

# Canadian Tire Ratio Analysis

Jan 1, 2011

## Liquidity

Current Ratio

$$\frac{5004.6}{2112.1}$$

2.4

$$\frac{5196.2}{2647.8}$$

1.9

## Quick Ratio

$$554.3 + 195.9 + 662.3 + 2481.2$$

$$= \frac{3893.7}{2112.1}$$

1.8

$$869.7 + 64 + 835.9 + 2274.8$$

$$\frac{4044.4}{2647.8}$$

1.5

## Activity

AR TO

$$\frac{8980.8}{(662.3 + 835.9) \div 2}$$

11.98

$$\frac{9686.5}{835.9}$$

10.39

Days In

$$\frac{365}{11.98} = 30 \text{ days}$$

$$\frac{365}{10.39} = 35.1$$

## Inventory TIO

$$\begin{array}{r} \frac{8000.2}{(901.5 + 933.6) \div 2} \\ 8.72 \end{array} \quad \begin{array}{r} \frac{7788.1}{933.6} \\ 8.34 \end{array}$$

Days In  $\frac{365}{8.72} = 42$   $\frac{365}{8.34}$

43 days

## Profitability

Operating Margin  $\frac{8980.8 - 8000.2}{8980.8} \times 100\%$

10.9%

$$\frac{8686.5 - 7788.1}{8686.5} \times 100\%$$

10.3%

## Price Earnings

Use a share price of \$ 72

$$\frac{72}{5.56} = 12.9$$

( $\frac{1}{x} = .077$ )

## Return on Assets

$$\frac{453.6}{(8764.1 + 8872.5) \div 2} \times 100\%$$

= 5.1%

## Debt Coverage.

Total Debt to Assets

4697.7

8764.1

.54

5184.6

8872.5

.58

Times Interest Earned

597 + (111.2 - 7.9) = 6.8

(111.2 - 7.9)

479.2 + (130 + 17)

(130 + 17)

4.3

