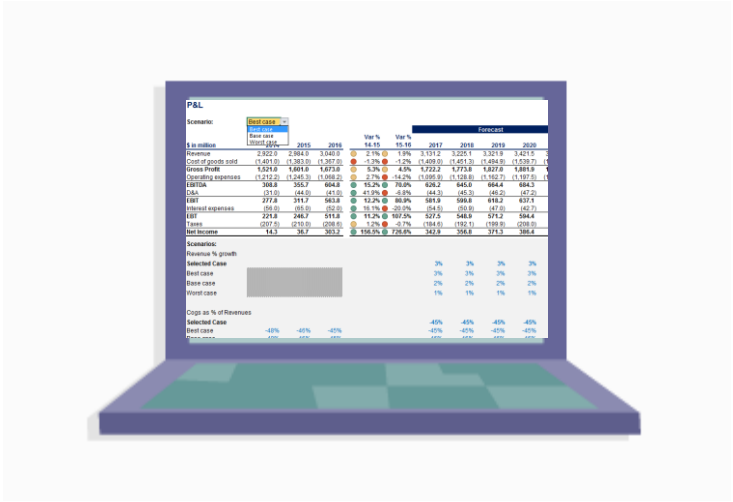
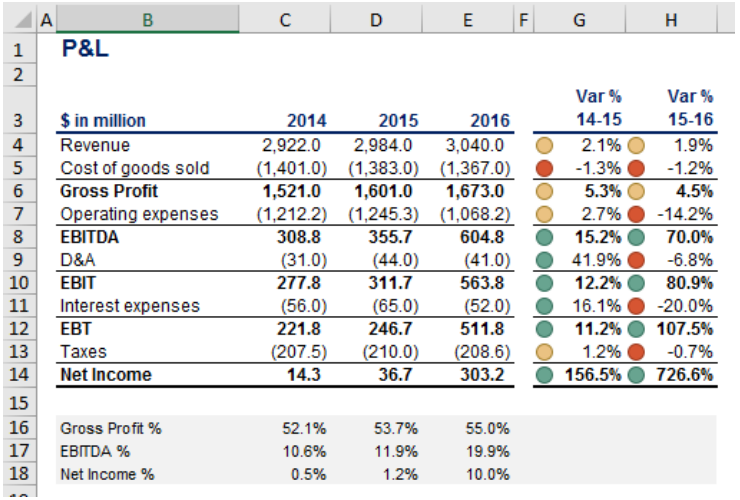
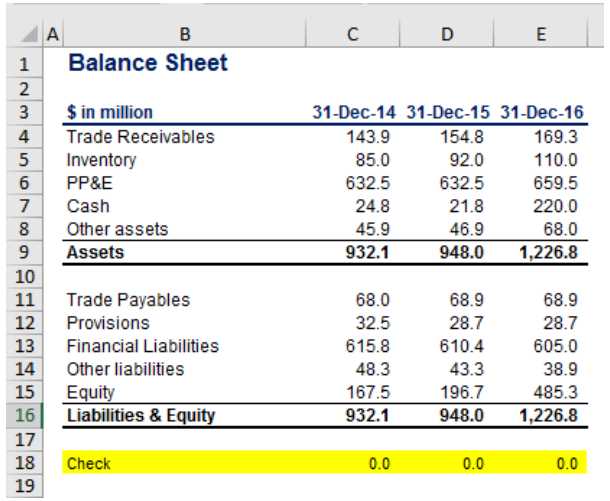


Here, we will try to show you the main steps that are necessary to build a complete financial model (the same model that is created in the video lessons).



P&L

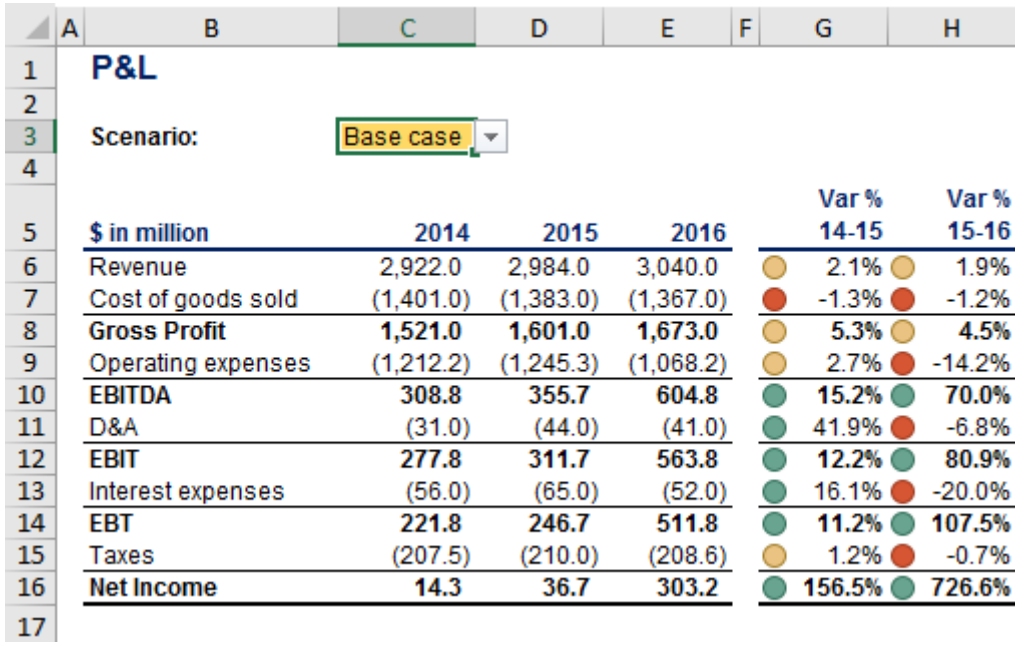
$ in million	2014	2015	2016	Var % 14-15	Var % 15-16
Revenue	2,922.0	2,984.0	3,040.0	2.1%	1.9%
Cost of goods sold	(1,401.0)	(1,383.0)	(1,367.0)	-1.3%	-1.2%
Gross Profit	**1,521.0**	**1,601.0**	**1,673.0**	**5.3%**	**4.5%**
Operating expenses	(1,212.2)	(1,245.3)	(1,068.2)	2.7%	-14.2%
EBITDA	**308.8**	**355.7**	**604.8**	**15.2%**	**70.0%**
D&A	(31.0)	(44.0)	(41.0)	41.9%	-6.8%
EBIT	**277.8**	**311.7**	**563.8**	**12.2%**	**80.9%**
Interest expenses	(56.0)	(65.0)	(52.0)	16.1%	-20.0%
EBT	**221.8**	**246.7**	**511.8**	**11.2%**	**107.5%**
Taxes	(207.5)	(210.0)	(208.6)	1.2%	-0.7%
Net Income	**14.3**	**36.7**	**303.2**	**156.5%**	**726.6%**
Gross Profit %	52.1%	53.7%	55.0%		
EBITDA %	10.6%	11.9%	19.9%		
Net Income %	0.5%	1.2%	10.0%		



Balance Sheet

$ in million	31-Dec-14	31-Dec-15	31-Dec-16
Trade Receivables	143.9	154.8	169.3
Inventory	85.0	92.0	110.0
PP&E	632.5	632.5	659.5
Cash	24.8	21.8	220.0
Other assets	45.9	46.9	68.0
Assets	**932.1**	**948.0**	**1,226.8**
Trade Payables	68.0	68.9	68.9
Provisions	32.5	28.7	28.7
Financial Liabilities	615.8	610.4	605.0
Other liabilities	48.3	43.3	38.9
Equity	167.5	196.7	485.3
Liabilities & Equity	**932.1**	**948.0**	**1,226.8**
Check	0.0	0.0	0.0

First off, start by organizing historical financials in clean and good-looking output sheets. Calculate historical growth and profitability margins.



P&L

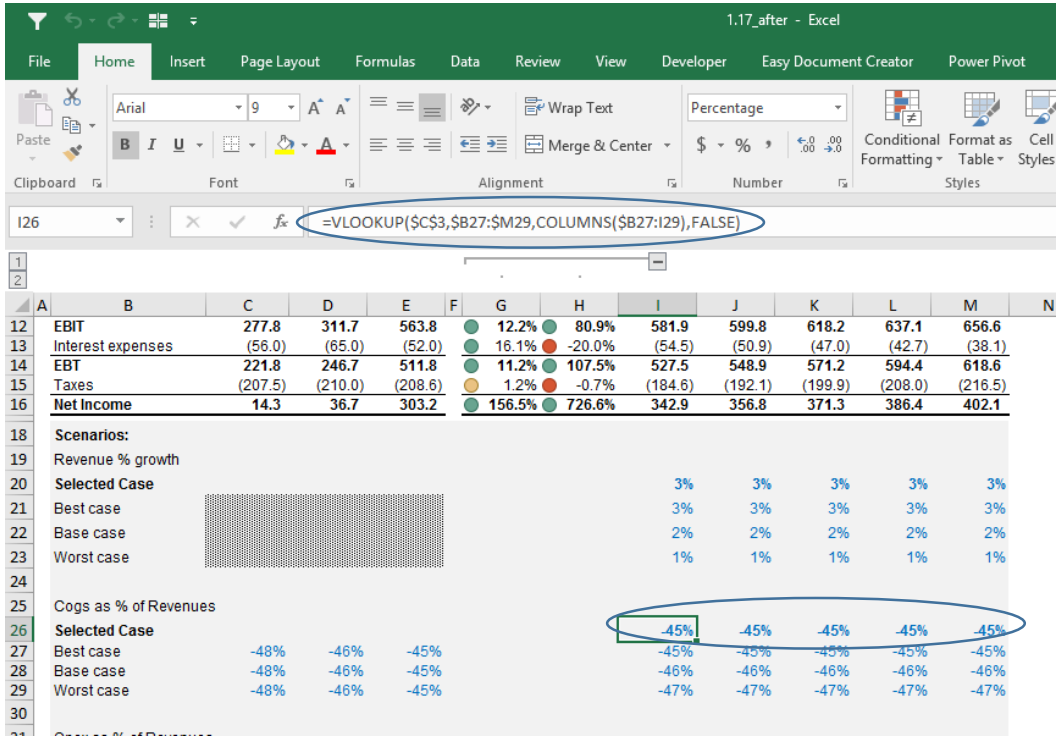
Scenario: Base case

$ in million	2014	2015	2016	Var % 14-15	Var % 15-16
Revenue	2,922.0	2,984.0	3,040.0	2.1%	1.9%
Cost of goods sold	(1,401.0)	(1,383.0)	(1,367.0)	-1.3%	-1.2%
Gross Profit	**1,521.0**	**1,601.0**	**1,673.0**	**5.3%**	**4.5%**
Operating expenses	(1,212.2)	(1,245.3)	(1,068.2)	2.7%	-14.2%
EBITDA	**308.8**	**355.7**	**604.8**	**15.2%**	**70.0%**
D&A	(31.0)	(44.0)	(41.0)	41.9%	-6.8%
EBIT	**277.8**	**311.7**	**563.8**	**12.2%**	**80.9%**
Interest expenses	(56.0)	(65.0)	(52.0)	16.1%	-20.0%
EBT	**221.8**	**246.7**	**511.8**	**11.2%**	**107.5%**
Taxes	(207.5)	(210.0)	(208.6)	1.2%	-0.7%
Net Income	**14.3**	**36.7**	**303.2**	**156.5%**	**726.6%**

Create a scenario switch cell above the P&L or in a separate sheet (depending on the complexity of the model). Consider using 3 cases (Worst, Base, and Best case). In some situations the Base case may differ or coincide with the so-called Management case (the numbers projected by the firm's Management team).

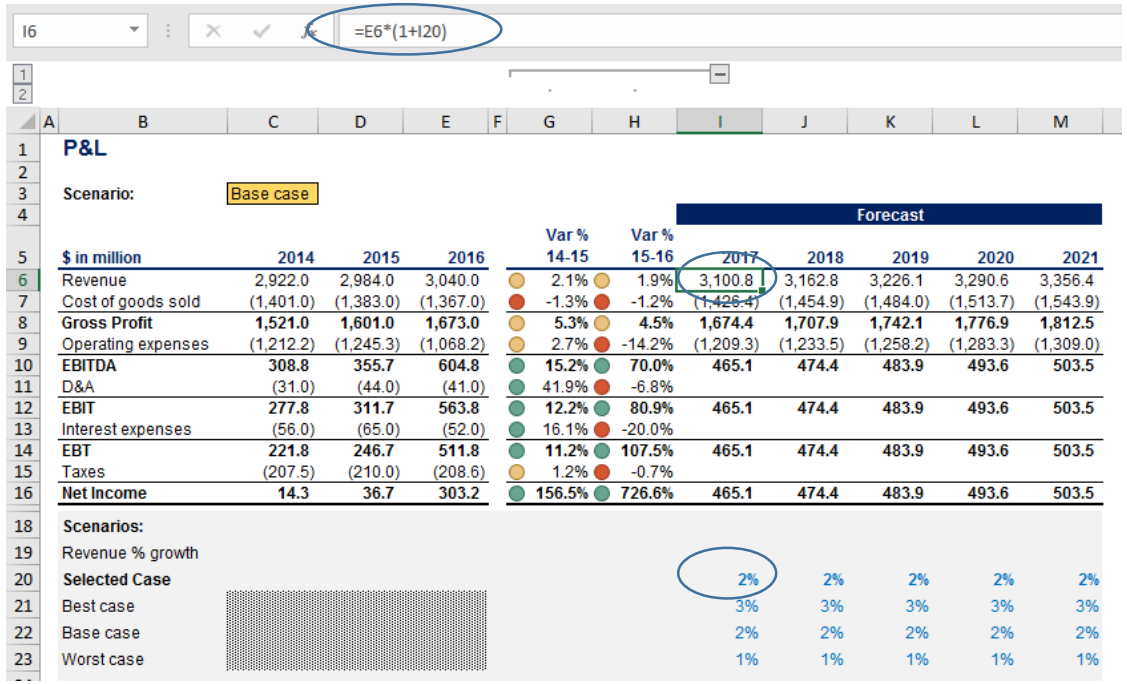
Scenarios:									
Revenue % growth									
Selected Case				1%	1%	1%	1%	1%
Best case				3%	3%	3%	3%	3%
Base case				2%	2%	2%	2%	2%
Worst case				1%	1%	1%	1%	1%
Cogs as % of Revenues								
Selected Case				-47%	-47%	-47%	-47%	-47%
Best case	-48%	-46%	-45%	-45%	-45%	-45%	-45%	-45%
Base case	-48%	-46%	-45%	-46%	-46%	-46%	-46%	-46%
Worst case	-48%	-46%	-45%	-47%	-47%	-47%	-47%	-47%
Opex as % of Revenues								
Selected Case				-41%	-41%	-41%	-41%	-41%
Best case	-41.5%	-41.7%	-35.1%	-35%	-35%	-35%	-35%	-35%
Base case	-41.5%	-41.7%	-35.1%	-39%	-39%	-39%	-39%	-39%
Worst case	-41.5%	-41.7%	-35.1%	-41%	-41%	-41%	-41%	-41%

Build assumptions for the development of Revenues (considering historical trends and industry outlook), Cogs (project as a percentage of revenues and consider historical trends), and Opex (project as a percentage of revenues and consider historical trends).



	B	C	D	E	G	H	I	J	K	L	M
12	**EBIT**	**277.8**	**311.7**	**563.8**	**12.2%**	**80.9%**	**581.9**	**599.8**	**618.2**	**637.1**	**656.6**
13	Interest expenses	(56.0)	(65.0)	(52.0)	16.1%	-20.0%	(54.5)	(50.9)	(47.0)	(42.7)	(38.1)
14	**EBT**	**221.8**	**246.7**	**511.8**	**11.2%**	**107.5%**	**527.5**	**548.9**	**571.2**	**594.4**	**618.6**
15	Taxes	(207.5)	(210.0)	(208.6)	1.2%	-0.7%	(184.6)	(192.1)	(199.9)	(208.0)	(216.5)
16	**Net Income**	**14.3**	**36.7**	**303.2**	**156.5%**	**726.6%**	**342.9**	**356.8**	**371.3**	**386.4**	**402.1**
18	**Scenarios:**										
19	Revenue % growth										
20	**Selected Case**						**3%**	**3%**	**3%**	**3%**	**3%**
21	Best case						3%	3%	3%	3%	3%
22	Base case						2%	2%	2%	2%	2%
23	Worst case						1%	1%	1%	1%	1%
24											
25	Cogs as % of Revenues										
26	**Selected Case**						**-45%**	**-45%**	**-45%**	**-45%**	**-45%**
27	Best case	-48%	-46%	-45%			-45%	-45%	-45%	-45%	-45%
28	Base case	-48%	-46%	-45%			-46%	-46%	-46%	-46%	-46%
29	Worst case	-48%	-46%	-45%			-47%	-47%	-47%	-47%	-47%
30											

You will need a combination of functions that will extract the respective scenario you have selected. Check out the videos. We showed several combinations (Choose & Match, Offset & Match, Vlookup & Columns, Vlookup & Match, etc.).



I6 | =E6*(1+I20)

P&L

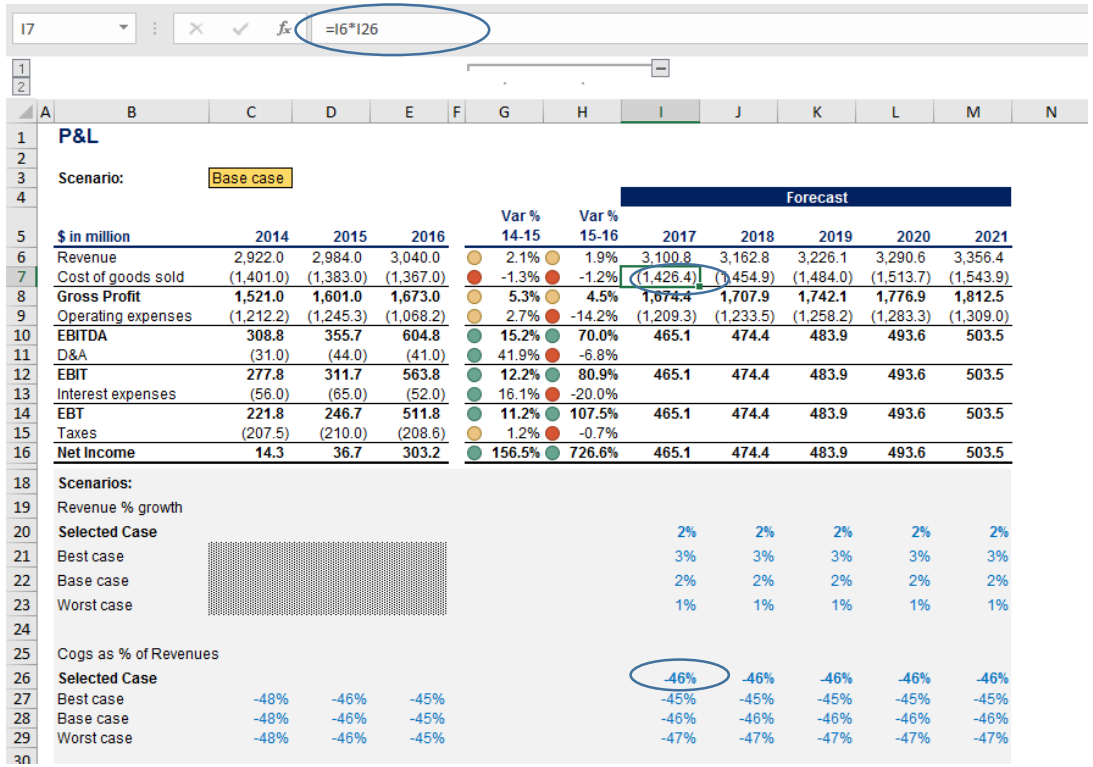
Scenario: Base case

$ in million	2014	2015	2016	Var % 14-15	Var % 15-16	Forecast 2017	2018	2019	2020	2021
Revenue	2,922.0	2,984.0	3,040.0	2.1%	1.9%	3,100.8	3,162.8	3,226.1	3,290.6	3,356.4
Cost of goods sold	(1,401.0)	(1,383.0)	(1,367.0)	-1.3%	-1.2%	(1,426.4)	(1,454.9)	(1,484.0)	(1,513.7)	(1,543.9)
Gross Profit	**1,521.0**	**1,601.0**	**1,673.0**	**5.3%**	**4.5%**	**1,674.4**	**1,707.9**	**1,742.1**	**1,776.9**	**1,812.5**
Operating expenses	(1,212.2)	(1,245.3)	(1,068.2)	2.7%	-14.2%	(1,209.3)	(1,233.5)	(1,258.2)	(1,283.3)	(1,309.0)
EBITDA	**308.8**	**355.7**	**604.8**	**15.2%**	**70.0%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**
D&A	(31.0)	(44.0)	(41.0)	41.9%	-6.8%					
EBIT	**277.8**	**311.7**	**563.8**	**12.2%**	**80.9%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**
Interest expenses	(56.0)	(65.0)	(52.0)	16.1%	-20.0%					
EBT	**221.8**	**246.7**	**511.8**	**11.2%**	**107.5%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**
Taxes	(207.5)	(210.0)	(208.6)	1.2%	-0.7%					
Net Income	**14.3**	**36.7**	**303.2**	**156.5%**	**726.6%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**

Scenarios:

Revenue % growth						
Selected Case					**2%**	**2%**	**2%**	**2%**	**2%**
Best case					3%	3%	3%	3%	3%
Base case					2%	2%	2%	2%	2%
Worst case					1%	1%	1%	1%	1%

Multiply last year revenues by the expected annual growth rate of revenues to calculate revenues in the forecast period.



I7 | =I6*I26

P&L

Scenario: Base case

$ in million	2014	2015	2016	Var % 14-15	Var % 15-16	Forecast 2017	2018	2019	2020	2021
Revenue	2,922.0	2,984.0	3,040.0	2.1%	1.9%	3,100.8	3,162.8	3,226.1	3,290.6	3,356.4
Cost of goods sold	(1,401.0)	(1,383.0)	(1,367.0)	-1.3%	-1.2%	(1,426.4)	(1,454.9)	(1,484.0)	(1,513.7)	(1,543.9)
Gross Profit	**1,521.0**	**1,601.0**	**1,673.0**	**5.3%**	**4.5%**	**1,674.4**	**1,707.9**	**1,742.1**	**1,776.9**	**1,812.5**
Operating expenses	(1,212.2)	(1,245.3)	(1,068.2)	2.7%	-14.2%	(1,209.3)	(1,233.5)	(1,258.2)	(1,283.3)	(1,309.0)
EBITDA	**308.8**	**355.7**	**604.8**	**15.2%**	**70.0%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**
D&A	(31.0)	(44.0)	(41.0)	41.9%	-6.8%					
EBIT	**277.8**	**311.7**	**563.8**	**12.2%**	**80.9%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**
Interest expenses	(56.0)	(65.0)	(52.0)	16.1%	-20.0%					
EBT	**221.8**	**246.7**	**511.8**	**11.2%**	**107.5%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**
Taxes	(207.5)	(210.0)	(208.6)	1.2%	-0.7%					
Net Income	**14.3**	**36.7**	**303.2**	**156.5%**	**726.6%**	**465.1**	**474.4**	**483.9**	**493.6**	**503.5**

Scenarios:

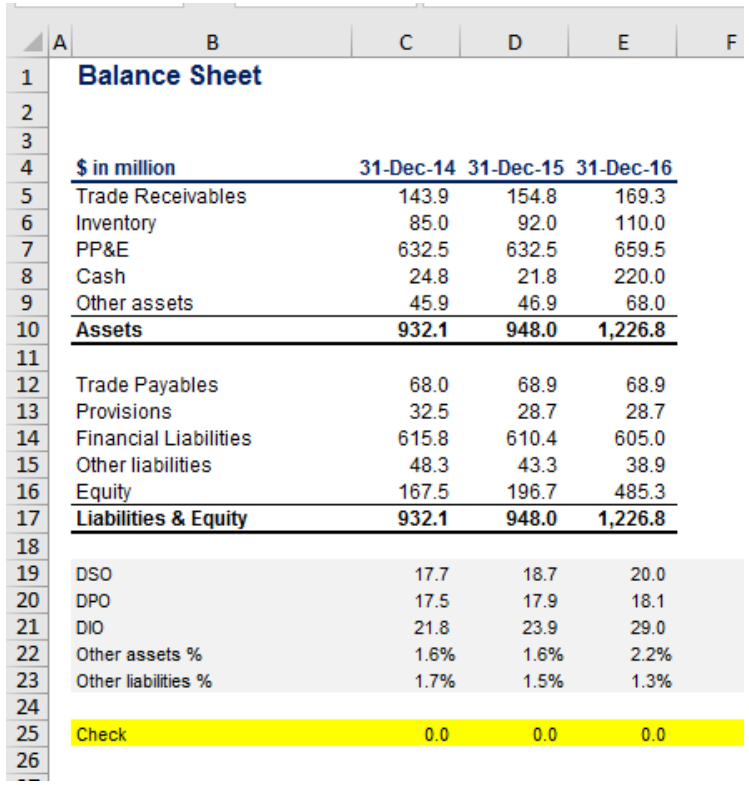
Revenue % growth

Selected Case	**2%**	**2%**	**2%**	**2%**	**2%**
Best case	3%	3%	3%	3%	3%
Base case	2%	2%	2%	2%	2%
Worst case	1%	1%	1%	1%	1%

Cogs as % of Revenues

Selected Case	**-46%**	**-46%**	**-46%**	**-46%**	**-46%**
Best case	-45%	-45%	-45%	-45%	-45%
Base case	-46%	-46%	-46%	-46%	-46%
Worst case	-47%	-47%	-47%	-47%	-47%

Multiply revenues and the percentage that Cogs are expected to be of revenues to obtain Cogs. Do the same for Opex



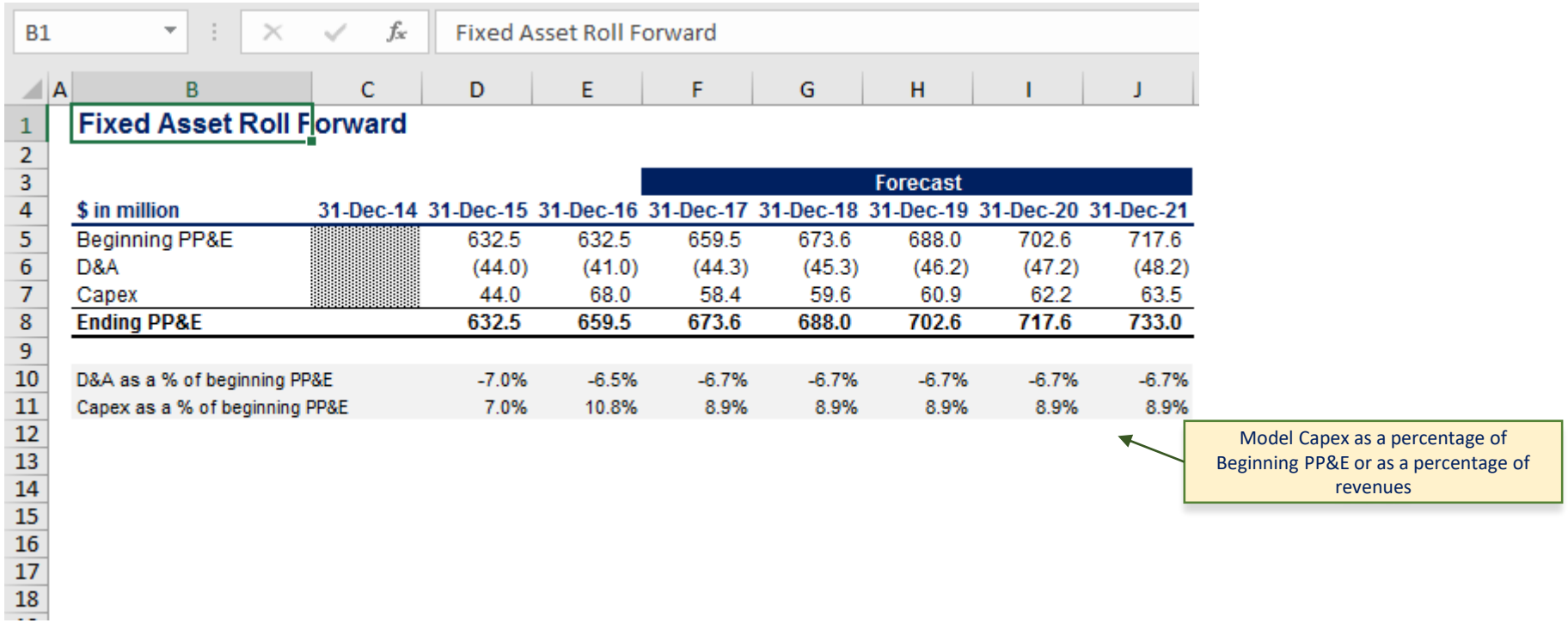
	A	B	C	D	E	F
1		**Balance Sheet**				
2						
3						
4		**$ in million**	**31-Dec-14**	**31-Dec-15**	**31-Dec-16**	
5		Trade Receivables	143.9	154.8	169.3	
6		Inventory	85.0	92.0	110.0	
7		PP&E	632.5	632.5	659.5	
8		Cash	24.8	21.8	220.0	
9		Other assets	45.9	46.9	68.0	
10		**Assets**	**932.1**	**948.0**	**1,226.8**	
11						
12		Trade Payables	68.0	68.9	68.9	
13		Provisions	32.5	28.7	28.7	
14		Financial Liabilities	615.8	610.4	605.0	
15		Other liabilities	48.3	43.3	38.9	
16		Equity	167.5	196.7	485.3	
17		**Liabilities & Equity**	**932.1**	**948.0**	**1,226.8**	
18						
19		DSO	17.7	18.7	20.0	
20		DPO	17.5	17.9	18.1	
21		DIO	21.8	23.9	29.0	
22		Other assets %	1.6%	1.6%	2.2%	
23		Other liabilities %	1.7%	1.5%	1.3%	
24						
25		Check	0.0	0.0	0.0	
26						

Calculate historical DSO, DIO and DPO figures. Calculate the historical weight of Other assets and Other liabilities with respect to revenues.

Balance Sheet

$ in million	31-Dec-14	31-Dec-15	31-Dec-16	Forecast 31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Trade Receivables	143.9	154.8	169.3	163.7	168.6	173.6	178.8	184.2
Inventory	85.0	92.0	110.0	97.5	100.5	103.5	106.6	109.8
PP&E	632.5	632.5	659.5					
Cash	24.8	21.8	220.0					
Other assets	45.9	46.9	68.0	56.1	57.8	59.6	61.4	63.2
Assets	**932.1**	**948.0**	**1,226.8**	**317.4**	**326.9**	**336.7**	**346.8**	**357.2**
Trade Payables	68.0	68.9	68.9	69.9	72.0	74.1	76.3	78.6
Provisions	32.5	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Financial Liabilities	615.8	610.4	605.0					
Other liabilities	48.3	43.3	38.9	45.8	47.1	48.5	50.0	51.5
Equity	167.5	196.7	485.3					
Liabilities & Equity	**932.1**	**948.0**	**1,226.8**	**144.3**	**147.8**	**151.4**	**155.0**	**158.8**
DSO	17.7	18.7	20.0	18.8	18.8	18.8	18.8	18.8
DPO	17.5	17.9	18.1	17.9	17.9	17.9	17.9	17.9
DIO	21.8	23.9	29.0	24.9	24.9	24.9	24.9	24.9
Other assets %	1.6%	1.6%	2.2%	1.8%	1.8%	1.8%	1.8%	1.8%
Other liabilities %	1.7%	1.5%	1.3%	1.5%	1.5%	1.5%	1.5%	1.5%
Check	0.0	0.0	0.0	173.0	179.1	185.3	191.7	198.4

Use the average number of Days in the historical period to forecast Trade Receivables, Inventory, and Trade Payables in the forecast period. Use the average weight on revenues to forecast Other assets and Other liabilities.



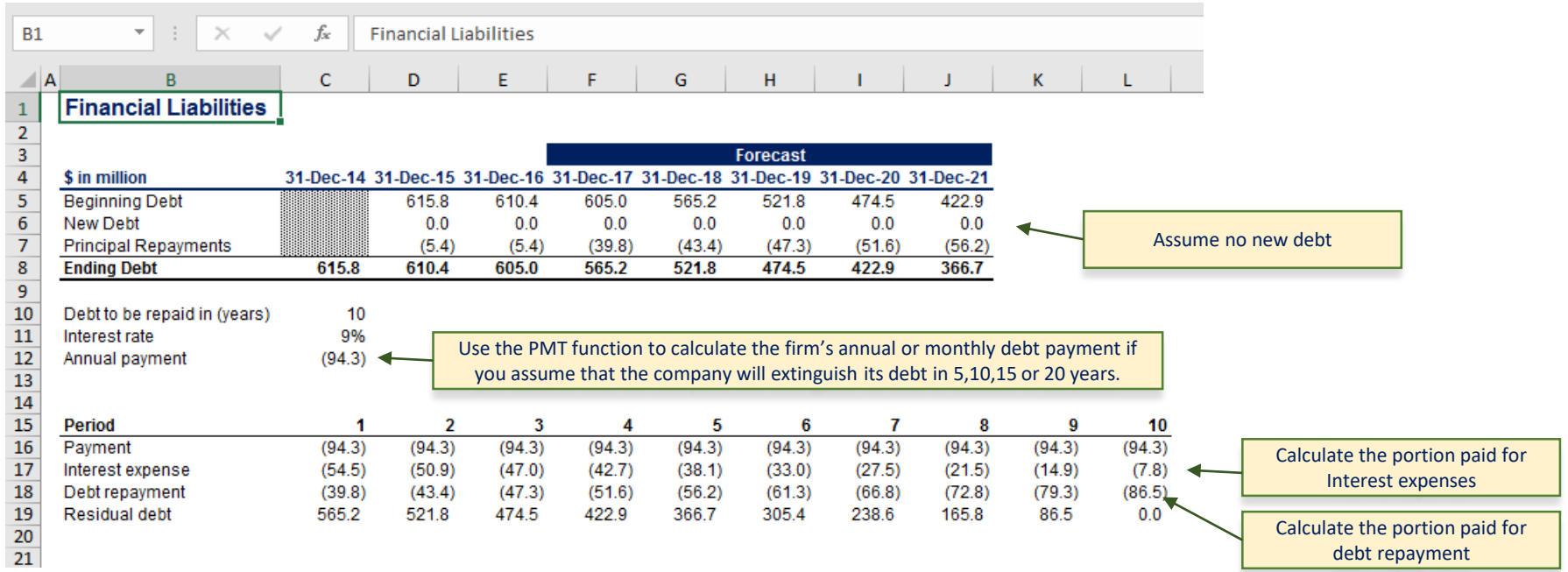
B1 | Fixed Asset Roll Forward

Fixed Asset Roll Forward

$ in million	31-Dec-14	31-Dec-15	31-Dec-16	Forecast 31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Beginning PP&E		632.5	632.5	659.5	673.6	688.0	702.6	717.6
D&A		(44.0)	(41.0)	(44.3)	(45.3)	(46.2)	(47.2)	(48.2)
Capex		44.0	68.0	58.4	59.6	60.9	62.2	63.5
Ending PP&E		**632.5**	**659.5**	**673.6**	**688.0**	**702.6**	**717.6**	**733.0**
D&A as a % of beginning PP&E		-7.0%	-6.5%	-6.7%	-6.7%	-6.7%	-6.7%	-6.7%
Capex as a % of beginning PP&E		7.0%	10.8%	8.9%	8.9%	8.9%	8.9%	8.9%

Model Capex as a percentage of Beginning PP&E or as a percentage of revenues

Create a “Fixed Asset Roll Forward” sheet. Calculate historical percentage of D&A and Capex with respect to Beginning PP&E. Then use the average in order to forecast D&A and Capex in the forecast period. An alternative approach could be to model Capex as a percentage of revenues.



B1 | Financial Liabilities

Financial Liabilities

$ in million	31-Dec-14	31-Dec-15	31-Dec-16	Forecast 31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Beginning Debt		615.8	610.4	605.0	565.2	521.8	474.5	422.9
New Debt		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal Repayments		(5.4)	(5.4)	(39.8)	(43.4)	(47.3)	(51.6)	(56.2)
Ending Debt	**615.8**	**610.4**	**605.0**	**565.2**	**521.8**	**474.5**	**422.9**	**366.7**

Assume no new debt

Debt to be repaid in (years)	10
Interest rate	9%
Annual payment	(94.3)

Use the PMT function to calculate the firm's annual or monthly debt payment if you assume that the company will extinguish its debt in 5,10,15 or 20 years.

Period	1	2	3	4	5	6	7	8	9	10
Payment	(94.3)	(94.3)	(94.3)	(94.3)	(94.3)	(94.3)	(94.3)	(94.3)	(94.3)	(94.3)
Interest expense	(54.5)	(50.9)	(47.0)	(42.7)	(38.1)	(33.0)	(27.5)	(21.5)	(14.9)	(7.8)
Debt repayment	(39.8)	(43.4)	(47.3)	(51.6)	(56.2)	(61.3)	(66.8)	(72.8)	(79.3)	(86.5)
Residual debt	565.2	521.8	474.5	422.9	366.7	305.4	238.6	165.8	86.5	0.0

Calculate the portion paid for Interest expenses

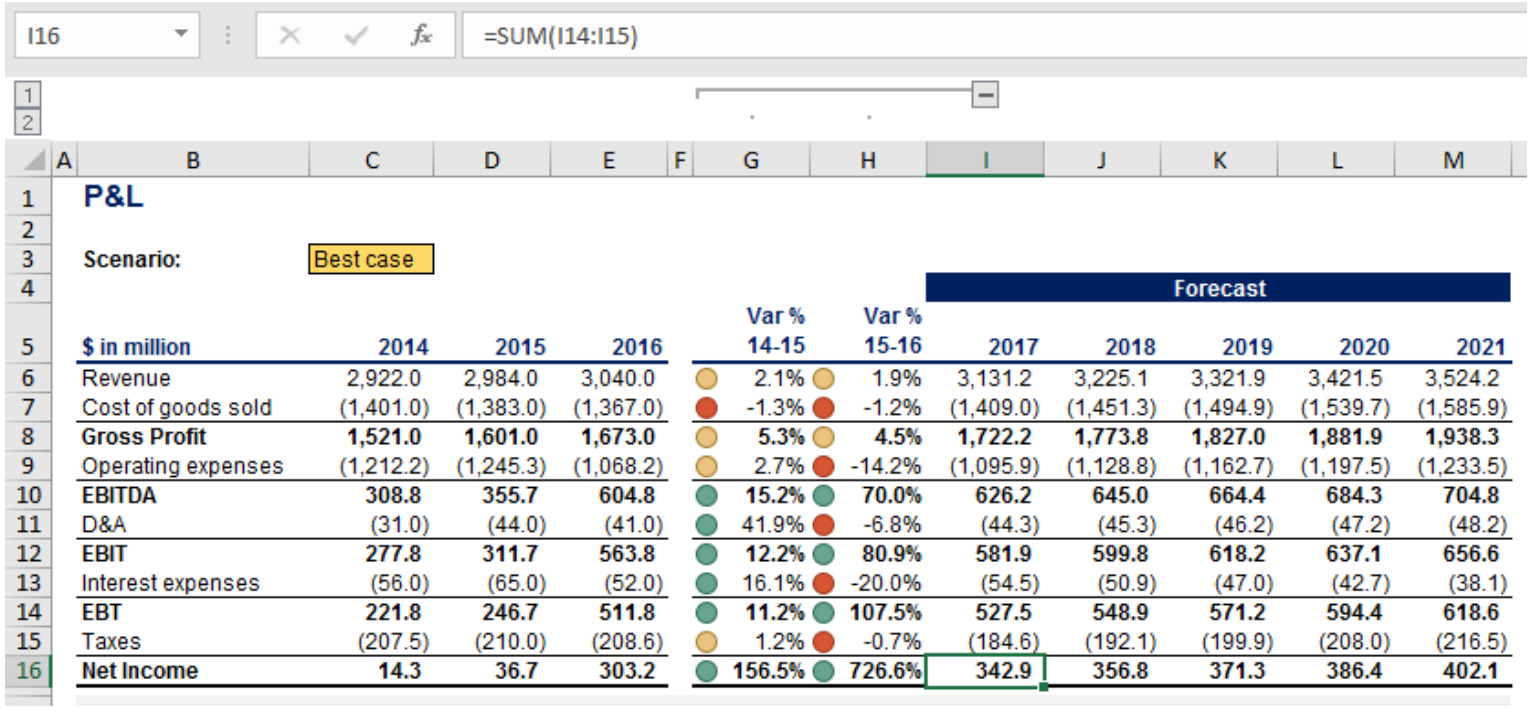
Calculate the portion paid for debt repayment

Create a "Financial liabilities" sheet. Depending on the number of debt facilities that the company has you will have to build a detailed schedule of payments for each of them. Try to separate debt repayments and interest expenses.

Taxes	(207.5)	(210.0)	(208.6)	1.2%	-0.7%	(184.6)	(192.1)	(199.9)	(208.0)	(216.5)
Net Income	**14.3**	**36.7**	**303.2**	**156.5%**	**726.6%**	**342.9**	**356.8**	**371.3**	**386.4**	**402.1**
Scenarios:										
Revenue % growth										
Selected Case						**3%**	**3%**	**3%**	**3%**	**3%**
Best case						3%	3%	3%	3%	3%
Base case						2%	2%	2%	2%	2%
Worst case						1%	1%	1%	1%	1%
Cogs as % of Revenues										
Selected Case						**-45%**	**-45%**	**-45%**	**-45%**	**-45%**
Best case	-48%	-46%	-45%			-45%	-45%	-45%	-45%	-45%
Base case	-48%	-46%	-45%			-46%	-46%	-46%	-46%	-46%
Worst case	-48%	-46%	-45%			-47%	-47%	-47%	-47%	-47%
Opex as % of Revenues										
Selected Case						**-35%**	**-35%**	**-35%**	**-35%**	**-35%**
Best case	-41.5%	-41.7%	-35.1%			-35%	-35%	-35%	-35%	-35%
Base case	-41.5%	-41.7%	-35.1%			-39%	-39%	-39%	-39%	-39%
Worst case	-41.5%	-41.7%	-35.1%			-41%	-41%	-41%	-41%	-41%
Taxes %						-35%	-35%	-35%	-35%	-35%

Assume that the company will pay the statutory tax rate in the country where it operates

Multiply EBT and the forecasted tax rate to obtain Taxes and Net Income



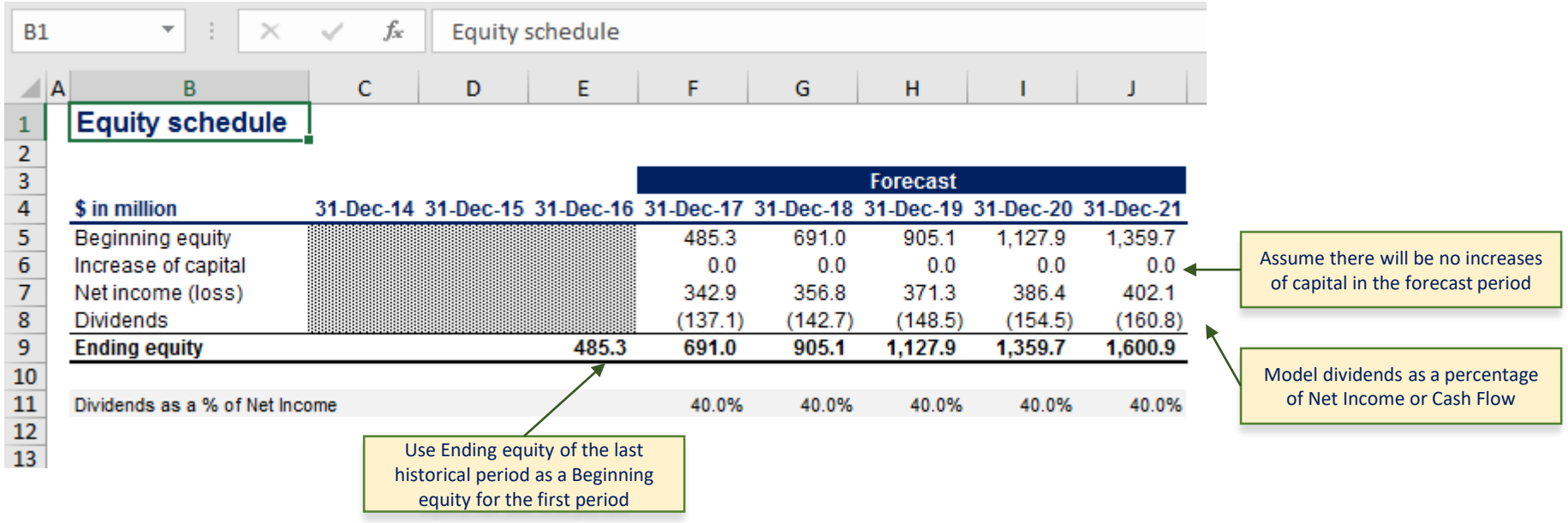
I16 =SUM(I14:I15)

P&L

Scenario: Best case

$ in million	2014	2015	2016	Var % 14-15	Var % 15-16	Forecast 2017	2018	2019	2020	2021
Revenue	2,922.0	2,984.0	3,040.0	2.1%	1.9%	3,131.2	3,225.1	3,321.9	3,421.5	3,524.2
Cost of goods sold	(1,401.0)	(1,383.0)	(1,367.0)	-1.3%	-1.2%	(1,409.0)	(1,451.3)	(1,494.9)	(1,539.7)	(1,585.9)
Gross Profit	**1,521.0**	**1,601.0**	**1,673.0**	**5.3%**	**4.5%**	**1,722.2**	**1,773.8**	**1,827.0**	**1,881.9**	**1,938.3**
Operating expenses	(1,212.2)	(1,245.3)	(1,068.2)	2.7%	-14.2%	(1,095.9)	(1,128.8)	(1,162.7)	(1,197.5)	(1,233.5)
EBITDA	**308.8**	**355.7**	**604.8**	**15.2%**	**70.0%**	**626.2**	**645.0**	**664.4**	**684.3**	**704.8**
D&A	(31.0)	(44.0)	(41.0)	41.9%	-6.8%	(44.3)	(45.3)	(46.2)	(47.2)	(48.2)
EBIT	**277.8**	**311.7**	**563.8**	**12.2%**	**80.9%**	**581.9**	**599.8**	**618.2**	**637.1**	**656.6**
Interest expenses	(56.0)	(65.0)	(52.0)	16.1%	-20.0%	(54.5)	(50.9)	(47.0)	(42.7)	(38.1)
EBT	**221.8**	**246.7**	**511.8**	**11.2%**	**107.5%**	**527.5**	**548.9**	**571.2**	**594.4**	**618.6**
Taxes	(207.5)	(210.0)	(208.6)	1.2%	-0.7%	(184.6)	(192.1)	(199.9)	(208.0)	(216.5)
Net Income	**14.3**	**36.7**	**303.2**	**156.5%**	**726.6%**	**342.9**	**356.8**	**371.3**	**386.4**	**402.1**

Now that we have calculated Net Income, we can build an equity schedule. Let's create a new sheet called "Equity schedule".



Net Income feeds the Equity schedule. The other parameters are Beginning equity, Increase of capital, Dividends, and the end result is Ending equity. Then, once we have forecasted Ending equity, it feeds the Balance Sheet.

Balance Sheet

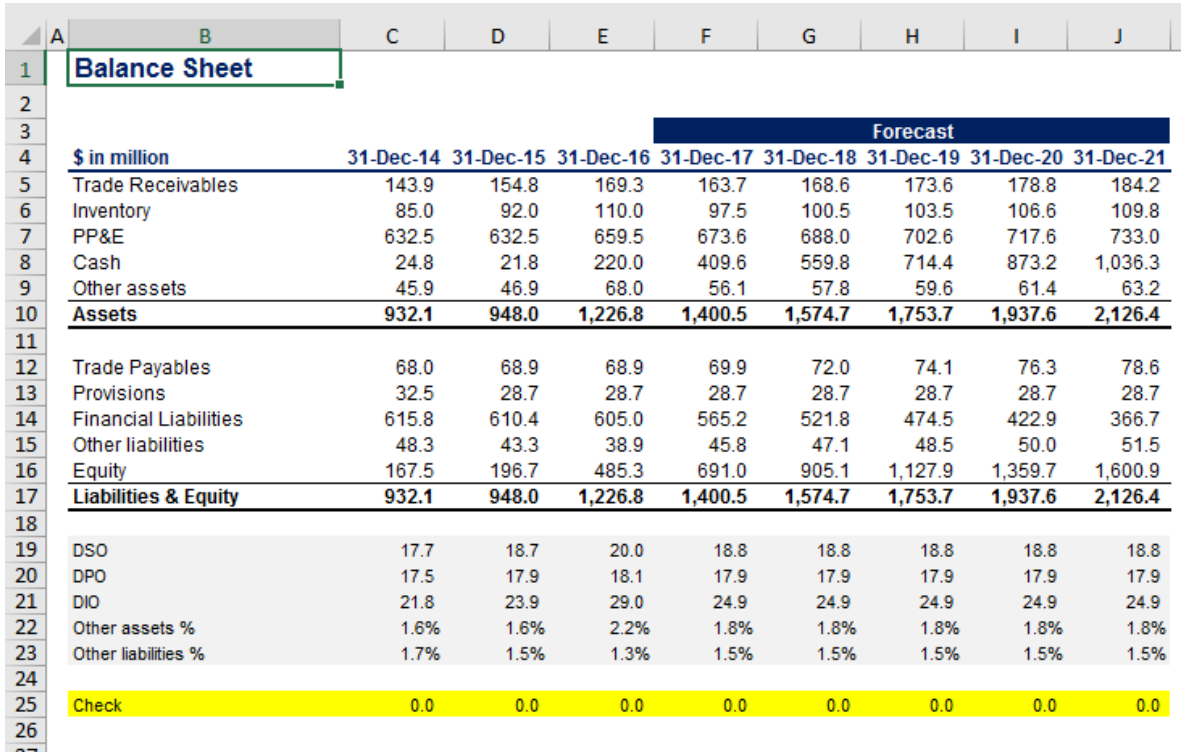
$ in million	31-Dec-14	31-Dec-15	31-Dec-16	Forecast 31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Trade Receivables	143.9	154.8	169.3	163.7	168.6	173.6	178.8	184.2
Inventory	85.0	92.0	110.0	97.5	100.5	103.5	106.6	109.8
PP&E	632.5	632.5	659.5	673.6	688.0	702.6	717.6	733.0
Cash	24.8	21.8	220.0					
Other assets	45.9	46.9	68.0	56.1	57.8	59.6	61.4	63.2
Assets	**932.1**	**948.0**	**1,226.8**	**990.9**	**1,014.8**	**1,039.3**	**1,064.4**	**1,090.1**
Trade Payables	68.0	68.9	68.9	69.9	72.0	74.1	76.3	78.6
Provisions	32.5	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Financial Liabilities	615.8	610.4	605.0	565.2	521.8	474.5	422.9	366.7
Other liabilities	48.3	43.3	38.9	45.8	47.1	48.5	50.0	51.5
Equity	167.5	196.7	485.3	691.0	905.1	1,127.9	1,359.7	1,600.9
Liabilities & Equity	**932.1**	**948.0**	**1,226.8**	**1,400.5**	**1,574.7**	**1,753.7**	**1,937.6**	**2,126.4**
DSO	17.7	18.7	20.0	18.8	18.8	18.8	18.8	18.8
DPO	17.5	17.9	18.1	17.9	17.9	17.9	17.9	17.9
DIO	21.8	23.9	29.0	24.9	24.9	24.9	24.9	24.9
Other assets %	1.6%	1.6%	2.2%	1.8%	1.8%	1.8%	1.8%	1.8%
Other liabilities %	1.7%	1.5%	1.3%	1.5%	1.5%	1.5%	1.5%	1.5%
Check	0.0	0.0	0.0	(409.6)	(559.8)	(714.4)	(873.2)	(1,036.3)

The only Balance Sheet item missing is Cash. The check is not equal to zero too.

Cash Flow

$ in mln	Forecast 2017	2018	2019	2020	2021
EBITDA	626.2	645.0	664.4	684.3	704.8
Interest expenses	(54.5)	(50.9)	(47.0)	(42.7)	(38.1)
Taxes	(184.6)	(192.1)	(199.9)	(208.0)	(216.5)
Change in Trade receivables	5.6	(4.9)	(5.1)	(5.2)	(5.4)
Change in Inventory	12.5	(2.9)	(3.0)	(3.1)	(3.2)
Change in Trade payables	1.0	2.1	2.2	2.2	2.3
Change in Other assets	11.9	(1.7)	(1.7)	(1.8)	(1.8)
Change in Other liabilities	6.9	1.4	1.4	1.5	1.5
Capex	(58.4)	(59.6)	(60.9)	(62.2)	(63.5)
Operating Cash Flow	**366.6**	**336.4**	**350.4**	**364.9**	**380.1**
Dividends	(137.1)	(142.7)	(148.5)	(154.5)	(160.8)
Change in Financial liabilities	(39.8)	(43.4)	(47.3)	(51.6)	(56.2)
Change in Provisions	0.0	0.0	0.0	0.0	0.0
Change in Equity	0.0	0.0	0.0	0.0	0.0
Net Cash Flow	**189.6**	**150.2**	**154.5**	**158.8**	**163.1**

Calculate the firm's Cash flow in the forecast period.



	A	B	C	D	E	F	G	H	I	J
1		**Balance Sheet**								
2										
3						Forecast				
4		$ in million	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
5		Trade Receivables	143.9	154.8	169.3	163.7	168.6	173.6	178.8	184.2
6		Inventory	85.0	92.0	110.0	97.5	100.5	103.5	106.6	109.8
7		PP&E	632.5	632.5	659.5	673.6	688.0	702.6	717.6	733.0
8		Cash	24.8	21.8	220.0	409.6	559.8	714.4	873.2	1,036.3
9		Other assets	45.9	46.9	68.0	56.1	57.8	59.6	61.4	63.2
10		**Assets**	**932.1**	**948.0**	**1,226.8**	**1,400.5**	**1,574.7**	**1,753.7**	**1,937.6**	**2,126.4**
11										
12		Trade Payables	68.0	68.9	68.9	69.9	72.0	74.1	76.3	78.6
13		Provisions	32.5	28.7	28.7	28.7	28.7	28.7	28.7	28.7
14		Financial Liabilities	615.8	610.4	605.0	565.2	521.8	474.5	422.9	366.7
15		Other liabilities	48.3	43.3	38.9	45.8	47.1	48.5	50.0	51.5
16		Equity	167.5	196.7	485.3	691.0	905.1	1,127.9	1,359.7	1,600.9
17		**Liabilities & Equity**	**932.1**	**948.0**	**1,226.8**	**1,400.5**	**1,574.7**	**1,753.7**	**1,937.6**	**2,126.4**
18										
19		DSO	17.7	18.7	20.0	18.8	18.8	18.8	18.8	18.8
20		DPO	17.5	17.9	18.1	17.9	17.9	17.9	17.9	17.9
21		DIO	21.8	23.9	29.0	24.9	24.9	24.9	24.9	24.9
22		Other assets %	1.6%	1.6%	2.2%	1.8%	1.8%	1.8%	1.8%	1.8%
23		Other liabilities %	1.7%	1.5%	1.3%	1.5%	1.5%	1.5%	1.5%	1.5%
24										
25		Check	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26										

Complete the Balance Sheet by summing Beginning Cash and Net Cash Flow for the respective year. Bear in mind that Beginning Cash is Ending Cash for the previous year. As you can see here, once we have done that the Balance Sheet balances. As it should ☺