

50 INVESTING RATIOS



BY COMPOUNDING QUALITY



Valuation Ratios

1. Price-to-Earnings (P/E) Ratio

- **Description:** Shows how much investors are willing to pay per dollar of earnings.
- **Calculation:** Price per Share divided by Earnings per Share

2. Price-to-Book (P/B) Ratio

- **Description:** Compares a company's market value to its book value.
- **Calculation:** Price per Share divided by Book Value per Share

3. Price-to-Sales (P/S) Ratio

- **Description:** Compares a company's stock price to its revenues.
- **Calculation:** Market Capitalization divided by Total Sales

4. Price-to-Cash Flow (P/CF) Ratio

- **Description:** Measures how much investors are willing to pay for cash flow.
- **Calculation:** Price per Share divided by Cash Flow per Share

5. Enterprise Value-to-EBITDA (EV/EBITDA)

- **Description:** Compares the value of a company, inclusive of debt, to its earnings before interest, taxes, depreciation, and amortization.
- **Calculation:** Enterprise Value divided by EBITDA



Valuation Ratios

6. Enterprise Value-to-Sales (EV/Sales)

- **Description:** Compares a company's total value to its revenue.
- **Calculation:** Enterprise Value divided by Sales

7. Dividend Yield

- **Description:** Shows the annual dividend income as a percentage of the stock price.
- **Calculation:** Annual Dividends per Share divided by Price per Share

8. Dividend Payout Ratio

- **Description:** Shows the proportion of earnings paid out as dividends.
- **Calculation:** Dividends per Share divided by Earnings per Share

9. Earnings Yield

- **Description:** Inverse of the P/E ratio, shows the earnings per share as a percentage of the stock price.
- **Calculation:** Earnings per Share divided by Price per Share

10. PEG Ratio

- **Description:** Adjusts the P/E ratio by the growth rate of earnings.
- **Calculation:** P/E Ratio divided by Earnings Growth Rate

