1. **Profitability:**

Profitability is a situation in which an entity is generating a profit. Profitability arises when the aggregate amount of revenue is greater than the aggregate amount of expenses in a reporting period. Companies can survive for years without being profitable, operating on the goodwill of creditors and investors. But to survive in the long run, a company must eventually attain and maintain profitability.

* 1. **Net profit margin: net income / revenue**

measures how much net income or profit is generated as a percentage of revenue. It is the ratio of net profits to revenues for a company or business segment. Net profit margin is typically expressed as a percentage but can also be represented in decimal form. The net profit margin illustrates how much of each dollar in revenue collected by a company translates into profit.

* 1. **Gross profit margin: gross profit / revenue**

Gross profit margin is a metric analysts use to assess a company's financial health by calculating the amount of money left over from product sales after subtracting the cost of goods sold (COGS). Sometimes referred to as the gross margin ratio, gross profit margin is frequently expressed as a percentage of sales

* 1. **Operating profit margin: operating income / revenue**

The operating margin measures how much profit a company makes on a dollar of sales after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax. It is calculated by dividing a company’s operating income by its net sales. Higher ratios are generally better, illustrating the company is efficient in its operations and is good at turning sales into profits.

* 1. **2020 ROA(return on assets): net income / (2019 total assets + 2020 total assets)**

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives a manager, investor, or analyst an idea as to how efficient a company's management is at using its assets to generate earnings. ROA is displayed as a percentage; the higher the ROA is, the better.

1. **Operating efficiency:**

A company's operating efficiency is key to its financial success. This metric considers a company's basic operational profit margin after deducting the variable costs of producing and marketing the company's products or services.

**2020 Total assets turnover: Revenue / (2019 total assets + 2020 total assets)**

The asset turnover ratio measures the value of a company's sales or revenues relative to the value of its assets. The asset turnover ratio can be used as an indicator of the efficiency with which a company is using its assets to generate revenue. The higher the asset turnover ratio, the more efficient a company is at generating revenue from its assets.

**working capital = Total current asset – total current liabilities**

Working capital, also known as net working capital (NWC), is the difference between a company’s current assets—such as cash, accounts receivable/customers’ unpaid bills, and inventories of raw materials and finished goods—and its current liabilities, such as accounts payable and debts. NWC is a measure of a company’s liquidity, operational efficiency, and short-term financial health. If a company has substantial positive NWC, then it should have the potential to invest and grow.

1. **Liquidity ratio**

Liquidity is a key factor in assessing a company's basic financial health. Liquidity is the amount of cash and easily-convertible-to-cash assets a company owns to manage its short-term debt obligations. Liquidity ratios measure a company's ability to pay debt obligations and its margin of safety through the calculation of metrics.

* 1. **Current ratio: current assets / current liabilities**

The current ratio is a liquidity ratio that measures a company’s ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables. A current ratio that is lower than the industry average may indicate a higher risk of distress or default.

* 1. **Quick ratio: (Total current assets – inventory) / total current liabilities**

The quick ratio is an indicator of a company’s short-term liquidity position and measures a company’s ability to meet its short-term obligations with its most liquid assets.

* 1. **Cash ratio: (Total current assets – inventory – receivables) / total current liabilities**

The cash ratio is a measurement of a company's liquidity, specifically the ratio of a company's total cash and cash equivalents to its current liabilities. The metric calculates a company's ability to repay its short-term debt with cash or near-cash resources, such as easily marketable securities. This information is useful to creditors when they decide how much money, if any, they would be willing to loan a company.

1. **Solvency ratio:**

A company's ability to meet its debt obligations on an ongoing basis, not just over the short term. Solvency ratios calculate a company's long-term debt in relation to its assets or equity. A lower D/E ratio means more of a company's operations are being financed by shareholders rather than by creditors. This is a plus for a company since shareholders do not charge interest on the financing they provide.

* 1. **Financial leverage: total assets / total equity**

Financial leverage is the use of debt to buy more assets. Leverage is employed to increase the return on equity. However, an excessive amount of financial leverage increases the risk of failure, since it becomes more difficult to repay debt.

* 1. **Debt to total assets ratio: Total liabilities / Total assets**

Total-debt-to-total-assets is a leverage ratio that defines the total amount of debt relative to assets owned by a company. Using this metric, analysts can compare one company's leverage with that of other companies in the same industry. This information can reflect how financially stable a company is. The higher the ratio, the higher the degree of leverage (DoL) and, consequently, the higher the risk of investing in that company.