

Definition of Financial Ratios

Example 2018 (numbers in m€)

$$\text{Operating debt coverage:} = \frac{\text{adjusted operating Cash Flow}}{\text{net borrowings} + \text{pension obligations}} = \frac{2,913}{3,689} = 78.9\%$$

adjusted operating Cash Flow =	2,913 =
net income	2,330
+ amortization/depreciation/impairment/write-ups of intangible assets and property, plant and equipment	+ 578
+ interest element of pension obligations	+ 5
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Net borrowings + pension obligations =	3,689 =
borrowings (non-current & current)	4,175
+/- market value of interest rate derivatives	+ 42
- liquid funds / marketable securities	- 1,322
+ pension obligations	+ 794

$$\text{Interest coverage ratio:} = \frac{\text{EBITDA}}{\text{interest result incl. interest element of pension obligations}} = \frac{3,694}{66} = 56.0$$

$$\text{Equity ratio:} = \frac{\text{Shareholders' equity}}{\text{total assets}} = \frac{17,093}{29,623} = 57.7\%$$