

$$\text{EBIT Interest Coverage} = \frac{\text{EBIT}}{\text{Interest Expense}}$$

$$\text{Operating funds / Total Debt} = \frac{\text{Free Cash Flow}}{\text{Total Debt}}$$

$$\text{Operating Margin} = \frac{\text{EBIT}}{\text{Revenue}}$$

$$\text{Long-term debt leverage} = \frac{\text{Long-Term Debt}}{\text{Total Assets}}$$

Industry Beta

Industry concentration

Three-step process : 1. Peer Group 2. De-Lever Beta 3. Re-Lever Beta