Las vegas sands corporation

Finance

This profitability ratio also shows the declining performance of the Las Vegas Sands Corporation. However, the performance on the company is dependent on the economy's performance, therefore, we cannot conclude that this lackluster performance will continue in the future.

2d)

Leverage Ratios:

As for the solvency is concerned, the company has experienced a declining debt to equity ratio which implies that shareholder's still placing trust on the company and they hold great expectation from the company in the future. Although a D/E ratio greater than 1 is not desirable but Las Vegas Sands Corporation should consider reducing this ratio to increase its creditworthiness.

The financial leverage ratio is similar to the Debt to Equity ratio except for the fact that it takes equity into the account. These ratios are implying that the company is solvent and can sustain the business in the future through its financing capabilities.

The interest coverage ratio shows that the number of times a company's EBIT can cover its interest expense. In the year 2008, the company had a positive EBIT but they were not sufficient to cover the interest expense which implies that they were facing a liquidity crisis. Furthermore, in the year 2009 the interest coverage ratio further reduced to -0. 089 due to its operating expenses being greater than its gross profit. The company needs to concentrate on controlling its operating expenses in order to be profitable.