

CACI International

FY 1999

FY 1998

Dupont Framework

$$\text{Return on Equity (ROE):} \quad \frac{\text{Net earnings}}{\text{Total shareholders' equity (average)}}$$

$$\text{Profit Margin:} \quad \frac{\text{Net earnings}}{\text{Net sales}}$$

$$\text{Asset Turnover:} \quad \frac{\text{Net sales}}{\text{Total assets (average)}}$$

$$\text{Financial Leverage (Assets to Equity):} \quad \frac{\text{Total assets (average)}}{\text{Total shareholders' equity (average)}}$$

PROFITABILITY RATIOS

$$\text{Return on Equity (ROE):} \quad \frac{\text{Net earnings}}{\text{Total shareholders' equity (average)}}$$

$$\text{Return on Assets (ROA):} \quad \frac{\text{Net earnings}}{\text{Total assets (average)}}$$

$$\text{Return on Invested Capital (ROIC):} \quad \frac{\text{EBIT}(1-\text{tax rate})}{\text{Interest -bearing debt} + \text{Equity}}$$

$$\text{Profit Margin:} \quad \frac{\text{Net earnings}}{\text{Net sales}}$$

$$\text{Gross Margin:} \quad \frac{\text{Gross profit}}{\text{Net sales}}$$

$$\text{P/E Ratio:} \quad \frac{\text{Market price per share (average)}}{\text{Earnings per share}}$$

**B. TURNOVER CONTROL RATIOS
(ACTIVITY or EFFICIENCY RATIOS)**

$$\text{Asset Turnover:} \quad \frac{\text{Net sales}}{\text{Total assets (average)}}$$

$$\text{Inventory Turnover:} \quad \frac{\text{CGS}}{\text{Inventory (average)}}$$

$$\text{Collection period (days):} \quad \frac{\text{Accounts receivable (average)}}{\text{Credit sales per day}}$$

$$\text{Days' sales in cash:} \quad \frac{\text{Cash} + \text{securities}}{\text{Net sales per day}}$$

$$\text{Payables period (days):} \quad \frac{\text{Accounts payable (average)}}{\text{Credit purchases per day}}$$