

## 5-Year County-Level Financial Profile Industry Report

### Rooming and Boarding Houses (SIC Code: 7021)

#### in Wayne County, Michigan

Sales Range: < \$500K

Date: 05/29/09

### Report Description

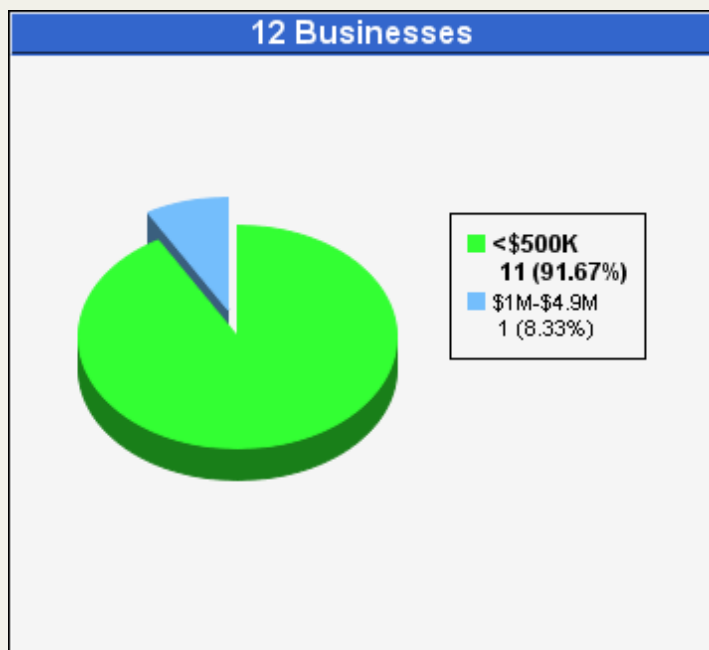
This 5-Year Industry Financial Profile Industry Report helps you compare the overall performance of a specific Industry to the County And State averages as provided from US IRS data and more than 60 other sources.



This report includes data on small businesses with revenues under \$500,000 per year. Depending on the industry selected, many companies represented in this report could be start-ups, home-based, and/or unsuccessful ventures.

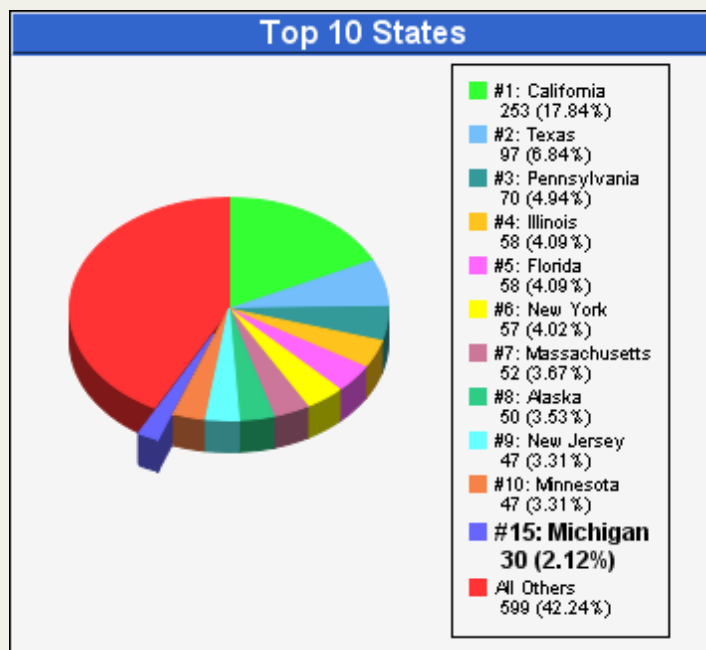
### Business Counts

Business Counts: The table below shows the estimated number of businesses listed under: **Rooming and Boarding Houses**, located in **Wayne County, MI**.

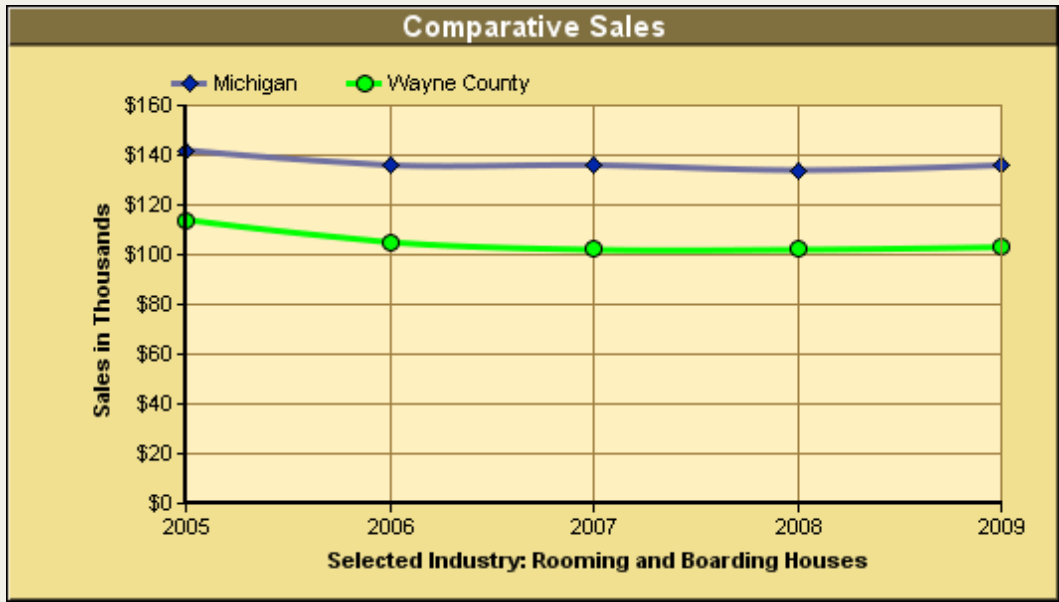


### Top 10 States (by Business Counts)

Top 10 States: The table below shows the Top 10 States in which this Industry operates (**across all Sales levels**.)



Industry Report by Sales



The chart to the left illustrates the sales growth of the **Rooming and Boarding Houses** industry during a 5-year period.

Positive growth trends are desirable.

**Projected Annual Growth Rate**  
(Based on Sales)  
In Wayne County

**0.49%**

Income Statement

Income Statement (Average per company matching search criteria)

Amounts in Thousands

Wayne County data

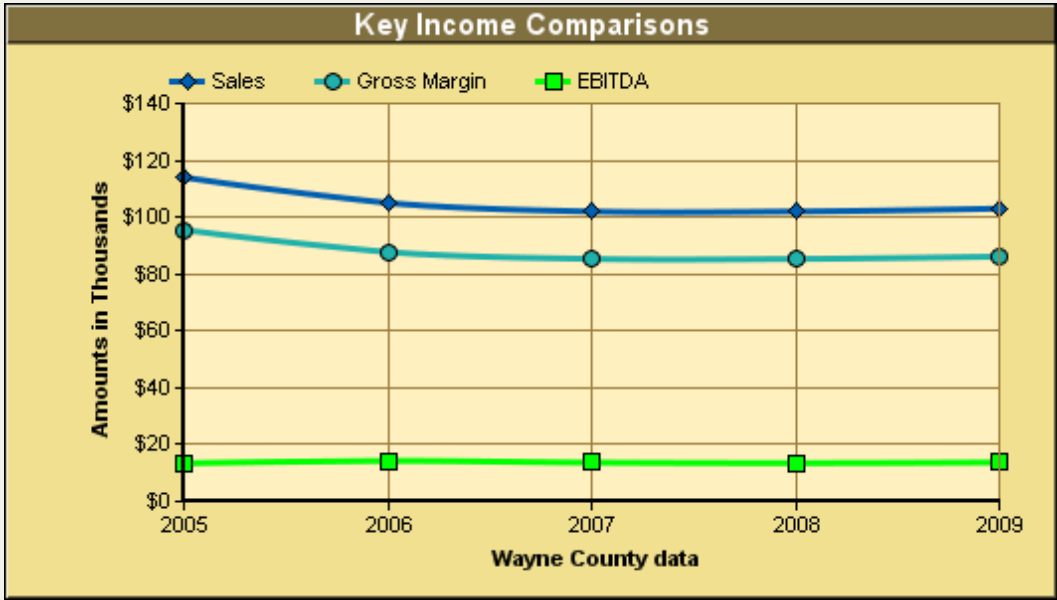
	2005	2006	2007	2008	2009
Revenue					
Sales	114.000	105.000	102.000	102.000	103.000
Cost of Sales					
Cost of Goods Sold	18.475	17.286	16.680	16.691	16.866
Gross Margin					
Gross Margin	95.526	87.714	85.320	85.310	86.134
Expenses					
Advertising	1.634	1.556	1.499	1.498	1.515
Salaries & Wages	17.500	15.723	15.235	15.307	15.431
Employee Benefit Program	.500	.479	.465	.462	.468
Pension & Annuity Plans	.293	.267	.261	.261	.263
Compensation of Officers	4.000	3.594	3.482	3.499	3.527
Bad Debt	.283	.254	.246	.247	.249
Rent Paid	16.101	14.342	14.038	14.062	14.174
Repairs	5.294	4.755	4.645	4.651	4.690
Depreciation Depletion Amort.	4.639	4.454	4.338	4.323	4.378
Interest Paid	2.792	2.463	2.414	2.421	2.439
Miscellaneous Expenses	36.500	32.482	31.784	31.843	32.096
	-----	-----	-----	-----	-----
Total Expenses	89.537	80.367	78.405	78.572	79.230
EBITDA	13.420	14.263	13.666	13.482	13.721
Net Income					
Operating Profit	5.989	7.347	6.915	6.737	6.904
	=====	=====	=====	=====	=====

Income Statement (Average per company matching search criteria)

Wayne County data

	2005	2006	2007	2008	2009
Revenue					
Sales	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales					
Cost of Goods Sold	16.21%	16.46%	16.35%	16.36%	16.37%
Gross Margin					
Gross Margin	83.79%	83.54%	83.65%	83.64%	83.63%
Expenses					
Advertising	1.43%	1.48%	1.47%	1.47%	1.47%
Salaries & Wages	15.35%	14.97%	14.94%	15.01%	14.98%
Employee Benefit Program	.44%	.46%	.46%	.45%	.45%
Pension & Annuity Plans	.26%	.25%	.26%	.26%	.26%
Compensation of Officers	3.51%	3.42%	3.41%	3.43%	3.42%
Bad Debt	.25%	.24%	.24%	.24%	.24%
Rent Paid	14.12%	13.66%	13.76%	13.79%	13.76%
Repairs	4.64%	4.53%	4.55%	4.56%	4.55%
Depreciation Depletion Amort.	4.07%	4.24%	4.25%	4.24%	4.25%
Interest Paid	2.45%	2.35%	2.37%	2.37%	2.37%
Miscellaneous Expenses	32.02%	30.93%	31.16%	31.22%	31.16%
	-----	-----	-----	-----	-----
Total Expenses	78.54%	76.54%	76.87%	77.03%	76.92%
EBITDA					
EBITDA	11.77%	13.58%	13.40%	13.22%	13.32%
Net Income					
Operating Profit	5.25%	7.00%	6.78%	6.61%	6.70%
	=====	=====	=====	=====	=====

# Key Income Comparisons



The chart to the left illustrates the key income values related to Sales, Gross Margin, and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of the **Rooming and Boarding Houses** industry during a 5-year period.

In some cases, dollar amounts on this chart may overlay each other and a chart line may appear missing. Please review the Income Statement above to review these amounts.

**Positive growth trends are desirable.**

This chart may give a better growth view than Profits since many companies minimize Profits for tax purposes.

## Balance Sheet

### Balance Sheet (Average per company matching search criteria)

Amounts in Thousands

#### Wayne County data

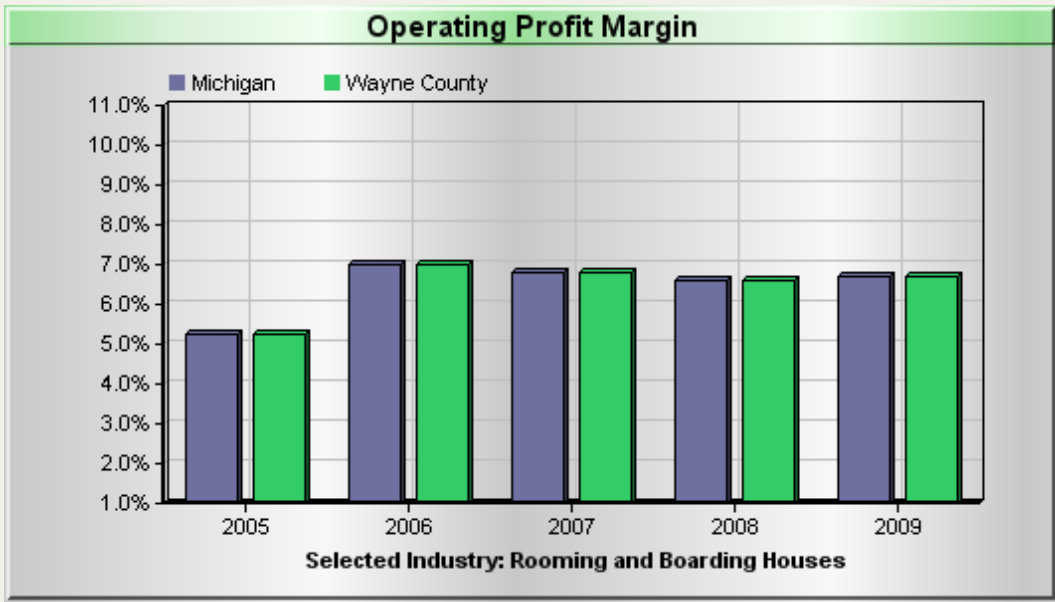
	2005	2006	2007	2008	2009
Assets					
Cash	11.882	10.953	10.658	10.622	10.726
Net Accounts Receivable	3.677	3.345	3.231	3.236	3.264
Inventories	1.204	1.105	1.078	1.078	1.086
Short-Term Investments	.000	.000	.000	.000	.000
Other Current Assets	2.464	2.272	2.211	2.203	2.225
	-----	-----	-----	-----	-----
Total Current Assets	19.228	17.676	17.177	17.139	17.302
Long-Term Investments	8.262	8.061	7.756	7.707	7.805
Plant, Property & Equipment	39.483	38.575	37.389	37.176	37.674
Other Assets	.000	.000	.000	.000	.000
Net Intangible Assets	1.528	1.492	1.445	1.437	1.456
	-----	-----	-----	-----	-----
<b>Total Assets</b>	<b>68.500</b>	<b>65.804</b>	<b>63.768</b>	<b>63.458</b>	<b>64.237</b>
	=====	=====	=====	=====	=====
Liabilities					
Accounts Payable	3.863	3.532	3.434	3.440	3.471
Short-Term Obligations	6.036	5.826	5.651	5.610	5.684
Other Current Liabilities	4.396	3.966	3.895	3.893	3.926
	-----	-----	-----	-----	-----
Total Current Liabilities	14.295	13.324	12.979	12.943	13.081
Long-Term Debt	53.706	47.206	45.906	46.197	46.517
	-----	-----	-----	-----	-----
Total Liabilities	68.000	60.530	58.885	59.141	59.598
Total Net Worth & Owner Equity	.500	5.274	4.883	4.318	4.639
<b>Total Liabilities &amp; Net Worth</b>	<b>68.500</b>	<b>65.804</b>	<b>63.768</b>	<b>63.458</b>	<b>64.237</b>
	=====	=====	=====	=====	=====

# Balance Sheet as a Percentage of Total Assets (Average per company matching search criteria)

## Wayne County data

	2005	2006	2007	2008	2009
<b>Assets</b>					
Cash	17.35%	16.65%	16.71%	16.74%	16.70%
Net Accounts Receivable	5.37%	5.08%	5.07%	5.10%	5.08%
Inventories	1.76%	1.68%	1.69%	1.70%	1.69%
Short-Term Investments	.00%	.00%	.00%	.00%	.00%
Other Current Assets	3.60%	3.45%	3.47%	3.47%	3.46%
	-----	-----	-----	-----	-----
Total Current Assets	28.07%	26.86%	26.94%	27.01%	26.93%
Long-Term Investments	12.06%	12.25%	12.16%	12.14%	12.15%
Plant, Property & Equipment	57.64%	58.62%	58.63%	58.58%	58.65%
Other Assets	.00%	.00%	.00%	.00%	.00%
Net Intangible Assets	2.23%	2.27%	2.27%	2.26%	2.27%
	-----	-----	-----	-----	-----
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
	=====	=====	=====	=====	=====
<b>Liabilities</b>					
Accounts Payable	5.64%	5.37%	5.38%	5.42%	5.40%
Short-Term Obligations	8.81%	8.85%	8.86%	8.84%	8.85%
Other Current Liabilities	6.42%	6.03%	6.11%	6.13%	6.11%
	-----	-----	-----	-----	-----
Total Current Liabilities	20.87%	20.25%	20.35%	20.40%	20.36%
Long-Term Debt	78.40%	71.74%	71.99%	72.80%	72.41%
	-----	-----	-----	-----	-----
Total Liabilities	99.27%	91.98%	92.34%	93.20%	92.78%
Total Net Worth & Owner Equity	.73%	8.02%	7.66%	6.80%	7.22%
<b>Total Liabilities &amp; Net Worth</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
	=====	=====	=====	=====	=====

Operating Profit Margin



Operating Profit Margin: The ratio of operating profit to net sales.

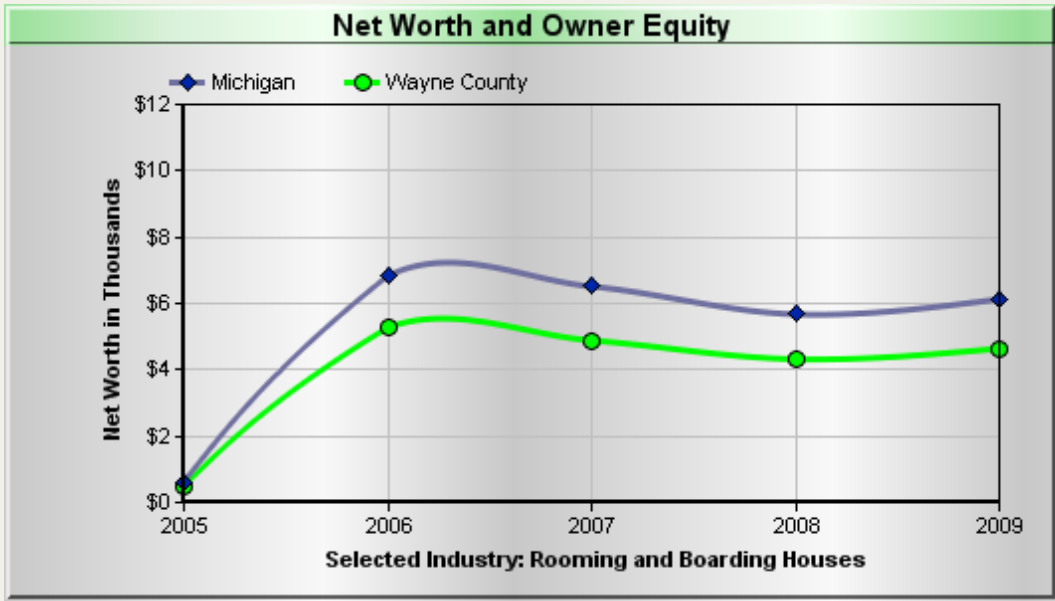
Operating Profit Margin indicates how effective a company is at controlling the costs and expenses associated with their normal business operations.

Be aware that corporate taxes are levied against this amount, so certain businesses may attempt to reduce or eliminate their operating profits.

Other Growth Trends to review are Sales, EBITDA, and Compensation of Owners/Officers as shown in the Income Statement.

Positive growth trends are desirable.

Net Worth and Owner Equity



Net Worth and Owner Equity: A company's net worth is the value of all of its assets, minus the total of all of its liabilities (debt).

Net Worth and Owner Equity represents the liquidation value of the company and is a key attribute reviewed by Lenders and Investors.

Positive growth trends are desirable.

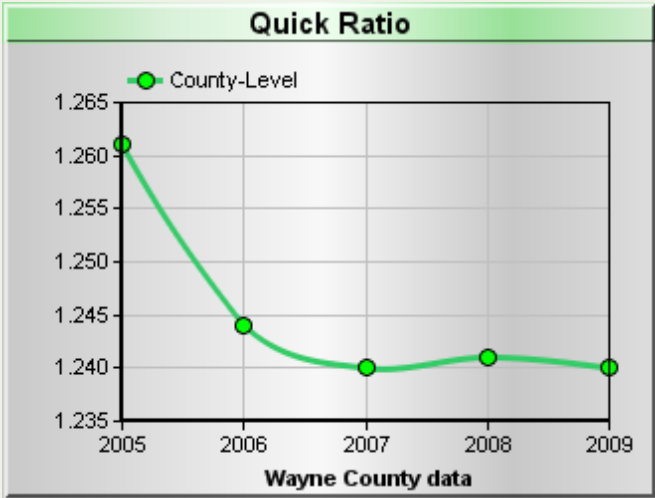


**Quick Ratio** (A Liquidity Ratio)

Quick Ratio (aka **Acid Ratio**): Short-term liquidity ratio calculated by dividing current assets (cash, marketable securities, etc. but not inventory) by current liabilities. This ratio places more emphasis on those liquid assets that can be quickly converted into cash.

Generally, a Quick Ratio of 1 or greater is desirable and typically indicates that a company has enough cash on hand to pay its bills and keep running.

This ratio varies significantly across Industries.

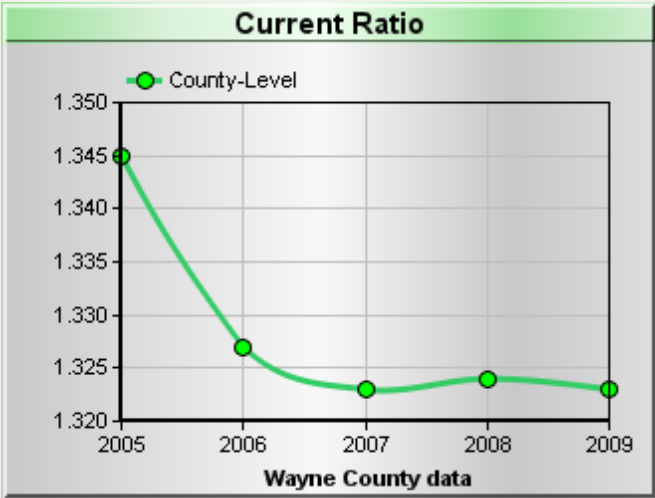


**Current Ratio** (A Liquidity Ratio)

Current Ratio: This ratio divides the current assets by the current liabilities (obligations to be paid in 30 to 60 days). This ratio is often used by short-term creditors to make sure that their investments are covered by assets which can be converted to cash in the near future.

Generally, a Current Ratio of 1 or greater is good, a Current Ratio of 2 or greater is desirable.

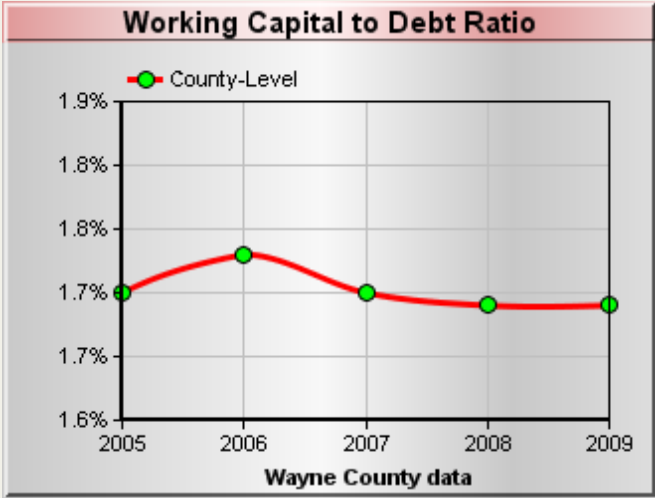
This ratio varies significantly across Industries.



**Working Capital to Debt Ratio** (A Liquidity Ratio)

Working Capital to Debt Ratio: Measures the ability of a company to eliminate its debt using its Working Capital. A high or increasing Working Capital to Debt Ratio is usually a positive sign, showing the company can use its Working Capital to pay off its debt.

Monitoring this ratio is very important to make sure the company has the ability to satisfy its creditors. Generally, a ratio of 100% or higher is desirable as this shows the company could pay down its debt with Working Capital.

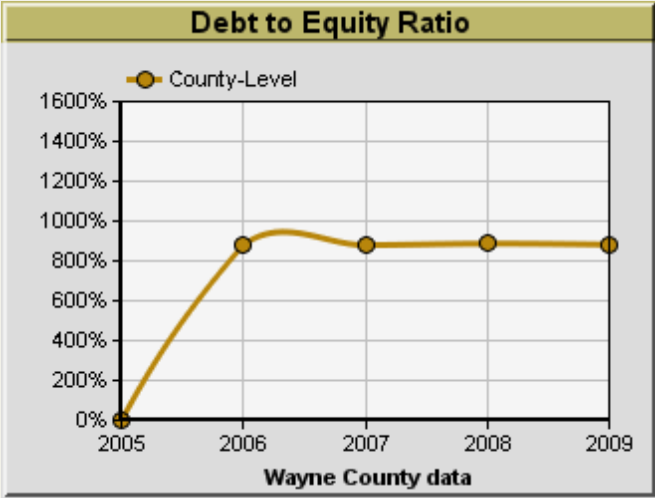


**Debt to Equity Ratio** (A Liquidity Ratio)

Debt to Equity Ratio: Shows financial strength. A very low ratio means that the company has greater protection to creditors if there is a decline in sales or a shrinkage of total assets.

The lower the Debt to Equity Ratio the better.

This ratio also depends on the industry in which the company operates. For example, capital-intensive industries could have Debt to Equity Ratio of 500%, while a consulting business could have a Debt to Equity Ratio of 40%.

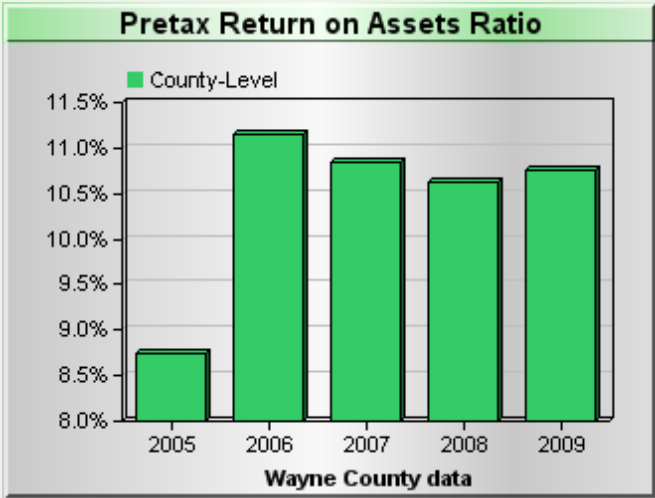




**Pretax Return on Assets Ratio** (A Profitability Ratio)

Pretax Return on Assets Ratio (aka **Pretax Return on Investment Ratio**): An indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual pretax earnings by its total assets, ROA is displayed as a percentage.

Positive growth trends are desirable.



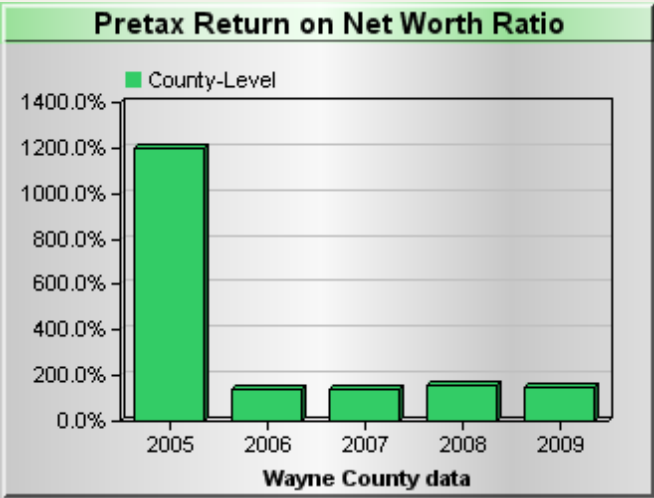
**Pretax Return on Net Worth Ratio** (A Profitability Ratio)

Pretax Return on Net Worth Ratio: This ratio provides the earnings before taxes for each dollar invested.

This ratio highlights management's ability to generate a meaningful return on capital invested in the business.

This ratio does not apply if a company's net worth is a negative value.

Positive growth trends are desirable.

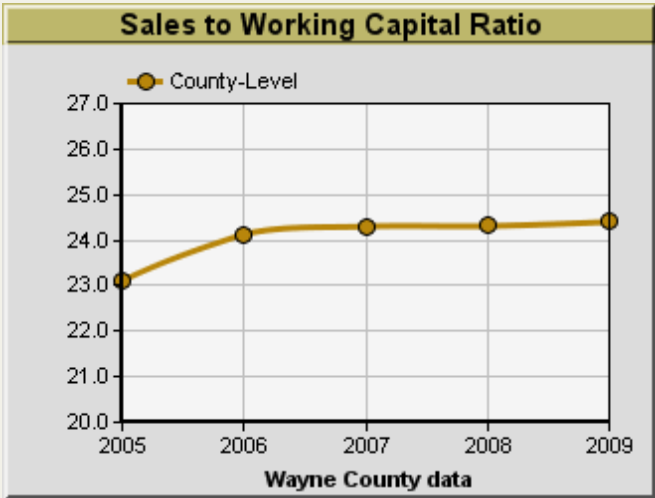


**Sales to Working Capital Ratio** (An Efficiency Ratio)

The Sales to Working Capital Ratio (aka **Turnover of Working Capital Ratio**) indicates how many dollars in sales the business makes for every dollar of working capital.

An increasing trend is often a positive sign, indicating the company is better able to use its working capital to generate sales.

This ratio varies significantly across Industries.

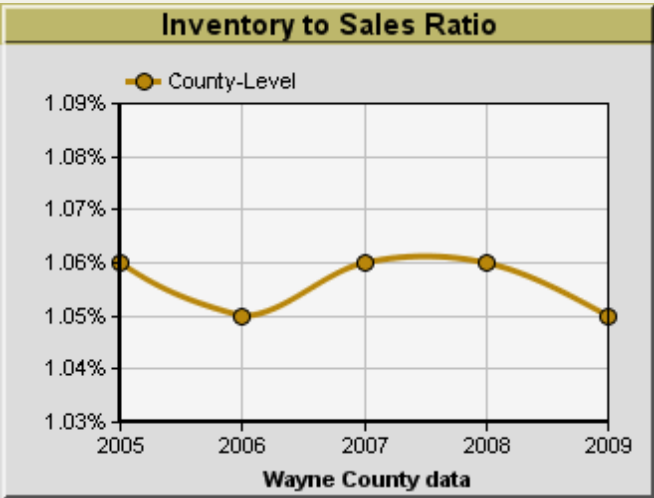


**Inventory to Sales Ratio** (An Efficiency Ratio)

Inventory to Sales Ratio: Looks at your investment in inventory in relation to your annual sales amount. The Inventory to Sales Ratio helps you identify whether inventory is growing unnecessarily.

A static or declining trend shows effective use of just-in-time methodology (i.e. your investment in inventory is shrinking in relation to sales.)

This ratio varies significantly across Industries.





Supporting Data - County

Supporting Data for Charts Above (Average per company matching search criteria)

Dollar Amounts in Thousands

Wayne County data

	2005	2006	2007	2008	2009
Sales	\$114.000	\$105.000	\$102.000	\$102.000	\$103.000
Gross Margin	\$95.526	\$87.714	\$85.320	\$85.310	\$86.134
EBITDA	\$13.420	\$14.263	\$13.666	\$13.482	\$13.721
Total Net Worth & Owner Equity	\$500	\$5.274	\$4.883	\$4.318	\$4.639

Ratios (shown in charts above)

Quick Ratio	1.261	1.244	1.240	1.241	1.240
Current Ratio	1.345	1.327	1.323	1.324	1.323
Operating Profit Margin	5.250%	7.000%	6.780%	6.610%	6.700%
Working Capital to Debt	1.700%	1.730%	1.700%	1.690%	1.690%
Debt to Equity	.000%	880.770%	879.400%	886.760%	882.050%
Pretax Return on Assets	8.740%	11.160%	10.840%	10.620%	10.750%
Pretax Return on Net Worth	1197.990%	139.290%	141.630%	156.040%	148.820%
Sales to Working Capital	23.109	24.130	24.298	24.313	24.401
Inventory to Sales	1.060%	1.050%	1.060%	1.060%	1.050%

Additional Ratios

Assets to Sales	60.090%	62.670%	62.520%	62.210%	62.370%
Accounts Receivable to Revenue	3.230%	3.190%	3.170%	3.170%	3.170%
Cash Flow to Total Debt	.197	.236	.232	.228	.230
Current Liabilities to Net Worth	200.970%	193.880%	193.840%	194.070%	193.590%
Cash Ratio	83.120%	82.210%	82.120%	82.060%	82.000%
Cash to Current Assets	61.800%	61.970%	62.050%	61.970%	62.000%
Cash to Working Capital	240.860%	251.720%	253.900%	253.170%	254.110%
Inventory Turnover	15.339	15.642	15.477	15.487	15.525
Sales to Equity	16.027	15.279	15.233	15.294	15.244
Working Capital Turnover	23.109	24.130	24.298	24.313	24.401

Note: Business Ratios vary widely among industries due to start-up costs, inventory requirements, staffing, expenses, etc.

Supporting Data - State

Supporting Data for Charts Above (Average per company matching search criteria)

Dollar Amounts in Thousands

Michigan data

	2005	2006	2007	2008	2009
Sales	\$142.000	\$136.000	\$136.000	\$134.000	\$136.000
Gross Margin	\$118.988	\$113.611	\$113.760	\$112.073	\$113.731
EBITDA	\$16.717	\$18.474	\$18.222	\$17.712	\$18.117
Total Net Worth & Owner Equity	\$6.623	\$6.832	\$6.510	\$5.672	\$6.126

Ratios (shown in charts above)

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Note: Business Ratios vary widely among industries due to start-up costs, inventory requirements, staffing, expenses, etc.

## Glossary Terms - Income Statement

<b>Advertising</b> The amount spent on advertising.	<b>Bad Debt</b> An accounts receivable which is considered uncollectible and is being written off.
<b>Compensation of Officers</b> The amount paid to company officers.	<b>Cost of Goods Sold</b> The direct cost associated with producing or acquiring the goods sold.
<b>EBITDA</b> Earnings Before Interest, Taxes, Depreciation, and Amortization. Also known as Operating Cash Flow.	<b>Employee Benefit Program</b> The amount spent providing benefits to employees.
<b>Gross Margin</b> The difference between the sales and the cost of goods sold, also called the Gross Profit.	<b>Interest Expense</b> Amount paid to service a debt.
<b>Miscellaneous Expenses</b> Other unclassified expenses, such as loss carry forwards.	<b>Net Income/Operating Profit</b> The amount remaining after all operating expenses have been deducted.
<b>Pensions &amp; Annuity Plans</b> The amount paid by the company towards pensions and annuity plans for its employees and officers.	<b>Rent</b> The amount paid for occupancy and use of real estate.
<b>Repairs</b> The amount paid to upkeep property in its original, or functional, condition.	<b>Salaries &amp; Wages</b> The amount paid to employees.
<b>Sales</b> The total amount received through selling activities.	<b>Total Receipts</b> The gross sales less any returns.

Glossary Terms - Balance Sheet

<b>Accounts Payable</b> Short-term obligations owed by your business for goods and services.	<b>Accounts Receivable</b> Amounts owed to your business for goods and services.
<b>Cash</b> Monies available to a business at any time. The most liquid of all assets.	<b>Depreciation, Depletion, &amp; Amortization</b> The amounts allocated during the period to amortize the cost of acquired Long-term Assets.
<b>Inventories</b> Unsold goods held by manufacturers, wholesalers and retailers.	<b>Long-Term Debt</b> Debt due to be paid at a date more than one year in the future.
<b>Long-Term Investments</b> Companies use long-term investments to generate income by placing funds into long-term investments such as stocks and bonds.	<b>Net Accounts Receivable</b> The amount a company is reasonably confident that they can collect from their Accounts Receivable.
<b>Net Intangible Assets</b> Non-physical items a business has of value, such as goodwill and trade names.	<b>Other Assets</b> These include items not otherwise classified as a Current Asset or a Fixed Asset. These could include property held for sale, long-term prepaid expenses or long-term notes receivable.
<b>Other Current Assets</b> Non-cash assets due within 1 year such as supplies, prepaid expenses, and deferred income tax recoveries that are not yet in cash but will be within a year.	<b>Other Current Liabilities</b> A balance sheet entry used by companies to group together current liabilities that are not assigned to common liabilities such as debt obligations or accounts payable.
<b>Plant, Property, &amp; Equipment</b> Also referred to as Fixed Assets or Tangible Assets. This includes assets purchased for long-term use by a business such as buildings, land, machines, furniture, tools, etc.	<b>Short-Term Investments</b> Companies use short-term investments to park their surplus Cash. These investments could include securities bought and held for sale in the near future to generate additional income.
<b>Short-Term Obligations</b> Amounts owed by your business to creditors, suppliers, and other vendors. Often these amounts will be due within 90-days.	<b>Total Assets</b> What a business has of value. This includes: inventory, investments, bank accounts, cars, trucks, property, trademarks, goodwill, etc.
<b>Total Current Assets</b> The combination of cash, inventories, receivables, and other current assets considered to be convertible into cash within a year or less.	<b>Total Current Liabilities</b> Claims to the company's assets that are usually due within one year. These make up several line items, such as accounts payable, notes payable, current maturities, and accrued liabilities. Also called Current Liabilities.
<b>Total Liabilities</b> Includes all the current liabilities, long-term debt, and any other miscellaneous liabilities the company may have.	<b>Total Net Worth &amp; Owner Equity</b> The owner's total investment in a company (purchased or earned), which may never have to be repaid, minus the liabilities that will need to be repaid.
<b>Total Liabilities &amp; Net Worth</b> Is the sum of all liability items and the net worth. Also known as Total Assets.	



## Glossary Terms - Ratios

<p><b>Assets to Sales Ratio</b> This ratio is calculated by taking Total Assets and dividing by Annual Sales. This indicates the entire investment required to bring in sales. Generally, a high number here indicates that assets are being under-utilized.</p>	<p><b>Accounts Receivable to Revenue Ratio</b> This ratio is determined by dividing Total Accounts Receivable by Annual Sales. This indicates how much credit the company is extending to its customers as a proportion of total revenue.</p>
<p><b>Cash Ratio</b> This ratio is determined by dividing Cash by Current Liabilities. Also called the Liquidity Ratio, this ratio is used to determine the ability of the company to meet short-term commitments.</p>	<p><b>Cash Flow to Total Debt Ratio</b> This ratio is calculated by taking Cash Flow and dividing by Total Debt. This measures how long it will take for a company to pay down its total debt by using its cash flow. A long period may indicate excessive debt and the potential for bankruptcy in an economic downturn.</p>
<p><b>Cash to Current Assets Ratio</b> This ratio is calculated by taking Cash and dividing by Current Assets. This measures how much cash a company holds in proportion to its total assets. This is used to determine the ability of the company to meet immediate commitments.</p>	<p><b>Cash to Working Capital Ratio</b> This ratio is determined by dividing Cash by Working Capital. This indicates how much of the company's working capital is in cash, a key metric that indicates how easily a company may meet its short-term commitments.</p>
<p><b>Current Ratio</b> This ratio divides the Current Assets by the Current Liabilities. This ratio is often used by short-term creditors to make sure that their investments are covered by assets which can be converted to cash in the near future.</p>	<p><b>Current Liabilities to Net Worth Ratio</b> This ratio is determined by dividing Current Liabilities by Net Worth. This indicates the solvency of a company. Generally, this should not exceed 60%. Higher figures indicate potential future problems meeting its commitments.</p>
<p><b>Debt to Equity Ratio</b> This ratio is calculated by taking Total Liabilities and dividing by Total Equity. A very low ratio means that the company has greater protection to creditors if there is a decline in sales or a shrinkage of total assets.</p>	<p><b>Inventory to Sales Ratio</b> Calculated by dividing the Inventory Balance at the end of the year by the Total Sales for that year. The Inventory to Sales Ratio helps you identify whether inventory is growing unnecessarily.</p>
<p><b>Inventory Turnover Ratio</b> This ratio is calculated by dividing Cost of Goods Sold by Inventory. This shows how many times a company's inventory is sold and replaced each year. A high number is desirable. A low number may indicate significant future problems.</p>	<p><b>Pretax Return on Assets Ratio</b> Calculated by dividing a company's annual Pretax Earnings by its Total Assets. An indicator of how profitable a company is relative to its total assets.</p>
<p><b>Pretax Return on Net Worth Ratio</b> Determined by dividing Pretax Profits by Total Net Worth. This ratio highlights management's ability to generate a meaningful return on capital invested in the business.</p>	<p><b>Quick Ratio</b> Short-term liquidity ratio calculated by dividing Current Assets (cash, marketable securities, etc. but not Inventory) by Current Liabilities. This ratio places more emphasis on those liquid assets that can be quickly converted into cash.</p>
<p><b>Sales to Working Capital Ratio</b> This ratio is calculated by dividing Annual Sales by Total Net Worth. Indicates how many dollars in sales the business makes for every dollar of working capital.</p>	<p><b>Sales to Equity Ratio</b> This ratio is determined by taking Annual Sales and dividing by Total Equity. This measures, over time, how much sales volume is produced given the equity investment in the company. An increasing figure over time is desirable, because it shows the company to be increasingly efficient.</p>
<p><b>Working Capital to Debt Ratio</b> This ratio is obtained by dividing Working Capital by Debt. Measures the ability of a company to eliminate its debt using its Working Capital.</p>	<p><b>Working Capital Turnover Ratio</b> This ratio is calculated by dividing Annual Sales by Working Capital. This measures how well a company uses its working capital to generate sales. Generally, a high number indicates that the company is generating many sales for every dollar of working capital utilized in the sale process.</p>

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