Working Capital "Days"

fx

Clients

Trade Receivables
Generated from selling products on credit

DSO

$$\frac{\text{Trade Receivables}}{\text{Revenues}} \times 360$$

Suppliers

Trade Payables
Generated by the acquisition of Raw Materials from Suppliers

DPO

$$\frac{\text{Trade Payables}}{\text{Cost of goods sold}} \times 360$$

Company

Inventory
The amount of goods and finished products held by the company

DIO

$$\frac{\text{Inventory}}{\text{Cost of goods sold}} \times 360$$

Supplier delivers Raw Materials

Products in the company's warehouse

Raw Materials paid to suppliers

PAID

Clients buy the company's products

Clients pay the products

PAID

DPO

DIO

DSO

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