**Profitability should be viewed from three different perspectives:**

1. Profitability in relation to sales.
2. Profitability in relation to assets.
3. Profitability in relation to equity.

It is quite possible for the company to perform well from one perspective and poorly from another.

**Report Headings Profitability Ratios**

**Name of Company and Ticker Symbol:** Pfizer Inc. PFE

**10-K Report:** https://investors.pfizer.com/financials/annual-reports/default.aspx

**Company Website:** https://www.pfizer.com/

**Industry name and NAICS Code:**Provide the name and NAICS code associated with the Industry Average data.

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**Profitability Ratios:** Follow the formatting in the example below to present the data. See [this sample eStatement Studies document](https://ccis.ucourses.com/d2l/common/dialogs/quickLink/quickLink.d2l?ou=914645&type=coursefile&fileId=LiveWebFiles%2fdocs%2f325412_2014_National.pdf) for help in finding the industry average data needed for this assignment.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **20XX** | **20XX** | **20XX** | **Industry Average\*\*** |
| **Gross Profit Margin (Gross Profit / Sales)** | -- | -- | -- | -- |
| -- |
| -- |
| **Operating Profit Margin (Operating Profit / Sales)** | -- | -- | -- | -- |
| -- |
| -- |
| **Pre-Tax Net Profit Mg (Pre-Tax Profit\*\* / Sales)** | -- | -- | -- | -- |
| -- |
| -- |
| **Pre-Tax Return on Equity (Pre-Tax Profit\* / Shareholders Equity)** | -- | -- | -- | -- |
| -- |
| -- |
| **Pre-Tax Return on Assets (Pre-Tax Profit\*\* / Total Assets)** | -- | -- | -- | -- |
| -- |
| -- |

*\*use Pre-Tax Profit to make the comparison to the industry average more accurate.  
\*\*There will be a single industry average for the gross, operating, and pre-tax net profit margins. List all 3 industry average figures for the pre-tax return on equity and the pre-tax return on assets.*

**Evaluation**: Share what we learn from the data and information collected for this discussion. Interpret each of the ratios. Review the Financial Ratios Guidelines document for direction. Do you see any red flags?

How profitable is the company in relation to sales?

How profitable is it in relation to assets?

How profitable is it in relation to equity? Sufficiently examining the data and information collected will likely require at least 250 words.