

GLOSSARY

ATO	Asset Turnover = Sales/NOA
C	Cash flow from operations
CI	Comprehensive Income
d	Net dividends: dividend payments, share issues and share buybacks
Economic Profit	(RNOA - cost of capital) x NOA
F	Net transactions with debt investors: net interest payments and repayment and issue of debt
FCF	Free Cash Flow = C - I = d - F
FE	Financial expenses
FI	Financial income
I	Net cash investment in NOA (i.e. Δ NOA)
Net Interest Expense	Financial expenses (FE) - Financial income (FI)
NFA	Net Financial Assets
NFE	Net Financial Expenses after tax
NFI	Net Financial Income after tax
NFO	Net Financial Obligations
NOA	Net Operating Assets
OE	Operating Expenses
OI	Comprehensive operating income after tax; OI = OR - OE
OR	Operating Revenue
PM	Profit Margin = OI/Sales
RNOA	Return on Net Operating Assets = OI/NOA
Tax Benefit	Benefit of getting a tax deduction for interest expense on borrowings; Tax benefit = Net interest expense x tax rate of the firm
ΔNOA	Change in NOA