**Amazon Inc**

This financial report shows a comprehensive analysis of Apple Inc.’s performance from the years ended of 2021 to 2022. It analyses key financial indicators, including liquidity, profitability, solvency, asset utilisation, and investor/market ratios, to assess the company’s financial well-being and operational effectiveness.

**1. Liquidity Analysis**

The company’s liquidity position has weakened in 2022 compared to 2021. The current ratio declined from 1.14 to 0.94, indicating reduced ability to cover short-term liabilities. The quick ratio also fell from 0.91 to 0.72, reflecting lower liquid assets. However, the cash ratio improved from 0.26 to 0.35, signifying a better cash position.

The defensive interval increased from 1.21 to 1.37, suggesting the company can sustain operations for a slightly longer period using liquid assets. Inventory days remained relatively stable at approximately 43 days, while receivable days increased from 25.55 to 30.08, signalling slower collections. Payable days decreased from 2.80 to 2.09, which could indicate quicker payments to suppliers. The net trading cycle increased from 66.50 to 71.47, pointing to a longer cash conversion cycle. Additionally, working capital dropped from 19,314 to negative (8,602), reflecting potential liquidity constraints.

**2. Profitability Analysis**

The company’s gross margin improved from 197,478 to 225,152, indicating increased revenue generation. However, the EBITDA margin declined from 0.05 to 0.02, and EBIT margin also dropped from 0.05 to 0.02, suggesting higher operational costs or lower pricing power.

The company’s net margin deteriorated further from (436,458) to (516,705), indicating a deepening net loss. This suggests operational inefficiencies or increased expenses impacting overall profitability.

**3. Solvency and Debt Management**

The company’s debt-to-equity (D/E) ratio increased from 2.04 to 2.17, indicating higher financial leverage. Debt to total assets also slightly increased from 0.33 to 0.35, reinforcing the company’s reliance on debt financing. Long-term debt to capital rose from 0.26 to 0.31, showing a greater proportion of long-term debt in the capital structure.

A positive note is the times interest earned ratio, which improved significantly from (36.03) to 66.18, reflecting better interest coverage. Debt coverage turned positive from (5.11) to 6.89, suggesting the company is in a better position to manage its debt obligations. Free cash flow to equity (FCFE) is not explicitly stated but should be analysed for further insights.

**4. Asset Utilization**

The company’s total asset turnover remained relatively stable at around 1.11, indicating efficient asset usage. Fixed asset turnover decreased from 2.93 to 2.75, which may reflect lower capital utilization. Inventory turnover improved slightly from 8.34 to 8.40, indicating better inventory management. Return on assets (ROA) remained stable at 1.11, suggesting consistent asset profitability.

**5. Investor and Market Ratios**

The price-to-equity (P/E) ratio turned negative from 3.30 to (0.27), reflecting declining earnings and investor sentiment. Earnings per share (EPS) also fell from 3.30 to (0.27), signalling weaker profitability per share.

The price-to-book value (PBV) ratio declined significantly from 123.75 to 59.78, suggesting a lower valuation relative to book value. Book value per share (BV) increased from 13.66 to 14.33, implying stronger asset backing per share.

The dividend payout ratio turned negative at (3.97) from 0.32, indicating challenges in sustaining dividends. Dividend per share was also negative at (0.59), showing dividend cuts. The dividend yield turned negative at (0.07), which may concern investors.

The return on equity (ROE) dropped sharply from 24.13 to (1.86), highlighting a decline in shareholder returns. Return on capital employed (ROCE) and ROA remained stable at 1.11. Lastly, the enterprise value to EBITDA (EV/EBITDA) increased from 1.11 to 1.12, suggesting a slight increase in valuation relative to EBITDA.

**Conclusion**

The company faced financial challenges in 2022, with declining liquidity, profitability, and investor confidence. While debt management improved, net losses increased, and market ratios weakened. Strengthening operational efficiency, improving cash flow, and optimizing capital structure are critical for future financial stability.