## **NPV**

$$NPV = \underbrace{ \begin{array}{c} Year\ 1\ inflow \\ (1+discount\ \%)^1 \end{array}}_{(1+discount\ \%)^2} + \underbrace{ \begin{array}{c} Year\ 2\ inflow \\ (1+discount\ \%)^2 \end{array}}_{(1+discount\ \%)^3} + \underbrace{ \begin{array}{c} Year\ 3\ inflow \\ (1+discount\ \%)^3 \end{array}}_{(1+discount\ \%)^3} \dots - Initial\ investment$$

Where do these cash inflows come from?