

Latest FY: 2024

Ticker: MA (Mastercard)

Updated : 3/29/2025

**Financial ratios criteria below are considered for non-financial companies only!**

**Return on Equity (ROE):** above 15% is good, above 20% is better

Morningstar > Quote > Key Metrics > Profitability and Efficiency

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
59.42	69.48	70.39	107.87	143.83	104.38	126.79	145.92	169.28	191.95	188.92

Return on equity: how much profit a company generates on the money shareholders have invested in the firm  
The calculation is return on assets times financial leverage.

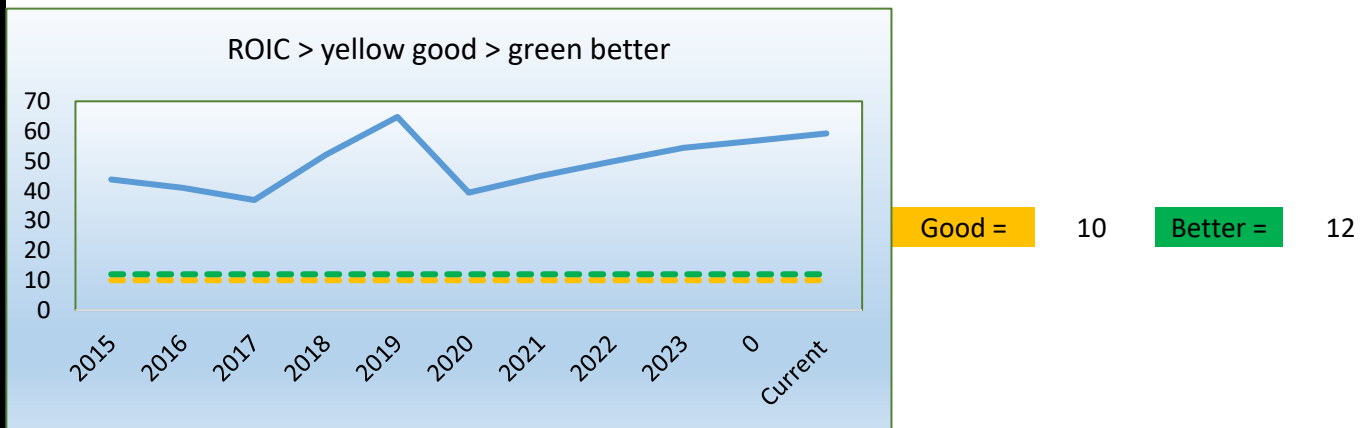


**Return on Invested Capital (ROIC):** above 10% is good, above 12% is better

Morningstar > Quote > Key Metrics > Profitability and Efficiency

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
43.81	40.96	36.89	51.99	64.76	39.41	44.94	49.74	54.35	56.72	59.27

ROIC: the % a company earns on its invested capital in a given year  
The calculation is net operating profit after tax (NOPAT) divided by invested capital.



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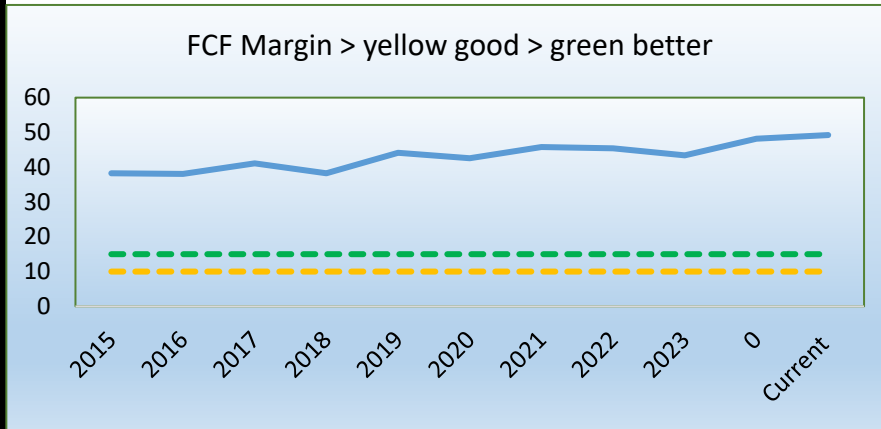
**Financial ratios criteria below are considered for non-financial companies only!**

**Free Cash Flow/Sales (FCF Margin):** above 10% is good, above 15% is better

Morningstar > Quote > Key Metrics > Cash Flow

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
38.28	38.07	41.07	38.25	44.16	42.59	45.80	45.41	43.40	48.23	49.24

FCF Margin: Amount of free cash flow generated for each dollar of sales



Good = 10 Better = 15

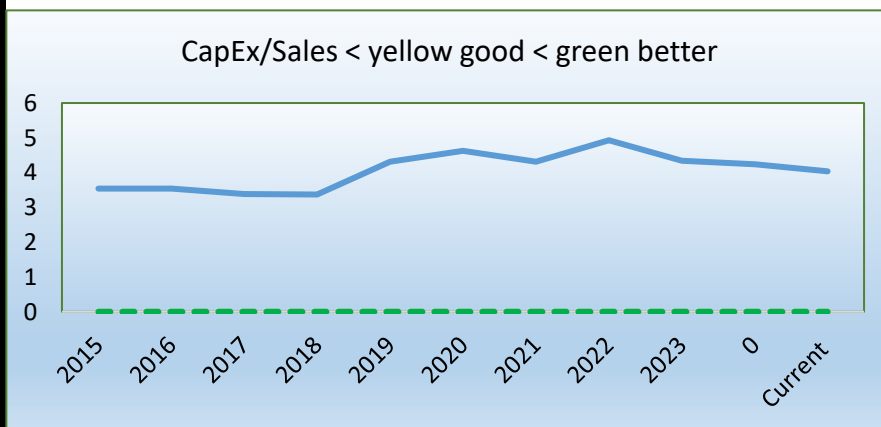
**If ROE, ROIC, & FCF Margin metrics are not favorable, stop analysis & look for another stock.**

**CapEx/Sales:** lower than 10% is good, lower than 5% is better

Morningstar > Quote > Key Metrics > Financial Health

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
3.54	3.54	3.38	3.37	4.31	4.63	4.31	4.93	4.34	4.24	4.04

CapEx/Sales: Percent of sales used for internal growth. CapEx is capital deployed in Property, Plant, & Equipment (PP&E)



Good = <10 Better = <5

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**Financial ratios criteria below are considered for non-financial companies only!**

**Free Cash Flow/Net Income:** steady or increasing at around 1.0

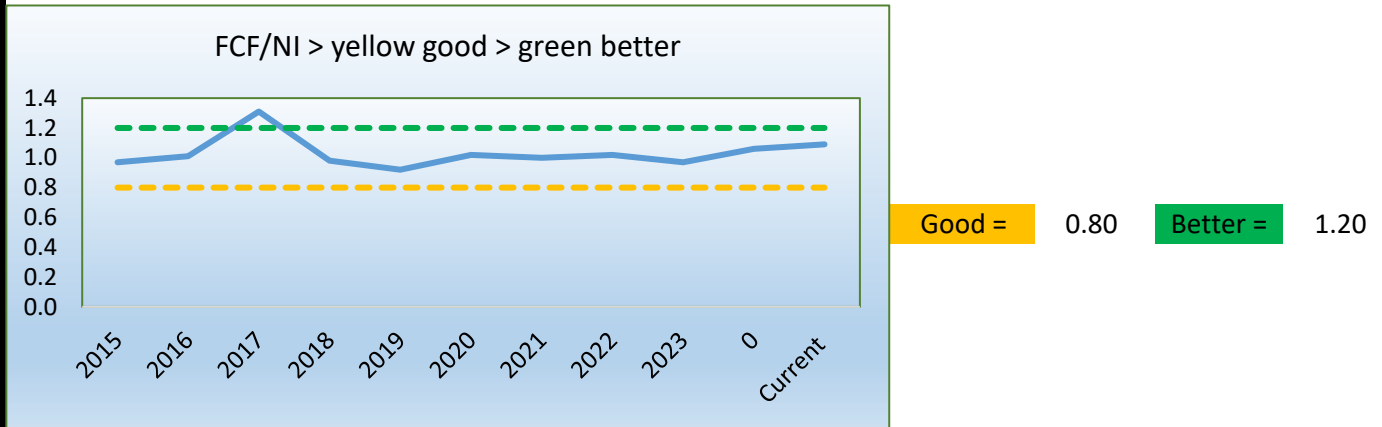
Morningstar > Quote > Key Metrics > Cash Flow

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
0.97	1.01	1.31	0.98	0.92	1.02	1.00	1.02	0.97	1.06	1.09

Free Cash Flow/Net Income: Amount of free cash flow generated for each dollar of profit

Also known as the conversion rate

Some companies define conversion rate as EBITDA/Net Income



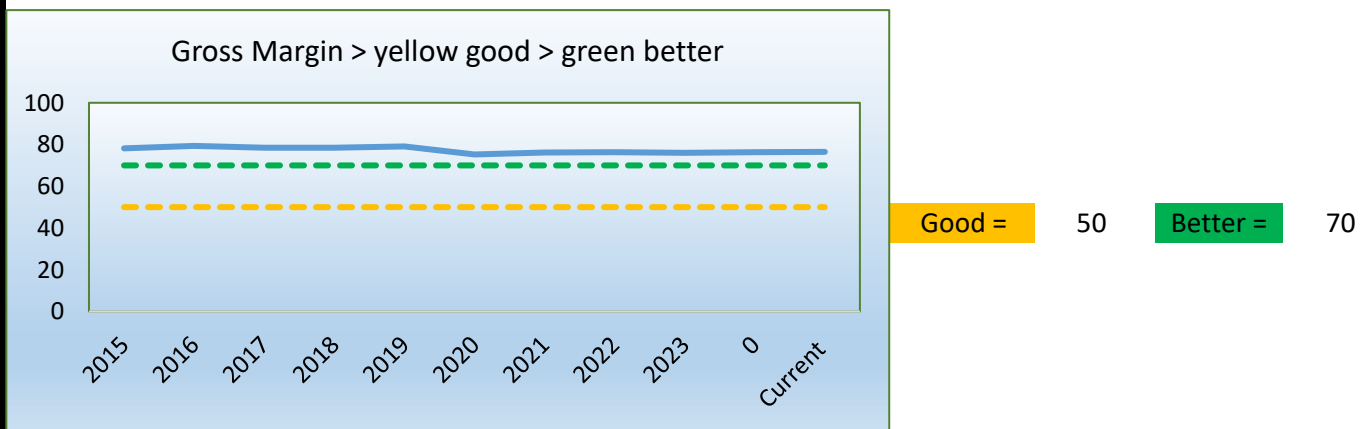
**Gross Margin %:** above 50% is good, above 70% is better

Morningstar > Quote > Key Metrics > Financial Summary

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
78.22	79.35	78.50	78.50	79.05	75.25	76.23	76.33	76.01	76.31	76.45

Gross Margin %: (Net Sales – Cost of Goods Sold) / Net Sales X 100

This profitability ratio indicates what's left after paying for direct cost of doing business



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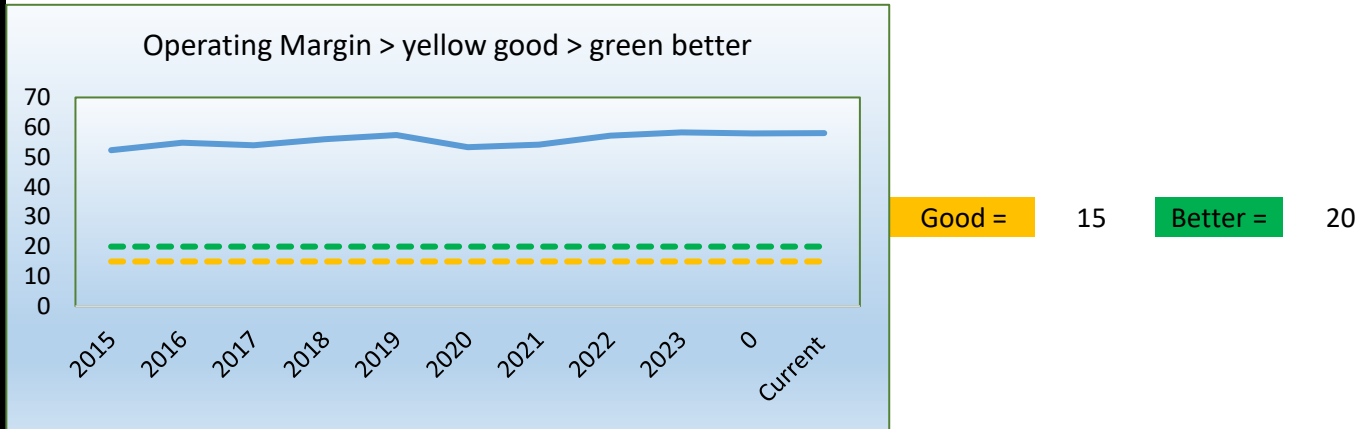
**Financial ratios criteria below are considered for non-financial companies only!**

**Operating Margin %:** above 15% is good, above 20% is better

Morningstar > Quote > Key Metrics > Financial Summary

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
52.31	54.86	53.96	56.01	57.43	53.35	54.16	57.21	58.29	57.97	58.03

Operating Margin %: earnings before interest and taxes (EBIT) expressed as a percentage of revenue

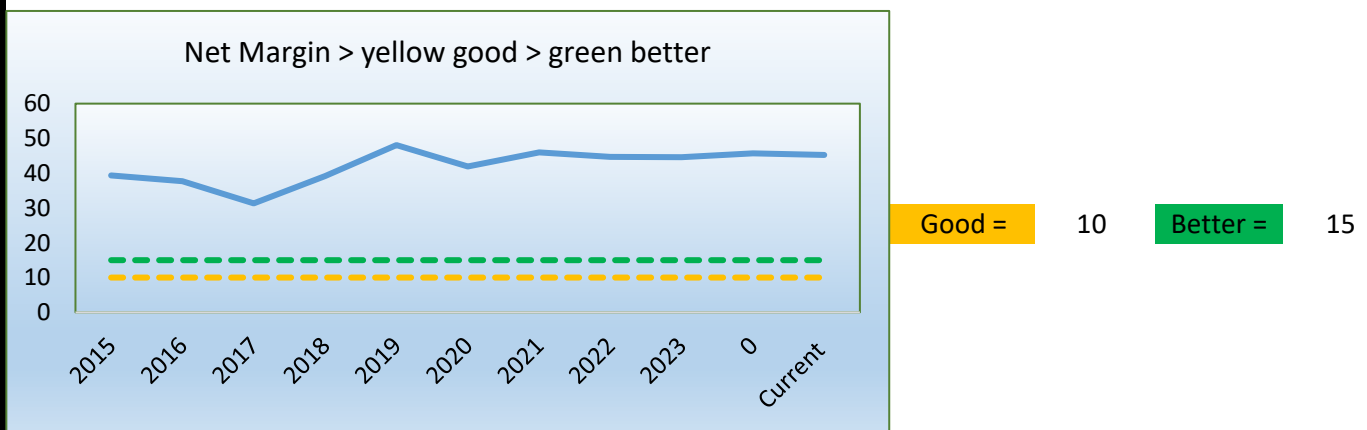


**Net Margin:** above 10% is good, above 15% is better

Morningstar > Quote > Key Metrics > Financial Summary

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
39.39	37.67	31.33	39.19	48.08	41.90	46.00	44.66	44.61	45.71	45.21

Net Margin: net income divided by sales expressed as a percentage



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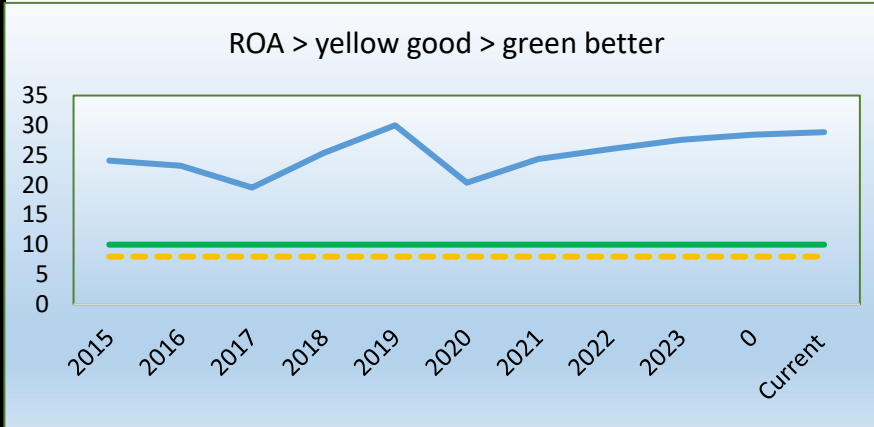
**Financial ratios criteria below are considered for non-financial companies only!**

**Return on assets (ROA):** above 8% is good, above 10% is better

Morningstar > Quote > Key Metrics > Profitability and Efficiency

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
24.10	23.23	19.57	25.37	30.01	20.41	24.38	26.00	27.58	28.44	28.86

Return on assets (ROA): Net income divided by total assets expressed as a percentage



Good =

8

Better =

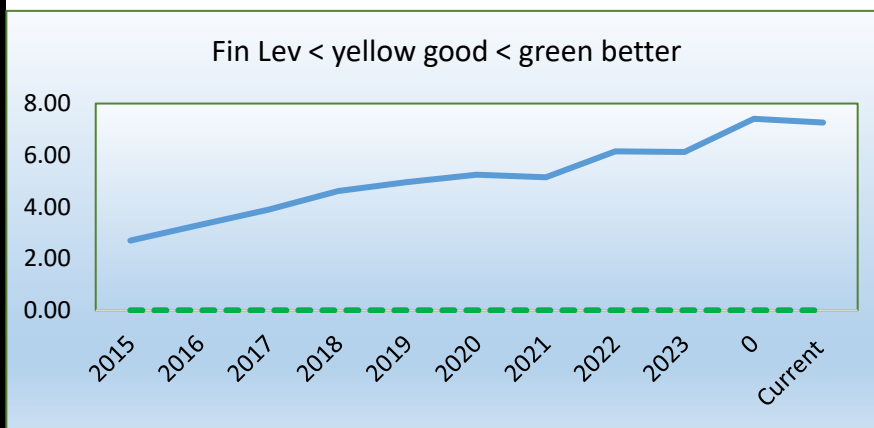
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**Financial Leverage:** lower than 2.0 is good, lower than 1.75 is better

Morningstar > Quote > Key Metrics > Financial Health

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
2.70	3.30	3.90	4.61	4.96	5.25	5.15	6.15	6.13	7.41	7.27

Financial Leverage: total assets divided by total shareholder's equity



Good =

<2

Better =

<1.75

Checklist inspired by Ron Mauer's Return-on-Equity online presentation, June 29, 2023.

Adapted by Bakul Lalla for presentation at Golden West's Annual Meeting, June 21, 2025.

Edited for printing by Jayne DonVito, July 6, 2025.