For my analysis, I chose the company Rocket Lab. The first thing to note is that Rocket Lab is an early-stage aerospace company still heavily set in the research and development stage. Rocket Lab is based in the field of end-to-end space access, research and development, and commercial space services. Being that this is still a breakthrough field, and all commercial companies are effectively in their infancy in regards to their current research, we have to take the following ratios under a specific scope. Companies such as this rely heavily on investors and aren't expected to be able to effectively generate money as easily. In fact, it is nearly expected to be at a loss and hemorrhage money.

Examining the ratios and beginning with liquidity, I see that Rocket Lab has a couple of pretty decent numbers in this area. If we are only discussing the current assets, it looks like everything is doing good, given that it's holding over a 1.0. Traditionally, a ratio above 2 is considered healthy, but again, this is a space company. Moving down to asset management, we see that there's an inventory turnover of 1.79. This means that it sells and replaces its inventory 1.79 times a year. This is an interesting ratio given that Rocket Lab reuses their own rockets, and so very little is actually commercial inventory that is being sold. The day sales outstanding is 52 1/2 days roughly. Generally, we would like this to be shorter. However, if you take into account that Rocket Lab deals with many government entities and aerospace entities, a 60 to 90-day window is actually commonly seen.

Moving on to profitability, we have a gross margin of 21%. This is reasonable, if only given the fact that there isn't really an industry average to compare anything to except for SpaceX. The operating margin and net margin, however, are both where we see that this is still a company very heavily set in its research and development phase. Given an operating margin of negative 84%, we can see that it is majorly hemorrhaging many of its received funds.

With debt management, we can see that the company is actually doing pretty good. Given that Rocket Lab has a very solid standing in its small payload and mid-orbit services, and demand is skyrocketing, we can feel comfortable that these numbers will change in the future.

Leading up to the year that this financial statement dealt with, Rocket Lab had a very bad set of investment ratios. The return on assets and return on equity were both in the negatives, indicating the shareholders were experiencing a negative return on their investment. However, if anybody has been watching the news this year, we can see that this is no longer the case. I'm excited to see their year-end report and how these numbers are going to dramatically shift to the positive.