**Calculate the Free Cash flow to the Project year 1**

* A firm decides to launch a new project (in millions USD).
* Expected revenues year 1: 120
* Expected COGS year 1: 65 (excluding depreciation)
* Depreciation year 1: 30
* Capex year 1: 15 (capital expenditures or new investments)
* Corporate Tax rate: 39%
* Working capital needs estimation (based on revenues = normative approach)
  + Inventories year 1: collection period = 1.5 months of revenues
  + Receivables year 1: collection period = 2 months of revenues
  + Payables year 1: collection period = 1 months of revenues

<https://www.youtube.com/watch?v=YtpEZ0aAnpU>