



Best Financial Ratios Cheat Sheet (2025)

Liquidity Ratios

Ratio	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$
Cash Ratio	$\frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}}$
Operating Cash Flow Ratio	$\frac{\text{Operating Cash Flow}}{\text{Current Liabilities}}$

Profitability Ratios

Ratio	Formula
Gross Profit Margin	$\frac{\text{Revenue} - \text{COGS}}{\text{Revenue}}$
Net Profit Margin	$\frac{\text{Net Income}}{\text{Revenue}}$
Return on Assets (ROA)	$\frac{\text{Net Income}}{\text{Total Assets}}$
Return on Equity (ROE)	$\frac{\text{Net Income}}{\text{Shareholders' Equity}}$
Operating Profit Margin	$\frac{\text{Operating Income}}{\text{Revenue}}$
Dividend Yield	$\frac{\text{Annual Dividends per Share}}{\text{Price per Share}}$

Leverage Ratios

Ratio	Formula
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Shareholders' Equity}}$
Interest Coverage Ratio	$\frac{\text{EBIT}}{\text{Interest Expenses}}$
Debt Service Coverage Ratio (DSCR)	$\frac{\text{Net Operating Income}}{\text{Total Debt Service}}$

Debt-to-Asset Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Equity Ratio	$\frac{\text{Shareholders' Equity}}{\text{Total Liabilities}}$

Efficiency Ratios

Ratio	Formula
Inventory Turnover Ratio	$\frac{\text{COGS}}{\text{Average Inventory}}$
Asset Turnover Ratio	$\frac{\text{Sales}}{\text{Total Assets}}$
Days Sales Outstanding (DSO)	$\frac{\text{Accounts Receivable}}{\text{Total Sales}} \times \text{Number of Days}$
Days Inventory Outstanding (DIO)	$\frac{\text{Average Inventory}}{\text{COGS}} \times \text{Number of Days}$

Market Value Ratios

Ratio	Formula
Price-to-Earnings (P/E) Ratio	$\frac{\text{Market Price per Share}}{\text{EPS}}$
Price-to-Book (P/B) Ratio	$\frac{\text{Market Price per Share}}{\text{Book Value per Share}}$
Price-to-Sales (P/S) Ratio	$\frac{\text{Market Price per Share}}{\text{Revenue per Share}}$
Earnings Yield	$\frac{\text{Earnings per Share}}{\text{Market Price per Share}}$