

MURINE FINANCIAL STUDIO

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EBITDA Ratios

A simple guide for small business owners.

RATIO	EQUATION	QUESTION
EBITDA Margin	$\text{EBITDA} \div \text{Revenue}$	How much of your revenue becomes operating profit?
EBITDA Interest Coverage	$\text{EBITDA} \div \text{Interest Expense}$	How comfortably can you cover interest payments?
Total Debt to EBITDA	$\text{Total Debt} \div \text{EBITDA}$	How many years would it take to pay off debt using EBITDA?
Price to EBITDA	$\text{Price} \div \text{EBITDA}$	How do shareholders value your earnings?
EV to EBITDA	$\text{Enterprise Value} \div \text{EBITDA}$	How do investors value your earnings?

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