\text{Sales}}{\text{Invested Capital excl. Goodwill (X)}}$		1.42	1.45	1.52	1.39	$\frac{\text{Sales}}{\text{Average Invested Capital excl. Goodwill}}$
$\frac{\text{Sales}}{\text{Invested Capital incl. Goodwill (X)}}$		1.18	1.24	1.29	1.29	$\frac{\text{Sales}}{\text{Average Invested Capital incl. Goodwill}}$
Gross Margin	25.0%	25.4%	25.0%	26.0%	26.5%	$\frac{\text{Gross Profit/Loss}}{\text{Sales}}$
EBITDA Margin	17.4%	19.5%	18.5%	18.3%	18.7%	$\frac{\text{EBITDA}}{\text{Sales}}$
EBITA Margin	13.1%	15.2%	14.2%	13.8%	14.3%	$\frac{\text{EBITA}}{\text{Sales}}$
EBIT Margin	12.9%	15.0%	11.5%	13.6%	14.0%	$\frac{\text{EBIT}}{\text{Sales}}$
NOPLAT Margin	0.09	0.1	0.1	0.09	0.1	$\frac{\text{NOPLAT}}{\text{Sales}}$
Pre-Tax Margin	8.1%	10.7%	8.0%	11.0%	12.3%	$\frac{\text{EBT}}{\text{Sales}}$
Net Margin	4.7%	5.7%	4.0%	6.4%	7.4%	$\frac{\text{Profit/Loss for the Period}}{\text{Sales}}$
Sales per Employee (DKKm)		6.7	6.7	8.8	9.3	$\frac{\text{Sales}}{\text{Average Number of Full-time Employees}}$

EBITA per Employee (DKKm)	1.0	1.0	1.2	1.3	$\frac{\text{EBITA}}{\text{Average Number of Full-time Employees}}$	
Added Value per Employee	1.45	1.40	1.80	1.96	$\frac{\text{Added Value}}{\text{Average No. of Employees}}$	
$\frac{\text{Employee Expenses}}{\text{Sales}}$	2.2%	2.2%	2.2%	2.3%	$\frac{\text{Employee Expenses}}{\text{Sales}}$	
$\frac{\text{Cash Flow from Operations}}{\text{Sales}}$	0	12.9%	12.8%	8.0%	13.4%	$\frac{\text{Cash Flow from Operations (CFFO)}}{\text{Sales}}$
Inventory Turnover	87	87	87	90	90	$\frac{\text{Inventory at Year-end}}{\text{COGS}} \times 365$
Receivables Turnover (Days)	91	92	90	93	92	$\frac{\text{Receivables at Year-end}}{\text{Sales}} \times 365$
Credit Period (Days)	70	70	70	75	74	$\frac{\text{Trade Payables at Year-end}}{\text{COGS}} \times 365$
Cash Conversion Cycle (Days)	109	110	107	109	108	Inventory Turnover Days + Receivables Turnover Days - Credit Days
$\frac{\text{NWC}}{\text{Sales \%}}$	28.1%	28.4%	27.8%	28.3%	28.0%	$\frac{\text{NWC at Year-end}}{\text{Sales}}$
Current Ratio	102.1%	115.4%	123.3%	123.1%	132.1%	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Sales Growth	5.0%	10.1%	25.0%	4.0%	4.0%	$\frac{\text{Sales Year 1} - \text{Sales Year 0}}{\text{Sales Year 0}} \times 100$
$\frac{\text{Capital Expenditure}}{\text{Depreciation}}$	167.3%	227.2%	467.3%	130.4%	130.4%	$\frac{\text{Capital Expenditure}}{\text{Depreciation}} \times 100$
Interest Cover (X)	2.3	2.9	2.6	3.7	5.2	$\frac{\text{EBIT} + \text{Interest Income}}{\text{Interest Expenses}}$
Financial Gearing (X)	1.2	1.1	0.8	0.7	0.5	$\frac{\text{Net Interest-bearing Debt}}{\text{Equity incl. Minorities}}$
Equity Ratio	35.8	36.9	39.5	42.6	47.1	$\frac{\text{Equity excl. Minorities}}{\text{Total Assets}} \times 100$
$\frac{\text{Net Interest-bearing Debt}}{\text{EBITDA}}$	2.8	2.3	2.0	2.0	1.6	$\frac{\text{Net Interest-bearing Debt}}{\text{EBITDA}}$
$\frac{\text{FCFE}}{\text{Net Interest-bearing Debt}}$		6.8%	1.8%	(39.8%)	21.1%	$\frac{\text{FCFE}}{\text{Net Interest-bearing Debt}}$
Number of Shares:						
No. Of Shares in Issue End of Year (m)	1,500	3,000	3,300	3,700	3,700	
Terms of share issues:						
No. Of shares prior to issue (S_n) (m)		1.50	3.00	3.30		
No. Of new shares issues (S_n) (m)		1.50	0.30	0.40		
Price per share of the new shares issued (P_n)		0	105	225		
Share price day before first trading day of rights (P)		325	175	225		
Date of issue		01-Apr	01-Mar	01-Jul		
Number of shares prior to the share issue (d_1)		90	59	182		
Theoretical Share Price (P_t)		162.50	168.64	225.0		$\frac{[S_p \times P] + (S_n \times P_n)}{S_n + (P - P_n)}$
Value of Subscription Rights		162.50	6.36	0		$\frac{S_n \times (P - P_n)}{S_p}$
Number of Shares incl. Dilution	1,500	3,090	3,390	3,990	3,990	
Average Number of Shares excl. Dilution	1,500	3,000	3,270	3,501	3,700	
Dilution Adjustment Factor (f)		0.50	0.96	1.00	1	$\frac{P_1}{P}$
Accumulated Dilution Adjustment Factor	0.48	0.96	1.00	1.00	1.00	

Actual Share Price Year-end	300	200	250	250	375	
Theoretical Share Price Year-end	145	193	150	250	375	Actual Share Price x Acc. Dilution Factor
Average Number of Shares incl. Dilution		3,068	3,360	3,691	3,990	
Share-based Payments:						
Number of Options/Warrants		90,000		200,000		
Expiration (+years)		5		3		
Strike Price Adjusted (DKK)		200		275		
Volatility (%)		40		40		
Risk-free rate (%)		5		5		
Share Price adjusted at the time of issue (DKK)		185		220		
Calculated value of stock-option programme (DKKm)		1.0		3.0		Both option programmes are assumed to be exercised
Earnings Per Share Basic (EPS Basic) (DKK)	10.6	13.5	9.8	18.6	21.1	(Profit/Loss for the Period excl. Minorities / Average Number of Shares) x Accumulated Adjustment Factor
Earnings Per Share Diluted (EPS Diluted) (DKK)	10.6	13.1	9.8	17.6	21.1	(Profit/Loss for the Period excl. Minorities / Average Number of Shares Diluted) x Accumulated Adjustment Factor
Adjusted Earnings Per Share Basic (Adj. EPS Basic) (DKK)	10.6	12.0	11.2	17.8	21.4	(Adj. Profit/Loss for the Period excl. Minorities / Average Number of Shares) x Accumulated Adjustment Factor
Adjusted Earnings Per Share Diluted (Adj. EPS Diluted) (DKK)	10.6	11.7	11.2	16.8	21.4	(Adj. Profit/Loss for the Period excl. Minorities / Average Number of Shares Diluted) x Accumulated Adjustment Factor
Cash Earnings Per Share (CEPS) (DKK)	19.0	21.0	23.8	28.2	31.7	(Cash Earnings / Average Number of Shares Diluted) x Accumulated Adjustment Factor
Cash Flow Per Share (CFPS) (DKK)		26.9	31.6	21.8	38.0	(Cash Flow From Operations / Average Number of Shares Diluted) x Accumulated Adjustment Factor
Book Value Per Share (BVPS) (DKK)	86.7	93.6	103.7	123.6	138.5	(Equity excl. Minorities / Number of Shares Year-end) x Accumulated Adjustment Factor
Net Asset Value Per Share (NAVPS) (DKK)	88.3	95.7	106.0	126.1	141.1	(Net Asset Value / Number of Shares Year-end) x Accumulated Adjustment Factor
Dividend Per Share (DPS) (DKK)	3.9	3.9	4.0	5.0	8.0	Dividend Per Share x Accumulated Adjustment Factor
Dividend Payout Ratio (%)	0.36	0.29	0.41	0.28	0.38	$\frac{\text{Dividend Paid}}{\text{Profit/Loss for the Period excl. Minorities}} \times 100$
Total Payout Ratio (%)	0.36	0.29	0.41	0.28	0.38	$\frac{\text{Dividend Paid} + \text{Value of Shares Buybacks}}{\text{Profit/Loss for the Period excl. Minorities}} \times 100$
Price Earnings Basic (P/E) (X)	13.6	14.3	15.3	13.5	17.8	$\frac{\text{Price}}{\text{EPS Basic}}$
Price Earnings Diluted (P/E) (X)	13.6	14.7	15.3	14.2	17.8	$\frac{\text{Price}}{\text{EPS Diluted}}$
Adjusted Price Earnings Basic (Adj. P/E) (X)	13.6	16.1	13.3	14.1	17.5	$\frac{\text{Price}}{\text{Adjusted EPS Basic}}$
Adjusted Price Earnings Diluted (Adj. P/E) (X)	13.6	16.5	13.3	14.9	17.5	$\frac{\text{Price}}{\text{Adjusted EPS Diluted}}$
Earnings Yield (E/P) (%)	7.3%	6.8%	6.5%	7.0%	5.6%	$\frac{\text{EPS Diluted}}{\text{Price}}$
Adjusted Earnings Yield (Adj. E/P) (%)	7.3%	6.0%	7.5%	6.7%	5.7%	$\frac{\text{Adjusted EPS Diluted}}{\text{Price}}$
Price/Cash Earnings (X)	7.6	9.2	6.3	8.9	11.8	$\frac{\text{Price}}{\text{CEPS}}$
Price/Cash Flow (X)		6.5	4.7	11.5	9.9	$\frac{\text{Price}}{\text{CFPS}}$
Price/Book Value (P/BV) (X)	1.67	2.06	1.45	2.02	2.71	$\frac{\text{Price}}{\text{BVPS}}$
Price/ Net Asset Value (P/NAV) (X)	1.64	2.01	1.41	1.98	2.66	$\frac{\text{Price}}{\text{NAVPS}}$

Dividend Yield (%)	2.7%	2.0%	2.7%	2.0%	2.1%	$\frac{\text{DPS}}{\text{Price}} \times 100$
Total Yield	2.7%	2.0%	2.7%	2.0%	2.1%	$\frac{\text{DPS} + \text{Value of Share Buybacks}}{\text{Price}} \times 100$
Free Cash Flow Yield (%)		3.1%	0.9%	(14.2%)	4.5%	$\frac{\text{FCFE}}{\text{Market Capitalisation} + \text{Value of Minorities}} \times 100$
Enterprise Value/Sales (EV/Sales) (X)	1.19	1.40	1.14	1.37	1.72	$\frac{\text{EV}}{\text{Sales}}$
Enterprise Value/EBITDA (EV/EBITDA) (X)	6.8	7.2	6.1	7.5	9.2	$\frac{\text{EV}}{\text{EBITDA}}$
Enterprise Value/EBITA (EV/EBITA) (X)	6.8	7.2	6.1	7.5	9.2	$\frac{\text{EV}}{\text{EBITA}}$
Enterprise Value/EBIT (EV/EBIT) (X)	9.3	9.4	9.9	10.1	12.3	$\frac{\text{EV}}{\text{EBIT}}$
Enterprise Value/NOPLAT (EV/NOPLAT) (X)	13.5	13.8	10.9	14.6	17.5	$\frac{\text{FCFE}}{\text{NOPLAT}}$
$\frac{\text{EV}}{\text{FCFF}}$		11	9	17	13	$\frac{\text{EV}}{\text{FCFF}}$
Free Cash Flow to Firm Yield (%)		4.2%	2.6%	(9.5%)	4.5%	$\frac{\text{FCFF}}{\text{EV}} \times 100$